

COMMISSION IMPLEMENTING REGULATION (EU) 2017/1759**of 27 September 2017****imposing a definitive anti-dumping duty on imports of barium carbonate originating in the People's Republic of China following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council**

THE EUROPEAN COMMISSION,

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

Having regard to 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 ⁽¹⁾ ('the basic Regulation'), and in particular Article 11(2) thereof,

Whereas:

1. PROCEDURE**1.1. Measures in force**

- (1) Following an anti-dumping investigation ('the original investigation'), the Council imposed, by Regulation (EC) No 1175/2005 ⁽²⁾, a definitive anti-dumping duty on imports of barium carbonate originating in the People's Republic of China ('PRC' or 'China' or 'country concerned'). The measures took the form of a specific duty of 6,30 EUR/tonne and 8,10 EUR/tonne for two Chinese exporting producers with an individual duty rate and 56,40 EUR/tonne for all other exporting producers in China.
- (2) In August 2011, following an expiry review ('the previous expiry review'), the measures were extended for a period of five years by Council Implementing Regulation (EU) No 831/2011 ⁽³⁾.

1.2. Request for an expiry review

- (3) Following the publication of a notice of the impending expiry of the anti-dumping measures in force ⁽⁴⁾, the Commission received on 12 May 2016 a request for the initiation of an expiry review of these measures pursuant to Article 11(2) of the basic Regulation ('the request').
- (4) The request was lodged by Solvay & CPC Barium Strontium GmbH & Co. KG, Germany ('the applicant'), the sole Union producer of barium carbonate, thus representing 100 % of the total Union production. The request was based on the grounds that the expiry of the definitive anti-dumping measures would likely result in the continuation of dumping and injury.

1.3. Initiation

- (5) Having determined, after consulting the Committee established by Article 15(1) of the basic Regulation, that sufficient evidence existed for the initiation of an expiry review, the Commission announced on 18 August 2016, by a notice published in the *Official Journal of the European Union* ⁽⁵⁾ ('the Notice of Initiation'), the initiation of an expiry review in accordance with Article 11(2) of the basic Regulation.

1.4. Interested parties

- (6) In the Notice of Initiation, the Commission invited interested parties to come forward in order to participate in the investigation. In addition, the Commission specifically informed the applicant, known exporting producers, the authorities of the PRC, known importers and users known to be concerned about the initiation of the investigation and invited them to participate.

⁽¹⁾ OJ L 176, 30.6.2016, p. 21.

⁽²⁾ Council Regulation (EC) No 1175/2005 of 18 July 2005 imposing a definitive anti-dumping duty and collecting definitively the provisional duty imposed on imports of barium carbonate originating in the People's Republic of China (OJ L 189, 21.7.2005, p. 15).

⁽³⁾ Council Implementing Regulation (EU) No 831/2011 of 16 August 2011 imposing a definitive anti-dumping duty on imports of barium carbonate originating in the People's Republic of China following an expiry review pursuant to Article 11(2) of Regulation (EC) No 1225/2009 (OJ L 214, 19.8.2011, p. 1).

⁽⁴⁾ OJ C 388, 21.11.2015, p. 16.

⁽⁵⁾ OJ C 298, 18.8.2016, p. 4.

- (7) Interested parties had an opportunity to make their views known in writing and to request a hearing with the Commission and/or the Hearing Officer in trade proceedings within the time limits set out in the Notice of Initiation.

1.5. Analogue country

- (8) In the Notice of Initiation, in relation to imports from the PRC, the Commission informed interested parties that it envisaged India as a market economy third country ('analogue country') within the meaning of Article 2(7)(a) of the basic Regulation and invited them to comment on this choice. No comments were received in this respect.
- (9) The Commission contacted the Indian authorities and the known producers of barium carbonate in India and invited them to cooperate. None of the producers in India cooperated by supplying the requested information.
- (10) In parallel, the Commission sought cooperation of known producers in other potential analogue countries and also contacted the relevant authorities in Brazil, Iran, the Republic of Korea and the USA, inviting them to provide the names and addresses of producers' associations and producers that are known to produce and sell barium carbonate on their market. However, no producer from these countries was willing to cooperate.

1.6. Sampling

- (11) In the Notice of Initiation, the Commission stated that it might sample the interested parties in accordance with Article 17 of the basic Regulation.

Sampling of exporting producers in the PRC

- (12) In view of the apparent large number of exporting producers in the PRC, sampling was envisaged in the Notice of Initiation.
- (13) To decide whether sampling was necessary and, if so, to select a sample, the Commission asked all known exporting producers in the PRC to provide the information specified in the Notice of Initiation. In addition, the Commission requested the Mission of the People's Republic of China to the European Union to identify and/or contact other exporting producers, if any, that could be interested in participating in the investigation.
- (14) No Chinese exporting producer came forward. Sampling was thus not necessary.

Sampling of importers

- (15) To decide whether sampling was necessary and, if so, to select a sample, the Commission contacted all known unrelated importers and asked them to provide the information specified in the Notice of Initiation.
- (16) Six importers came forward, identified themselves, and provided the Commission with the information requested in the Notice of Initiation.
- (17) In view of the small number of importers, the Commission chose not to select a sample and sent the questionnaire to all six importers who identified themselves. However, as set out in recital 19 below, none of these importers replied to the questionnaire.

1.7. Questionnaire replies and verification visits

- (18) The Commission sent questionnaires to the sole Union producer, to the 6 importers and the 86 users that came forward, to all 4 known Chinese exporting producers and to 20 known producers in potential analogue countries (18 in India, 1 in Iran and 1 in the USA).
- (19) Questionnaire replies were received from the sole Union producer and 15 users. None of the Chinese exporting producers and none of the producers in the potential analogue countries cooperated. Likewise, and while they identified themselves initially, as set out in recital 16 above, none of the importers that came forward replied to the questionnaire that was subsequently sent by the Commission.

- (20) The Commission sought and verified all the information deemed necessary for the determination of the likelihood of continuation or recurrence of dumping, resulting injury and Union interest. Verification visits pursuant to Article 16 of the basic Regulation were carried out at the premises of the following companies:

Union producer

— Solvay & CPC Barium Strontium GmbH & Co. KG, Germany.

