

**COMMISSION IMPLEMENTING REGULATION (EU) 2016/1046****of 28 June 2016****imposing a definitive anti-dumping duty on imports of certain molybdenum wires originating in the People's Republic of China following an expiry review pursuant to Article 11(2) of Council Regulation (EC) No 1225/2009**

THE EUROPEAN COMMISSION,

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

Having regard to Council Regulation (EC) No 1225/2009 of 30 November 2009 on protection against dumped imports from countries not members of the European Community <sup>(1)</sup> ('the basic Regulation'), and in particular Article 11(2) thereof,

Whereas:

**A. PROCEDURE****1. Measures in force**

- (1) Following an anti-dumping investigation ('the original investigation') in accordance with Article 5 of the basic Regulation, the Council imposed a definitive anti-dumping duty on imports of certain molybdenum wires originating in the People's Republic of China ('the PRC' or 'country concerned'), by Council Implementing Regulation (EU) No 511/2010 <sup>(2)</sup> ('the 'original measures').
- (2) The original measures took the form of an *ad valorem* duty rate of 64,3 %.
- (3) In 2012 and 2013, following two anti-circumvention investigations, the original measures were first extended to imports of molybdenum wire consigned from Malaysia <sup>(3)</sup> and, secondly, to imports of molybdenum wire from the PRC containing by weight at least 97 % of molybdenum, of which the maximum cross-sectional dimension exceeds 1,35 mm but does not exceed 4,0 mm <sup>(4)</sup>. On 30 October 2015, following a third anti-circumvention investigation, the measures were extended to molybdenum wire containing by weight at least 97 % of molybdenum, with a maximum cross-sectional dimension that exceeds 4,0 mm but does not exceed 11,0 mm <sup>(5)</sup>.

**2. Initiation of an expiry review**

- (4) Following the publication of a notice of impending expiry <sup>(6)</sup> of the anti-dumping measures in force, the Commission received a request for the initiation of an expiry review of these measures pursuant to Article 11(2) of the basic Regulation.

<sup>(1)</sup> OJ L 343, 22.12.2009, p. 51.

<sup>(2)</sup> Council Implementing Regulation (EU) No 511/2010 of 14 June 2010 imposing a definitive anti-dumping duty and collecting definitively the provisional duty imposed on imports of certain molybdenum wires originating in the People's Republic of China (OJ L 150, 16.6.2010, p. 17).

<sup>(3)</sup> Council Implementing Regulation (EU) No 14/2012 of 9 January 2012 extending the definitive anti-dumping duty imposed by Implementing Regulation (EU) No 511/2010 on imports of certain molybdenum wires originating in the People's Republic of China to imports of certain molybdenum wires consigned from Malaysia, whether declared as originating in Malaysia or not and terminating the investigation in respect of imports consigned from Switzerland (OJ L 8, 12.1.2012, p. 22).

<sup>(4)</sup> Council Implementing Regulation (EU) No 871/2013 of 2 September 2013 extending the definitive anti-dumping duty imposed by Implementing Regulation (EU) No 511/2010 on imports of molybdenum wire, containing by weight at least 99,95 % of molybdenum, of which the maximum cross-sectional dimension exceeds 1,35 mm but does not exceed 4,0 mm, originating in the People's Republic of China to imports of molybdenum wire, containing by weight at least 97 % of molybdenum, of which the maximum cross-sectional dimension exceeds 1,35 mm but does not exceed 4,0 mm, originating in the People's Republic of China (OJ L 243, 12.9.2013, p. 2).

<sup>(5)</sup> Commission Implementing Regulation (EU) 2015/1952 of 29 October 2015 extending the definitive anti-dumping duty imposed by Council Implementing Regulation (EU) No 511/2010 on imports of molybdenum wire, containing by weight at least 99,95 % of molybdenum, of which the maximum cross-sectional dimension exceeds 1,35 mm but does not exceed 4,0 mm, originating in the People's Republic of China to imports of molybdenum wire, containing by weight at least 97 % of molybdenum, of which the maximum cross-sectional dimension exceeds 4,0 mm but does not exceed 11,0 mm, originating in the People's Republic of China (OJ L 284, 30.10.2015, p. 100).

<sup>(6)</sup> Notice of the impending expiry of certain anti-dumping measures (OJ C 371, 18.10.2014, p. 19).

- (5) The request was lodged by Plansee SE ('the applicant'), the main Union producer of molybdenum wire, representing 90 % of total Union production.
- (6) The request was based on the grounds that the expiry of the measures would likely result in recurrence of dumping and recurrence of injury to the Union industry.
- (7) On 12 June 2015, the Commission initiated an expiry review pursuant to Article 11(2) of the basic Regulation in order to determine whether the expiry of the measures would be likely to lead to a continuation or recurrence of dumping and injury. It published a notice in the *Official Journal of the European Union* <sup>(7)</sup> ('Notice of Initiation').

