



Brussels, 15.4.2013  
COM(2013) 206 final

2013/0109 (NLE)

Proposal for a

**COUNCIL IMPLEMENTING REGULATION**

**imposing a definitive anti-dumping duty and collecting definitively the provisional duty imposed on imports of ceramic tableware and kitchenware originating in the People's Republic of China**

## EXPLANATORY MEMORANDUM

### **1. CONTEXT OF THE PROPOSAL**

#### **Grounds for and objectives of the proposal**

This proposal concerns the application of Council Regulation (EC) No 1225/2009 of 30 November 2009 on protection against dumped imports from countries not members of the European Community ('the basic Regulation') in the anti-dumping proceeding concerning imports of ceramic tableware and kitchenware originating in the People's Republic of China.

#### **General context**

This proposal is made in the context of the implementation of the basic Regulation and is the result of an investigation which was carried out in line with the substantive and procedural requirements laid out in the basic Regulation.

#### **Existing provisions in the area of the proposal**

Provisional measures were imposed by Commission Regulation (EU) No 1072/2012 (OJ L 318, 15.11.2012, p. 28.).

#### **Consistency with other policies and objectives of the Union**

Not applicable.

### **2. RESULTS OF CONSULTATIONS WITH THE INTERESTED PARTIES AND IMPACT ASSESSMENTS**

#### **Consultation of interested parties**

Interested parties concerned by the proceeding have had the possibility to defend their interests during the investigation, in line with the provisions of the basic Regulation.

#### **Collection and use of expertise**

There was no need for external expertise.

#### **Impact assessment**

This proposal is the result of the implementation of the basic Regulation.

The basic Regulation does not contain provisions for a general impact assessment but contains an exhaustive list of conditions that have to be assessed.

### **3. LEGAL ELEMENTS OF THE PROPOSAL**

#### **Summary of the proposed action**

On 16 February 2012 the Commission initiated an anti-dumping proceeding concerning imports of ceramic tableware and kitchenware originating in the People's Republic of China.

The Commission imposed provisional anti-dumping duties on these imports by Regulation (EU) No 1072/2012 of 14 November 2012.

The attached proposal for a Council Regulation is based on the definitive findings which have confirmed the existence of dumping causing injury, and the fact that the imposition of measures is not against the overall Union interest. Although the product scope and the final duty rates have been amended, the provisional findings were confirmed.

It is therefore proposed that the Council adopt the attached proposal for a Regulation which should be published no later than 14 May 2013.

#### **Legal basis**

Council Regulation (EC) No 1225/2009 of 30 November 2009 on protection against dumped imports from countries not members of the European Community.

#### **Subsidiarity principle**

The proposal falls under the exclusive competence of the European Union. The subsidiarity principle therefore does not apply.

#### **Proportionality principle**

The proposal complies with the proportionality principle for the following reasons:

The form of action is described in the above-mentioned basic Regulation and leaves no scope for national decision.

Indication of how financial and administrative burden falling upon the Union, national governments, regional and local authorities, economic operators and citizens is minimized and proportionate to the objective of the proposal is not applicable.

#### **Choice of instruments**

Proposed instruments: regulation.

Other means would not be adequate for the following reason:

Other means would not be adequate because the basic Regulation does not provide for alternative options.

#### **4. BUDGETARY IMPLICATION**

The proposal has no implication for the Union budget.

Proposal for a

## **COUNCIL IMPLEMENTING REGULATION**

### **imposing a definitive anti-dumping duty and collecting definitively the provisional duty imposed on imports of ceramic tableware and kitchenware originating in the People's Republic of China**

THE COUNCIL OF THE EUROPEAN UNION,

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 9 thereof,

Having regard to the proposal submitted by the European Commission ('the Commission') after having consulted the Advisory Committee,

Whereas:

#### 1. PROCEDURE

##### 1.1. Initiation

- (1) The Commission, by Regulation (EU) No 1072/2012<sup>2</sup> ('the provisional Regulation'), imposed a provisional anti-dumping duty on imports of ceramic tableware and kitchenware originating in the People's Republic of China ('PRC' or 'the country concerned').
- (2) The proceeding was initiated on 16 February 2012<sup>3</sup> following a complaint lodged on behalf of Union producers ('the complainants'), representing more than 30% of the total Union production of ceramic tableware and kitchenware.
- (3) As set out in recital (22) of the provisional Regulation, the investigation of dumping and injury covered the period from 1 January 2011 to 31 December 2011 ('the investigation period' or 'IP'). The examination of trends relevant for the assessment of injury covered the period from 1 January 2008 to the end of the IP ('the period considered').

##### 1.2. Subsequent procedure

- (4) Subsequent to the disclosure of the essential facts and considerations on the basis of which it was decided to impose a provisional anti-dumping duty ('provisional disclosure'), several interested parties made written submissions making known their views on the provisional findings. The parties who so requested were granted an opportunity to be heard. Two importers and one exporting producer requested and were afforded hearings in the presence of the Hearing Officer of the Directorate-General for Trade.

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

<sup>2</sup> OJ L 318, 15.11.2012, p. 28.

<sup>3</sup> OJ C 44, 16.2.2012, p. 22.

- (5) The Commission continued to seek and verify all information it deemed necessary for its definitive findings. The oral and written comments submitted by the interested parties were considered and, where appropriate, the provisional findings were modified accordingly.
- (6) In addition, as explained in recital (55) below, a verification visit was carried out at a Thai producer, the purpose of which was to investigate the suitability of Thailand as an appropriate analogue country.
- (7) Subsequently all parties were informed of the essential facts and considerations on the basis of which it was intended to recommend the imposition of a definitive anti-dumping duty on imports of ceramic tableware and kitchenware originating in the PRC and the definitive collection of the amounts secured by way of provisional duty ('the final disclosure'). All parties were granted a period within which they could make comments on the final disclosure. The Chinese Chamber of Commerce for Import and Export of Light Industrial Products and Arts-crafts ('CCCLA') and a group of importers requested and were granted hearings in the presence of the Hearing Officer of the Directorate-General for Trade.
- (8) The comments submitted by the interested parties were considered and taken into account where appropriate.

### 1.3. Sampling

- (9) Following provisional disclosure several interested parties challenged the sample of exporting producers from the PRC arguing that the sample is not representative, as it is based only on the largest exported volumes and thus failed to take into account other factors characterising the diversity and fragmentation of the ceramic industry in the PRC.
- (10) It follows from Article 17(1) of the basic Regulation that the selection of companies to be included in the sample may be limited to the largest representative volume of exports that can reasonably be investigated within the time available. In view of the fragmentation of the industry it was considered that a selection based on export volumes would allow a representative sample that could be investigated within the time available. In this respect it should nevertheless be noted that the companies selected are located in three different regions in China and have significant production of the product concerned of different types of ceramic material, e.g. porcelain and stoneware as well as production of a wide variety of product types. Therefore, this claim cannot be accepted.
- (11) One exporting producer claimed that the use of different methodologies for selecting the sample for the EU industry and importers as compared to the sampling of exporting producers amount to discrimination and that the same criteria should have been used. The use of different methodologies is discriminatory against the exporting producers and a breach of equal treatment.
- (12) The selection of a sample of exporting producers serves only to investigate the existence of dumping of the product concerned from the PRC. In this regard, it is essential to cover the maximum volume of imports of the product concerned in the investigation period. On the other hand, the sample of Union producers was selected for the purpose of determining whether the Union industry was suffering material injury on the basis of numerous different indicators. Concerning importers, the information collected is largely used in the Union interest assessment. It follows that for importers and the Union producers, it is important to collect information from a

range of companies active in, for example, different product segments. As the underlying rationale for selecting companies to be included in the samples is different for, on the one hand, Union producers and importers and, on the other hand, exporting producers, they are not in a similar situation. Therefore, neither the principle of non-discrimination nor equal treatment requires the use of an identical methodology for selecting the respective samples. It follows that this claim is wholly unwarranted and is therefore rejected.

- (13) Furthermore, one exporting producer maintained its request, as referred to in recital (8) of the provisional Regulation, that it should have been included in the sample. The company has however not put forward any new arguments that would justify its inclusion in the sample. Therefore, and taking into account the findings in recital (10) above, the conclusions in recital (9) of the provisional Regulation are hereby confirmed.
- (14) The same non-sampled exporting producer claimed that it was not afforded sufficient time to submit its comments on the final disclosure and that, in addition, the disclosure was insufficient since it did not disclose, *e.g.* figures for allowances, sales prices, adjustments, etc. Therefore, its rights of defence have not been respected.
- (15) According to Article 20(5) of the basic Regulation an interested party should be afforded a time period of at least 10 days to submit comments on the final disclosure. The exporting producer in question received the final disclosure by way of electronic mail on 25 February 2013 and was given until 8 March 2013, *i.e.* 11 days, to submit comments. The disclosure document was in addition also sent by registered mail the following day. It follows that the party concerned was given sufficient time to submit comments and this claim must therefore be rejected. In this respect it is also noted that the party's comments were provided within the given deadline and that no request for an extension of the deadline was made. Moreover, having due regard to its obligation to protect confidential information, the Commission disclosed all essential facts and considerations on the basis of which it intended to propose the imposition of definitive measures. More particularly, the respect for the rights of defence does not require that company specific sale figures or allowances made in respect of companies included in the sample, used to establish individual dumping margins must be communicated to a party for which no individual margin is calculated.
- (16) It follows from the above that the claim that the rights of defence were not respected is unfounded and is therefore rejected.

## 2. PRODUCT CONCERNED AND LIKE PRODUCT

### 2.1. Introduction

- (17) As set out in recitals (24) and recitals (56) to (57) of the provisional Regulation, the product concerned as provisionally defined is ceramic tableware and kitchenware, excluding ceramic knives ('the product concerned'), currently falling within CN codes ex 6911 10 00, ex 6912 00 10, ex 6912 00 30, ex 6912 00 50 and ex 6912 00 90 and originating in the People's Republic of China.

### 2.2. Claims

- (18) Following provisional disclosure, no parties contested that ceramic (kitchen) knives were fundamentally different from other kinds of ceramic table and kitchenware due to differences in physical characteristics, production processes and end-uses. All comments by parties having been analysed, the claim to exclude ceramic knives from the product scope of this investigation is definitively accepted.

- (19) After publication of provisional measures, several parties claimed that certain ceramic condiment and spice mills and their ceramic grinding parts, should be excluded from the product scope.
- (20) This claim is based on the allegation that, in view of their specificities, such mills and other types of ceramic tableware and kitchenware could not be considered as forming one single product. Those mills have a ceramic material mainly made of alumina for the grinding plate which is not used for 'standard' tableware such as cups and plates and for which firing is done at higher temperatures. Their degree of inter-changeability with the main categories of the product under investigation would be limited. This would also apply to ceramic grinding mechanisms without any housing which are normally declared under the above-mentioned codes.
- (21) The investigation showed that the ceramic element in these grinders normally represented a minor part of the mill. Moreover, the investigation showed that mills with a ceramic grinding plate, including their ceramic grinding parts, did not have the same basic physical characteristics and basic uses as ceramic tableware and kitchenware. The shape, strength and design of the ceramic grinding parts are different from ceramic tableware and kitchenware.
- (22) Some parties submitted that the mills in question should be excluded from the product scope on the basis that they have the same physical characteristics, industry design and end-use as mills with grinding mechanisms made of metal and that when included in certain sets of mills they are normally classified under tariff heading 8210. They also claimed that the ceramic elements in these instances generally represent normally up to 2% of the value of the product. Nevertheless, given the numerous classification possibilities of mills and sets of mills, the investigation could not retain these arguments to determine whether ceramic mills should be excluded from the product scope of the investigation.
- (23) Several parties backed their claim that the mills in question should be excluded from the product scope on the basis that it would be necessary to use ceramic grinding plates, rather than metal, in certain mills, namely salt mills, as salt corrodes metal grinders. However, the investigation showed that salt mills do not necessarily use ceramic grinding mechanisms.
- (24) On the basis of the considerations in the recitals above, the investigation concluded that condiment and spice mills with ceramic grinding elements are fundamentally different from other kinds of ceramic table and kitchenware due to the differences in basic physical characteristics and uses of the ceramic material used for the working parts. Therefore, the claim to exclude them, including stand-alone ceramic grinding mechanisms and their parts, from the product scope of this investigation is accepted.
- (25) After publication of provisional measures, some parties claimed that ceramic knife sharpeners should be excluded from the product scope because of differences in the production processes, end-use and the fact that these items are not aimed at retaining foodstuff due to their specific design and physical characteristics. The investigation confirmed these points. The claim to exclude them from the product scope of this investigation is therefore granted.
- (26) In the same vein it was also investigated whether ceramic peelers should be excluded from the product scope. Indeed, the investigation confirmed that ceramic peelers, also, are fundamentally different from other kinds of ceramic table and kitchenware due to the differences in the design and physical characteristics (shape and strength) of the

ceramic material used for the working parts, their production processes and end-use. Ceramic peelers should, therefore, also be excluded from the product scope of this investigation.