Users

— Esmalglass, S.A.U, Villareal, Spain,

— Torrecid, S.A, L'Alcora, Spain,

— BorsodChem Zrt, Kazincbarcika, Hungary.

1.8. Review investigation period and period considered

- (21) The investigation of the likelihood of continuation or recurrence of dumping covered the period from 1 July 2015 to 30 June 2016 ('the review investigation period' or 'RIP'). The examination of the trends relevant for the assessment of the likelihood of a continuation or recurrence of injury covered the period from 1 January 2013 to the end of the review investigation period ('the period considered').

1.9. Disclosure

- (22) All interested parties were informed of the essential facts and considerations on the basis of which it was intended to maintain the definitive anti-dumping measures in force. The parties were also granted a period within which they could make representations subsequent to this disclosure.

2. PRODUCT UNDER REVIEW AND LIKE PRODUCT

2.1. Product under review

- (23) The product under review is barium carbonate with a strontium content of more than 0,07 % by weight and a sulphur content of more than 0,0015 % whether in powder, pressed granular or calcined granular form (the product under review), originating in the PRC, currently falling within CN code ex 2836 60 00 (TARIC code 2836 60 00 10).
- (24) Barium carbonate is used as a raw material for several industries. It is primarily used in the production of ceramic frits and glazes, brick and tiles, special purpose glasses, and in the chemical industry

2.2. Like product

- (25) The investigation showed that the following products have the same physical and chemical characteristics as well as the same basic uses:
- the product under review,
 - the product produced and sold on the domestic market of the PRC, and
 - the product produced and sold in the Union by the Union industry.
- (26) The Commission concluded therefore that these products are like products within the meaning of Article 1(4) of the basic Regulation.

3. LIKELIHOOD OF A CONTINUATION OR RECURRENCE OF DUMPING

3.1. Preliminary remarks

- (27) In accordance with Article 11(2) of the basic Regulation, it was examined whether dumping was taking place during the review investigation period and whether the expiry of the existing measures would be likely to lead to a continuation or recurrence of dumping.

- (28) As mentioned in recital 14 none of the Chinese exporting producers cooperated in this investigation. Therefore, the Commission informed the Chinese authorities that in accordance with Article 18 of the basic Regulation facts available may be used with regard to the Chinese exporting producer in order to determine whether dumping is currently taking place and the likelihood of continuation or recurrence of dumping. The Commission did not receive any comments or requests for an intervention of the Hearing Officer from the Chinese authorities in this regard.
- (29) On this basis, in accordance with Article 18(1) of the basic Regulation, the findings in relation to the existence of dumping and the likelihood of continuation or recurrence of dumping set out below were based on facts available, in particular:
- (i) information contained in the request;
 - (ii) Eurostat statistics and the data reported to the Commission by the Member States pursuant to Article 14(6) of the basic Regulation ('Article 14(6) database');
 - (iii) publicly available statistics of the Chinese Export Statistics and COMTRADE ⁽⁶⁾ Database; and
 - (iv) publicly-available information ⁽⁷⁾.

3.2. Dumping

3.2.1. *Exporting producers who have been granted market economy treatment in the original investigation*

3.2.1.1. Normal value

- (30) Two exporting producers were granted market economy treatment ('MET') in the original investigation. In accordance with Article 18 of the basic Regulation, due to a lack of cooperation, the normal value for these exporting producers was, accordingly, based on facts available.
- (31) The normal value was established on the basis of Chinese export prices to other third country markets with no anti-dumping measures in place as recorded in the Chinese Export Statistics Database in accordance with Article 2(3) of the basic Regulation.
- (32) This was considered the most reasonable methodology given the lack of other information available due to the lack of cooperation.

3.2.1.2. Export prices

- (33) In the absence of cooperation of any Chinese exporting producer, the export price was based on the Article 14(6) database for imports to the Union of the product under review during the review investigation period by the two Chinese exporting producers who were granted MET during the original investigation.

3.2.1.3. Comparison

- (34) The Commission compared the normal value and the export price thus established on an ex-works basis. For the purpose of a fair comparison, the export price and the normal value were adjusted for differences affecting prices and price comparability in accordance with Article 2(10) of the basic Regulation. Adjustments were made for ocean freight, handling costs and inland freight based on publicly available information and information in the request in accordance with Article 18 of the basic Regulation.

3.2.1.4. Dumping margin

- (35) The Commission compared the weighted average normal value to the weighted average export price as established above in accordance with Article 2(11) and (12) of the basic Regulation.
- (36) On this basis, the weighted average dumping margin expressed as a percentage of the CIF Union frontier price, duty unpaid was around 30 % for Hubei Jingshan Chutian Barium Salt Corp. Ltd and around 20 % for Zaozhuang Yongli Chemical Co.

⁽⁶⁾ UN COMTRADE is a repository of official international trade statistics and relevant analytical tables: <https://comtrade.un.org/>

⁽⁷⁾ E.g. company websites, see footnote 8.

3.2.2. Exporting producers who have not been granted market economy treatment during the original investigation

3.2.2.1. Analogue country

- (37) For those Chinese exporting producers who were not granted MET in the original investigation normal value should be established according to Article 2(7)(a) of the basic Regulation, i.e. on the basis of the price or constructed value in an appropriate market economy third country (the 'analogue country').
- (38) India was selected as analogue country in the previous expiry review. Therefore, in the Notice of Initiation of the present review, the Commission proposed to use India again as analogue country and invited interested parties to comment.
- (39) As mentioned in recital 10 the Commission also sought cooperation of other potential analogue countries, i.e. Brazil, Iran, the Republic of Korea and the USA, by inviting known producers to provide the necessary information.
- (40) However, none of the producers from these countries agreed to cooperate with the proceeding. There were no indications for any other country where the production of barium carbonate could take place.

3.2.2.2. Normal value

- (41) Given the abovedescribed non-cooperation from producers in any of the potential analogue countries, the Commission determined normal value on any other reasonable basis in accordance with Article 2(7)(a) of the basic Regulation.
- (42) The normal value in this regard was established on the basis of the average cost of manufacturing of the Union industry by adding an amount for selling, general and administrative costs ('SG&A') and profits. SG&A were based on the actual SG&A of the Union industry pertaining to the production and sale of the like product on the Union market, while profits were based on the profits pertaining to production and sales, in the ordinary course of trade, of the like product in accordance with Article 2(6) of the basic Regulation used per analogy.
- (43) This was considered the most reasonable methodology given the lack of other information available due to the lack of cooperation.