### 3. Interested parties

- (8) In the Notice of Initiation, the Commission invited interested parties to contact it in order to participate in the investigation. In addition, the Commission specifically informed the applicant, other known Union producers, exporting producers, importers and users in the Union known to be concerned, and the Chinese authorities of the initiation of the expiry review and invited them to participate.
- (9) All interested parties had the opportunity to comment on the initiation of the review and to request a hearing with the Commission and/or the Hearing Officer in trade proceedings.

#### 3.1. Sampling

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

##### (a) Sampling of importers

- (11) To decide whether sampling was necessary and, if so, to select a sample, the Commission requested all unrelated importers to provide the information specified in the Notice of Initiation.
- (12) No importers came forward to provide the information requested in the Notice of Initiation.

##### (b) Sampling of exporting producers in the PRC

- (13) In view of the apparent large number of exporting producers in the PRC, sampling was envisaged in the Notice of Initiation.
- (14) To decide whether sampling was necessary and, if so, to select a sample, the Commission asked all exporting producers in the PRC to provide the information specified in the Notice of Initiation. In addition, the Commission requested the Mission of the PRC to the European Union to identify and/or contact other exporting producers, if any, that could be interested in participating in the investigation.
- (15) Only one company in the PRC provided a completed sampling form on 29 June 2015. However, the information provided by this company indicated no exports of the product concerned to the Union as defined in recital (23) below, but only other types of molybdenum wire with a maximum cross-sectional dimension exceeding 4,0 mm. The company was then invited on 25 August 2015 to submit comments or information in the context of the expiry review. However, the company did not provide any reply to that invitation. In addition, the company in question was involved at that stage of the investigation in the anti-circumvention investigation that led to the adoption of Regulation (EU) 2015/1952. Based on all these considerations, the Commission considered that that company should not be part of a sample.

<sup>(7)</sup> Notice of Initiation of an expiry review of the anti-dumping measures applicable to imports of certain molybdenum wires originating in the People's Republic of China (OJ C 194, 12.6.2015, p. 4).

- (16) Since no other Chinese exporting producer came forward, sampling was not necessary.

### 3.2. Questionnaires and verification visits

- (17) The Commission sought and verified all the information it deemed necessary for the determination of the likelihood of continuation or recurrence of dumping and resulting injury and for the determination of the Union interest.
- (18) The Commission sent questionnaires to the two known Union producers. One Union producer (Plansee SE), representing around 90 % of the total sales of the Union industry, provided a questionnaire reply. The other Union producer expressed on 11 May 2015 the wish to remain neutral in the investigation and did not provide a reply to the questionnaire that it received on 12 June 2015.
- (19) No questionnaires were sent to Chinese exporting producers since, as explained in recitals (13) to (16), none of them came forward.
- (20) The Commission sent questionnaires to the nine users that came forward after initiation and received five replies from the users of the product under review.
- (21) One verification visit pursuant article 16 of the basic Regulation was carried out at the premises of the Union producer Plansee SE, Austria.

## 4. Review investigation period and period considered

- (22) The investigation of the likelihood of continuation or recurrence of dumping covered the period from 1 April 2014 to 31 March 2015 (the 'review investigation period'). The examination of the trends relevant for the assessment of the likelihood of continuation or recurrence of injury covered the period from 1 January 2012 to the end of the review investigation period (the 'period considered').

## B. PRODUCT CONCERNED AND LIKE PRODUCT

### 1. Product concerned

- (23) The product concerned is molybdenum wire, containing by weight at least 99,95 % of molybdenum, of which the maximum cross-sectional dimension exceeds 1,35 mm but does not exceed 4,0 mm, originating in the People's Republic of China, currently falling within CN code ex 8102 96 00.

### 2. Like product

- (24) The investigation showed that the following products have the same basic physical and chemical characteristics as well as the same basic uses:

— the product concerned;

— the product produced and sold in the Union by the Union industry.

- (25) The Commission concluded that these products are like products within the meaning of Article 1(4) of the basic Regulation.

## C. LIKELIHOOD OF A CONTINUATION OR RECURRENCE OF DUMPING

**1. Preliminary remarks**

- (26) In accordance with Article 11(2) of the basic Regulation, it was examined whether dumping was taking place and whether the expiry of existing measures would be likely to lead to a continuation or recurrence of dumping.
- (27) As mentioned above in recital (16), none of the Chinese exporting producers cooperated in the current investigation and therefore use had to be made of facts available in accordance with Article 18 of the basic Regulation.
- (28) In this regard, the Chinese authorities were duly informed that consequently to non-cooperation of any Chinese exporting producer, the Commission could apply Article 18 of the basic Regulation concerning the findings with regard to the PRC. No comments were received in this respect.
- (29) On this basis, in accordance with Article 18(1) of the basic Regulation, the findings in relation to the likelihood of continuation or recurrence of dumping set out below were based on facts available. For this purpose, the request for the expiry review, Eurostat statistics, the data collected by Member States pursuant to Article 14(6) of the basic Regulation (the 'Article 14(6) database') and data collected during the previous cases (see recital (3)) on the same product concerned were used. The Chinese Export Statistics Database was also analysed. However, the analysis showed that its coding structure for the product concerned was not precise enough to provide useable information. Therefore, this source of information could not be used.