- (27) After publication of provisional measures, a party also claimed that pizza-stones made of cordierite ceramic should be excluded from the product scope because of their different physical properties (shape and hardness), industrial design and use. Cordierite ceramic is a type of alumina magnesia silicate with specific properties, namely an excellent thermal shock resistance. The investigation confirmed that pizza-stones made of cordierite ceramic have the same physical properties (shape and hardness), industrial design and use as bricks for furnaces or ovens. Consequently, they are different from other ceramic tableware and kitchenware. Following final disclosure, the complainants pointed at the similarity of pizza-stones made of cordierite ceramic as compared to the other products covered by the proceeding. However, they could not demonstrate that pizza-stones made of cordierite ceramic have the same basic physical characteristics and end uses. The claim to exclude them from the product scope of this investigation is therefore granted.
- (28) After publication of provisional measures, a Dutch association claimed that ceramic tableware and kitchenware to be used as promotional products should be excluded from the product scope on the basis that they are not sold to be used as tableware or kitchenware, that they are an important economical driver for the retail sector, that they are highly appreciated by consumers and that only producers in the People's Republic of China could offer the quantities needed within a short period. The claim to exclude ceramic tableware and kitchenware to be used as promotional products from the product scope of this investigation cannot however be granted because their physical characteristics, production processes and end-use are the same as those of other kinds of ceramic tableware and kitchenware.
- (29) Provisional measures having been published and again after final disclosure, a German importer and wholesaler and a Chinese co-operating exporting producer claimed that specially coated stoneware wares of a kind for sublimation printing and for which the coating of sublimation is removable through mechanical scratching should be excluded from the product scope on the basis that they are semi-finished products for which the photofinishing is carried out in the Union via specific channels, the different consumer perception, the fact that the sublimation coating exceeds the value of the uncoated ceramic items and the inexistence of Union producers of this kind of product. The investigation revealed that the product is visibly identical to other non-sublimated tableware and, therefore, it is difficult to distinguish, if at all. The investigation further showed that these products have normally the same end-use as other types of ceramic tableware. It was also found that several Union producers do manufacture these products and that Union-made and imported products are in direct competition. In view of the above, the claim to exclude specially coated stoneware wares of a kind for sublimation printing is rejected.
- (30) After the publication of provisional measures and again after final disclosure, the importer that had claimed the exclusion of underglaze figurative hand-painted tableware from the product scope alleged that the Commission's provisional analysis in this respect was flawed because it ignored the existence of market segments, the differences in quality between the different types of tableware, the luxury and more fragile nature of underglaze figurative hand-painted tableware and the limited interchangeability as a consequence of the associated consumer perception. It also



alleged that underglaze figurative hand-painted tableware may be even used for decoration.

- (31) As regards the claims concerning the differences in quality between the different types of tableware and the luxury and more fragile nature of underglaze figurative hand-painted tableware, these characteristics are not specific to underglaze figurative hand-painted tableware. Moreover, as regards the limited interchangeability as a consequence of associated consumer perception, no new argument was raised that would change the conclusion in recital (45) of the provisional Regulation that the average consumer does not make a difference between underglaze figurative hand-painted tableware and other types of ceramic tableware. Finally, the Commission had analysed the existence of market segments in recitals (157) to (158) of the provisional Regulation. These arguments could not therefore reverse the conclusions in recital (45) of the provisional Regulation.
- (32) The claim raised in recital (50) of the provisional Regulation was further elaborated after the imposition of provisional measures. These claims were reiterated after definitive disclosure. The importer with production in China claimed that kitchenware/tableware products that are entirely glazed and/or enamelled on 100% of their surface with the exception of the base or a part thereof and where 100% of the glazed/enamelled surface is coloured with a non-white colour should be excluded from the product scope. The claim was duly analysed and the investigation has shown that the physical characteristics, production processes and end-uses of these products are the same as those of other glazed and/or enamelled products of ceramic tableware and kitchenware. Therefore, the claim is definitively rejected.
- (33) CCCLA insisted that fine bone china should be excluded from the product scope of the investigation on the basis that it is a fragile luxury product with a low mechanical strength and it also contested that it is chip resistant. Yet it is noted that CCCLA itself had previously submitted that fine bone china had a high mechanical strength and was chip resistant. These contradictory statements clearly undermined the CCCLA claims. In any event, the arguments raised do not change the conclusions summarized in recital (28) of the provisional Regulation. Therefore, the claim for the exclusion of fine bone china from the product scope is therefore definitively rejected.
- (34) The same party reiterated that durable porcelain should be excluded from the product scope of the investigation. It claimed that the statement that it does not have uncontested features was not true, that it was very robust due to a clay aluminium content of over 24% and then contested the Union manufacturing capacity for this product. However, the different submissions on durable porcelain are contradictory as regards for instance the raw materials share and its alumina powder content. Moreover, it was not contested that durable porcelain was also manufactured in the Union and that producers in the PRC made durable porcelain which was in direct competition with Union produced durable porcelain as well as with other products covered by the investigation. The claim to exclude durable porcelain is therefore definitively rejected.
- (35) All types of ceramic tableware and kitchenware can be regarded as different types of the same product. Therefore, the claim made after provisional and again after final disclosure that the investigation covers a large range of like products and that, as a result, it would be necessary to conduct separate standing, dumping, injury, causation and Union interest analyses for each product segment, is found to be unfounded. One party that claimed that the product scope was too broad brought forward a comparison

of products with different levels of decoration, but its statements as regards end-use (for the garden and children in one case, for decoration in the other case) are disputable because there is no clear-cut and can rather be seen as a confirmation of the point made in recital (55) of the provisional Regulation. It should also be noted that an importer with production in the People's Republic of China submitted that over 99% of the ceramic tableware and kitchenware products sold in the Union were predominantly or exclusively white. Some parties contested recital (58) of the provisional Regulation on the basis that in the framework of the investigation the institutions did not carry out any test of whether certain merchandise was not suitable for free trade in the Union. However, this fact does not undermine the conclusion in recital (63) of the provisional Regulation.

### 2.3. Conclusion

- (36) In view of the above, the product scope is definitively defined as ceramic tableware and kitchenware, excluding ceramic knives, ceramic condiment or spice mills and their ceramic grinding parts, ceramic peelers, ceramic knife sharpeners and cordierite ceramic pizza-stones of a kind used for baking pizza or bread, originating in the People's Republic of China, currently falling within CN codes ex 6911 10 00, ex 6912 00 10, ex 6912 00 30, ex 6912 00 50 and ex 6912 00 90.
- (37) In the absence of other comments regarding the product concerned and the like product, all other determinations in recitals (24) to (63) of the provisional Regulation are hereby confirmed.

## 3. DUMPING

### 3.1. Market Economy Treatment (MET)

- (38) Following provisional disclosure one exporting producer, one Union producer and one importer claimed that the MET determination was made out of time, i.e. after the three-month period laid down in Article 2(7)(c) of the basic Regulation and that the investigation therefore should be terminated without imposition of any anti-dumping measures. This claim in relation to the MET determination had already been made at the provisional stage and was rejected by the Commission in recitals (72) and (73) of the provisional Regulation. After final disclosure five more exporting producers put forward a similar claim. In support of the claim they relied on the Court of Justice's judgments in the *Brosmann* and *Aokang Shoes* cases<sup>4</sup>.
- (39) First, it is recalled that the *Brosmann* and *Aokang* cases are not pertinent for the assessment of the legality of the MET analysis in the investigation at hand since those cases, contrary to this investigation, relate to situations where the MET assessments were not conducted at all.
- (40) Furthermore, *Brosmann* and *Aokang* cases are not relevant for the assessment of the legality of the investigation at hand, in the light of the fact that the basic Regulation has meanwhile been amended<sup>5</sup>. Article 2(7) of the basic Regulation, as amended, provides that the Commission shall only make MET determinations in respect of companies included in a sample pursuant to Article 17 of the basic Regulation and that

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<sup>4</sup> Court of Justice judgment of 2 February 2012 in case C-249/10 P, *Brosmann Footwear HK and Others v. Council of the European Union* and Court of Justice judgment of 15 November 2012 in case C-247/10 P, *Zhejiang Aokang Shoes Co. Ltd v. Council of the European Union*.

<sup>5</sup> Regulation (EU) No 1168/2012 of the European Parliament and of the Council of 12 December 2012 amending Council Regulation (EC) No 1225/2009 on protection against dumped imports from countries not members of the European Community, OJ L 344, 14.12.2012, p. 1.

it shall make such a determination within seven months of, but in any event not later than eight months after the initiation of the investigation, is applicable to all new and pending investigations as from 15 December 2012, including therefore the present one.

- (41) In any event, the interpretation of the standing case law that there was no infringement *per se* of the right to a MET determination notwithstanding the fact that the three month time limit was not respected, must be upheld. Therefore, the conclusion in recital (73) of the provisional Regulation is maintained.
- (42) Due to the large number of MET claims received and the need at that time to carry out numerous verification visits to examine those claims, the MET determination was not made within seven months. However the determinations were made within eight months from the date of the initiation as required by the basic Regulation, as amended by Regulation 1168/2012. The allegation that any right in this respect was removed with retroactive effect is not justified as explained above.
- (43) In view of the above, the claim that the anti-dumping investigation, due to a failure to make a MET determination within three months, should be terminated without imposition of any anti-dumping measures, is rejected.
- (44) Furthermore, one non-sampled exporting producer that failed to demonstrate that it has one clear set of accounting records that were independently audited in line with international accounting standards and thus had its MET request rejected, maintained the claim that the alleged accounting errors, if any, on the basis of which its request was refused, were not material and that, therefore, the decision to refuse MET was disproportionate and in breach of the principle of proportionality. Following final disclosure this exporting producer maintained its claim but did not put forward any new arguments.
- (45) The arguments concerning the severity of the accounting records are essentially identical to those made during the MET investigation and were rebutted by the Commission prior to the MET determination. Nevertheless, with regard to the argument that the refusal to grant MET breaches the principle of proportionality it should be recalled that the MET criteria laid down in Article 2(7)(c) of the basic Regulation are cumulative and, unless they are all fulfilled, MET cannot legally be granted. In addition, since the burden of proof is on the company requesting MET and the company failed to demonstrate that it had one clear set of accounts, the only option available to the Commission was to refuse MET. Therefore, the decision to refuse MET cannot be considered to be in breach of the principle of proportionality. In any event, pursuant to Article 2(7)(d) of the basic Regulation, as amended by Regulation 1168/2012<sup>6</sup>, when the Commission has limited its examination by the use of sampling, a determination on MET shall be limited to the parties included in the sample.

### 3.2. Individual Treatment (IT)

- (46) It is recalled that although sixteen exporting producers requested IT, only the claims received from the sampled companies were examined pursuant to Article 9(6) of the basic Regulation and were, subsequently, accepted. Of the remaining eleven exporting producers, seven requested individual examination.
- (47) In accordance with Articles 9(5) and 9(6) of the basic Regulation, individual duties shall be applied to imports from any exporter or producer which will be granted

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<sup>6</sup> *Ibid.*

individual examination, as provided for in Article 17(3) of the basic Regulation. Accordingly, the four companies that requested IT but not individual examination could not be granted an individual duty.

- (48) One exporting producer claimed that it had submitted all information required within given deadlines and should therefore have had its IT claim examined and an individual margin established in accordance with the Court of Justice ruling in the *Brosmann* case<sup>7</sup>.
- (49) This claim cannot be accepted. As the company in question was not included in the sample its claim for IT could only be assessed in the context of an individual examination, should one be carried out pursuant to Article 17(3) of the basic Regulation.
- (50) In the absence of any further comments on IT, recitals (79) to (81) of the provisional Regulation are hereby confirmed.

### 3.3. Individual Examination (IE)

- (51) Claims for individual examination pursuant to Article 17(3) of the basic Regulation were submitted by seven exporting producers, comprising ten legal entities. As explained in recitals (82) and (83) of the provisional Regulation, no decisions were taken in respect of these requests at the stage of provisional measures.
- (52) On 21 December 2012 the exporting producers were informed that their requests for individual examinations could not be accepted as they would be unduly burdensome and would prevent completion of the investigation in due.
- (53) One exporting producer claimed that, pursuant to Article 17(3) of the basic Regulation, an individual examination is a statutory right and that the Commission's refusal to individually examine it is unjustified, since neither the number of companies nor the examination required would, in view of the Commission's resources, be unduly burdensome or prevent the completion of the investigation in due time. Following final disclosure this claim was repeated but no further arguments were put forward.
- (54) The decision whether or not to accept individual examinations is taken on a case by case basis, taking into account the number of claims submitted and the time available to assess these claims. In this case, it should be recalled that the Commission was legally obliged to carry out MET examinations at sixteen legal entities in the PRC, including companies not selected in the sample. Considering the time constraints imposed by legal procedural deadlines no individual examinations could therefore be carried out prior to the provisional findings. In view of the limited time available thereafter and considering the number of claims submitted and the limited resources available by the services responsible for anti-dumping investigations in the Commission, it was concluded that it would be unduly burdensome to carry out individual examinations in this case.

### 3.4. Normal Value

#### 3.4.1. Choice of analogue country

- (55) Following the imposition of provisional measures, the selection of an appropriate analogue country was further examined. In this context, a verification visit was carried out at the premises of the Thai exporting producer that had submitted a questionnaire reply, as mentioned in recital (87) of the provisional Regulation. After having

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<sup>7</sup> See footnote 4.

examined and verified the information received from the cooperating producer in Thailand it was however concluded that the Thai producer could not provide data at a sufficient level of detail regarding the types of products sold on the domestic market. Therefore, it was considered that Brazil should be retained as the most appropriate analogue country.

- (56) Nevertheless, the information obtained from Thailand served to support some of the findings made in Brazil, notably the level of price difference between branded and non-branded products (see recital (91) below).
- (57) Following the final disclosure one industry association came forward and contested the choice of Brazil as an appropriate analogue country. It essentially argued that the only reason to choose Brazil appears to be based on the fact that no other country was appropriate. This claim cannot be accepted. It follows clearly from the recitals (84) to (88) of the provisional Regulation that Brazil was considered as an appropriate analogue country based on the factual domestic market situation. The fact that the Commission after provisional measures continued to examine also other potential analogue countries does not lead to the conclusion that Brazil is not an appropriate choice.
- (58) In view of the above and in the absence of any other comments on substance on the choice of Brazil as the appropriate analogue country, recitals (84) to (88) of the provisional Regulation are confirmed.