3.2.2.3. Export price

- (44) Due to the non-cooperation from the Chinese exporting producers, export prices were established in accordance with Article 18 of the basic Regulation, i.e. on the basis of the Article 14(6) database for imports made to the Union during the review investigation period by those Chinese exporting producers who were not granted MET during the original investigation.

3.2.2.4. Comparison

- (45) The Commission compared the normal value and the export price thus established on an ex-works basis. Where justified for the purpose of a fair comparison, the export price and the normal value were adjusted for differences affecting prices and price comparability in accordance with Article 2(10) of the basic Regulation. Adjustments were made for ocean freight, handling costs and inland freight based on publicly available information and information in the request in accordance with Article 18 of the basic Regulation.

3.2.2.5. Dumping margin

- (46) The Commission compared the weighted average normal value to the weighted average export price as established above in accordance with Article 2(11) and (12) of the basic Regulation.
- (47) On this basis the weighted average dumping margin expressed as a percentage of the cost, insurance, freight ('CIF') Union frontier price, duty unpaid was more than 100 %.

3.3. Development of imports should measures be repealed

- (48) Further to the finding of dumping during the review investigation period, the Commission analysed whether there was a likelihood of a continuation of dumping, should the measures be repealed. The following elements were analysed: the production capacity and spare capacity in the PRC, Chinese export behaviour in other third countries and the attractiveness of the Union market.
- (49) Given the non-cooperation of the Chinese exporting producers, in accordance with Article 18 of the basic Regulation, the findings in relation to the likelihood of recurrence of dumping set out below were based on facts available, namely the sources mentioned in recital 29.

3.3.1. Production capacity and spare capacity in China

- (50) The Chinese production capacity was estimated by using publicly available data found for ten known Chinese producers of barium carbonate ⁽⁸⁾. Their declared production capacity amounted cumulatively to a yearly capacity of at least 428 000 tonnes, which is more than five times the total Union's consumption (77 099 tonnes) in the RIP as established in recital 62 below and about three times the total world trade of barium carbonate according to COMTRADE data for 2015 ⁽⁹⁾.
- (51) Regarding spare capacity, and in the absence of any other information, the findings of the previous expiry review were used as a basis. On this ground, spare capacity in China was considered to amount to 280 000 tonnes ⁽¹⁰⁾.
- (52) The investigation did not reveal any indication that the production capacity for barium carbonate in China had significantly changed from the previous expiry review. The investigation did also not reveal that consumption in China would increase significantly or that the world market for barium carbonate could absorb such spare capacity in the foreseeable future.
- (53) The Commission therefore considered that the large spare capacity reported in the previous expiry review had remained largely at the same level and that there were no indications that this would significantly change in the near future.
- (54) On this basis, spare capacity in China was considered to represent more than three times the total Union consumption during the review investigation period.

3.3.2. China's export behaviour in other third countries

- (55) Regarding China's export behaviour in other third countries, it was found that sales to the six largest export markets with no measures in place ⁽¹¹⁾, i.e. Brazil, Egypt, Iran, Japan, Mexico and Russia, were made at dumped prices. Thus, a comparison of the Chinese export prices to these six markets based on the Chinese Export Statistics Database with the normal value as established for non-MET companies above in recital 42 resulted in dumping margins that were between around 55 % and over 70 % depending on the specific export market. These exports represented 46 % of the total exports of China to other third countries during the review investigation period and were therefore considered representative.

⁽⁸⁾ Ref.: Hubei Jingshan Chutian Barium Salt Corp. Ltd: <http://www.jingyan.com/index.php?lang=en> accessed on 9.1.2017; Zaozhuang Yongli Chemical Co.: <http://llylchem.com/English/index.asp> accessed on 9.1.2017; Guizhou Hongkaj Chemical Co. Ltd: <http://www.guizhouhongkaichemicalcoltd.enic.pk/> accessed on 9.1.2017; Hengyang Hong Xiang Co. Ltd: http://www.yp.net.cn/english/search/printSingleDetailed.asp?i=C%19yK0%08i%40RY_jV%40&p=14 accessed on 9.1.2017; Guizhou Red Star Developing Co.: http://www.redstarchem.com.cn/_d273694355.htm accessed on 9.1.2017; Hebei Xinji Chemical Group Co. Ltd: http://www.hhxj.chemchina.com/hbxjen/gywm/dsj/B700106web_1.htm accessed on 9.1.2017; Henan Huaxing Barium Industry Co., Ltd: [https://www.fuzing.com/barium-carbonate-\(manufacturer-of-China\)/l/9c037042-e065-1f8f-a97a-04b07ac7793b](https://www.fuzing.com/barium-carbonate-(manufacturer-of-China)/l/9c037042-e065-1f8f-a97a-04b07ac7793b) accessed on 9.1.2017; SHAANXI ANKANG JIANGHUA GROUP CO., LTD: Jianghua chemical plant: <http://www.jianghuagroup.com/template/structureen.htm> accessed on 19.1.2017; Hengyang Wanfeng Chemical Co., Ltd: <http://www.wf-chem.com/pages/about.htm> accessed on 9.1.2017; Hounan Chenzhou Chemical Industry Co., Ltd: http://www.chinachenzhou.com/cgi/search-en.cgi?f=introduction_en_1_+company_en_1_&t=introduction_en_1 accessed on 9.1.2017

⁽⁹⁾ COMTRADE HS6 data for product 283660: world exports 141,766 tonnes, world imports 137,554 tonnes.

⁽¹⁰⁾ Recital 71 of Implementing Regulation (EU) No 831/2011.

⁽¹¹⁾ Source: Chinese Export Statistics Database.