**2. Dumping during the review investigation period***2.1. Analogue country*

- (30) According to Article 2(7)(a) of the basic Regulation, normal value shall be determined on the basis of the price or constructed value in a market economy third country. For this purpose, a market economy third country had to be selected ('the analogue country').
- (31) The USA was selected as an analogue country in the original investigation. In the Notice of Initiation of the present investigation, the Commission proposed to use India as analogue country since the producer in the USA stopped producing molybdenum wire since the investigation period of the original investigation. The Commission invited parties to make comments on the appropriateness of this choice but none of the parties provided any comments.
- (32) The Commission sought information concerning producers of molybdenum wire in other potential analogue countries and contacted India, Japan, Mexico, Ukraine and USA inviting all known producers of molybdenum wire in these countries to provide the necessary information.
- (33) None of the companies contacted in these countries agreed to cooperate with the investigation. Moreover, there were no indications for any other countries where production of molybdenum wires might be taking place. Hence, the Commission had to revert to the Union market as the only possible option to determine the normal value, in accordance with Article 2(7)(a) of the basic Regulation.

*2.2. Normal value*

- (34) The information relating to the production and sale of the like product on the Union market received from both Union producers was used as a basis for the determination of the normal value applicable to exporting producers in the PRC.
- (35) In accordance with Article 2(2) of the basic Regulation, the Commission first examined whether the total volume of sales of the Union industry of the like product in the Union market was representative during the review investigation period. These sales were considered representative if the total sales volume to independent customers represented at least 5 % of the total Chinese export sales volume of the product concerned to the Union during the review investigation period. On this basis the sales of the like product of the Union industry in the Union market were representative.

- (36) The investigation established that the weighted average sales price of the Union industry was profitable during the review investigation period and thus could be regarded as having been made in the ordinary course of trade pursuant to Article 2(4) of the basic Regulation.
- (37) Sales of the Union industry on the Union market were profitable during the review investigation period and made in representative quantities. Therefore, normal value was based on the sales price of the like product charged by the Union industry to independent customers in the Union.

### 2.3. *Export price*

- (38) As mentioned above in recital (27), due to the non-cooperation of the Chinese exporting producers, the export price was based on facts available, in accordance with Article 18 of the basic Regulation, i.e. on the 'Article 14(6) database' cross-checked with information provided in the request and Eurostat statistics.

### 2.4. *Comparison*

- (39) The Commission compared the normal value and the export price on an ex-works basis. Given the lack of cooperation from the Chinese exporting producers, the product types exported from the PRC could not be determined. Therefore, a comparison per product type was not possible. Where justified for the purpose of a fair comparison, the export price and 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 transport costs (domestic and ocean freight), insurance costs, and customs clearance fees, based on information collected in the original investigation.

### 2.5. *Dumping margin*

- (40) 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.
- (41) On this basis, the weighted average dumping margin expressed as a percentage of the cost, insurance, freight ('CIF') Union frontier price, duty unpaid, is 49,6 %.

## 3. **Development of imports should measures be repealed**

- (42) 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 allowed to lapse. The following elements were analysed: the production capacity and spare capacity in the PRC, the Chinese export behaviour in other third countries and the attractiveness of the Union market.

### 3.1. *Production capacity and spare capacity in the PRC*

- (43) In the absence of any publicly available information and due to the non-cooperation of the Chinese exporting producers, production capacity and spare capacity in the PRC were established on the basis of estimates provided by the applicant in its request and based on its best knowledge of the market. These estimates could be cross-checked with data collected during the original investigation and the anti-circumvention investigation concluded in October 2015 mentioned in recital (3), and were found to be reasonable.
- (44) On this basis, during the review investigation period, the production capacity was around 3 400 tonnes, the actual production around 750 tonnes and the spare capacity therefore around 2 650 tonnes. The estimated spare capacity represented several times the Union consumption during the review investigation period. Due to the attractiveness of the Union market, described below in recitals (48) and (50), it is likely that large part of this spare capacity will be used to produce for exports to the Union.

- (45) The estimated large spare capacity in the PRC suggests that there is a significant potential for Chinese producers to increase their exports. The consumption of molybdenum wire is largely dependent on the production of manual gear boxes for the car and truck manufacturing industry. While it is true that consumption of molybdenum wire in the Chinese domestic market may increase under the perspective of a growing automotive sector in the PRC, the spare capacity exceeds by far the Union consumption. Therefore, even under the assumption of a growing domestic consumption in the PRC, it is likely that spare capacities will still remain significant and with a large potential for export. In addition, the business potential for an increase in demand in other important car manufacturing markets like the US, Japan, Korea and South America is rather small since these are mainly focusing on automatic gear boxes not using molybdenum wire.
- (46) Therefore, allowing the measures to lapse in the Union, given the large spare capacity in the PRC with limited demand for the product in other large third country markets as well as the fact that, likely, large part of these spare capacity will not be absorbed by the Chinese domestic consumption, Chinese exporters will have strong incentives to redirect their exports to the Union market.