#### 3.4.2. Determination of normal value

- (59) Following the provisional disclosure several interested parties claimed that the determination of normal value was flawed in so far as it was allegedly not established for the sales of like products in Brazil and, therefore, led to distorted and unfair results, particularly in respect of stoneware products and other product types that were not produced and sold in the analogue country. Some exporting producers also argued that the methodology for establishing the constructed normal value, referred to in recital (94) of the provisional Regulation, was not properly disclosed.
- (60) The comments received after the provisional disclosure show that the methodology used to determine the normal value was not fully clear to some interested parties, In order to address these comments, it is further explained that the methodology for determining the normal value has been the following.
- (61) Given that all requests for MET are denied normal value for all sampled exporting producers from the PRC was established on the basis of information received from the producer in the analogue country, pursuant to Article 2(7)(a) of the basic Regulation.
- (62) In accordance with Article 2(2) of the basic Regulation, the Commission first examined whether the sales of the like product in Brazil to independent customers were representative. The sales of the Brazilian cooperating producer of the like product were found to be sold in representative quantities on the Brazilian domestic market compared to the product concerned exported to the Union by the exporting producers included in the sample. In this respect it is recalled that according to Article 1(4) of the basic Regulation, "like product" means a product that is identical, *i.e.* alike in all aspects, to the product under consideration or, in the absence of such a product, another product which, although not alike in all aspects, has characteristics closely resembling those of the product under consideration.
- (63) The Commission subsequently examined whether these sales could be considered as having been made in the ordinary course of trade pursuant to Article 2(4) of the basic

Regulation. This was done by establishing the proportion of profitable sales to independent customers. The sales transactions were considered profitable where the unit price was equal to, or above, the cost of production. The cost of production of the cooperating Brazilian producer was therefore determined.

- (64) This examination demonstrated that for all product types more than 80% by volume of sales on the domestic market were above cost and that the weighted average sales price of all types was equal to, or above, the unit cost of production.
- (65) Accordingly, normal value, by product type, was calculated as the weighted average of the actual domestic prices of all sales, irrespective of whether those sales were profitable or not. It follows that, contrary to what was indicated in recital (94) of the provisional Regulation, no constructed normal value has been established for non-profitable sales.

#### 3.4.3. Export price

- (66) In the absence of any comments regarding export prices, recital (95) of the provisional Regulation is hereby confirmed.

#### 3.4.4. Comparison

- (67) Following provisional disclosure several interested parties claimed that, generally, the methodology used for the comparison of normal value and export price was flawed as it did not compare like products and that the basis on which adjustments were made was not sufficiently explained. More particularly, one exporting producer claimed that for stoneware products, which were not produced and sold by the analogue producer, the Commission should have compared the export price with the domestic price for earthenware, duly adjusted, rather than constructing a normal value. Moreover, several exporting producers argued that for several other product types, which were produced and sold by exporting producers, a comparison between the export price and an average price per kg for a generic product type sold in Brazil based solely on the type of ceramic material used has inevitably lead to a comparison between products that are not like and thus to a flawed result. In addition, one exporting producer claimed that the branding adjustment under Article 2(10)(k) was underestimated while another exporting producer claimed that the level of that adjustment was not based on any reliable or substantiated data and is therefore not justified. The same exporting producer also argued that its export prices should be adjusted for differences in quantities sold at different levels of trade. Finally, several interested parties claimed that the methodology used for adjustments for differences in physical characteristics are not well founded and it is unclear on which data these adjustments were made.
- (68) In view of the comments received the methodology used for price comparison and adjustments for the purpose of price comparability pursuant to Article 2(10) of the basic Regulation have been revised. Most notably, for products that at the provisional stage were compared on the basis of the average price per kg for a generic product based solely on the ceramic material used, the comparison has been made with the closest resembling product (see recital (77) below), which allowed for a more accurate and fair price comparison.
- (69) The normal value and export price were compared on an ex-works basis. The dumping margins were established by comparing the individual ex-works price of the sampled exporters to the domestic sales price of the analogue producer of the like product. Some export transactions concerned, however, atypical product types, like serviette rings, knife rests or teapot stands, for which it was not possible to ensure a fair

comparison. Therefore, also taking into account that these transactions were negligible as they overall only accounted for less than 0.5% of export volumes, they were excluded.

- (70) For the purpose of ensuring a fair comparison between the normal value and the export price, due allowances in the form of adjustments was made for differences affecting price and price comparability in accordance with Article 2(10) of the basic Regulation. Adjustments were made, where appropriate, in respect of differences in physical characteristics, level of trade and for other factors affecting price comparability, notably branding.
- (71) First, it was examined whether an adjustment under Article 2(10)(a) of the basic Regulation for differences in physical characteristics was warranted.
- (72) In cases where the normal value was determined on the basis of the closest resembling product (see recital (68) above), an adjustment was made for differences in the physical characteristics in order to ensure a fair price comparability between the like products.
- (73) With regard to stoneware products, the export price was compared to the domestic sales price of the closest resembling product produced and sold in the analogue country, *i.e.* the sales price of products made of earthenware instead of stoneware but identical in all other aspect, as adjusted upwards by 5%, to reflect the price difference between stoneware and earthenware.
- (74) One exporting producer claims that both the production costs and the retail price for earthenware products is higher than for stoneware products. Accordingly, the export price for its stoneware products should have been adjusted downwards rather than upwards. In support of this claim the exporting producer relies essentially on its own estimates of the production costs of earthenware and stoneware, respectively, and an extract from a price list indicating retail prices of earthenware and stoneware products.
- (75) This information, which was provided very late in the proceedings, and only after the final disclosure, stands in stark contrast to the information that has been provided to the Commission throughout the investigation from other interested parties, *i.e.* the complainant, the Union industry and the producer in the analogue country. All these parties have indicated that stoneware products are of a higher quality, *i.e.* more durable, than earthenware products and are more expensive to manufacture as stoneware is basically high-fired clay and earthenware low-fired clay. Accordingly, stoneware can generally be sold at a higher price. This information is further corroborated by publicly available market information.
- (76) It should further be noted that the exporting producer in question does not produce earthenware itself and has thus only provided an estimate of the production costs thereof. In addition, the submitted price list does not demonstrate conclusively that earthenware products are generally more expensive than stoneware products. Therefore, the evidence provided is not such as to demonstrate that the adjustment made for a fair price comparison between the normal value and the export price of stoneware products is flawed and the claim is accordingly rejected.
- (77) In respect of other product types for which the comparison at provisional stage was based on the average price per kg and the ceramic material only, the Commission has further analysed the product types concerned and compared the export price with the closest resembling product type produced and sold in the analogue country. Where only one minor physical characteristic differed, *e.g.* type of glazing or decoration,

while all other basic characteristics of the product type were identical, the sales price of the closest resembling type was adjusted by the actual price difference found for the difference in physical characteristic. For other product types, where more than one physical characteristic differed, the export price was compared to the average sales price of the closest resembling product. For these product types, the closest resembling product shared several or all of the following basic physical characteristics; ceramic material, type of ware, basic shape, decoration and glazing.

- (78) Two sampled exporting producers claimed that, similar to the adjustments made in cases where only one minor physical characteristic was different, an adjustment should also be made where more than one physical characteristic of the closest resembling product was different.
- (79) It is recalled that in cases where only one minor physical characteristic differed the sales price of the closest resembling product was adjusted to take into account the actual price difference found for the difference in question while, on the other hand, where more than one physical characteristic was different the comparison was made on the basis of the average sales price of the product with identical physical characteristics. Therefore, in the latter case, no price adjustment was required for any physical difference between the like products as they shared the same basic physical characteristics. Accordingly, this claim cannot be accepted.
- (80) One of the exporting producers mentioned above also claimed additional adjustments for differences in physical characteristics with regard to weight and whiteness of the product concerned. It claimed that it uses raw material of a low standard and that, therefore, the cost and price of its products are lower than for the like product produced in the analogue country. Its export price should therefore be adjusted with a reasonable amount. In this respect it is first recalled that the company was not granted market economy status and that its costs of production have thus not been verified. In addition, the claim that its products are about 5% heavier than standard products was not accompanied by any verifiable or supporting documents and therefore found to be unsubstantiated. Regarding the whiteness, as this exporting producer admitted in its submission that its products are of normal whiteness, it failed to explain why any adjustment should be warranted in this respect. Therefore, these claims are rejected.
- (81) Another exporting producer claimed that the Commission had failed to compare some of its export sales with the normal value of the appropriate closest resembling product. These exports concerned sales of decorated products via an unrelated trader, which had, allegedly, provided the decoration (decal) free of charge. As a consequence, the export price did not include the cost for decoration and should therefore have been compared with the normal value determined for undecorated products or, in the alternative, an average normal value of decorated and undecorated goods.
- (82) It is recalled that the cost of production is not a relevant factor for the price comparability, which is based solely on a comparison between the normal value and the export price for like products. It is also clear from the information provided that the exported products in question were indeed decorated although the exporting producer did allegedly not bear the full costs associated with the added value that can be assigned to the decoration. However, this is not a factor that can justify a price adjustment for differences in physical characteristics with the like product in the analogue country. In any event, considering the late stage of the proceeding at which this claim was made, the data submitted in support of the claim cannot be verified. Accordingly, the claim is hereby rejected.



- (83) In view of the wide variety of possible combinations of ceramic tableware sets produced and sold in the PRC and in Brazil, respectively, it was for the purpose of achieving a fair price comparability considered necessary to group different sets together based on the number and type of items combined in a set. The average domestic sales price in the analogue country for the different combinations of sets thus grouped together was compared with the export price for set combinations falling within those groups.
- (84) One exporting producer claimed that due to the wide variety of possible product combinations making up a set, the grouping methodology does not allow for a fair price comparison, as it fails to take into account the characteristics of each piece making up a set. Therefore, this exporting producer claimed that sets should be excluded from the dumping margin calculation.
- (85) It is recalled that the dumping calculations for sets are based on a comparison of the average price per kg and not on a piece by piece basis. It is therefore not necessary to establish the exact combination of different pieces in each set for a fair price comparison with regard to sets. The grouping methodology used takes into account the basic characteristics of different set combinations in so far as the sets are identified as *e.g.* coffee and/or tea sets, dinner sets or other sets and also the number of pieces combined. In these circumstances, it is considered that a fair comparison has been made in regard to sets in the sense of Article 2(10) of the basic Regulation. It follows that this claim cannot be accepted.
- (86) Furthermore, as described in recital (99) of the provisional Regulation, the investigation established that Chinese exporting producers generally qualify their product in up to five different grades ranging from A to E with significant price differences. The vast majority of exports to the Union consist however of A-grade, B-grade or C-grade or a combination thereof. This grading is however not universal or based on any general industry-wide standard but is rather company specific and allows for price differentiation. On the other hand, the analogue country producer only sells the equivalent of A-grade on the domestic Brazilian market and price comparability was therefore found to be affected. Accordingly, the export price was adjusted upwards to Chinese A-grade level in order to be comparable with the product sold by the analogue producer on the Brazilian market. This level of this adjustment was individually established for each of the sampled companies, where appropriate and based on the actual and verified price difference between the different grades.
- (87) Following the final disclosure one sampled exporting producer came forward and claimed that parts of its export sales that were sold via an unrelated trader consisted of a combination of A-grade and B-grade and should therefore also be adjusted to the price level of A-grade. It claimed that the price difference amounted to 25% and provided copies of invoices and price quotations as supporting evidence.
- (88) However, this information was not provided either during the investigation, including the verification visit, or after the disclosure of the Commission's provisional findings. On the contrary, this producer has throughout the investigation indicated that it only exported A-grade products. No full price list was provided, despite being requested to do so in the questionnaire, to quantify the alleged price difference between the different grades, only a limited number of price quotations. Under such circumstances and considering the very late stage in the proceedings at which the information was submitted the reliability thereof is questionable and cannot in any event be verified. Accordingly, the claim is rejected.

- (89) Second, as described in recital (98) of the provisional Regulation it was examined whether a level of trade adjustment under Article 2(10)(d) of the basic Regulation was warranted. It was found that the export price is at a different level of trade from the normal value as Chinese exports were essentially made at wholesale level whereas the domestic sales in the analogue country were also made at a retail level. The investigation further established that on both markets the different distribution channels affected the price level, thus affecting fair price comparability between export price and normal value. Accordingly, in order to make a fair comparison between the export price and the normal value, the latter was established on a per product type basis and adjusted for each level of trade by using the price differences found between the different levels of trade in the analogue country. It is recalled that, where appropriate, a further level of trade adjustment was made in the provisional Regulation on the basis of the price difference found in respect of quantities sold at each level of trade (recital (98) of the provisional Regulation). This further adjustment was deemed justified as the investigation, at the provisional stage, had indicated that while the majority of Chinese export sales were made in large quantities, the majority of domestic sales were made in smaller quantities resulting in price differences on the same level of trade. However, further investigation and a more detailed analysis of the domestic sales transactions in the analogue country have, contrary to the provisional findings, demonstrated that the ratio of small and large quantities sold by the analogue producer is similar to that of the Chinese exporting producers. Accordingly, this adjustment is no longer considered appropriate or justified.
- (90) Third, as described in recital (100) of the provisional Regulation the investigation established that the Brazilian producer only sells branded products on the Brazilian market whereas Chinese exporting producers do not export branded products but rather private label products or generic ceramic tableware and kitchenware. Branded products are normally perceived by customers to be products signifying a certain prestige, assured quality and design thus commanding a higher market price whereas generic and/or private label products, whilst having the same physical and technical characteristics, are usually sold at considerably lower price levels. While the additional value of a branded value cannot generally be exactly quantified in the abstract as it varies from brand to brand and depends on many different factors, such as customer perception, brand recognition, and other non-quantifiable factors, the Brazilian producer has, in this particular case, confirmed that its branded products can be sold at significantly higher prices on the Brazilian market than other non-branded products. Furthermore, a report concerning the Brazilian market for tableware and kitchenware products confirmed that Brazilian customers are extremely brand-orientated and that the Brazilian analogue country producer is a long established and very well-known producer. In view of these elements, a downward adjustment of 40% of the domestic sales price was made to the normal value pursuant to Article 2(10)(k) of the basic Regulation.
- (91) With regard to the above mentioned adjustment it is recalled that two exporting producers have questioned both the basis on which the adjustment was made as well as the level of the adjustment (see recital (67) above). It is however uncontested that a branded product commands a higher sales price than an identical non-branded product and that the price comparability is thus affected. Moreover, in addition to the information provided by the producer in the analogue country, actual and verified price data from a cooperating producer in Thailand, as well as information received from one Union producer after the provisional disclosure, have confirmed that the level of adjustment is appropriate. In particular, the market situation in Thailand was

found to be comparable with the Brazilian market as also in Thailand, only a few well known and long-established brands exist. Therefore, these claims cannot be accepted.