3.3.3. Attractiveness of the Union market

- (56) The investigation has shown that based on the Chinese Export Statistics Database, prices from China to the six largest third countries export markets with no measures in place were on average lower than export prices realised to the Union during the same period (the review investigation period). That is, the average Chinese price in the Union of the product under review was 397 EUR/tonne, whereas the average price of the like product for export to China's six largest export markets was 345 EUR/tonne. This was true for around 90 % of the Chinese total export volumes to other third country markets including the six largest mentioned in recital 55. On this basis, the Commission considered that the Union market is an attractive market for Chinese exporters as these could achieve higher profits through higher sales prices, while still undercutting the Union industry prices as demonstrated in recital 73 below.
- (57) In addition, the attractiveness of the Union market can also be demonstrated by the continued high presence of the Chinese exporters in the Union market despite the measures in force. In this regard, from 2003, i.e. before the entering into force of the existing measures, up to the end of the review investigation period of the current review, the market share of Chinese imports has increased from almost 50 % to a range of 59 % to 73 %. While there was a decrease in worldwide export volume from China from 130 000 tonnes in 2009 to 125 000 tonnes in 2015 ⁽¹²⁾, Chinese exports to the Union followed a converse trend and increased from 37 341 tonnes in 2009 to 51 919 tonnes in 2015 respectively, which clearly demonstrates the interest of Chinese exporting producers in the Union market. As mentioned above, this development occurred despite the measures in force.
- (58) Moreover, the investigation showed that two significant export markets for barium carbonate, namely the USA and India, have anti-dumping measures in force against China and that a third important export market, Brazil, has high import duties of 10 % in place, which effectively protects these markets from significant imports. Therefore, and also considering the conclusions made in recital 52, i.e. that the barium carbonate market is stable without any significant increase in overall consumption levels worldwide, it is unlikely that any spare capacity in China will be directed to those markets but will rather be directed to the Union market should the measures be repealed.

3.4. Conclusion on the likelihood of a continuation of dumping

- (59) In conclusion, the dumping margins established during the review investigation period, the large estimated production capacity, the high spare capacity in combination with China's practice of dumping barium carbonate on its export markets and the attractiveness of the Union market, indicate that a repeal of the measures would likely result in significant increase of exports to the Union. Given the dumping margin found during the review investigation period, it is also likely that future exports will be made at significantly dumped prices. It is therefore considered that there is a strong likelihood of a continuation of dumping should the measures be repealed.

4. LIKELIHOOD OF A CONTINUATION OR RECURRENCE OF INJURY

4.1. Definition of the Union Industry and Union production

- (60) The sole cooperating Union producer represents 100 % of the Union production of barium carbonate during the review investigation period. The Commission therefore considered that it constitutes the Union industry within the meaning of Article 4(1) of the basic Regulation and will be thereafter referred to as the 'Union industry' within the meaning of Article 4(1) of the basic Regulation.

4.2. Preliminary remark

- (61) As there is only one single producer in the Union, for confidentiality reasons, the data pertaining to the Union consumption, market shares and the undercutting and underselling margin calculations, is not presented in precise figures in order to preserve confidentiality pursuant to Article 19 of the basic Regulation. Instead, the Commission sought to provide ranges in order to nonetheless warrant the rights of the defence of interested parties to understand the methodology employed by the Commission.

⁽¹²⁾ Both data from China Export Statistics 2009 and 2015.

4.3. Union consumption

- (62) Union consumption was calculated by adding the verified total sales in the Union by the Union producer, and the total imports from third countries, based on Eurostat data.
- (63) On this basis, the Union consumption developed as follows:

Table 1

Union Consumption

	2013	2014	2015	RIP
Union Consumption (tonnes)	[68 500-83 800]	[71 800-87 800]	[70 000-85 500]	[69 400-84 400]
Index (2013 = 100)	100	105	102	101

Source: Verified questionnaire of the Union industry and Eurostat statistics.

- (64) From 2013 to 2014 the Union consumption increased by 5 %, and subsequently decreased by 4 % from 2014 to the RIP. Overall, during the period considered the consumption in the Union remained stable with only a slight increase of 1 %.

4.4. Imports from the country concerned

- (65) In the absence of cooperation of any Chinese exporting producers in this investigation, the Commission used the statistics available in Eurostat as well as statistics available in the Article 14(6) database to establish the volume and prices of imports from the PRC to the Union during the period considered.

4.4.1. Volume and market share of the imports from the country concerned

- (66) The Commission established the volume of imports on the basis of Eurostat data. On this basis, imports into the Union from the country concerned and market share developed as follows:

Table 2

Import volume and market share

	2013	2014	2015	RIP
Chinese imports (tonnes)	49 275	53 296	51 919	49 117
Index	100	108	105	100
Chinese market share (%)	[60-75]	[62-80]	[62-80]	[59-73]
Index	100	103	103	98

Source: Eurostat statistics.

- (67) In the period considered, the Chinese imports remained rather stable. From 2013 to 2014 import volumes increased by 8 %, and subsequently decreased again by 8 % from 2014 to the RIP. Overall, the development of imports was in line with the development of Union consumption.
- (68) Overall, during the period considered the Chinese market share remained stable with a slight decrease by 2 %. From 2013 to 2014 market share increased by 3 % up to a range of 62 % to 80 %, remained stable in 2015, and subsequently decreased by 5 % in the RIP to a level of 59 % to 73 %.

- (69) Statistics available in the Article 14(6) database revealed that Chinese imports to the Union were mainly covered by the two Chinese exporting producers that were granted MET in the original investigation. Over the period considered these two companies represented more than 75 % of total Chinese imports.

4.4.2. Prices of imports from the country concerned and price undercutting

- (70) The Commission established the trend of the prices of Chinese imports on the basis of Eurostat statistics. The average price of imports into the Union from the PRC developed as follows:

Table 3

Import prices

	2013	2014	2015	RIP
Chinese import prices ⁽¹⁾ (EUR/tonne)	378	354	403	397
<i>Index</i>	100	94	107	105

⁽¹⁾ Prices do not include anti-dumping duties in place.

Source: Eurostat statistics.

