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DISCLOSURE DOCUMENT

R784 - Partial interim review of the anti-dumping measures concerning imports of threaded tube or pipe cast fittings, of malleable cast iron and spheroidal graphite cast iron, originating in the People's Republic of China and Thailand.

OFFICIALS IN CHARGE

Mr Lukas Pejcoch – Head of Sector

Mr Alessandro Mattucci – Case officer

E-mail:

TRADE-R784-MTF@ec.europa.eu

1. Measures in force

- (1) In May 2013, by Council Implementing Regulation No 430/2013¹, the Council imposed anti-dumping duties on imports of threaded tube or pipe cast fittings, of malleable cast iron and spheroidal graphite cast iron, excluding bodies of compression fittings using ISO DIN 13 metric thread and malleable iron threaded circular junction boxes without having a lid, originating in the People's Republic of China ('China') and Thailand ('the product under review'). The anti-dumping duty ranged between 14,9 % and 57,8 %. The investigation that led to the imposition of the original measures will hereinafter be referred to as 'the original investigation'.
- (2) On 12 June 2013, Chinese exporting producer Jinan Meide Castings Co., Ltd, lodged an application at the General Court of the European Union seeking the annulment of the Regulation (EU) No 430/2013 in so far as it applies to it. On 30 June 2016, the General Court in its judgement found that the rights of defence of Jinan Meide were breached and annulled the contested Regulation in so far as it imposed an anti-dumping duty on imports of threaded tube or pipe cast fittings, of malleable cast iron, manufactured by Jinan Meide.
- (3) Following the above judgement, by notice² of 28 October 2016, the European Commission ('the Commission') reopened the anti-dumping investigation concerning threaded tube or pipe cast fittings, of malleable cast iron, manufactured by Jinan Meide.
- (4) By Commission Implementing Regulation (EU) 2017/1146³ on 28 June 2017, the Commission re-imposed a definitive anti-dumping duty of 39,2 % on imports of threaded tube or pipe cast fittings, of malleable cast iron, originating in China, manufactured by Jinan Meide Castings Co., Ltd.
- (5) On 25 November 2015, the Commission initiated a partial interim review, following the request of Metpro Limited, concerning certain types of threaded tube or pipe case fitting of malleable cast iron originating in China and Thailand in order to determine whether they fell within the scope of applicable anti-dumping measures. The Commission terminated this partial interim review on 18 July 2016, by Implementing Decision (EU) 2016/1176⁴, following the applicant's withdrawal of the request.
- (6) On 23 May 2017, the Commission initiated a partial interim review, following the request of Hebei Yulong Casting Co., Ltd, concerning certain types of threaded tube or pipe case fitting of malleable cast iron originating in China and Thailand in order to determine whether they fall within the scope of applicable anti-dumping measures. The Commission terminated this partial interim review on 11 January 2018, by Implementing Decision (EU) 2018/52⁵, following the applicant's withdrawal of the request.

¹ Council Implementing Regulation (EU) No 430/2013 of 13 May 2013 imposing a definitive anti-dumping duty and collecting definitively the provisional duty imposed on imports of threaded tube or pipe cast fittings, of malleable cast iron, originating in the People's Republic of China and Thailand and terminating the proceeding with regard to Indonesia, OJ L 129, 14.5.2013, p. 1.

² OJ C 398, 28.10.2016, p. 57.

³ OJ L 166, 29.6.2017, p. 23.

⁴ OJ L 193, 19.7.2016, p. 115.

⁵ OJ L 7, 12.1.2018, p. 39.

- (7) On 12 July 2018, the Court of Justice of the European Union decided⁶ that fittings, made of spheroidal graphite cast iron (also known as ductile cast iron) do not correspond to the concept of ‘malleable cast iron’, as defined within CN subheading 7307 19 10. The Court concluded that fittings made of spheroidal graphite cast iron must be classified under the residual CN subheading 7307 19 90 (as other articles of other iron). On 14 February 2019, the Commission published Commission Implementing Regulation (EU) 2019/262⁷ amending the references to TARIC codes to align them with the Court’s conclusions. Because anti-dumping measures are imposed according to the product definition irrespective of the tariff classification, this amendment did not have any impact on the product scope of the current measures.
- (8) By Commission Implementing Regulation (EU) 2019/1259⁸, following an expiry review, the Commission decided to maintain the definitive anti-dumping duty for another five years.
- (9) The anti-dumping duties currently in force range between 24,6% and 57,8% on imports from China and between 14,9% and 15,5% on imports from Thailand.