- (92) Following the final disclosure no exporting producers maintained their objection to this adjustment while the association of complainants claimed that the branding adjustment is too high, in particular with regard to non-porcelain products. In support of this claim the complainant referred to price lists and information provided by some Union producers.
- (93) While the information submitted confirms the Commission's findings that the added value of a brand on any given market is company/brand-specific, the information provided is not such as to put into question the level of adjustment that was determined for the branded products sold by the analogue producer on the domestic Brazilian market as the information provided only concerned the Union market. In view of the large number of Union producers, the diversity of the Union market with its regional differences, also as regards brand orientation, and the high market share of Chinese imports, the situation of the Union market is quite different to the Brazilian one. Therefore, and in light of the considerations in recitals (90) and (91) above, this claim cannot be accepted.
- (94) As described in recital (101) of the provisional Regulation, further adjustments were made, where appropriate, in respect of transport, insurance, handling and ancillary costs, packing, credit, bank charges and commissions in all cases where they were demonstrated to affect price comparability.

### 3.5. Dumping margins

- (95) In the absence of comments, the methodology used for calculating the dumping margins, as set out in recitals (102) to (105) of the provisional Regulation, is herewith confirmed.
- (96) Following the provisional disclosure, the Commission were informed that some trading companies, which do not produce the product concerned, had erroneously been named in Annex I to the provisional Regulation and hence subject to the dumping duty established for cooperating exporting producers. The Commission informed these companies of its intention to have them removed from Annex I and granted them the opportunity to provide comments. After having examined the comments received, several trading companies have been removed from Annex 1. Where appropriate, they have been replaced with the related cooperating exporting producer.
- (97) Taking into account the adjustments made to the normal value and to the export price as set out in recitals (67) – (94) above, and in the absence of any further comments, the definitive dumping margins, expressed as a percentage of the CIF Union frontier price, duty unpaid, are as follows:

Company	Duty
Hunan Hualian China Industry Co., Ltd; Hunan Hualian Ebillion Industry Co., Ltd; Hunan Liling Hongguanyao China Industry Co., Ltd; Hunan Hualian Yuxiang China Industry Co., Ltd	18,3%
Guangxi Sanhuan Enterprise Group Holding Co., Ltd	13,1%
CHL Porcelain Industries Ltd	23,4%

Shandong Zibo Niceton-Marck Huaguang Ceramics Limited; Zibo Huatong Ceramics Co., Ltd; Shandong Silver Phoenix Co., Ltd; Niceton Ceramics (Linyi) Co., Ltd; Linyi Jingshi Ceramics Co., Ltd; Linyi Silver Phoenix Ceramics Co., Ltd; Linyi Chunguang Ceramics Co., Ltd; Linyi Zefeng Ceramics Co., Ltd	17,6%
Guangxi Province Beiliu City Laotian Ceramics Co., Ltd	22,9%
Non-sampled cooperating exporting producers	17,9%
All other companies	36,1%

#### 4. INJURY

##### 4.1. Period considered

(98) After final disclosure, several interested party reiterated that the period considered should have started in 2009 instead of 2008 as the economic crisis would have started in 2008 and the trend between 2009 and 2011 would be clear. As regards this claim, it is noted that 2009 does not represent a more appropriate year as the start of the period considered in view of the fact that the effects of the economic crisis were fully felt in that year, resulting in a significant drop of consumption as compared to 2008. The claim is therefore definitively rejected.

##### 4.2. Union production and Union industry

(99) In a joint submission several importers questioned the calculation method of the Union production figure given in recital (108) of the provisional Regulation. Several interested parties repeated these comments after final disclosure. In particular, they considered that the standing requirement would not have been met by the complainants as the available PRODCOM statistics would suggest a much higher level of EU production of the like product than the 240 200 tonne figure mentioned in the said recital, as a result of which the complainants would represent less than 25% of EU production of the like product. These parties had calculated an EU production figure of 313 187 tonnes during the IP and they arrived at this figure by using full PRODCOM data for porcelain ceramic tableware and kitchenware and making an 20% downwards adjustment for non porcelain ceramic tableware and kitchenware, by analogy to the methodology applied by the complainant and in the investigation for establishing import volumes.

(100) In this respect it should firstly be noted that, in the framework of the statutory analysis of an anti-dumping complaint and in accordance with Article 5(4) of the basic Regulation, the Commission services carried out a thorough standing examination before initiation. The Commission analysed the data in the complaint and contacted all known Union producers and asked them to also provide data on production as well as their position with regards the complaint and to assist the Commission in the identification of other potential producers, if any. Associations of producers provided information on production as well.

(101) In respect of this claim it is further noted that the data source and methodology for the Union production figure used for each of the years of the period considered was also explained in recital (107) of the provisional Regulation, i.e. in line with what had been done at complaint stage it is based on data provided by the European and national

associations, cross-checked with data provided by individual producers and also with other statistical sources (in particular, PRODCOM).

- (102) As explained by the complainants during the investigation, the data provided by the European association had, as concerns porcelain products, been based on PRODCOM data for porcelain tableware and kitchenware as the PRODCOM code for this product matched with the porcelain products covered by this investigation. As concerns non-porcelain products, PRODCOM could not be used as it covered many more manufactured products than the non-porcelain products covered by this investigation. Therefore, for these products, the national associations had collected the relevant data based on their in-depth knowledge of their respective markets and this information had been cross-checked by the European association before providing the total figures to the Commission. Those figures were updated during the investigation. Moreover, a list of all known producers was contained in the non-confidential file and the Commission's attention was only drawn to the existence of an additional three producers in Romania. The disparity between the PRODCOM statistics and the 240 200 figure derives from the fact that the product scope of this investigation does not match with the PRODCOM statistical data codes as concerns non-porcelain products, i.e. it is much narrower. In the case of EUROSTAT import statistics, this difference could indeed be accounted for by making a 20% downward adjustment, but this was not appropriate in the case of the EU production figures reported in the PRODCOM database. In particular the PRODCOM figures of two Member States would appear to be grossly overstated if one applied the same methodology.
- (103) Therefore, the methodology used by the parties concerned and referred to in recital (99) above is flawed. Moreover, no evidence was provided that the production as reported by any of the EU Member States, including the two Member States referred to above, and included in the non-confidential file would be understated. It should also be noted that for some Member States the data provided by the European association and used in this investigation was significantly higher than if adjusted PRODCOM data had been used. In view of the above, there is no reason to doubt the production figures reported in this investigation and the result of the examination of standing.
- (104) In the absence of any further comments, recitals (107) and (108) of the provisional Regulation are hereby confirmed.

#### 4.3. Union consumption

- (105) In a joint submission several importers contested the Union consumption figures provided in recital (110) of the provisional Regulation. This claim was based on the erroneous use of PRODCOM statistical data for Union production and sales, as explained under point 4.2 above and is therefore dismissed.
- (106) However, whilst checking again the Eurostat import statistics, it was found that they had been updated since the imposition of provisional measures which had resulted in some minor changes. Therefore, for the sake of completeness, on the basis of these updated Eurostat import statistics and submissions regarding Union industry sales on the Union market, the Union consumption developed as follows:

*Table 1*

Volume (tonnes)	2008	2009	2010	IP
Union	826 897	687 587	750 828	727 411

consumption				
<i>Index (2008=100)</i>	100	83	91	88

(107) In the absence of any further comments, recitals (109) and (111) to (112) of the provisional Regulation are hereby confirmed.

#### 4.4. Imports from the country concerned

##### 4.4.1. Volume, price and market share of dumped imports from the country concerned

(108) In a joint submission several importers contested the figures provided in recital (113) of the provisional Regulation. This claim was based on the erroneous use of PRODCOM statistical data and is therefore dismissed.

(109) On the basis of the updated Eurostat import statistics (see recital (106) above), the volume, market share and average prices of imports of the product concerned developed as set out below:

*Table 2*

Imports from the PRC	2008	2009	2010	IP
Volume of imports (tonnes)	535 593	449 325	516 624	486 170
<i>Index (2008=100)</i>	100	84	96	91
Market share	64,8 %	65,3 %	68,8 %	66,8%
Average import price (EUR/tonne)	1 274	1 307	1 473	1 498
<i>Index (2008=100)</i>	100	103	116	118

(110) The updated volumes, values and trends are almost identical to those analysed in the provisional Regulation. The market share of Chinese imports increased from 64,8% in 2008 to 66,8% in the IP. The import price increased by almost 18% during the period considered, from 1 274 EUR/tonne to 1 498 EUR/tonne.

(111) One party alleged a complete lack of correlation between the prices and volumes of Chinese imports. In this respect, in accordance with Article 3(3) of the basic Regulation consideration shall be given to whether there has been a significant increase in dumped imports, either in absolute terms or relative to production or consumption in the Union. With regard to the effect of the dumped imports on prices, consideration shall be given to whether there has been significant price undercutting by the dumped imports as compared with the price of a like product of the Union industry, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which would otherwise have occurred, to a significant degree. No one or more of these factors can necessarily give decisive guidance.

(112) Within the above context, the following should be noted. Firstly, at the time when the Union consumption recovered (2009-2010), there was a significant price increase of

Chinese imports – which would suggest that there is a correlation. But more importantly, the development of Chinese prices during the period considered should be assessed in the context of the very significant price difference which already existed in 2008 and which is illustrated by the average Chinese imports prices (table 2) and the average EU sales prices (table 9) reported in the provisional Regulation. These high price differences are confirmed by the high levels of undercutting during the IP. The price increase, consequently, did not prevent Chinese imports from gaining market share over the period considered. Indeed, these imports continued to exert a severe pressure on prices of EU industry which went down by 12% over the period considered. This comment, therefore, cannot be accepted.

- (113) As regards the evolution of import price (increasing) and import volume (decreasing) from 2008 to 2011 and then 2012 brought forward by one sampled group of Chinese exporting producers, the observed trend of increasing average import prices cannot undermine the finding of injurious dumping during the IP. As concerns the development of Chinese import volumes, and as already highlighted in recital (114) of the provisional Regulation and again in recital (109) above, the market share indicator shows an increase in market share of Chinese imports by 2 percentage points. Moreover, and as explained in more detail in recitals (116) and (117) of the provisional Regulation and in recital (111) above, there was important price undercutting by the Chinese imports.

#### 4.4.2. Price undercutting

- (114) Following provisional disclosure, several interested parties requested more details on the price undercutting calculations than those already provided in recital (116) of the provisional Regulation. Insofar as the sensitive nature of this information and the fact that the EU producers had been granted anonymity would allow it, additional information was provided.
- (115) By analogy to the decision made after the imposition of provisional measures to exclude from the export listings some “atypical” products for the purpose of calculating dumping (see recital (69) above), these products were also excluded from the export listings used for the injury calculations. This change had only a minor effect on the undercutting margins, which remained therefore in the same range as mentioned in recital (117) of the provisional Regulation.
- (116) In the absence of any further comments, recitals (113) to (117) of the provisional Regulation are hereby confirmed.

#### 4.5. Situation of the Union industry

##### 4.5.1. General

- (117) Several parties stated that the fact that several injury factors improved between 2009 or 2010 and the IP demonstrates that the Union industry is developing positively. However, it should be noted that this analysis is incomplete and that it disregards the evolution of those factors during the whole period considered. The explanations given in recital (23) of the provisional Regulation are also to be taken into consideration in this respect.
- (118) Upon request by an interested party, it is confirmed that the macroeconomic indicators were assessed at the level of the whole Union industry, while the microeconomic ones were analysed at the level of the sampled Union producers, which included non-complaining companies.

(119) CCCLA submitted that the micro- and macro-economic indicators presented in the provisional Regulation were not representative as the total production in the Union would be much higher than the figures used in this investigation. However, in view of the analysis and conclusions reached under point 4.2 above, this argument is rejected.

(120) In the absence of any further comments, recitals (118) to (121) of the provisional Regulation are hereby confirmed.

#### 4.5.2. Macroeconomic indicators

##### 4.5.2.1. Production, production capacity and capacity utilisation

(121) As mentioned in section 4.1 above, several importers contested the production figures provided in recital (122) of the provisional Regulation. However, these figures have been cross-checked and are confirmed.

(122) In the absence of any further comments, recitals (122) to (124) of the provisional Regulation are hereby confirmed.

##### 4.5.2.2. Sales volumes and market share

(123) The update in Table 2 has no impact on Tables 4 and 5 of the provisional Regulation.

(124) In the absence of relevant comments regarding sales volumes and market share, recitals (125) and (126) of the provisional Regulation are hereby confirmed.

##### 4.5.2.3. Employment and productivity

(125) In a joint submission several importers contested the employment and productivity figures provided in recitals (127) and (128) of the provisional Regulation, alleging that they were not in line with the picture depicted by certain Eurostat statistics<sup>8</sup>.

(126) However, the figures for both indicators were cross-checked and deemed accurate. The figures brought forward by the parties were too broad and not related to the production of the like product. In the absence of any further comments regarding employment and productivity, recitals (127) to (128) of the provisional Regulation are hereby confirmed.

##### 4.5.2.4. Magnitude of the dumping margin

(127) In the absence of any comments regarding the magnitude of the dumping margin, recital (129) of the provisional Regulation is hereby confirmed.

#### 4.5.3. Microeconomic indicators

##### 4.5.3.1. Stocks

(128) In a joint submission several importers contested the stock figures provided in recital (130) of the provisional Regulation and their relevance as compared to publicly available data regarding certain Union producers. They also disagreed with the statement that the Union industry basically works on orders.

(129) As regards working on orders, the investigation confirmed that that was indeed the case for sampled Union producers and that is a normal practice in the sector. Moreover, the stock figures provided in the provisional Regulation concerned the verified stock figure from the sampled Union producers which is considered the most reliable figure.

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<sup>8</sup> Eurostat statistics on employment linked to the manufacturing of textiles, wearing apparel, leather/wood/cork/straw/paper (products) and printing and reproduction of recorded media.



(130) After final disclosure the above comments were reiterated, however, no new arguments were brought forward. In the absence of any further comments regarding stocks, recital (130) of the provisional Regulation is hereby confirmed.