- (71) Prices of imports from China decreased from 2013 to 2014 by 6 %, subsequently increased by 13 % in 2015 and lastly decreased by 2 % in the RIP. Overall, during the period considered prices of imports from China increased by 5 %. This price increase is in line with the increase of the Union industry sales prices in the Union market as shown in recital 91 which was around 4 % during the period considered.
- (72) In the absence of cooperation from any Chinese exporting producer subject to this investigation, the Commission determined the price undercutting during the review investigation period by comparing:
- the weighted average sales price of the Union producer charged to independent customers on the Union market, adjusted to an ex-works level; and
 - the average Chinese import price based on the Article 14(6) database including the anti-dumping duties with appropriate adjustments for post-importation costs. Statistics available in the Article 14(6) database provide specific data on import prices of the Chinese exporting producers granted MET in the original investigation allowing for individual undercutting margin calculation.
- (73) The result of the comparison was expressed as a percentage of the Union industry average weighted price during the review investigation period and was in the ranges of 32 % to 37 %, and 27 % to 31 % for the Chinese exporting producers granted MET. The undercutting margin of the remaining Chinese exporting producers subject to the residual duty amounted in the range of 31 % to 35 %.

4.5. Imports from other third countries

- (74) The volume of imports into the Union from third countries other than the country concerned is shown in the table below. The quantity and the price trend are based on Eurostat. Imports into the Union from third countries developed as follows:

Table 4

Import volumes, market share and prices from other third countries

	2013	2014	2015	RIP
Other third countries imports (tonnes)	87	8	20	2 007
<i>Index</i>	100	9	23	2 299
Market share of third countries (%)	[0,05-0,2]	[0,01-0,05]	[0,01-0,05]	[1-5]
<i>Index</i>	N/A	N/A	N/A	100

	2013	2014	2015	RIP
Third countries imports (EUR/tonne)	3 468	8 672	4 106	388
Index	N/A	N/A	N/A	100

Source: Eurostat statistics.

- (75) Table 4 shows the data collected by the Commission vis-à-vis import volumes, market share, and prices of imports of the product under review from other third countries. The Commission notes that no indexing was used for the market share of other third countries for the period 2013 to 2015 and for prices of imports of the product under review from other third countries for the period 2013 to 2015. The reason for this is as follows. Import volumes from other third countries during the period 2013 to 2015 entered the Union market in marginal volumes (that is, below 100 tonnes), representing a negligible total market share between 0,01 % and 0,2 % of total imports. If indexing had been applied along the same lines as for import volumes for these rows, this would have led to an unrepresentative and confusing trend (the row on market share would have read as follows if 2013 would have been indexed against 100: 2014 as 8 775, 2015 as 22 516, and the RIP as 2 279). The same holds true if indexing had been applied to the price of imports from other third countries row (that is, indexing 2013 against 100, the trend would have been: 2014 as 250, 2015 as 118, and the RIP as 11). Since it is undeniable that these figures would not have been an accurate representation of the situation intended to be captured by Table 4, the Commission chose, exceptionally, not to index against the first year of the period considered for market share of other third countries and average import prices of the product under review from these countries, but, instead, only designate the RIP data as the index.
- (76) What can be distilled from the data in Table 4 are, nonetheless, certain trends. That is, during the RIP, imports increased from 87 to 2 007 tonnes corresponding to a total market share on a range of 1 % to 5 %. India, with 1 986 tonnes, represented the majority of these imports from other third countries during the RIP. Also, the average price of imports during the RIP was reported at 388 EUR/tonne. This price level was slightly below the average Chinese prices in the Union market without anti-dumping duties (397 EUR/tonne), but significantly below the Union industry's prices. In any case as the import volume from other third countries was not significant, it could not have substantially affected the economic situation of the Union industry.

4.6. Economic situation of the Union industry

4.6.1. General remarks

- (77) In accordance with Article 3(5) of the basic Regulation, the examination of the impact of the dumped imports on the Union industry included an evaluation of all economic indicators having a bearing on the state of the Union industry during the period considered.
- (78) It should be noted that since the Union industry consists of only one producer, sensitive business data had to be reported in the form of indexes.
- (79) The Commission evaluated the economic indicators relating to the Union industry on the basis of the verified data contained in the questionnaire reply of the sole Union producer.

4.6.2. Production, production capacity, and capacity utilisation

- (80) The total Union production, production capacity and capacity utilisation developed over the period considered as follows:

Table 5

Union Production, production capacity and capacity utilisation

	2013	2014	2015	RIP
Production (Index)	100	120	115	107
Production capacity (Index)	100	100	100	100
Capacity utilisation (%)	61	74	70	65

Source: Verified questionnaire of the Union industry.

- (81) The Union industry's production increased by 7 % over the period considered, while its production capacity remained unchanged. In 2014 the Union industry significantly increased its production by 20 %, but it progressively decreased until the review investigation period. As a result, the Union industry improved its capacity utilisation over the period considered by four percentage points, reaching 65 % in the review investigation period.

4.6.3. Sales volume and market share

- (82) The Union industry's sales volume and market share developed over the period considered as follows:

Table 6

Sales volume and market share

	2013	2014	2015	RIP
Sales volume (<i>Index</i>)	100	100	97	97
Market share (<i>Index</i>)	100	94	94	96

Source: Verified questionnaire of the Union industry and Eurostat.

- (83) During the period considered the level of sales volume of the Union industry decreased by 3 %.
- (84) Market share of the Union industry decreased from 2013 to 2015 by 6 % and subsequently increased slightly (by 2 %) from 2015 to the RIP. Overall, during the period considered it decreased by 4 %.

4.6.4. Growth

- (85) Between 2013 and the RIP, the Union consumption increased by 1 %. The sales volume of the Union industry decreased by 3 %, which translated into a decrease in market share of 4 %.

4.6.5. Employment and productivity

- (86) Employment and productivity developed over the period considered as follows:

Table 7

Employment and productivity

	2013	2014	2015	RIP
Employment (<i>Index</i>)	100	114	117	108
Productivity (<i>Index</i>)	100	106	99	99

Source: Verified questionnaire of the Union industry.

- (87) The number of employees in the Union industry increased during the period considered by 8 %. In 2014, as a result of an increase in production the productivity increased by 6 % but it decreased the following year. As a result the productivity slightly decreased over the period considered by 1 %.

4.6.6. Magnitude of the dumping margin and recovery from past dumping

- (88) Anti-dumping measures have been in place against imports from the PRC since 2005.