### *3.2. Chinese export behaviour in other third countries*

- (47) No public information on the average Chinese export prices to third country markets is available. The applicant submitted two quotations of Chinese export prices to third markets for a total quantity of 20 tonnes corresponding to around 6 % of the Union consumption. These quotations showed lower price levels than the current price level in the Union. In addition, the Chinese company referred to in recital (15) reported in its sampling form that it had sold a negligible quantity of molybdenum wire with a maximum cross-sectional dimension exceeding 4,0 mm to South Korea, at a price lower than the current price level in the Union.

### *3.3. Attractiveness of the Union market*

- (48) The investigation showed that, taking into account the past proven circumvention practices mentioned above in recital (3), the Chinese exporting producers succeeded in expanding their already significant market share and import volumes in the Union market during the period considered by 7 % and 9 % respectively as detailed in Table 2 hereunder. Chinese market share ranged between 15 % to 35 % throughout the period considered.
- (49) The past circumvention practises, the increase in market share during the period considered and their level, are a strong indication that the Union market continues to be attractive to Chinese exporters.
- (50) On the basis of the information submitted by the applicant, the Chinese export prices to the Union market are higher than the Chinese export prices to other third markets. This indicates that the Union market is attractive in terms of price levels as exports to the Union would yield higher profits. Furthermore, as explained above in recital (45), given the technical differences of the automotive sector in other large car manufacturing markets, exports of molybdenum wire are limited to markets where the automotive sector uses manual gear boxes, out of which the Union is one of the largest. Indeed, the Union market remains the largest market for molybdenum wire due to its developed car and lorry industry still using manual gear boxes.

### *3.4. Conclusion on the likelihood of a continuation of dumping*

- (51) In conclusion, the large estimated spare capacity available in the PRC, the consequent ability of Chinese exporting producers to increase production volumes and direct sales to the Union and the attractiveness of the Union market, indicate that a repeal of the measures would likely result in a 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 current anti-dumping measures be allowed to lapse.

## D. LIKELIHOOD OF A CONTINUATION OR RECURRENCE OF INJURY

**1. Definition of the Union industry and Union production**

- (52) The Union industry did not undergo major structural changes since the original investigation. During the review investigation period, the like product was manufactured by two known producers in the Union. They constitute the Union industry within the meaning of Article 4(1) of the basic Regulation.

**2. Union consumption**

- (53) The Commission established the Union consumption by adding (i) the sales volumes on the Union market of the two Union producers and (ii) the total import volume. The import volume from the PRC was calculated by adding the import volumes extracted from the Article 14(6) database and the volumes of the circumvented molybdenum wire identified in the last anti-circumvention investigation, as Regulation (EU) 2015/1952 aggregates the data of the previous two anti-circumvention investigations referred to in recital (3) and is therefore based on the most comprehensive set of data. There were no imports from other third countries throughout the period considered.
- (54) Since the Union industry consists of only two producers figures had to be indexed or given in a range for reasons of confidentiality.
- (55) On this basis, Union consumption developed as follows:

Table 1

**Indexed Union consumption**

	2012	2013	2014	Review investigation period
<i>Index (2012 = 100)</i>	100	104	103	102

Source: Data from the Union industry, Article 14(6) database, last anti-circumvention investigation, Eurostat

- (56) Throughout the period considered the Union consumption remained relatively stable, having increased only by 2 %. More specifically, the Union consumption increased by 4 % until 2013 and then slightly decreased by 2 % between 2013 and the review investigation period.
- (57) The relatively stable Union consumption of molybdenum wire can be mainly explained by the development of the automotive industry over the period considered, which also remained stable over the same period.

**3. Imports from the country concerned****3.1. Volume and market share of imports from the country concerned**

Table 2

**Indexed import volume and market share**

Country		2012	2013	2014	Review investigation period
The PRC	Import volume <i>Index (2012 = 100)</i>	100	75	99	109
	Market share <i>Index (2012 = 100)</i>	100	72	97	107

Source: Data from the Union industry, Article 14(6) database, last anti-circumvention investigation, Eurostat

- (58) As described in recital (53), the import volumes from the PRC were calculated by adding the import volumes extracted from the Article 14(6) database and the import volumes of the circumvented molybdenum wire identified in the last anti-circumvention investigation. Since the latter had to be treated as confidential <sup>(8)</sup>, the figures in Table 2 above had to be indexed.
- (59) On this basis, the import volumes increased by 9 % throughout the period considered. They dropped significantly in 2013 (by 25 %) and grew steadily ever since (by 46 % in the review investigation period as compared with 2013).
- (60) The import volumes of the product concerned into the Union increased to a greater extent than the Union consumption. This resulted in an increase of the market share of the Chinese imports by 7 % during the period considered. Market share showed similar trends as import volumes. More specifically, the market share decreased by 28 % in 2013 and increased by 46 % in the review investigation period as compared to 2013, in line with the drop of import volumes in 2013 and the increase in import volumes in 2014 and in the review investigation period.
- (61) The decrease in both import volumes and market share in 2013 was a consequence of the initiation of an anti-circumvention investigation that led to the extension of the definitive anti-dumping duties on imports of molybdenum wire to imports of a slightly modified product from the PRC (see recital (3) — footnote 3).
- (62) The market share of the Chinese imports at the start of the period considered was at a significant level in the range of 15 % to 35 %. As mentioned in recital (48), the Chinese exporting producers have succeeded in expanding their significant market share by 7 % over the period considered, despite the duties in force, mainly due to their circumvention practises.