#### 4.5.3.2. Sales prices

(131) In the absence of any comments regarding the sales prices figures as given in the provisional Regulation, recital (131) of the provisional Regulation is hereby confirmed.

#### 4.5.3.3. Profitability, cash flow, investments, return on investment, ability to raise capital and wages

(132) After disclosure, a clerical error was discovered in the calculation of the net profit of the Union industry and the return on investment (ROI). This error was corrected and the revised figures are as follows:

*Table 3*

	2008	2009	2010	IP
Net profit of Union sales to unrelated customers (% of net sales turnover)	3,8%	2,8%	-0,5%	3,2%
<i>Index (2008=100)</i>	<i>100</i>	<i>74</i>	<i>-13</i>	<i>84</i>
ROI (net profit in % of net book value of investments)	16,4%	6,3%	-6,8%	20,5%
<i>Index (2008=100)</i>	<i>100</i>	<i>38</i>	<i>-41</i>	<i>125</i>

(133) The above correction does not materially affect the provisional findings as regards these two indicators. However, the weighted average profit level of the sampled producers was, during the period considered, slightly lower as provisionally established as it went down from 3,8% to 3,2% (instead of from 4,2% to 3,5%). Return on investment largely followed the trend observed for profit, but, as also pointed at by several interested parties after final disclosure, over the period considered it developed overall positively instead of negatively.

(134) One interested party questioned the fragile state of the Union industry at the beginning of the period considered, as mentioned in recital (134) of the provisional Regulation. This party claimed that only injury caused by dumping may be taken into account and that no dumping has been established for any period other than 2011. However, the reference to the state of the Union industry in that recital was only made in order to analyse whether the profit achieved in the beginning of the period considered could be

taken into account as representing the profit that the industry would normally achieve – *quod non*.

- (135) Several parties questioned the benchmark profit level referred to in recital (135) of the provisional Regulation and/or proposed other (lower) benchmarks.
- (136) A group of Chinese exporting producers stated that the profit level during the IP was a good profitability rate. However, this claim was not substantiated. Another party also stated that the profit levels displayed in the provisional Regulation could be deemed normal levels and this party based itself on the publicly available profit data of a German producer between 1999 and 2007. Yet another interested party stated that the IP profit level displayed in the provisional Regulation could be deemed “normal” on the basis on the conclusions of a study by the Commission<sup>9</sup> which included profit data of a German producer between 2004 and 2007. Similar claims were received after final disclosure.
- (137) In this respect, it is recalled that the provisional Regulation concluded that the profit achieved in the beginning of the period considered cannot be considered as a normal profit as the Union industry was then, already, in a fragile state as explained in recital (134) of the provisional Regulation. In addition, it was found that the publicly available 1999-2007 profit data of a German producer referred to above concerned not only manufacturing activities of ceramic tableware and kitchenware, but also other important segments. As concerns the Commission study referred to in recital (136) above, in the light of the scope, the aim and the time of that study, this was found not to be a pertinent basis for the determination of profitability. For instance, in relation to the product concerned it only referred to the profit situation of one company. Finally, all three submissions referred to in recital (136), which are contradicted by the submission mentioned in recital (141) below, are not sufficiently substantiated. It is therefore confirmed that the profit rate of 3,2% observed during the IP could not be deemed acceptable for this product.
- (138) One interested party claimed that the profit levels of the home interior design, furniture and/or food of the Swedish retailing sectors should be used as a benchmark. However, given, inter alia, the disparity in the investment levels for the manufacturing and the retailing sectors concerned, this claim should be rejected.
- (139) After final disclosure, a party submitted that to consider the 6% profit as found reasonable in the footwear investigation also a normal profit level in the current case was not appropriate as it had been established in 2006, when the economic circumstances were much more favourable than in 2013. This argument cannot be accepted. First of all, the party refers to economic circumstances in general and not to the specific situation on the tableware market. It is true that the consumption dropped significantly in 2009 but it has recovered since to a considerable extent. More importantly, the development of consumption should not be seen in isolation. Given the high volume of dumped imports (market share of 66,8%), the level of dumping (dumping margins ranging from 13,1% to 36,1%) and the level of undercutting (ranging from 26,5% to 47,6%), the competitive situation on the Union market would have been very different in case imports had been made at non-dumped prices. This argument should therefore be dismissed.

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<sup>9</sup> Competitiveness of the Ceramics Sector, final report 13 October 2008, p. 29.

- (140) Some other parties suggested the benchmark used in another anti-dumping investigation, i.e. the investigation concerning ceramic tiles<sup>10</sup>. After final disclosure, similar comments were received. However it is noted that ceramic tiles, contrary to leather footwear and tableware, cannot be considered a consumer product in the same way. For instance, the rate at which households buy or replace ceramic tableware items and the way it is marketed and, eventually, sold to the consumers is closer to leather footwear than to ceramic tiles. The claim to use the target profit also applied in the ceramic tiles investigation is therefore dismissed.
- (141) The complainants stated that the benchmark profit level should be rather in excess of 10% because the manufacturing of table- and kitchenware products is a capital intensive activity which in addition requires a high degree of new investment and innovation. Although it is confirmed that indeed the industry concerned is capital intensive and that it requires a continuous need for investment, the information submitted to substantiate this claim could not change the benchmark provisionally used. The investigation could not conclude that that benchmark would be the most appropriate for all Union producers.
- (142) A group of importers contested the profitability figures in the provisional Regulation and calculated, based on the cost of production figures, EU sales price and volume figures and the export sales prices figures in the provisional Regulation, profitability and reached the conclusion that the EU industry actually made a profit of 6% during the IP. However, this computation was erroneous as it combined data from different sources (the sampled Union producers, the Union industry as a whole and Eurostat).
- (143) In the absence of any further relevant comments, recitals (132) to (137) of the provisional Regulation are hereby confirmed.

#### 4.5.3.4. Cost of production

- (144) In a joint submission, several importers deemed that the cost of production figures in recital (138) of the provisional Regulation did not follow the labour and energy cost evolution shown in Eurostat. The parties highlighted that labour costs increased in EU27. Equally, the evolution of the cost of energy in the Union would not support a decrease in the cost of production.
- (145) In this respect it is noted that the labour and energy cost provided by the parties was too broad. Moreover, the fact that the Union industry managed to decrease the cost of production during a period where the general trend was the opposite demonstrates the extraordinary effort made by the Union industry to cut costs and remain competitive.
- (146) The cost of production figures provided in the provisional Regulation represent the verified cost of production for sampled Union producers. In the absence of any further comments, recital (138) of the provisional Regulation is hereby confirmed.

#### 4.5.3.5. Conclusion on injury

- (147) Several parties contested the conclusion on injury put forward in the provisional Regulation on the basis that several injury indicators improved in the very last part of the period considered. However, this issue cannot undermine the fact that most injury indicators deteriorated during the period considered. This deterioration of injury indicators can be observed for most macro-economic indicators, such as production volume, capacity, sales to unrelated customers, employment as well as for the injury

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<sup>10</sup> OJ L 238, 15.09.2011, p.1

indicators related to the financial performance of the Union industry such as profitability and investments.

(148) In the absence of other comments, recitals (139) to (143) of the provisional Regulation are hereby confirmed.

## 5. CAUSATION

### 5.1. Introduction

(149) In the absence of any comments to recital (144) of the provisional Regulation, that recital is hereby confirmed.

### 5.2. Effect of the dumped imports

(150) Several parties contested the conclusion stated in recital (148) of the provisional Regulation. However, even though some of the percentages that were highlighted in recitals (145) and (147) of the provisional Regulation have been slightly revised as explained above, this does not alter the facts and conclusions contained in recitals (145) to (148) of the provisional Regulation.

(151) Indeed, given the development of the market share of the Chinese dumped imports, it is clear that there is no contradiction between recital (147) of the provisional Regulation, in particular as regards the statement that the decrease in sales prices of the Union industry on the Union market and its profitability can be attributed to the price depression caused onto the Union market by dumped imports from China and the Union industry's market share movements, as alleged by one party.

(152) Furthermore, the fact that prices of imports from the PRC increased over the period considered, as pointed out by several parties, does not undermine the finding of undercutting and injurious dumping during the IP.

(153) In the absence of any other comments as regards the effect of the dumped imports, recitals (145) to (148) of the provisional Regulation are hereby confirmed.

### 5.3. Effect of other factors

#### 5.3.1. Imports from third countries other than the country concerned

(154) As mentioned in recital (106) above, following the imposition of provisional measures, the Eurostat data concerning imports had been updated. Whilst cross-checking these new data with the previous data contained in the provisional Regulation, a clerical error in the computation of the import figures from Thailand and Turkey was detected. This has been corrected and, consequently, the definitive figures concerning the imports of the like product from third countries, based on Eurostat data, are as follows:

*Table 4*

	2008	2009	2010	IP
Volume of imports from all other third countries (tonnes)	100 972	81 464	81 595	89 146
<i>Index (2008=100)</i>	100	81	81	88
Market share	12,2%	11,8%	10,9%	12,3%

Average import price (EUR/tonne)	2 378	2 354	2 590	2 519
<i>Index (2008=100)</i>	100	99	109	106
Volume of imports from Turkey (tonnes)	26 978	25 303	25 485	29 336
<i>Index (2008=100)</i>	100	94	94	109
Market share	3,3%	3,7%	3,4%	4%
Average import price (EUR/tonne)	2 776	2 649	2 802	2 855
<i>Index (2008=100)</i>	100	95	101	103
Volume of imports from Thailand (tonnes)	25 916	20 660	20 600	25 213
<i>Index (2008=100)</i>	100	80	79	97
Market share	3,1%	3%	2,7%	3,5%
Average import price (EUR/tonne)	1 246	1 183	1 403	1 356
<i>Index (2008=100)</i>	100	95	113	109

- (155) The imports from third countries decreased by 12% over the period considered, while the market share of these imports remained rather stable.
- (156) It should be noted that average import prices from other third countries increased by 6% during the period considered, remaining consistently higher than the average selling price of Chinese export sales (by 68% during the IP).
- (157) Before the publication of the provisional Regulation, CCCLA observed that imports from Turkey would have increased by 8% between 2010 and 2011, the import prices from Turkey being allegedly only around 20% higher than import prices from China. Then several parties contested the conclusion of the provisional Regulation as regards Turkish imports.
- (158) Bearing in mind that there was a material manifest error in the reporting of Turkish imports in the provisional Regulation and the updated data as displayed above, nothing suggests that Turkish imports, given their prices and their market share, can break the causal link between Chinese exports of the product concerned and the injury suffered by the Union industry. It should also be noted that the non-inclusion of imports originating in Turkey in the complaint cannot be described as discriminatory as, at initiation stage, sufficient evidence of dumping, injury and causal link was not present as far as imports from Turkey were concerned.
- (159) The market share of imports from Thailand was never more than 3,5% during the investigation period.

(160) For the above reasons, it is concluded that imports from other third countries did not materially affect the situation of the Union industry to the extent breaking the causal link between the dumped imports from PRC and the injury suffered by the Union industry.

#### 5.3.2. Market segments

(161) In the absence of any new comments as regards market segments, recitals (156) to (158) of the provisional Regulation are hereby confirmed.

#### 5.3.3. Consumption and demand

(162) A party suggested that injury could be attributed to a long term reduction in demand for Union produced products. Yet the investigation did not confirm such trend, as already explained in recital (112) of the provisional Regulation.

(163) In the absence of any further comments as regards consumption and demand, recitals (159) to (166) of the provisional Regulation are hereby confirmed.

#### 5.3.4. Exports by Union industry

(164) A party pointed out that average EU export prices were lower than the average sales prices on the Union market during the period considered. This could have affected the ability of the Union industry to make new investments or hire new staff. A similar argument was reiterated after definitive disclosure. However, as already mentioned in recital (169) of the provisional Regulation, most of the injury indicators cannot be affected by the performance on the export sales. Moreover, it could also be argued that these sales were a way of compensating, partly, the injury suffered on the Union market. Further, as the average prices have been calculated by dividing the total value of the sales of the like product by the total volume of such sales, a different product mix of the sales on the EU market as compared to the export sales can also result in significant differences in average sales values overall. Finally, these export sales represented less than 37% of the EU industry's overall sales volumes, i.e. the dominant market for the Union industry was still, by far and large, the Union home market. The argument that these export sales injured the Union industry to the extent breaking a causal link between the imports from PRC and injury suffered by EU industry is therefore rejected.

(165) In the absence of any new comments as regards the exports by the Union industry, recitals (167) to (170) of the provisional Regulation are hereby confirmed.

#### 5.3.5. Elimination of the import quotas

(166) Following provisional measures, another party suggested that the elimination of import quotas would have had an impact on Union producers during the period considered. However, no new facts were brought forward that could alter the conclusion in recital (173) of the provisional Regulation.

(167) In the absence of any new substantiated comments as regards the elimination of import quotas, recitals (171) to (173) of the provisional Regulation are hereby confirmed.

#### 5.3.6. Anti-competitive practices on the Union market

(168) Subsequent to the imposition of provisional measures, several parties insisted that the cartel investigation launched by the German authorities referred to in recital (175) of the provisional Regulation or the cartel fine referred to in the same recital had not duly been taken into account. Concerning these claims, the following can be said further to what is already stated in recitals (174) and (175) of the provisional Regulation.

