

COMMISSION IMPLEMENTING REGULATION (EU) 2023/1631**of 11 August 2023**

initiating an investigation concerning possible circumvention of the countervailing measures imposed by Implementing Regulation (EU) 2022/433 on imports of stainless steel cold-rolled flat products originating in Indonesia, by imports of stainless steel cold-rolled flat products consigned from Taiwan, Türkiye and Vietnam, whether declared as originating in Taiwan, Türkiye and Vietnam or not, and making imports of stainless steel cold-rolled flat products consigned from Taiwan, Türkiye and Vietnam subject to registration

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2016/1037 of the European Parliament and of the Council of 8 June 2016 on protection against subsidised imports from countries not members of the European Union ⁽¹⁾ ('the basic Regulation') and in particular Articles 23(4) and 24(5) thereof,

After having informed the Member States,

Whereas:

A. REQUEST

- (1) The European Commission ('the Commission') has received a request pursuant to Articles 23(4) and 24(5) of the basic Regulation, to investigate the possible circumvention of the countervailing measures imposed on imports of stainless steel cold-rolled flat products originating in Indonesia and to make imports of certain stainless steel cold-rolled flat products consigned from Taiwan, Türkiye and Vietnam, whether declared as originating in Taiwan, Türkiye and Vietnam or not, subject to registration.
- (2) The request was lodged on 3 July 2023 by the European Steel Association – 'EUROFER' ('the applicant').

B. PRODUCT

- (3) The product concerned by the possible circumvention is flat-rolled products of stainless steel, not further worked than cold-rolled (cold-reduced), classified on the date of entry into force of Commission Implementing Regulation (EU) 2022/433 ⁽²⁾ under CN codes 7219 31 00, 7219 32 10, 7219 32 90, 7219 33 10, 7219 33 90, 7219 34 10, 7219 34 90, 7219 35 10, 7219 35 90, 7219 90 20, 7219 90 80, 7220 20 21, 7220 20 29, 7220 20 41, 7220 20 49, 7220 20 81, 7220 20 89, 7220 90 20 and 7220 90 80 and originating in Indonesia ('the product concerned'). This is the product to which the measures that are currently in force apply.
- (4) The product under investigation is the same as that defined in the previous recital, currently falling under CN codes 7219 31 00, 7219 32 10, 7219 32 90, 7219 33 10, 7219 33 90, 7219 34 10, 7219 34 90, 7219 35 10, 7219 35 90, 7219 90 20, 7219 90 80, 7220 20 21, 7220 20 29, 7220 20 41, 7220 20 49, 7220 20 81, 7220 20 89, 7220 90 20 and 7220 90 80, but consigned from Taiwan, Türkiye and Vietnam, whether declared as originating in Taiwan, Türkiye and Vietnam or not (TARIC codes 7219 31 00 10, 7219 32 10 10, 7219 32 90 10, 7219 33 10 10, 7219 33 90 10, 7219 34 10 10, 7219 34 90 10, 7219 35 10 10, 7219 35 90 10, 7219 90 20 10, 7219 90 80 10, 7220 20 21 10, 7220 20 29 10, 7220 20 41 10, 7220 20 49 10, 7220 20 81 10, 7220 20 89 10, 7220 90 20 10 and 7220 90 80 10) ('the product under investigation').

⁽¹⁾ OJ L 176, 30.6.2016, p. 55.

⁽²⁾ Commission Implementing Regulation (EU) 2022/433 of 15 March 2022 imposing definitive countervailing duties on imports of stainless steel cold-rolled flat products originating in India and Indonesia and amending Implementing Regulation (EU) 2021/2012 imposing a definitive anti-dumping duty and definitively collecting the provisional duty imposed on imports of stainless steel cold-rolled flat products originating in India and Indonesia (OJ L 88, 16.3.2022, p. 24).

C. EXISTING MEASURES

- (5) The measures currently in force and possibly being circumvented are countervailing measures imposed by Implementing Regulation (EU) 2022/433 ('the existing countervailing measures'). The product concerned is also subject to anti-dumping measures imposed by Commission Implementing Regulation (EU) 2021/2012 ⁽³⁾ ('the existing anti-dumping measures'). These measures are subject to a separate anti-circumvention investigation.