### 3.2. Prices of imports from the country concerned

- (63) Due to the non-cooperation of the Chinese exporting producers, as explained in recital (38), import prices were established on the basis of the Article 14(6) database and cross-checked with information provided in the request and Eurostat statistics. The table below shows the average price of imports from the PRC:

Table 3

#### Indexed import prices (\*)

Country		2012	2013	2014	Review investigation period
The PRC	<i>Index (2012 = 100)</i>	100	97	89	87

Source: Article 14(6) database

(\*) Average price does not include anti-dumping duties in place.

- (64) Between 2012 and the review investigation period, the average import price of the product concerned originating in the PRC decreased continuously and overall by 13 %.

<sup>(8)</sup> Only one exporting producer cooperated with the last anti-circumvention investigation. As a consequence all figures related to sensitive data had to be indexed or given in a range for reasons of confidentiality.



### 3.3. Price undercutting

- (65) The Commission determined the price undercutting during the review investigation period by comparing the average sales price of Plansee SE charged on the Union market, adjusted to an ex-works level, and the average price of the imports from the country concerned to the first independent customer on the Union market, established at a cost, insurance, freight (CIF) level on the basis of the data from the Article 14(6) database, as explained in recital (38), anti-dumping duty included.
- (66) As mentioned above in recital (39), given the lack of cooperation from the Chinese exporting producers, the product types exported from the PRC to the Union could not be determined. Therefore, a comparison on a per-type basis was not possible. The price comparison was made on basis of average prices, duly adjusted where necessary and after deduction of rebates and discounts. The result of the comparison was expressed as a percentage of the Union industry's hypothetical turnover during the review investigation period.
- (67) The comparison showed that there was no undercutting during the review investigation period. However, when deducting the anti-dumping duty of 64,3 % in force, the undercutting margin would amount to 25,9 %.

### 3.4. Imports from third countries

- (68) As mentioned in recital (53), there were no imports from other countries than the PRC during the period considered.

## 4. Economic situation of the Union industry

### 4.1. General remarks

- (69) 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.
- (70) The datasets available to the Commission for the injury determination differed for the macroeconomic and the microeconomic injury indicators. For the macroeconomic indicators, the Commission could rely on the questionnaire reply of Plansee SE and, as regards the other known Union producer, on the data concerning that producer provided by Plansee SE in its request. For the microeconomic indicators, the request did however not contain any data concerning the situation of the second producer, and given that that producer did not provide a reply to the questionnaire, the Commission had to rely on the data contained in the questionnaire reply of Plansee SE. Given that Plansee SE represented around 90 % of total Union sales, the Commission considered that its verified data on microeconomic indicators reflected a fair picture of the situation of the entire Union industry.
- (71) The macroeconomic indicators are: production, production capacity, capacity utilisation, sales volume, market share, growth, employment, productivity, magnitude of the dumping margin, and recovery from past dumping.
- (72) The microeconomic indicators are: average unit prices, unit cost, labour costs, inventories, profitability, cash flow, investments, return on investments and ability to raise capital.
- (73) Both sets of data have been found to be representative for the economic situation of the Union industry.

## 4.2. Macroeconomic indicators

## (a) Production, production capacity and capacity utilisation

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

Table 4

**Production, production capacity and capacity utilisation of Union producers**

	2012	2013	2014	Review investigation period
Production volume <i>Index (2012 = 100)</i>	100	113	102	98
Production capacity <i>Index (2012 = 100)</i>	100	99	98	98
Capacity utilisation <i>Index (2012 = 100)</i>	100	114	105	100

Source: Data provided by the Union industry

- (75) The production volume decreased marginally by 2 % during the period considered. More specifically, it first increased by 13 % until 2013 and then decreased continuously by more than 13 % in the review investigation period as compared with 2013.
- (76) The production capacity decreased gradually and overall by 2 % over the period considered.
- (77) As a result of the increase in production volume and slight decrease in production capacity in 2013, the capacity utilisation increased by 14 % in 2013 as compared with 2012. After 2013, the capacity utilisation decreased to reach the 2012 levels. Hence, overall, the capacity utilisation remained stable over the period considered.