- (169) The German cartel investigation, which investigates alleged price fixing from July 2005 to February 2008, is still on-going. As the EU producers have been granted confidentiality and in view of the fact that the final results of the German on-going investigation have not publicly been released yet, it is not possible to comment on the details of the analysis carried out. However it can be confirmed that none of the sampled Union producers is subject to this on-going investigation. The investigation also concluded that the micro-economic indicators have not been affected by the investigated practices and the macro-economic indicators only to a very limited extent, if any.
- (170) As concerns the cartel findings concerning bathroom fixtures and fittings, it is recalled that this price fixing cartel was found active between 1992 and 2004 and that only one of the fined producers is also active in the tableware and kitchenware sector. The data provided by this producer in the framework of standing and injury are not influenced by the cartel practices as only the data concerning the tableware and kitchenware section of this producer have been used and not its consolidated data. Therefore, also the fine relating to this cartel has not affected the data provided by this producer. It is further recalled that the price fixing period was well before the period considered. Since the Union producers' identities are confidential, it cannot be disclosed whether or not this company is included in the sample. However, should a sampled Union producer have recorded in its accounts any items (e.g. a cartel fine) distorting its injury picture for the purpose of this investigation, the investigating authority would have isolated them in order for the relevant injury factors not to be distorted.
- (171) Consequently, the allegations concerning the impact of the above-mentioned cartel investigations on the injury and causation analysis are hereby rejected.
- (172) One interested party mentioned that there would be illegal price arrangements and market allocations between Union producers, however it did not provide any evidence for this allegation and the claim is therefore rejected.
- (173) In the absence of any new comments concerning anti-competitive practices on the Union market, recitals (174) to (176) of the provisional Regulation are hereby confirmed.

#### 5.3.7. Production methods

- (174) In the absence of any new comments concerning production methods, recitals (177) to (178) of the provisional Regulation are hereby confirmed.
- (175) An importer repeated similar claims after definitive disclosure, arguing about the difference in production methods used by Union producers as compared to more artisanal methods of Chinese factories. However, no substantive argument was brought forward that could alter the conclusion reached in recital (178) of the provisional Regulation and the claim is therefore definitively rejected.

#### 5.3.8. Second-hand markets

- (176) In the absence of any new comments as regards second-hand markets, recitals (179) to (180) of the provisional Regulation are hereby confirmed.

#### 5.3.9. Economic crisis

- (177) A party stated that recital (183) of the provisional Regulation provides a wrong analysis of the situation during the economic recovery period between 2010 and 2011 and that the impact of the economic crisis was underestimated. These comments were repeated after final disclosure. However, the claims were unsubstantiated. It must also

be stressed that the recital cited stated that dumped imports from China intensified the effect of the economic downturn. As regards the impact of the economic crisis, recital (184) of the provisional Regulation is clear about the fact that the economic crisis may have contributed to the Union's industry poor performance, even though it could not break the causal link between the dumped imports and the injurious situation of that industry suffered during the IP.

(178) In the absence of any new comments regarding the economic crisis, recitals (181) to (184) of the provisional Regulation are hereby confirmed.

#### 5.3.10. Other factors

(179) In a joint submission, several importers alleged that the drop in employment was a normal development in the consumer goods industry. However, this claim was not substantiated. Moreover, even if such trend would be normal in this sector, it could not break the causal link between the dumped imports from the PRC and the significant jobs losses in the sector. This claim is, therefore, rejected.

(180) A party claimed that the remaining structural deficits of the Union industry in conjunction with existing overcapacity as shown in Table 3 of the provisional Regulation could break the causal link between dumped imports from the PRC and injury suffered by Union manufacturers. As regards this argument, although the Union industry was already in a fragile state in the beginning of the period considered and had gone through a restructuration, the investigation confirmed that it was competitive and properly coping with demand from all markets. As to Table 3 of the provisional Regulation, the drop in production must be seen in conjunction with the pressure stemming from the high volume of low-priced imports from the PRC, as exports by the Union industry remained stable. Therefore, the claim could not be accepted.

(181) A party considered that the Commission had failed to consider the cumulative effect of each of the other injurious factors. This claim was also raised by several parties after definitive disclosure. However, given the results of the investigation in relation to the various other factors invoked, it is not conceivable that their cumulative effect could have broken the causal link. Indeed, for most of the other factors raised, their impact was small, if any.

(182) A party considered that the investigating authority had failed to distinguish between co-occurrence and causality. Yet the supporting information provided was far from being conclusive in this respect and the claim is therefore rejected.

(183) In the absence of any new comments as regards other factors, recitals (185) to (190) of the provisional Regulation are hereby confirmed.

#### 5.4. Conclusion on causation

(184) In the absence of any new comments, recital (191) of the provisional Regulation is hereby confirmed.

### 6. UNION INTEREST

#### 6.1. Preliminary remarks

(185) In the absence of any comments to recital (192) of the provisional Regulation, that recital is hereby confirmed.

#### 6.2. Interest of the Union industry



- (186) A Polish non-complainant producer welcomed the measures, whereas a UK non-complainant manufacturer with importing interests of the product concerned opposed them. The second party deems that duties would have a negative effect on those producers that complement their product range with imports from the PRC and have adapted to globalisation via a business model where high value-added work is done in the Union. In addition customers would be less inclined to purchase their products because they would not offer a full range of products anymore.
- (187) As far as the claim of the second party is concerned, the situation of that company was examined. It was found that Chinese imports of tableware constituted a minor part of their total imports. The company claimed however, without further specifying it, that these imports were important for them. The company did not give any figures about their own production. According to the financial statements, the company had in 2011 a pre-tax profit on total turnover of more than 10%, most of it achieved on non-EU markets (no figure was provided for the product concerned). On this basis, it is not expected that the imposition of measures endangers the viability of this company. As far as the claim that many other companies would also encounter difficulties as a result of the measures, no specific evidence was provided. Moreover, according to the replies received during the pre-initiation standing phase and submissions received subsequently, there is no indication that there is a significant number companies in such a situation.
- (188) The impact of duties on the manufacturing activities of the Union industry would be positive. In fact, since the recent imposition of provisional anti-dumping duties, several positive developments in this respect have been reported.
- (189) The above-mentioned positive developments confirm the complainants' statement that Union production could be substantially increased at very short notice by using plants, machinery and workforce already available, whereas larger increases would be feasible in the longer run. Redressing unfair price practices in the market therefore benefits them since a new pricing level would make it more attractive to manufacture more products in the Union, be it in large or small orders, special designs or mainstream unbranded products. It results in the creation of new jobs involving skills of different kinds and relevant idle workforce can be put back to work.
- (190) As to the impossibility of offering a full range of products, this statement cannot be upheld because consumers require ever-changing ranges of products and the existence of several supply sources.
- (191) In the absence of any others comments as regards the interest of the Union industry, recitals (193) to (198) of the provisional Regulation are hereby confirmed.

### 6.3. Interest of unrelated importers

- (192) The two largest importers in the sample contested their level of co-operation as regards full profitability data and the margin between purchase and resale prices to unrelated customers, whereas one of them questioned having denied access to its accounts and argued that nothing would have changed if access would have been given. The parties claimed that their size and business model did not allow them to provide data as detailed as requested. At definitive stage, it is confirmed that one of them denied again access to its importer's accounts and that both, despite having endeavoured to do so, did not manage to provide full and usable profitability data and information about the margin between purchase and resale prices to unrelated customers in such a way that it could be used by the institutions in the analysis of the situation of unrelated importers.

The limited information provided by both companies on their purchase and resale prices, be it overall inconclusive, was fully in line, however, with the general mark-up information obtained and summarized in recital (202) of the provisional Regulation.

- (193) In recital (203) of the provisional Regulation, interested parties had been invited to submit additional, comprehensive and verifiable data to further analyse the impact of measures on the supply chain.
- (194) Subsequent to provisional measures, new replies to the importers questionnaire were sent by two unrelated importers. Also submissions on Union interest were received from other non-sampled importers, an association of European and International Commerce (Foreign Trade Association), a Swedish association of importers, wholesalers and retailers (Svensk Handel), CCCLA and a Union producer with importing interests. None of the submissions contained conclusive data as to the impact of measures on the supply chain.
- (195) A party claimed that the downstream employment figure affected by the duties was understated in view of the fact that Eurostat statistics show that overall distributive trade enterprises employ more people (33 million) than manufacturing companies (31 million). However, the figures provided related to the importing and manufacturing business in general and could not be used for the purpose of this investigation.
- (196) In a joint submission, several importers claimed that the five sampled importers employed more than 10 000 jobs relating to the product concerned and not 350 as mentioned in recital (200) of the provisional Regulation. The figures have been checked again. It should be underlined that within the analysis of the interests of importers, the number of jobs relating to the importation and resale of the product concerned, including supporting functions, is taken into account. The employment related to other products or origins, or relating to activities like wholesaling or retailing should, obviously, not be included in such number. It is recalled that, earlier in the proceeding, a group of 14 importers had estimated the relevant number of jobs involved at importers' level, overall, at 7 000. That figure seems to be in the right order of magnitude based on an extrapolation of the situation of the sampled importers to the extent that their figures could be used.
- (197) Several parties complained about the high gross margin figure contained in recital (202) of the provisional Regulation, alleging it would be misleading. However, the investigation has shown that the vast majority of the importers which replied to the importers' sampling questions reported a gross margin between purchase and resale price ranging between 50% and 200% and the sampled importers were in a similar situation. Moreover, following provisional disclosure, the complainants submitted several examples supporting the information given by the publication referred to in recital (202) of the provisional Regulation, i.e. confirming the import price – retail price ratio of the product concerned.
- (198) A UK manufacturer with importing interests explained that those margins are needed to cover certain costs incurred in the Union. No data was provided which would have allowed for a calculation of those margins on the basis of turnover.
- (199) As from only three of the sampled importers usable profit data on the importing activities relating to the product concerned could be obtained and verified and these three importers represented only some 3% of the imports of the product concerned, the weighted average profit figure concerned was not considered conclusive and had, therefore, not been mentioned in the provisional Regulation. However, it should be

noted that this weighted average profit was healthy (between 6% and 10% - range given for confidentiality reasons).

- (200) An importer claimed that there is not enough production of coloured stoneware in the Union and that it had no alternative but importing from the PRC. The same claim was made after disclosure. Yet the investigation established that coloured stoneware can be procured from several sources, including Union producers. Moreover, Union producers have the production capacity to sell more on the Union market.
- (201) The information collected in the course of the investigation did not allow a proper quantification as to what extent importers would be able to pass on purchase price increases as a result of the proposed duty levels. However, should imports from the PRC be subject to a definitive anti-dumping duty and given the information about the gross and net margins, there is nothing to suggest that the viability of importers' business is endangered. An importer also suggested that large market operators and importers whose core business is not ceramic tableware and kitchenware would not be negatively affected.
- (202) It is therefore concluded that the imposition of measures at the proposed levels does not have a significantly adverse impact on the situation of unrelated importers of the product concerned as a whole.
- (203) In the absence of any additional new comments as regards the interest of unrelated importers, recitals (199) to (211) of the provisional Regulation are hereby confirmed.

#### 6.4. Interest of other economic sectors

- (204) Further to the invitation contained in recital (203) of the provisional Regulation, on the day of the publication of provisional measures the Commission contacted directly relevant retailers and associations of retailers, importers with possible retailing activity and also designers that were known to the Commission and invited them to fill in relevant questionnaires. Some recipients that had initially claimed to be retailers replied that they were not concerned by the investigation because they were not active in the business. The Commission eventually received seven new replies to the retailers' questionnaire. These seven retailers accounted for 1% of imports from the PRC during the IP. Most of these replies were deficient in many respects but they were nevertheless analysed as far as possible. No replies were received to the designers' questionnaire.
- (205) The information thus obtained did not, in substance, provide any new evidence on the interest of other economic sectors that could contest the conclusion reached in recital (217) of the provisional Regulation.
- (206) Following the publication of provisional measures, submissions on Union interest as regards other economic sectors were received from both sampled and non-sampled importers (including a Polish importer active in the promotional items sector), an association of European and International Commerce (Foreign Trade Association), a Swedish association of importers, wholesalers and retailers (Svensk Handel), several retailers, CCCLA and eight coffee roasting companies (seven of them located in Italy, one with its headquarter in Austria).
- (207) Coffee roasting companies claimed that due to the very small number of Union producers serving their market (maximum 5), most of which would be importing from the PRC either directly or through sister companies, and the very large number of coffee roasters (1 500 – 3 000), measures at the level proposed at provisional stage could impede them from sourcing the exactly same items in the future. This claim

cannot be accepted. First, the definitive measures are lower than provisional measures. Second, the investigation revealed that Union producers were in a position to further deploy their production potential and further serve the coffee roasting industry, should the injury caused by dumped imports from the PRC be removed. Given the large number of Union producers, it is very likely that the number of Union producers that could take in orders from coffee roasting companies would be more than five.

- (208) The coffee roasting companies argued that anti-dumping measures would damage their exports because of a loss of competitiveness and a possible retaliation by the Chinese authorities. However, there is no evidence to indicate that the level of measures imposed would entail such loss of competitiveness, also bearing in mind that other WTO members have anti-dumping measures affecting this kind of product. The retaliatory action allegation was also found to be unsubstantiated.
- (209) The coffee roasting companies stated that the anti-dumping measures would unavoidably lead to a general reduction in their business, to a decrease of their sales, to a general increase of the coffee price in the HORECA (hotels, restaurants and catering) sector and to a decrease in the quality of the products and services. All this would, allegedly, put at risk a considerable number of direct and indirect jobs. However, bearing in mind what the core business of the coffee roasting companies is and the conclusions as regards the effects of measures on the supply chain, these allegations cannot be upheld. It is also noted that providing the total number of jobs linked to the worldwide operations of a coffee roasting company cannot be deemed an appropriate calculation basis for the number of jobs that would be at risk because of the imposition of anti-dumping measures.
- (210) Two retailers claimed that there is not enough production of new bone china and bone china in the Union and that they had no alternative but importing from the PRC. The same claim was made by an association of importers after disclosure. Firstly and in general it should be noted that anti-dumping measures aim at restoring fair trade and not at blocking imports. In this case, the level of measures cannot be considered prohibitive. Secondly, the investigation established that these products can be procured from several sources, including Union producers. Finally, Union producers have the production capacity to sell more on the Union market and could further exploit their potential, should anti-dumping measures be definitively imposed.
- (211) One retailer claimed that measures would have a negative impact on certain objects serving the tourist market. Yet, no substantive information could support that claim. Also the weight of the objects in question in the sector is limited.
- (212) An importer and wholesaler alleged that the imposition of measures would lead to a vertical consolidation of the market by some large players. However, given the current number of players, this would be unlikely in the short-to-medium term.
- (213) Further to the issues already dealt with in the provisional Regulation, it is noted that several parties found that the interest of smaller companies, such as retailers, distributors and businesses dealing with promotional items, had not been sufficiently taken into consideration. This claim was reiterated after definitive disclosure by several parties. It must be recognised that, overall, micro and small businesses could be more vulnerable to any price increase as a result of anti-dumping duties. However there is no evidence that the level of measures imposed will have a significant negative effect on the other economic actors that qualify as SMEs. The claim is therefore definitively rejected.