D. GROUNDS

- (6) The request contains sufficient evidence that the existing countervailing measures on imports of the product concerned are being circumvented by imports of the product under investigation. The evidence in the request shows the following.
- (7) A change in the pattern of trade involving exports from Indonesia, as well as Taiwan, Türkiye and Vietnam to the Union has taken place following the imposition of the existing anti-dumping measures.
- (8) This change appears to stem from a practice for which there is insufficient due cause or economic justification other than the imposition of the duty, namely the consignment of the product concerned via Taiwan, Türkiye and Vietnam to the Union after having undergone assembly/completion operations in Taiwan, Türkiye or Vietnam respectively. The evidence provided by the applicant shows that such assembly/completion operations, starting from stainless steel slabs and/or stainless steel hot-rolled flat products originating in Indonesia, constitute circumvention as the operations started or have substantially increased since the initiation of the original anti-subsidy investigation. The stainless steel slabs and/or stainless steel hot-rolled flat products originating in Indonesia constitute above 60 % of the total value of the parts of the assembled product and the value added during the assembly/completion operations is lower than 25 % of the manufacturing cost.
- (9) Furthermore, the evidence shows that because of the practices described above, the remedial effects of the existing countervailing measures on the product concerned are being undermined both in terms of quantity and prices. Significant volumes of imports of the product under investigation appear to have entered the Union market. In addition, there is sufficient evidence that imports of the product under investigation are made at injurious prices.
- (10) Finally, the evidence tends to show that the product under investigation and/or parts thereof still benefit from subsidies. Indeed, the product under investigation and the parts thereof are produced by and exported to Taiwan, Türkiye and Vietnam by companies in Indonesia that were found to receive countervailable subsidies for the production and sale of the product under investigation under the existing measures.
- (11) Should circumvention practices covered by Article 23 of the basic Regulation, other than the one mentioned above, be identified in the course of the investigation, the investigation may also cover these practices.

E. PROCEDURE

- (12) In light of the above, the Commission has concluded that sufficient evidence exists to justify the initiation of an investigation pursuant to Article 23(4) of the basic Regulation and to make imports of the product under investigation subject to registration, in accordance with Article 24(5) of the basic Regulation.
- (13) In order to obtain the information necessary for this investigation, all interested parties should contact the Commission forthwith, but not later than the time limit set in Article 3(2) of this Regulation. The time limit set in Article 3(2) of this Regulation applies to all interested parties. Information, as appropriate, may also be sought from the Union industry.

⁽³⁾ Commission Implementing Regulation (EU) 2021/2012 of 17 November 2021 imposing a definitive anti-dumping duty and definitively collecting the provisional duty imposed on imports of stainless steel cold-rolled flat products originating in India and Indonesia (OJ L 410, 18.11.2021, p. 153).

(14) The authorities of Taiwan, Türkiye, Vietnam and Indonesia will be notified of the initiation of the investigation.

(a) Instructions for making written submissions and sending completed questionnaires and correspondence

(15) Information submitted to the Commission for the purpose of trade defence investigations shall be free from copyrights. Interested parties, before submitting to the Commission information and/or data which is subject to third party copyrights, must request specific permission to the copyright holder explicitly allowing (a) the Commission to use the information and data for the purpose of this trade defence proceeding; and (b) to provide the information and/or data to interested parties to this investigation in a form that allows them to exercise their right of defence.

(16) All written submissions, including the information requested in this Regulation, completed questionnaires and correspondence provided by interested parties for which confidential treatment is requested shall be labelled 'Sensitive' (*). Parties submitting information in the course of this investigation are invited to reason their request for confidential treatment.

(17) Parties providing 'Sensitive' information are required to furnish non-confidential summaries of it pursuant to Article 29(2) of the basic Regulation, which will be labelled 'For inspection by interested parties'. These summaries should be sufficiently detailed to permit a reasonable understanding of the substance of the information submitted in confidence.

(18) If a party providing confidential information fails to show good cause for a confidential treatment request or does not furnish a non-confidential summary of it in the requested format and quality, the Commission may disregard such information unless it can be satisfactorily demonstrated from appropriate sources that the information is correct.

(19) Interested parties are invited to make all submissions and requests via TRON.tdi (<https://webgate.ec.europa.eu/tron/TDI>) including requests to be registered as interested parties, scanned powers of attorney and certification sheets.

(20) In order to have access to TRON.tdi, interested parties need an EU Login account. Full instructions on how to register and use TRON.tdi are available on <https://webgate.ec.europa.eu/tron/resources/documents/gettingStarted.pdf>.