## (b) Sales volume and market share

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

Table 5

**Sales volume and market share of Union producers**

	2012	2013	2014	Review investigation period
Sales volume in the Union <i>Index (2012 = 100)</i>	100	113	104	100

	2012	2013	2014	Review investigation period
Market share <i>Index (2012 = 100)</i>	100	109	101	98

Source: Data provided by the Union industry

- (79) Total sales of the Union industry on the Union market remained stable during the period considered. The sales of the Union industry increased by 13 % until 2013 and then decreased continuously by 12 % until in the review investigation period to reach the 2012 levels. The increase in the Union industry sales in 2013 is mainly a consequence of the initiation of an anti-circumvention investigation that led to the extension of the definitive anti-dumping duties on imports of molybdenum wire to imports of a slightly modified product from the PRC (see recital (3) — footnote 3). As a consequence, the Union industry's market share increased by 9 % in 2013. It then decreased continuously by 10 % in the review investigation period as compared with 2013. Overall, the Union industry's market share decreased by 2 %.

(c) Growth

- (80) While the Union consumption increased by 2 % over the period considered, the sales volume of the Union industry remained stable, which translated into a loss of market share of 2 %.

(d) Employment and productivity

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

Table 6

**Employment and productivity of Union producers**

	2012	2013	2014	Review investigation period
Number of employees <i>Index (2012 = 100)</i>	100	95	89	88
Productivity (tonnes/employee) <i>Index (2012 = 100)</i>	100	119	115	111

Source: Data provided by the Union industry

- (82) Employment of the Union industry diminished by 12 % in the period considered and the productivity increased by 11 % over the same period.

(e) Magnitude of the dumping margin and recovery from past dumping

- (83) The investigation established that imports of molybdenum wire from the PRC continued to enter the Union market at dumped prices. The dumping margin established for the PRC during the review investigation period was well above the *de minimis* level, see recital (41). This coincided with an increase in import volumes from the PRC and a decrease in import prices resulting in a slight increase of market share of Chinese imports as compared to 2012. Though the Union industry was able to profit from the anti-dumping measures in force and could thus largely maintain their market share, it nevertheless showed a decreasing trend.

## 4.3. Microeconomic indicators

## (a) Prices and factors affecting prices

- (84) The average sales prices of the Union industry (Plansee SE) to unrelated customers in the Union developed over the period considered as follows:

Table 7

**Average sales prices in the Union and unit cost**

	2012	2013	2014	Review investigation period
Average unit selling price in the Union <i>Index (2012 = 100)</i>	100	95	94	94
Unit cost of production <i>Index (2012 = 100)</i>	100	84	83	84

Source: Data relating to Plansee SE

- (85) The Union industry's average unit sales price to unrelated customers in the Union decreased by 6 % over the period considered. The decrease in price was a result of the decrease in raw material costs and efforts made by the Union producer to cut costs.
- (86) The average cost of production of the Union industry dropped even to a higher extent, by 16 %, over the period considered. The cuts in cost of production are mainly due to raw material cost decrease as well as the above mentioned efforts to cut costs like hedging against fluctuations in the raw material price.

## (b) Labour costs

- (87) The average labour costs developed over the period considered as follows:

Table 8

**Average labour costs per employee**

	2012	2013	2014	Review investigation period
Average labour costs per employee (EUR) <i>Index (2012 = 100)</i>	100	106	103	103

Source: Data relating to Plansee SE

- (88) The average labour costs per employee remained relatively stable over the period considered with a marginal increase of 3 % over the period considered. Specifically, the average labour costs increased by 6 % in 2013, then decreased by 2 % in the review investigation period as compared to 2013.

## (c) Inventories

(89) Stock levels developed over the period considered as follows:

Table 9

**Inventories**

	2012	2013	2014	Review investigation period
Closing stocks <i>Index (2012 = 100)</i>	100	140	115	46
Closing stocks as a percentage of production <i>Index (2012 = 100)</i>	100	124	112	47

Source: Data relating to Plansee SE

(90) Inventories represented only a very small percentage of total production during the period considered. This factor was therefore not considered meaningful for the assessment of the economic situation of the Union industry.

## (d) Profitability, cash flow, investments, return on investments and ability to raise capital

(91) Profitability, cash flow, investments and return on investments developed over the period considered as follows:

Table 10

**Profitability, cash flow, investments and return on investments**

	2012	2013	2014	Review investigation period
Profitability of sales in the Union to unrelated customers (% of sales turnover) <i>Index (2012 = 100)</i>	100	512	509	463
Cash flow (EUR) <i>Index (2012 = 100)</i>	100	393	333	301
Investments (EUR) <i>Index (2012 = 100)</i>	100	3 360	0	0
Return on investments <i>Index (2012 = 100)</i>	100	403	375	338

Source: Data relating to Plansee SE

(92) 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 profitability of the Union industry increased significantly over the period considered. It reached a peak in 2013, and then dropped in the review investigation period. As explained in recitals (85) to (86), this increase in the Union industry's profitability was mainly due to the decrease in the raw material cost and due to effective business decisions made to cut costs.