- (89) As established in recitals 35 to 47, the dumping margins of the Chinese producers during the review investigation period were significantly above the de minimis level. The impact on the economic situation of the Union industry is substantial, given the continued imports in significant volumes of barium carbonate at dumped prices from the PRC.

4.6.7. Prices and factors affecting prices

- (90) The average unit sales prices of the Union industry to unrelated customers and the unit cost of production developed over the period considered as follows:

Table 8

Average sales prices and unit costs

	2013	2014	2015	RIP
Average unit selling price in the Union (<i>Index</i>)	100	102	103	104
Unit cost of production (<i>Index</i>)	100	91	93	95

Source: Verified questionnaire of the Union industry.

- (91) The average unit sales prices of the Union industry increased by 4 % during the period considered. As described in recital 71 this increase in prices was in the same range as the price increase observed for the Chinese imports.
- (92) The unit cost of production of the Union industry decreased by 9 % from 2013 to 2014 and subsequently increased slightly (by 4 %) from 2014 to the review investigation period. Overall, during the period considered it decreased by 5 %, partly due to efficiency gains reached by streamlining the production process and the reduction of fixed cost (per tonne) derived from the increase of production volumes.
- (93) As already observed during the previous expiry review, the Union industry manufactures two products in the same plant: barium carbonate and strontium carbonate. The combined production of these two products allows diluting fixed costs. During the period considered the Union industry went through a restructuration of the production process, from the so called 'consecutive campaigns' to the 'parallel' ⁽¹³⁾ production with shared equipment. This led to cost savings, rationalisation of production flows, hence efficiency gains.

4.6.8. Labour costs

- (94) The average labour costs of the Union industry developed over the period considered as follows:

Table 9

Average labour cost per employee

	2013	2014	2015	RIP
Average labour cost per employee (<i>Index</i>)	100	100	103	107

Source: Verified questionnaire of the Union industry.

- (95) Between 2013 and the RIP, the average labour costs per employee of the Union producer increased by 7 %.

⁽¹³⁾ Consecutive campaigns, refers to 'alternate' production of both products in the same lines of production; parallel production, refers to 'simultaneous' production of both products in different lines. Some equipment is shared and is used on both production lines.

4.6.9. Inventories

- (96) The inventories of the Union industry developed over the period considered as follows:

Table 10

Inventories

	2013	2014	2015	RIP
Closing stock (<i>Index</i>)	100	131	125	74
Closing stocks as percentage of production (%)	20	22	22	14
<i>Index</i>	100	109	108	69

Source: Verified questionnaire of the Union Industry.

- (97) The Union industry stops production one month per year for maintenance purposes. During the review investigation period the stop of production was prolonged to nine weeks due to the decreased level of demand compared to previous years. The end of the review investigation period coincided in time with the process of rebuilding the stocks and resuming of the normal operations after the mentioned stop of production when the stocks were at a minimum level. From 2013 to 2015 the stocks were computed during the same period of the year when the storage was at average level.
- (98) The closing stocks of the Union industry increased from 2013 to 2014 by 31 % and subsequently decreased by 6 % from 2014 to 2015. From 2015 to RIP the stocks decreased by 51 %. Over the period considered all closing stocks decreased by 26 %.
- (99) Closing stocks as percentage of production increased from 2013 to 2015 by 2 percentage points up to 22 % and subsequently decreased to 14 % in the review investigation period.

4.6.10. Profitability, cash flow, investments, return on investment and ability to raise capital

- (100) Profitability, cash flow, investments and return on investments of the Union industry developed over the period considered as follows:

Table 11

Profitability, cash flow, investments and return on investments

	2013	2014	2015	RIP
Profitability of total sales in the Union to unrelated customers (% of sales turnover)	[– 10 to – 20]	[0 to – 10]	[0 to – 10]	[0 to – 10]
Profitability of total sales in the Union to unrelated customers (<i>Index</i>)	– 100	– 40	– 41	– 46
Cash flow (<i>Index</i>)	100	– 402	35	152
Investments (<i>Index</i>)	100	107	85	81
Return on investments (<i>Index</i>)	100	172	189	170

Source: Verified questionnaire of the Union Industry.

- (101) The Commission established the profitability of the Union industry by expressing the pre-tax net profit of the sales of the like product to unrelated customers in the Union as a percentage of the turnover of those sales. The Union industry was continually loss-making throughout the period considered. The profitability improved from 2013 to 2014 by 60 %, and it subsequently decreased by 6 % in the review investigation period. Overall, the profitability despite increasing by 54 % during the period considered, remained negative.
- (102) Cash flow, which is the ability of the Union producers to self-finance their activities, decreased from 2013 to 2014 to negative terms by 502 %, subsequently it continually increased until the RIP. Over the period considered cash flow increased by 52 %.
- (103) Investments increased by 7 % between 2013 and 2014 and then decreased by 26 % by the end of the review investigation period as compared to 2014. Overall, investments decreased by 19 % over the period considered. Investments during 2013 and 2014 were higher due to the restructuring of the production process aiming to obtain improvements in the workflows, cost rationalisation and efficiency gains. From 2015 to the review investigation period the main investments were linked to the replacement of equipment.
- (104) The return on investments is the profit in percentage of the net book value of investments. It was negative during the period considered. It increased by 89 % in 2015 as compared to 2012 and then it decreased by 19 % in the RIP. Overall, the return on investments increased by 70 % during the period considered, in line with the profitability.