(214) In the absence of any additional comments as regards the interest of other economic sectors, recitals (212) to (217) of the provisional Regulation are hereby confirmed.

#### 6.5. Interest of consumers (households)

(215) Despite having been contacted by the Commission, no parties directly representing the interests of end-buyers such as associations of consumers made any representations.

(216) Several parties contested the conclusion of recital (222) of the provisional Regulation as regards higher prices. Similar claims were made after definitive disclosure.

(217) In the unlikely event that the duty is fully passed onto consumers and, assuming that import levels and prices remain the same, the anti-dumping duties would mean a yearly extra cost per household of less than 1 Euro. Such calculation is based on the IP import volumes and values, the proposed level of the duties and the number of households in the Union.

(218) Such effect cannot be deemed enough to outweigh the positive impact on the Union industry derived from limiting the injury caused by dumped imports from the PRC.

(219) A party alleged that as a consequence of measures there would be a shortage of cheaper tableware. This claim was reiterated after definitive disclosure. Yet this claim cannot be upheld because, as stated in recital (157) of the provisional Regulation, the Union industry serves all markets (including cheaper tableware).

(220) In the absence of any additional comments as regards the interest of consumers (households), recitals (218) to (226) of the provisional Regulation are hereby confirmed.

#### 6.6. Conclusion on Union interest

(221) In view of the above, the assessment in the provisional Regulation is hereby confirmed.

(222) Therefore, recitals (227) to (229) of the provisional Regulation are hereby confirmed.

## 7. DEFINITIVE ANTI-DUMPING MEASURES

### 7.1. Injury elimination level

(223) It was claimed that the profit margin used to calculate the amount of duty necessary to remove the effects of the injurious dumping was too high. This claim was rejected as explained in section 4.5.3.3 above.

(224) Several parties questioned the target profit used for the calculation of the injury margin. These comments are addressed in recitals (135) to (142) above. On the basis of the analysis of those comments it is concluded that the target profit of 6% should be maintained.

(225) In the absence of other comments concerning the injury elimination level, the methodology described in recitals (230) to (234) of the provisional Regulation is hereby confirmed.

### 7.2. Definitive measures

(226) In view of the conclusions reached with regard to dumping, injury, causation and Union interest, and in accordance with Article 9(4) of the basic Regulation, definitive anti-dumping measures should be imposed on imports of the product concerned at the level of the lower of the dumping and the injury margins, in accordance with the lesser

duty rule. Accordingly, all duty rates should be set at the level of the dumping margins.

- (227) The small adjustment referred to in recitals (115) and (132) above resulted in slightly revised underselling margins as reflected in the injury margins listed below. The proposed definitive anti-dumping duties are the following:

Company	Dumping margin	Injury margin	Definitive duty rate
Hunan Hualian China Industry Co., Ltd; Hunan Hualian Ebillion Industry Co., Ltd; Hunan Liling Hongguanyao China Industry Co., Ltd and Hunan Hualian Yuxiang China Industry Co., Ltd	18,3%	44,8%	18,3%
Guangxi Sanhuan Enterprise Group Holding Co., Ltd	13,1%	92,6%	13,1%
CHL Porcelain Industries Ltd	23,4%	110,1%	23,4%
Shandong Zibo Niceton-Marck Huaguang Ceramics Limited; Zibo Huatong Ceramics Co., Ltd; Shandong Silver Phoenix Co., Ltd; Niceton Ceramics (Linyi) Co., Ltd; Linyi Jingshi Ceramics Co., Ltd; Linyi Silver Phoenix Ceramics Co., Ltd; Linyi Chunguang Ceramics Co., Ltd, and Linyi Zefeng Ceramics Co., Ltd	17,6%	79,1%	17,6%
Guangxi Province Beiliu City Laotian Ceramics Co., Ltd	22,9%	45,7%	22,9%
All other co-operating exporting producers	17,9%	79,0%	17,9%
All other companies	36,1%	110,1%	36,1%

- (228) The individual company anti-dumping duty rates specified in this Regulation were established on the basis of the findings of the present investigation. Therefore, they reflect the situation found during that investigation in respect to these companies. These duty rates (as opposed to the country-wide duty applicable to ‘all other companies’) are thus exclusively applicable to imports of the products originating in the PRC and produced by the companies and thus by the specific legal entities mentioned. Imports of the product concerned manufactured by any other company not specifically mentioned in the operative part of this Regulation with its name, including entities related to those specifically mentioned, cannot benefit from these rates and shall be subject to the duty rate applicable to ‘all other companies’.
- (229) In order to minimise the risks of circumvention due to the high difference in the duty rates, it is considered that special measures are needed in this case to ensure the proper application of the anti-dumping duties. These special measures include the presentation to the Customs authorities of the Member States of a valid commercial invoice, which shall conform to the requirements set out in the Annex II to this

Regulation. Imports not accompanied by such an invoice shall be made subject to the residual anti-dumping duty applicable to all other exporters.

- (230) Should the exports by one of the companies benefiting from lower individual duty rates increase significantly in volume after the imposition of the measures concerned, such an increase in volume could be considered as constituting in itself a change in the pattern of trade due to the imposition of measures within the meaning of Article 13(1) of the basic Regulation. In such circumstances and provided the conditions are met an anti-circumvention investigation may be initiated. This investigation may, inter alia, examine the need for the removal of individual duty rates and the consequent imposition of a country-wide duty.
- (231) Any claim requesting the application of an individual anti-dumping duty rate (e.g. following a change in the name of the entity or following the setting up of new production or sales entities) should be addressed to the Commission<sup>11</sup> forthwith with all relevant information, in particular any modification in the company's activities linked to production, domestic and export sales associated with, for instance, that name change or that change in the production and sales entities. If appropriate, this Regulation will then be amended accordingly by updating the list of companies benefiting from individual anti-dumping duty rates.
- (232) In order to ensure a proper enforcement of the anti-dumping duty, the country-wide duty level should not only apply to the non-cooperating exporting producers but also to those producers which did not have any exports to the Union during the IP.
- (233) In order to ensure equal treatment between any new exporters and the cooperating companies not included in the sample, mentioned in Annex I to this Regulation, provision should be made for the weighted average duty imposed on the latter companies to be applied to any new exporters which would otherwise be entitled to a review pursuant to Article 11(4) of the basic Regulation.
- (234) All parties were informed of the essential facts and considerations on the basis of which it was intended to recommend the imposition of a definitive anti-dumping duty on imports of ceramic tableware and kitchenware originating in the PRC and the definitive collection of the amounts secured by way of the provisional duty (final disclosure). All parties were granted a period within which they could make comments on the final disclosure.
- (235) The oral and written comments submitted by the interested parties were considered and taken into account where appropriate.

### 7.3. Definitive collection of provisional anti-dumping duties

- (236) In view of the magnitude of the dumping margins found and given the level of the injury caused to the Union industry, it is considered necessary that the amounts secured by way of the provisional anti-dumping duty, imposed by the provisional Regulation, be definitively collected to the extent of the amount of the definitive duties imposed,

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<sup>11</sup> European Commission, Directorate-General for Trade, Directorate H, Office: NERV-105, 08/020, 1049 Bruxelles/Brussel, BELGIQUE/ BELGIË.

HAS ADOPTED THIS REGULATION:

*Article 1*

1. A definitive anti-dumping duty is hereby imposed on imports of ceramic tableware and kitchenware, excluding ceramic knives, ceramic condiment or spice mills and their ceramic grinding parts, ceramic peelers, ceramic knife sharpeners and cordierite ceramic pizza-stones of a kind used for baking pizza or bread, currently falling within CN codes ex 6911 10 00, ex 6912 00 10, ex 6912 00 30, ex 6912 00 50 and ex 6912 00 90 (TARIC codes 6911 10 00 90, 6912 00 10 11, 6912 00 10 91, 6912 00 30 10, 6912 00 50 10 and 6912 00 90 10) and originating in the People's Republic of China.

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 and produced by the companies listed below, shall be as follows:

Company	Duty	TARIC additional code
Hunan Hualian China Industry Co., Ltd; Hunan Hualian Ebillion Industry Co., Ltd; Hunan Liling Hongguanyao China Industry Co., Ltd; Hunan Hualian Yuxiang China Industry Co., Ltd.	18,3%	B349
Guangxi Sanhuan Enterprise Group Holding Co., Ltd	13,1%	B350
CHL Porcelain Industries Ltd	23,4%	B351
Shandong Zibo Niceton-Marck Huaguang Ceramics Limited; Zibo Huatong Ceramics Co., Ltd; Shandong Silver Phoenix Co., Ltd; Niceton Ceramics (Linyi) Co., Ltd; Linyi Jingshi Ceramics Co., Ltd; Linyi Silver Phoenix Ceramics Co., Ltd; Linyi Chunguang Ceramics Co., Ltd; Linyi Zefeng Ceramics Co., Ltd.	17,6%	B352
Guangxi Province Beiliu City Laotian Ceramics Co., Ltd	22,9%	B353
Companies listed in Annex I	17,9%	
All other companies	36,1%	B999

3. The application of the individual anti-dumping duty rates specified for the companies mentioned in paragraph 2 shall be conditional upon presentation to the customs authorities of



the Member States of a valid commercial invoice, which shall conform to the requirements set out in the Annex II. If no such invoice is presented, the duty applicable to "All other companies" shall apply.

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

#### *Article 2*

1. The amounts secured by way of the provisional anti-dumping duty pursuant to Regulation (EU) No 1072/2012 on imports of ceramic condiment or spice mills and their ceramic grinding parts, ceramic peelers, ceramic knife sharpeners and cordierite ceramic pizza-stones of a kind used for baking pizza or bread and originating in the People's Republic of China shall be released.

2. The amounts secured by way of the provisional anti-dumping duties pursuant to Regulation (EU) No 1072/2012 on imports of ceramic tableware and kitchenware, excluding ceramic knives, ceramic condiment or spice mills and their ceramic grinding parts, ceramic peelers, ceramic knife sharpeners and cordierite ceramic pizza-stones of a kind used for baking pizza or bread and originating in the People's Republic of China, shall be definitively collected. The amounts secured in excess of the definitive rates of the anti-dumping duty shall be released.

#### *Article 3*

Where any new exporting producer in the People's Republic of China provides sufficient evidence to the Commission that:

— it did not export to the Union the product described in Article 1(1) during the investigation period (1 January 2011 to 31 December 2011),

— it is not related to any of the exporters or producers in the People's Republic of China which are subject to the measures imposed by this Regulation,

— it has actually exported to the Union the product concerned after the investigation period on which the measures are based, or it has entered into an irrevocable contractual obligation to export a significant quantity to the Union,

Article 1(2) may be amended by adding the new exporting producer to the cooperating companies not included in the sample and thus subject to the weighted average duty rate of 17,9%.

#### *Article 4*

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

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

Done at Brussels,

*For the Council*  
*The President*

## Annex I

### Co-operating Chinese exporting producers not sampled

<i>Name</i>	<i>TARIC additional code</i>
Amaida Ceramic Product Co., Ltd.	B357
Asianera Porcelain (Tangshan) Ltd.	B358
Beiliu Changlong Ceramics Co., Ltd.	B359
Beiliu Chengda Ceramic Co., Ltd.	B360
Beiliu City Heyun Building Materials Co., Ltd.	B361
Beiliu Jiasheng Porcelain Co., Ltd.	B362
Beiliu Quanli Ceramic Co., Ltd.	B363
Beiliu Shimin Porcelain Co., Ltd.	B364
Beiliu Windview Industries Ltd.	B365
Cameo China (Fengfeng) Co., Ltd.	B366
Changsha Happy Go Products Developing Co., Ltd.	B367
Chao An Huadayu Craftwork Factory	B368
Chaoan County Fengtang Town HaoYe Ceramic Fty	B369
Chao'an Lian Xing Yuan Ceramics Co., Ltd.	B370
Chaoan Oh Yeah Ceramics Industrial Co., Ltd.	B371
Chaoan Shengyang Crafts Industrial Co., Ltd	B372
Chaoan Xin Yuan Ceramics Factory	B373
Chao'an Yongsheng Ceramic Industry Co., Ltd.	B374
Chaozhou Baodayi Porcelain Co., Ltd.	B375
Chaozhou Baode Ceramics Co., Ltd,	B376
Chaozhou Baolian Ceramics Co., Ltd.	B377
Chaozhou Big Arrow Ceramics Industrial Co., Ltd.	B378
Chaozhou Boshifa Ceramics Making Co., Ltd.	B379
Chaozhou Cantake Craft Co., Ltd.	B380
Chaozhou Ceramics Industry and Trade General Corp.	B381
Chaozhou Chaofeng Ceramic Making Co., Ltd.	B382
Chaozhou Chengxi Jijie Art & Craft Painted Porcelain Fty.	B383
Chaozhou Chengxinda Ceramics Industry Co., Ltd.	B384
Chaozhou Chenhui Ceramics Co., Ltd.	B385
Chaozhou Chonvson Ceramics Industry Co., Ltd.	B386
Chaozhou Daxin Arts & Crafts Co., Ltd.	B387
Chaozhou DaXing Ceramics Manufactory Co., Ltd	B388