- (93) The net cash flow is the Union producer's ability to self-finance its activities. The net cash flow increased about three times during the period considered. The substantial increase in cash flow is mainly explained by the significant increase in profitability, as explained above in recital (92).
- (94) The investments increased substantially in 2013, and then decreased to zero in the following years. Indeed, the Union producer made a substantial investment in 2013 to replace machines and equipment and no other investments were made in the following years.
- (95) The return on investments is the profit in percentage of the net book value of investments. The return on investment from the production and sale of the like product increased over the period considered. More specifically, it increased in 2013 and then slightly decreased by 16 % in the review investigation period as compared with 2013.

#### *4.4. Conclusion on the situation of the Union industry*

- (96) Indicators such as profitability, cash flow and return on investment improved over the period considered. These developments were mainly due to the decrease in raw material cost and due to the effective business decisions made to cut costs.
- (97) On the other hand, some of the main injury indicators like production, production capacity, capacity utilization and sales volume, remained relatively stable or experienced a negative development during the period considered. Specifically the production volume, the production capacity and the market share decreased marginally by 2 %. The capacity utilisation increased marginally, by 1 %, over the period considered. The sales volume to unrelated customers in the Union remained stable. The employment decreased by 12 %.
- (98) On the basis of the above, it is concluded that the Union industry did not suffer material injury within the meaning of Article 3(5) of the basic Regulation.

#### **5. Likelihood of a recurrence of injury**

- (99) As outlined in recitals (41) and (83), Chinese imports were made at dumped price levels during the review investigation period and, as concluded in recital (51), there is a strong likelihood of a continuation of dumping should the measures be allowed to lapse.
- (100) No undercutting was found during the review investigation period, though when deducting the anti-dumping duty in force, the undercutting margin would amount to around 26 %, as explained in recital (67). On this basis it can be expected that Chinese imports will likely be made at prices significantly undercutting the Union industry's sales prices should the anti-dumping duties be repealed. Considering the attractiveness of the Union market as described in recitals (48) and (50) an increase of the dumped imports is likely. It can be expected that if these increased imports were made at prices significantly undercutting the Union industry's sales price, this would likely exercise a downward price pressure on the Union market. The molybdenum wire is a rather homogenous product in terms of quality. Therefore, the price level is an important factor when deciding on whether to buy from the Union producers or from the Chinese exporting producers. In addition, the sudden decrease of the Chinese imports as a result of the initiation of the second anti-circumvention investigation in 2013, as explained in recital (79), indicates that customers can easily switch to the supplier with the most competitive price (i.e. from the Chinese exporting producers to the Union producers). The Union industry will then likely be forced to either reduce its sales prices at the expense of their profitability or to keep the sales prices level with the likely consequence to lose sales and market share to the advantage of the Chinese exporters. Ultimately this would lead to losses and the Union market would be dominated by Chinese imports.
- (101) As mentioned in recital (44), the Chinese spare capacity was estimated to be 2 650 tonnes in the review investigation period, which represented several times the Union consumption during the same period. Therefore, even if some of this spare capacity would be used for a potentially increased domestic consumption in the PRC, it is expected that a large spare capacity would still remain available for exports to the Union.

- (102) Under the above mentioned circumstances and considering the attractiveness of the Union market as described in recitals (48) and (50), there is a strong likelihood that Chinese exporting producers will significantly increase their imports of the product concerned to the Union market should measures be allowed to lapse.
- (103) Under this scenario the Union industry is likely to lose important sales volume and market share. This would also result in a lowering of the capacity utilisation rate and of the profit levels, eventually leading to losses. As a consequence, it is likely that the Union market would be dominated by imports from the PRC.
- (104) Based on the above, the Commission concluded that there is a strong likelihood of recurrence of injury should the measures be repealed.

#### E. UNION INTEREST

- (105) In accordance with Article 21 of the basic Regulation, the Commission examined whether maintaining the existing anti-dumping measures against the PRC would be against the interest of the Union as a whole. The determination of the Union interest was based on an appreciation of all the various interests involved, including those of the Union industry, importers and users.
- (106) All interested parties were given the opportunity to make their views known pursuant to Article 21(2) of the basic Regulation.
- (107) On this basis, the Commission examined whether, despite the conclusions on the likelihood of a continuation of dumping and recurrence of a threat of injury, compelling reasons existed which would lead to the conclusion that it was not in the Union interest to maintain the existing measures.

##### 1. Interest of the Union industry

- (108) The investigation established that the Union industry did not suffer material injury during the review investigation period.
- (109) The Union industry proved to be a structurally viable industry. It has undergone considerable efforts to rationalise its production process and to enhance its competitiveness which resulted in an increased productivity (by 11 %), a reduced production capacity (by 2 %) and a reduction of cost of production (by 16 %).
- (110) Should the measures be allowed to lapse, the likely influx of substantial volumes of dumped imports from the PRC would deteriorate the situation of the Union industry. It could likely cause further losses of market share, the decrease in sales prices due to the price pressure from Chinese imports while at the same time the decrease in capacity utilisation would increase its average costs. This would very likely lead to a serious deterioration of the Union industry's financial situation.
- (111) On this basis the Commission concluded that the continuation of the anti-dumping measures in force would be in the interest of the Union industry.