By using TRON.tdi or email, interested parties express their agreement with the rules applicable to electronic submissions contained in the document 'CORRESPONDENCE WITH THE EUROPEAN COMMISSION IN TRADE DEFENCE CASES' published on the website of the Directorate-General for Trade: <https://europa.eu/!7tHpY3>.

(21) The interested parties must indicate their name, address, telephone and a valid email address and they should ensure that the provided email address is a functioning official business email which is checked on a daily basis. Once contact details are provided, the Commission will communicate with interested parties by email only, unless they explicitly request to receive all documents from the Commission by another means of communication or unless the nature of the document to be sent requires the use of a registered mail. For further rules and information concerning correspondence with the Commission including principles that apply to submissions by email, interested parties should consult the communication instructions with interested parties referred to above.

(*) A 'Sensitive' document is a document which is considered confidential pursuant to Article 29 of the basic Regulation and Article 12 of the WTO Agreement on Subsidies and Countervailing Measures (SCM Agreement). It is also a document protected pursuant to Article 4 of Regulation (EC) No 1049/2001 of the European Parliament and of the Council (OJ L 145, 31.5.2001, p. 43).

- (22) Commission address for correspondence:

European Commission
Directorate-General for Trade
Directorate G
Office: CHAR 04/039
1049 Bruxelles/Brussel
BELGIQUE/BELGIË

TRON.tdi: <https://webgate.ec.europa.eu/tron/tdi>

Email: TRADE-SSCR-AC@ec.europa.eu

(b) Collection of information and holding of hearings

- (23) All interested parties including the Union industry, importers and any relevant association are invited to make their views known in writing and to provide supporting evidence provided that such submissions are made within the deadline provided for in Article 3(2). Furthermore, the Commission may hear interested parties, provided that they make a request in writing and show that there are particular reasons why they should be heard.

(c) Requests for exemptions

- (24) In accordance with Article 23(6) of the basic Regulation, imports of the product under investigation may be exempted from measures if the importation does not constitute circumvention.
- (25) Since the possible circumvention takes place outside the Union, exemptions may be granted, in accordance with Article 23(6) of the basic Regulation, to producers of the product under investigation in Taiwan, Türkiye and Vietnam that can show that they are not engaged in circumvention practices as defined in Articles 23(3) of the basic Regulation. Producers, if any, wishing to obtain an exemption should come forward within the time-limit indicated in Article 3(1) of this Regulation. Copies of the questionnaire for exporting producers in Indonesia, the exemption claim form questionnaire for exporting producers in Taiwan, Türkiye and Vietnam and questionnaires for importers in the Union are available in the file for inspection by interested parties and on DG Trade's website: <https://tron.trade.ec.europa.eu/investigations/case-view?caseId=2675>. The questionnaires have to be submitted within the time limit indicated in Article 3(2) of this Regulation.

F. REGISTRATION

- (26) Pursuant to Article 24(5) of the basic Regulation, imports of the product under investigation shall be made subject to registration in order to ensure that, should the investigation result in findings of circumvention, countervailing duties of an appropriate amount, not exceeding the residual duty imposed by Implementing Regulation (EU) 2022/433, can be levied from the date on which registration of such imports was imposed.

G. TIME LIMITS

- (27) In the interest of sound administration, time limits should be stated within which:
- interested parties may make themselves known to the Commission, submit questionnaires, present their views in writing or any other information to be taken into account during the investigation,
 - producers in Taiwan, Türkiye and Vietnam may request exemptions from measures,
 - interested parties may make a written request to be heard by the Commission.
- (28) Attention is drawn to the fact that the exercise of procedural rights set out in the basic Regulation depends on parties making themselves known within the time-limits laid down in Article 3 of this Regulation.

H. NON-COOPERATION

- (29) If any interested party refuses access to or does not provide the necessary information within the time limits, or significantly impedes the investigation, findings, affirmative or negative, may be made on the basis of facts available in accordance with Article 28 of the basic Regulation.
- (30) Where it is found that any interested party has supplied false or misleading information, the information shall be disregarded and use may be made of facts available in accordance with Article 28 of the basic Regulation.
- (31) If an interested party does not cooperate or cooperates only partially and findings are therefore based on the facts available in accordance with Article 28 of the basic Regulation, the result may be less favourable to that party than if it had cooperated.