4.6.11. *Conclusion on injury*

- (105) Over the period considered, several indicators, such as production volume, capacity utilisation, employment and unit selling price showed slight improvements. Unit cost of production decreased partly due to efficiency gains and the increase in production volume.
- (106) Nevertheless, the Union industry was continuously loss-making throughout the period considered; capacity utilisation rate was low and return on investment was negative. Likewise, in a context of stable consumption, the Union industry reduced its market share.
- (107) In conclusion, the Commission considered that the Union Industry continued to suffer material injury during the review investigation period.
- (108) The investigation showed that, as described in recitals 66 to 69, large volumes of dumped imports from China entered the Union market during the period considered. As a result barium carbonate originating from China remained the most consumed in the Union market holding a high and stable market share ranging between 59 % to 73 % and 62 % to 80 % through the period considered.
- (109) Despite the average prices of the Chinese dumped imports increased by 5 % during the period considered, these prices remained at significantly lower levels than those of the Union industry. During the review investigation period, as described in recital 73 dumped imports from China undercut Union industry prices by 28,7 % up to 34,4 %. Due to the large volumes of significantly dumped imports from China which exerted a significant price pressure on the Union market, the Union industry could not raise its sales prices sufficiently so that it could cover its cost of production. This is evidenced by the underselling margin established for the Chinese imports including the anti-dumping duties from a range of 62 % to 71 % to a range of 83 % to 95 %.
- (110) Based on the above, the Commission concluded that the Union industry's injurious situation had to be attributed to the large imports volumes made at significant low dumped prices from China and that these imports had a determining role in the material injury suffered by the Union industry.

4.7. **Likelihood of a continuation of injury**

4.7.1. *Preliminary remarks*

- (111) The investigation showed that Chinese imports were made at dumped price levels during the review investigation period and that there was a likelihood of continuation of dumping should the measures be allowed to lapse.

- (112) Since the Union industry continued to suffer material injury, due to the Chinese imports, it was assessed whether there would be a likelihood of continuation of injury should measures against China be allowed to lapse in accordance with Article 11(2) of the basic Regulation.
- (113) To establish the likelihood of continuation of injury the following elements were analysed: the production and spare capacities in China, the attractiveness of the Union market, the expected price level of Chinese imports into the Union market and the foreseen impact on the Union industry.
- (114) As mention in recital 28 due to the non-cooperation of the Chinese exporting producers this analysis was based on Article 18 of the basic Regulation.

4.7.2. Production, spare capacities in China and attractiveness of the Union market

- (115) As mentioned in recitals 50 to 54, available spare capacities in China were significant, i.e. around 280 000 tonnes. Such spare capacity represented more than three times the total Union consumption during the review investigation period.
- (116) Similarly, based on a comparison of Chinese export prices to the Union and to other third country markets, the continued significant presence of Chinese exports in the Union market as well as the duties in force on other major export markets for Chinese exporting producers, the Commission considered that the Union market is attractive for the Chinese exporting producers as described in recitals 56 to 58.
- (117) On this basis the Commission concluded that Chinese spare capacity will likely be directed to the Union should measures be allowed to lapse.

4.7.3. Prices of Chinese imports

- (118) As an indication of the price level at which it is likely that Chinese barium carbonate will be imported into the Union market should the measures be repealed, the level of Chinese import prices to the Union without anti-dumping duties were taken into account. The comparison during the review investigation period showed that Chinese prices without anti-dumping duties were overall on average around 35 % lower than the Union industry's prices. For the two companies for which MET was granted in the original investigation, prices were in the ranges of 33 % to 38 % and 28 % to 32 % lower than the Union industry's prices, respectively. For the remaining Chinese exporting producers subject to the residual duty, the price difference was 40 % to 46 % lower than the Union industry prices.
- (119) Furthermore, the price levels at which barium carbonate was exported from China to other third countries was analysed. Chinese prices to other third countries were found on average to be lower than the Union industry's prices from around 25 % to around 45 %.
- (120) On this basis, the Commission concluded that imports from China will very likely exert an even higher price pressure on the Union industry than the one they exerted during the review investigation period should the measures be repealed.

4.7.4. Likely impact on the Union industry

- (121) Based on the above facts, in the absence of anti-dumping measures, Chinese exporting producers will have an incentive to increase significantly the volume of their imports into the Union market at low dumped prices exerting a downward pressure on the prices prevailing in the Union.
- (122) An increasing volume of Chinese imports — which is likely, given the available spare capacities — coupled with the expected further price pressure, will likely have a significant negative impact on the situation of the Union industry.
- (123) Indeed, should this scenario materialise, it is unlikely that the Union industry will be able to decrease its prices. An indication in this respect is given by the fact that during the period considered the Union industry did not decrease its sales prices, even in a situation of decreasing cost of production, since they were already below costs.
- (124) Furthermore, in such scenario, should the Union industry keep its price levels, it is likely that it would lose sales volume and market share as significant larger volumes of imports from China would likely enter the market at even lower prices.

- (125) As a result, the Union industry would have to decrease its production level, which would largely affect its cost of production and profitability, since the manufacturing of barium carbonate is capital intensive and the weight of fixed costs per tonne would increase significantly.
- (126) The effect of changes in the production volume on the profitability of the Union industry was observed during the period considered. In 2014, a 20 % increase of production led to a large improvement of the profitability of the Union industry, while the 8 % decrease in the production volume in the review investigation period affected negatively the profitability, which also decreased. Therefore, any reduction of production volume would lead to an increase in fixed costs per tonne, while at the same time such increase in cost cannot be reflected in an increase in sales prices, due to the price pressure exerted by the Chinese imports. As a consequence, this would further deteriorate the profitability of the Union industry, which was already loss making during the review investigation period.

4.7.5. Conclusion on the likelihood of a continuation of injury

- (127) Based on the above, the Commission concluded that the situation of the Union industry, which was already suffering material injury, would further deteriorate, should the measure be repealed, as the Union industry would not be in a position to compete with the increased volume of Chinese imports sold at injurious dumped prices. Therefore, in the medium term it is likely that the only Union producer would have no choice but to cease its operations.
- (128) The Commission therefore concluded that there is a strong likelihood of continuation of injury if the measures were to be repealed.

5. UNION INTEREST

- (129) In accordance with Article 21 of the basic Regulation, the Commission examined whether the maintenance of the existing anti-dumping measures on imports of the product under review would be against the interest of the Union as a whole. The determination of the Union interest was based on an appreciation of all interests involved, including those of the Union industry, importers and users. All interested parties were given the opportunity to make their views known under Article 21(2) of the basic Regulation.