2. Procedure

- (10) Following a request lodged by the importer KW Tools b.v. (‘the applicant’), on 18 November 2022, the Commission initiated a partial interim review in accordance with Article 11(3) of the basic Regulation by a notice (‘the Notice of Initiation’) published in the *Official Journal of the European Union*⁹. The review was limited to clarify the product scope in view of the allegations that certain product types (namely, (i) ductile iron clamp tee with rubber sealing, for use on grooved steel run pipe with an outlet hole; (ii) ductile iron grooved end cap for use on grooved steel pipe with a threaded outlet; (iii) ductile iron grooved reducer with threaded end for use on grooved steel pipe; and (iv) ductile iron grooved reducing tee with threaded outlet for use on grooved steel pipe) should be excluded explicitly from the scope of the anti-dumping measures applicable to threaded tube or pipe cast fittings of malleable cast iron and spheroidal graphite cast iron originating in China and Thailand.
- (11) The Commission informed all the parties that cooperated in the original investigation as well as the authorities of China and Thailand of the initiation of the proceeding. Interested parties were given the opportunity to comment on the appropriateness of reviewing the scope of the measures.
- (12) The Commission assessed all information deemed necessary for the purpose of the assessment as to whether there is a need for clarification/amendment of the scope of the existing anti-dumping measures.
- (13) All interested parties were informed of the essential facts and considerations on the basis of which the present conclusions were reached. In accordance with Article 20(5) of the basic Regulation, parties were granted a period within they could make

⁶ Judgment of the Court of Justice of 15 July 2021, C-362/20, *Profit Europe NV and Gosselin Forwarding Services NV v Belgische Staat*, ECLI:EU:C:2021:612.

⁷ OJ L 44, 15.2.2019, p. 6.

⁸ Commission Implementing Regulation (EU) 2019/1259 of 24 July 2019 imposing a definitive anti-dumping duty on imports of threaded tube or pipe cast fittings, of malleable cast iron and spheroidal graphite cast iron, originating in the People's Republic of China and Thailand, following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council (OJ L 197, 25.7.2019, p. 2).

⁹ OJ C 438, 18.11.2022, p. 7

comments subsequent to the disclosure. The comments made by the parties are addressed in point 4.4 below.

3. Product under review

- (14) The product under review is the product concerned as defined in the original Regulation, i.e. threaded tube or pipe cast fittings, of malleable cast iron and spheroidal graphite cast iron, excluding bodies of compression fittings using ISO DIN 13 metric thread and malleable iron threaded circular junction boxes without having a lid, currently falling under CN codes ex 7307 19 10 (TARIC codes 7307 19 10 10 and 7307 19 10 20) originating in China and Thailand.

4. Review investigation

4.1. Introduction and methodology

- (15) According to the applicant, the products mentioned in recital (10) have different technical and physical characteristics and end-uses than the product under review. Those products are for use on non-threaded pipes, whereas the product under review is threaded couplings, which are installed on threaded pipes via a screwing mechanism. Consequently, the applicant claimed that those products should be excluded from the scope of application of the anti-dumping measures.
- (16) During the investigation, it was established that the Union industry is not a manufacturer of the products mentioned in recital (10). This finding was further supported by information submitted by the interested parties cooperating in this investigation and by the Union producers' catalogues.
- (17) The Commission examined in particular whether the products mentioned in recital (10) were distinct from other types of malleable tube fittings currently subject to the measures based on their physical and technical characteristics, and their typical end-uses and interchangeability.

4.2. Basic physical and technical characteristics

- (18) The product under review is threaded tube or pipe cast fittings, of malleable cast iron and spheroidal graphite cast iron.
- (19) Threaded clamp tees (product (i) as described in recital (10)) are applied on pipes where a hole has been cut to connect them to either a sprinkler or a branch line. Grooved end caps (product (ii) as described in recital (10)) must be installed using a grooved coupling, whose thread, located on the outlet, is not used for installation. Grooved reducing tees (product (iii) as described in recital (10)) require an additional coupling to be installed, whose thread, located on the outlet, is not used for installation. Threaded reducers (product (iv) as described in recital (10)) require an additional coupling to be installed, whose thread, located on the outlet, is not used for installation.
- (20) Contrary to the product under review, which is installed through the pipes' threaded end, the products mentioned in recital (10) are spheroidal graphite cast iron fittings which can only be used in combination with a grooved coupling or to be clamped over a pipe or tube. Accordingly, the products mentioned in recital (10) have different basic physical and technical characteristics than the product under review.