##### 2. Interest of importers/traders

- (112) As mentioned in recital (12), no importers cooperated or made themselves known in the current investigation. Nevertheless, the evidence collected from one importer in the original investigation indicated that the overall impact on the total company business would be limited. Therefore, there were no indications that the maintenance of the measures would have a negative impact on the importers not outweighing the positive impact of the measures.

### 3. Interest of users

- (113) Out of the nine users that came forward after initiation, five replied to the questionnaire. One of the five companies was found to participate in circumvention practices as established in the last anti-circumvention investigation concluded in 2015 and mentioned in recital (3). From its questionnaire reply it was clear that this company did not use the product concerned, but that it imported slightly modified molybdenum wire from the PRC, not falling under the product description of the Notice of Initiation of the current review, and that was found to be circumventing the anti-dumping measures in force only after the current investigation had been initiated. Therefore, its reply was not taken into account for the purpose of the current expiry review investigation.
- (114) None of the four remaining cooperating users imported the product concerned from the PRC, but purchased the like product from the Union industry. Two of these companies are coating companies. The third company was a car manufacturer that produced gearboxes for its own produced cars. The fourth company is a producer of automotive parts. However, the data submitted by the latter was deficient and could not be used. The investigation revealed that all users were profitable during the review investigation period. None of the four users put forward any argument against the continuation of the measures.
- (115) On this basis and in line with the conclusions drawn in the original investigation, it is expected that the continuation of measures will not have a significant negative impact on users and that there are therefore no compelling reasons to conclude that it is not in the Union interest to extend the existing measures.
- (116) After disclosure, one interested party claimed that since the price of the raw material for molybdenum wire has gone down significantly over the period considered, this decrease should be taken into account when calculating the anti-dumping duty in force. Furthermore, the same party argued that maintaining the anti-dumping duty in force when the price of the raw material dropped significantly was a distorting factor for the Union users that have a business model starting from Chinese molybdenum wire.
- (117) First, it is underlined that the molybdenum wire raw material price has been duly taken into consideration. The significant drop in the raw material price was acknowledged as one of the determinant factors for the decrease in the cost of production (see recital (86)) and for the increase of profitability (see recital (92)) of the Union industry. Second, it is noted that the scope of the current investigation was to examine whether the anti-dumping duty in force should be repealed or maintained in accordance with Article 11(2) and 11(5) and not to amend an anti-dumping duty. Third, the anti-dumping duty in force is meant to ensure a level playing field between the Chinese exporting producers and the Union industry. Although the development of the raw material price (both increase and decrease) has an impact on the cost and consequently on the price policy of the molybdenum wire producers, it does not have an impact on the level of the anti-dumping duty as such. Therefore, as explained in recital (114), the drop in the raw material price does not have a distorting effect on the users since they can choose whether to buy from the Chinese exporting producers or the Union industry. Finally, as also explained in recital (114), all users were found to be profitable during the review investigation period. Therefore, the claim was rejected.

### 4. Conclusion on Union interest

- (118) In view of the above, the Commission concluded that there are no compelling reasons of Union interest against the extension of the current anti-dumping measures on imports from the PRC.

#### F. ANTI-DUMPING MEASURES

- (119) 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. The submissions and comments were duly taken into consideration.
- (120) It follows from the above considerations that, under Article 11(2) of the basic Regulation, the anti-dumping measures applicable to imports of certain molybdenum wires originating in the PRC, imposed by Regulation (EU) No 511/2010 should be maintained.



- (121) As a consequence, the extension of the measures for the product concerned originating in the PRC first, to imports molybdenum wire consigned from Malaysia <sup>(9)</sup> and, secondly, to imports of molybdenum wire from the PRC containing by weight at least 97 % of molybdenum, of which the maximum cross-sectional dimension exceeds 1,35 mm but does not exceed 4,0 mm <sup>(10)</sup> and, third, to molybdenum wire containing by weight at least 97 % of molybdenum, with a maximum cross-sectional dimension that exceeds 4,0 mm but does not exceed 11,0 mm, should also be maintained.
- (122) This Regulation is in accordance with the opinion of the Committee established by Article 15(1) of Regulation (EC) No 1225/2009,

HAS ADOPTED THIS REGULATION:

*Article 1*

1. A definitive anti-dumping duty is hereby imposed on imports of molybdenum wire, containing by weight at least 99,95 % of molybdenum, of which the maximum cross-sectional dimension exceeds 1,35 mm but does not exceed 4,0 mm, originating in the People's Republic of China, currently falling within CN code ex 8102 96 00 (TARIC codes 8102 96 00 11 and 8102 96 00 19).
2. The rate of the definitive anti-dumping duty applicable to the net, free-at-Union-frontier price, before duty, of the product described in paragraph 1 shall be 64,3 %.
3. Unless otherwise specified, the provisions in force concerning customs duties shall apply.

*Article 2*

This Regulation shall enter into force on the day following 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, 28 June 2016.

*For the Commission*  
*The President*  
Jean-Claude JUNCKER

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<sup>(9)</sup> See footnote 3.

<sup>(10)</sup> See footnote 4.