I. SCHEDULE OF THE INVESTIGATION

- (32) The investigation will be concluded, pursuant to Article 23(4) of the basic Regulation, within nine months of the date of entry into force of this Regulation.

J. PROCESSING OF PERSONAL DATA

- (33) It is noted that any personal data collected in this investigation will be treated in accordance with Regulation (EU) 2018/1725 of the European Parliament and of the Council ⁽⁵⁾.
- (34) A data protection notice that informs all individuals of the processing of personal data in the framework of Commission's trade defence activities is available on DG Trade's website: <https://europa.eu/!vr4g9W>.

K. HEARING OFFICER

- (35) Interested parties may request the intervention of the Hearing Officer for trade proceedings. The Hearing Officer reviews requests for access to the file, disputes regarding the confidentiality of documents, requests for extension of time limits and any other request concerning the rights of defence of interested parties and third parties as may arise during the proceeding.
- (36) The Hearing Officer may organise hearings and mediate between the interested party/-ies and Commission services to ensure that the interested parties' rights of defence are being fully exercised. A request for a hearing with the Hearing Officer should be made in writing and should specify the reasons for the request. The Hearing Officer will examine the reasons for the requests. These hearings should only take place if the issues have not been settled with the Commission services in the due course.
- (37) Any request must be submitted in good time and expeditiously so as not to jeopardise the orderly conduct of proceedings. To that effect, interested parties should request the intervention of the Hearing Officer at the earliest possible time following the occurrence of the event justifying such intervention. In principle, the timeframes set out in Article 3(3) of this Regulation to request hearings with the Commission services apply *mutatis mutandis* to requests for hearings with the Hearing Officer. Where hearing requests are submitted outside the relevant timeframes, the Hearing Officer will also examine the reasons for such late requests, the nature of the issues raised and the impact of those issues on the rights of defence, having due regard to the interests of good administration and the timely completion of the investigation.
- (38) For further information and contact details interested parties may consult the Hearing Officer's web pages on DG TRADE's website: https://policy.trade.ec.europa.eu/contacts/hearing-officer_en.

⁽⁵⁾ Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39).

HAS ADOPTED THIS REGULATION:

Article 1

An investigation is initiated pursuant to Article 23(4) of Regulation (EU) 2016/1037, in order to determine if imports into the Union of flat-rolled products of stainless steel, not further worked than cold-rolled (cold-reduced), currently falling under CN codes 7219 31 00, 7219 32 10, 7219 32 90, 7219 33 10, 7219 33 90, 7219 34 10, 7219 34 90, 7219 35 10, 7219 35 90, 7219 90 20, 7219 90 80, 7220 20 21, 7220 20 29, 7220 20 41, 7220 20 49, 7220 20 81, 7220 20 89, 7220 90 20 and 7220 90 80, consigned from Taiwan, Türkiye and Vietnam, whether declared as originating in Taiwan, Türkiye and Vietnam or not (TARIC codes 7219 31 00 10, 7219 32 10 10, 7219 32 90 10, 7219 33 10 10, 7219 33 90 10, 7219 34 10 10, 7219 34 90 10, 7219 35 10 10, 7219 35 90 10, 7219 90 20 10, 7219 90 80 10, 7220 20 21 10, 7220 20 29 10, 7220 20 41 10, 7220 20 49 10, 7220 20 81 10, 7220 20 89 10, 7220 90 20 10 and 7220 90 80 10) are circumventing the measures imposed by Implementing Regulation (EU) 2022/433.

Article 2

1. The customs authorities of the Member States shall, pursuant to Article 23(4) and Article 24(5) of Regulation (EU) 2016/1037, take the appropriate steps to register the imports into the Union identified in Article 1 of this Regulation.
2. Registration shall expire nine months following the date of entry into force of this Regulation.

Article 3

1. Interested parties must make themselves known by contacting the Commission within 15 days from the date of entry into force of this Regulation.
2. Interested parties, if their representations are to be taken into account during the investigation, must present their views in writing and submit questionnaire replies, requests for exemptions, or any other information within 37 days from the date of the publication of this Regulation in the *Official Journal of the European Union*, unless otherwise specified.
3. Interested parties may also apply to be heard by the Commission within the same 37-day time limit. For hearings pertaining to the initiation stage of the investigation the request must be submitted within 15 days of the date of entry into force of this Regulation. Any request to be heard must be made in writing and must specify the reasons for the request.

Article 4

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 11 August 2023.

For the Commission
The President
Ursula VON DER LEYEN