5.1. Interest of the Union industry

- (130) The anti-dumping measures in force have allowed the Union industry to maintain the barium carbonate production in the Union. However the Union industry did not manage to completely recover from the past injurious situation and the profitability remained negative.
- (131) While it is true that Chinese imports still represented a high market share during the period considered with a negative impact on the situation of the Union industry, the measures nevertheless shielded the Union industry in particular from the majority of the Chinese exporting producers that are currently subject to the residual duty. The investigation however concluded that it is likely that Chinese exporting producers would re-enter the Union market in even higher volumes should the measures be allowed to lapse.
- (132) The investigation has shown that the Union industry invested to rationalise its production process and ensure the sustainability of a plant where two products, barium carbonate and strontium carbonate, are manufactured in parallel. As explained in recital 93 the costs of production of these two products are interdependent since in some parts of the process dedicated equipment is used for both products. The combined production allows the Union industry to dilute large fixed costs over the entire plant.
- (133) Should measures be repealed, the efforts of the Union industry to rationalise its cost would be lost, as fixed costs would increase due to the loss of sales and production volume as described in recital 126. This would seriously threaten the viability of the barium carbonate activity that, as a consequence, may have to stop production. This will also have negative consequences on the strontium carbonate production for the reasons explained in recital 132.
- (134) In view of the above, the Commission concluded that it is in the interest of the Union industry that measures against the dumped imports from the PRC be maintained.

5.2. Interest of unrelated importers

- (135) The Commission sent questionnaires to the six unrelated importers that came forward, as described in recitals 16 and 18. However, none of them cooperated with the investigation.
- (136) The investigation did not bring to light any elements showing that the continuation of the anti-dumping measures in force would have a significant negative effect on the situation of the unrelated importers.

5.3. Interest of users

- (137) At initiation, the Commission contacted all known users and invited them to cooperate. Eighty-six companies came forward as described in recital 18 and questionnaires were sent to all of them. Fifteen users replied to the questionnaire.
- (138) Out of these fifteen users, only five provided a complete reply to the questionnaire. The remaining ten users failed to provide a non-confidential version of their reply to the questionnaire as required by Article 19(2) of the basic Regulation. Their replies could therefore not be taken into consideration in accordance with Article 19(3) of the basic Regulation.
- (139) The imports of the five cooperating users that provided full questionnaire replies accounted for around 6 % of the Union industry sales in the Union and 10 % of the total imports from China. They represented around 8 % of the total Union consumption. The cooperating users operated in the ceramic frits and glazes, chemical, glass and crystal, and electro-technical sectors, i.e. some of the main applications of barium carbonate.
- (140) The investigation found that barium carbonate represents only between 1,4 % and 2,6 % of the total cost of production of the cooperating users, depending on the final product requirements. Consequently the impact of the measures on these users is considered relatively limited.
- (141) One user claimed that the anti-dumping measures impacted negatively its production costs and therefore its competitiveness was adversely affected. As shown in recital 140 this was not supported by the facts established during the investigation and this argument was therefore rejected.
- (142) On the basis of the above, there were no indications that the continuation of the anti-dumping measures in force would have a significant negative effect on the situation of the users.

5.4. Conclusion on Union interest

- (143) Given the above, the Commission concluded that there are no compelling reasons against the continuation of the anti-dumping measures in force.

6. ANTI-DUMPING MEASURES

- (144) All interested parties were informed of the essential facts and considerations on the basis of which it was intended to maintain the anti-dumping measures in force. They were also granted a period within which they could submit comments subsequent to this disclosure. No comments were submitted.
- (145) It follows from the above considerations that, under Article 11(2) of the basic Regulation, the anti-dumping measures applicable to imports of barium carbonate originating in the PRC, imposed by Regulation (EU) No 831/2011, should be maintained.
- (146) The measures provided for in this Regulation are in accordance with the opinion of the Committee established by Article 15(1) of Regulation (EU) 2016/1036,

HAS ADOPTED THIS REGULATION:

Article 1

1. A definitive anti-dumping duty is hereby imposed on imports of barium carbonate with a strontium content of more than 0,07 % by weight and a sulphur content of more than 0,0015 % by weight, whether in powder, pressed granular or calcined granular form, currently falling within CN code ex 2836 60 00 (TARIC code 2836 60 00 10), originating in the People's Republic of China.

2. The amount of the definitive anti-dumping duty shall be equal to a fixed amount as specified below for products produced by the following manufacturers:

Company	Rate of duty (EUR/tonne)	TARIC additional code
Hubei Jingshan Chutian Barium Salt Corp. Ltd, 62, Qinglong Road, Songhe Town, Jingshan County, Hubei Province, PRC	6,3	A606
Zaozhuang Yongli Chemical Co. Ltd, South Zhuzibukuang Qichun, Zaozhuang City Centre District, Shandong Province, PRC	8,1	A607
All other companies	56,4	A999

3. The application of the individual duty rates specified for the companies mentioned in paragraph 2 shall be conditional upon presentation to the Member States' customs authorities of a valid commercial invoice, on which shall appear a declaration dated and signed by an official of the entity issuing such invoice, identified by his/her name and function, drafted as follows: 'I, the undersigned, certify that the (volume) of (product concerned) sold for export to the European Union covered by this invoice was manufactured by (company name and address) (TARIC additional code) in the People's Republic of China. I declare that the information provided in this invoice is complete and correct.' If no such invoice is presented, the duty applicable to all other companies shall apply.

4. For both, the individually-named producers (falling within TARIC code A606 and A607) as well as all other companies (falling within TARIC code A999), the following applies: in cases where goods have been damaged before entry into free circulation, the price actually paid or payable is apportioned for the determination of the customs value pursuant to Article 131(2) of Commission Implementing Regulation (EU) 2015/2447 ⁽¹⁴⁾, and the amount of the anti-dumping duty, calculated on the basis of the fixed amounts set above, shall be reduced by a percentage which corresponds to the apportioning of the price actually paid or payable.

5. Unless otherwise specified, the provisions in force concerning customs duties shall apply.

Article 2

This Regulation shall enter into force 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, 27 September 2017.

For the Commission
The President
Jean-Claude JUNCKER

⁽¹⁴⁾ Commission Implementing Regulation (EU) 2015/2447 of 24 November 2015 laying down detailed rules for implementing certain provisions of Regulation (EU) No 952/2013 of the European Parliament and of the Council laying down the Union Customs Code (OJ L 343, 29.12.2015, p. 558).