4.3. End-use and interchangeability

- (21) As set out in recital (19), the products mentioned in recital (10) are not to be used on threaded pipe systems.

(22) Furthermore, the Commission found that the product under review and the products mentioned in recital (10) are not interchangeable. The product under review can solely be used in threaded pipe systems, while the products mentioned under recital (10) can solely be used in non-threaded pipe system, such as grooved steel pipes or PVC/PE pipes. Therefore, the products mentioned in recital (10) and the product under review cannot be used interchangeably.

4.4. Comments of interested parties

(23) The Notice of Initiation invited parties to comment on the appropriateness of reviewing the scope of the measures and, in particular, the clarification that the products mentioned in recital (10) should be excluded as indicated by the applicant in its request for review. Written comments were received from three companies, namely a Union producer of the product under review; a Union importer of the products mentioned in recital (10); and a third company, which is both a Union producer of the product under review and an importer of the products mentioned in recital (10). The Commission held online meetings with each of the parties to clarify their comments and positions.

(24) The Union producer of the product under review opposed the product exclusion, alleging that the product under review is substitutable by the products mentioned in recital (10), especially in firefighting systems where some pipe systems are threaded and other systems are non-threaded/grooved. However, as mentioned in recital (21), the Commission found that the products mentioned in recital (10) can solely be used in non-threaded pipe systems and the product under review can solely be used in threaded pipe systems. There was no possible overlap between the two systems. Thus, this claim was rejected.

(25) The two importers of the products mentioned in recital (10) supported the applicant's request and requested a further clarification of the description of those products. They indicated that they imported ductile iron clamp tees used to connect or tighten grooved pipes or water supply pipes and ductile iron tapping saddles for PVC/PE pipes. These products fit the same description as clamp tees in recital (18), as they are meant to be clamped with a rubber sealing on a tube or pipe to enable connection with an outlet hole. The applicant confirmed in writing that these products are the same as those identified in the request for review and explained that clamp tees can be used on other pipes than just grooved steel run pipes so that the end use is not essential in defining the characteristics of the product. Therefore, the Commission decided to remove the applicant's specific use from the definition of this product type, mentioned in recital (10).

(26) One of the importers also requested the exclusion of blanking saddles, which are connectors made of ductile iron without threaded outlets used to seal a hole in a tube or pipe. However, since the upper part of the saddle is connected to the lower part with threaded screws, they have a threaded element solely for this screw connection. Since blanking saddles do not have a threaded outlet, the Commission considered that this product is not a fitting and therefore does not fall under the definition of the product under review. Accordingly, the anti-dumping measures imposed on imports of the product under review do not apply in case of blanking saddles made of ductile iron.

4.5. Conclusion on the product scope

(27) The review investigation has established that, due to their different physical and technical characteristics, different end-uses, and the lack of interchangeability, the

products mentioned in recital (10) do not fall within the product scope of the antidumping measures in force. The Commission further clarified that ductile iron blanking saddles are not a fitting and therefore do not fall under the definition of the product under review.

- (28) It is therefore considered appropriate to clarify that those products do not fall within the product scope subject to anti-dumping measures.
 - (29) Given the above, it is considered appropriate to amend the original Regulation to clarify the product definition.
 - (30) Interested parties were informed of the conclusions of the review investigation.
- 4.6. Retroactive application
- (31) During the investigation, the applicant and an importer requested the product exclusion to have retroactive effect to the initial imposition of the anti-dumping duty.
 - (32) The products mentioned in recital (10) were not covered by the original investigation in 2012 and all subsequent investigations, since these investigations have covered malleable and spheroidal (ductile) cast iron fittings that are used to connect threaded pipes or tubes.
 - (33) Since the present review investigation was limited to the clarification of the product scope and since the products mentioned in recital (10) were not covered by the original investigation and the consequent anti-dumping measures, it is considered appropriate that the findings of this review be applied from the date of the entry into force of the original Regulation. The Commission has not found any overriding reason preventing the application of such retroactive provision.
 - (34) Consequently, for goods not covered by Article 1(1) of Regulation (EU) 2019/1259 as amended by this Regulation, the definitive anti-dumping duty paid or entered in the accounts pursuant to Article 1(1) of the original Regulation (EU) No 430/2013 and the provisional antidumping duties definitively collected pursuant to Article 2 of that same Regulation should be repaid or remitted in accordance with the applicable customs legislation.
 - (35) This review does not affect the date on which Regulation (EU) 2019/1259 will expire pursuant to Article 11(2) of the basic Regulation.