Chaozhou Dayi Ceramics Industries Co., Ltd.	B389
Chaozhou Dehong Ceramics Making Co., Ltd.	B390
Chaozhou Deko Ceramic Co., Ltd.	B391
Chaozhou Diamond Ceramics Industrial Co., Ltd.	B392
Chaozhou Dongyi Ceramics Co., Ltd.	B393
Chaozhou Dragon Porcelain Industrial Co., Ltd.	B394
Chaozhou Fairway Ceramics Manufacturing Co., Ltd.	B395
Chaozhou Feida Ceramics Industries Co., Ltd.	B396
Chaozhou Fengxi Baita Ceramics Fty.	B397
Chaozhou Fengxi Dongtian Porcelain Fty. No.2	B398
Chaozhou Fengxi Fenger Ceramics Craft Fty.	B399
Chaozhou Fengxi Hongrong Color Porcelain Fty.	B400
Chaozhou Fengxi Jiexiang Ceramic Manufactory	B401
Chaozhou Fengxi Porcelain Industrial Trade Imp & Exp. Corp	B402
Chaozhou Fengxi Shengshui Porcelain Art Factory	B403
Chaozhou Fengxi Zone Jinbaichuan Porcelain Crafts Factory	B404
Chaozhou Fromone Ceramic Co., Ltd.	B405
Chaozhou Genol Ceramics Manufacture Co., Ltd.	B406
Chaozhou Good Concept Ceramics Co., Ltd.	B407
Chaozhou Grand Collection Ceramics Manufacturing Co. Ltd.	B408
Chaozhou Guangjia Ceramics Manufacture Co., Ltd.	B409
Chaozhou Guidu Ceramics Co., Ltd.	B410
Chaozhou Haihong Ceramics Making Co., Ltd.	B411
Chaozhou Hengchuang Porcelain Co., Ltd.	B412
Chaozhou Henglibao Porcelain Industrial Co., Ltd.	B413
Chaozhou Hongbo Ceramics Industrial Co., Ltd.	B414
Chaozhou Hongjia Ceramics Making Co., Ltd.	B415
Chaozhou Hongye Ceramics Manufactory Co., Ltd.	B416
Chaozhou Hongye Porcelain Development Co., Ltd.	B417
Chaozhou Hongyue Porcelain Industry Co., Ltd.	B418
Chaozhou Hongzhan Ceramic Manufacture Co., Ltd.	B419
Chaozhou Hua Da Ceramics Making Co., Ltd.	B420
Chaozhou Huabo Ceramic Co., Ltd.	B421
Chaozhou Huade Ceramics Manufacture Co., Ltd.	B422
Chaozhou Huashan Industrial Co., Ltd.	B423

Chaozhou Huayu Ceramics Co., Ltd.	B424
Chaozhou Huazhong Ceramics Industries Co., Ltd.	B425
Chaozhou Huifeng Ceramics Craft Making Co., Ltd.	B426
Chaozhou J&M Ceramics Industrial Co., Ltd.	B427
Chaozhou Jencymic Co., Ltd.	B428
Chaozhou Jiahua Ceramics Co., Ltd.	B429
Chaozhou Jiahuabao Ceramics Industrial Co., Ltd.	B430
Chaozhou JiaHui Ceramic Factory	B431
Chaozhou Jiaye Ceramics Making Co., Ltd.	B432
Chaozhou Jiayi Ceramics Making Co., Ltd.	B433
Chaozhou Jiayu Ceramics Making Co., Ltd.	B434
Chaozhou Jin Jia Da Porcelain Industry Co., Ltd.	B435
Chaozhou Jingfeng Ceramics Craft Co., Ltd.	B436
Chaozhou Jinqiangyi Ceramics Co., Ltd.	B437
Chaozhou Jinxin Ceramics Making Co., Ltd.	B438
Chaozhou Jinyuanli Ceramics Manufacture Co., Ltd.	B439
Chaozhou Kaibo Ceramics Making Co., Ltd.	B440
Chaozhou Kedali Porcelain Industrial Co., Ltd.	B441
Chaozhou King's Porcelain Industry Co., Ltd.	B442
Chaozhou Kingwave Porcelain & Pigment Co., Ltd.	B443
Chaozhou Lemontree Tableware Co., Ltd.	B444
Chaozhou Lianfeng Porcelain Co., Ltd.	B445
Chaozhou Lianjun Ceramics Co., Ltd.	B446
Chaozhou Lianyu Ceramics Co., Ltd.	B447
Chaozhou Lianyuan Ceramic Making Co., Ltd.	B448
Chaozhou Lisheng Ceramics Co., Ltd.	B449
Chaozhou Loving Home Porcelain Co., Ltd.	B450
Chaozhou Maocheng Industry Dve. Co., Ltd.	B451
Chaozhou MBB Porcelain Factory	B452
Chaozhou Mingyu Porcelain Industry Co., Ltd.	B453
Chaozhou New Power Co., Ltd.	B454
Chaozhou Ohga Porcelain Co.,Ltd.	B455
Chaozhou Oubo Ceramics Co., Ltd.	B456
Chaozhou Pengfa Ceramics Manufactory Co., Ltd.	B457
Chaozhou Pengxing Ceramics Co., Ltd.	B458

Chaozhou Qingfa Ceramics Co., Ltd.	B459
Chaozhou Ronghua Ceramics Making Co., Ltd.	B460
Chaozhou Ronglibao Porcelain Co., Ltd.	B461
Chaozhou Rui Cheng Porcelain Industry Co., Ltd.	B462
Chaozhou Rui Xiang Porcelain Industrial Co., Ltd.	B463
Chaozhou Ruilong Ceramics Co., Ltd.	B464
Chaozhou Sanhua Ceramics Industrial Co., Ltd.	B465
Chaozhou Sanming Industrial Co., Ltd.	B466
Chaozhou Santai Porcelain Co., Ltd.	B467
Chaozhou Shuntai Ceramic Manufactory Co., Ltd.	B468
Chaozhou Songfa Ceramics Co.,Ltd.	B469
Chaozhou Sundisk Ceramics Making Co., Ltd.	B470
Chaozhou Teemjade Ceramics Co., Ltd.	B471
Chaozhou Thyme Ceramics Co., Ltd.	B472
Chaozhou Tongxing Huajiang Ceramics Making Co., Ltd	B473
Chaozhou Totye Ceramics Industrial Co., Ltd.	B474
Chaozhou Trend Arts & Crafts Co., Ltd.	B475
Chaozhou Uncommon Craft Industrial Co., Ltd.	B476
Chaozhou Weida Ceramic Making Co., Ltd.	B477
Chaozhou Weigao Ceramic Craft Co., Ltd.	B478
Chaozhou Wingoal Ceramics Industrial Co., Ltd.	B479
Chaozhou Wood House Porcelain Co., Ltd.	B480
Chaozhou Xiangye Ceramics Craft Making Co., Ltd.	B481
Chaozhou Xin Weicheng Co., Ltd.	B482
Chaozhou Xincheng Ceramics Co., Ltd.	B483
Chaozhou Xinde Ceramics Craft Factory	B484
Chaozhou Xingguang Ceramics Co., Ltd.	B485
Chaozhou Xinhui Porcelain Co., Ltd.	B486
Chaozhou Xinkai Porcelain Co., Ltd.	B487
Chaozhou Xinlong Porcelain Industrial Co., Ltd.	B488
Chaozhou Xinyu Porcelain Industrial Co., Ltd.	B489
Chaozhou Xinyue Ceramics Manufacture Co., Ltd.	B490
Chaozhou Yangguang Ceramics Co., Ltd.	B491
Chaozhou Yaran Ceramics Craft Making Co., Ltd.	B492
Chaozhou Yinhe Ceramics Co., Ltd.	B493

Chaozhou Yongsheng Ceramics Manufacturing Co., Ltd.	B494
Chaozhou Yongxuan Domestic Ceramics Manufactory Co., Ltd.	B495
Chaozhou Yu Ri Ceramics Making Co., Ltd.	B496
Chaozhou Yuefeng Ceramics Ind. Co., Ltd.	B497
Chaozhou Yufeng Ceramics Making Factory	B498
Chaozhou Zhongxia Porcelain Factory Co., Ltd.	B499
Chaozhou Zhongye Ceramics Co., Ltd.	B500
Dabu Yongxingxiang Ceramics Co., Ltd.	B501
Dapu Fuda Ceramics Co., Ltd.	B502
Dapu Taoyuan Porcelain Factory	B503
Dasheng Ceramics Co., Ltd. Dehua	B504
De Hua Hongshun Ceramic Co., Ltd.	B505
Dehua Hongsheng Ceramic Co., Ltd.	B506
Dehua Jianyi Porcelain Industry Co., Ltd.	B507
Dehua Kaiyuan Porcelain Industry Co., Ltd.	B508
Dehua Ruyuan Gifts Co., Ltd.	B509
Dehua Xinmei Ceramics Co., Ltd.	B510
Dongguan Kennex Ceramic Ltd.	B511
Dongguan Shilong Kyocera Co., Ltd.	B512
Dongguan Yongfuda Ceramics Co., Ltd.	B513
Evershine Fine China Co., Ltd.	B514
Excellent Porcelain Co., Ltd.	B515
Fair-Link Limited (Xiamen)	B516
Far East (Boluo) Ceramics Factory Co., Ltd.	B517
Far East (chaozhou) Ceramics Factory Co., Ltd.	B518
Fengfeng Mining District Yuhang Ceramic Co. Ltd. ("Yuhang")	B519
Foshan Metart Company Limited	B520
Fujian De Hua Jiashun Art&Crafts Co., Ltd.	B521
Fujian Dehua Chengyi Ceramics Co., Ltd.	B522
Fujian Dehua Five Continents Ceramic Manufacturing Co., Ltd.	B523
Fujian Dehua Fujue Ceramics Co., Ltd.	B524
Fujian Dehua Full Win Crafts Co., Ltd.	B525
Fujian Dehua Fusheng Ceramics Co., Ltd.	B526
Fujian Dehua Gentle Porcelain Co., Ltd.	B527
Fujian Dehua Guanhong Ceramic Co., Ltd.	B528

Fujian Dehua Guanjie Ceramics Co., Ltd.	B529
Fujian Dehua Hiap Huat Koyo Toki Co., Ltd.	B530
Fujian Dehua Hongda Ceramics Co., Ltd.	B531
Fujian Dehua Hongsheng Arts & Crafts Co., Ltd.	B532
Fujian Dehua Hongyu Ceramic Co., Ltd.	B533
Fujian Dehua Huachen Ceramics Co., Ltd.	B534
Fujian Dehua Huaxia Ceramics Co., Ltd.	B535
Fujian Dehua Huilong Ceramic Co., Ltd.	B536
Fujian Dehua Jingyi Ceramics Co., Ltd.	B537
Fujian Dehua Jinhua Porcelain Co., Ltd.	B538
Fujian Dehua Jinzhu Ceramics Co., Ltd.	B539
Fujian Dehua Lianda Ceramic Co., Ltd.	B540
Fujian Dehua Myinghua Ceramics Co., Ltd.	B541
Fujian Dehua Pengxin Ceramics Co., Ltd.	B542
Fujian Dehua Rongxin Ceramic Co., Ltd.	B543
Fujian Dehua Shisheng Ceramics Co., Ltd.	B544
Fujian Dehua Will Ceramic Co., Ltd.	B545
Fujian Dehua Xianda Ceramic Factory	B546
Fujian Dehua Xianghui Ceramic Co., Ltd.	B547
Fujian Dehua Xingye Ceramic Co., Ltd.	B548
Fujian Dehua Yonghuang Ceramic Co., Ltd.	B549
Fujian Dehua Yousheng Ceramics Co., Ltd.	B550
Fujian Dehua You-Young Crafts Co., Ltd.	B551
Fujian Dehua Zhenfeng Ceramics Co., Ltd.	B552
Fujian Dehua Zhennan Ceramics Co., Ltd.	B553
Fujian Jackson Arts and Crafts Co., Ltd.	B554
Fujian Jiamei Group Corporation	B555
Fujian Profit Group Corporation	B556
Fujian Province Dehua County Beatrot Ceramic Co., Ltd.	B557
Fujian Province Yongchun County Foreign Processing and Assembling Corporation	B558
Fujian Quanzhou Longpeng Group Co., Ltd.	B559
Fujian Quanzhou Shunmei Group Co., Ltd.	B560
Fung Lin Wah Group	B561
Ganzhou Koin Structure Ceramics Co., Ltd.	B562

Global Housewares Factory	B563
Guangdong Baofeng Ceramic Technology Development Co., Ltd.	B564
Guangdong Bening Ceramics Industries Co., Ltd.	B565
Guangdong Daye Porcelain Co., Ltd.	B566
Guangdong Dongbao Group Co., Ltd.	B567
Guangdong Huaxing Ceramics Co., Ltd.	B568
Guangdong Quanfu Ceramics Ind. Co., Ltd.	B569
Guangdong Shunqiang Ceramics Co., Ltd.	B570
Guangdong Shunxiang Porcelain Co., Ltd.	B571
Guangdong Sitong Group Co., Ltd.	B572
Guangdong Songfa Ceramics Co., Ltd.	B573
Guangdong Xingtaiyi Porcelain Co., Ltd.	B574
Guangdong Yutai Porcelain Co., Ltd.	B575
Guangdong Zhentong Ceramics Co., Ltd.	B576
Guangxi Baian Ceramic Co. Ltd	B577
Guangxi Beiliu City Ming Chao Porcelain Co., Ltd.	B578
Guangxi Beiliu Guixin Porcelain Co., Ltd.	B579
Guangxi Beiliu Huasheng Porcelain Ltd.	B580
Guangxi Beiliu Newcentury Ceramic Llc.	B581
Guangxi Beiliu Qinglang Porcelain Trade Co., Ltd.	B582
Guangxi Beiliu Rili Porcelain Co., Ltd.	B583
Guangxi Beiliu Xiongfa Ceramics Co., Ltd.	B584
Guangxi Beiliu Yujie Porcelain Co., Ltd.	B585
Guangxi Beiliu Zhongli Ceramics Co., Ltd.	B586
Guangxi Nanshan Porcelain Co., Ltd.	B587
Guangxi Xin Fu Yuan Co. Ltd.	B588
Guangxi Yulin Rongxing Ceramics Co., Ltd.	B589
Guangzhou Chaintime Porcelain Co., Ltd.	B590
Haofa Ceramics Co., Ltd. of Dehua Fujian	B591
Hebei Dersun Ceramic Co., Ltd.	B592
Hebei Great Wall Ceramic Co., Ltd.	B593
Henan Ruilong Ceramics Co., Ltd.	B594
Henghui Porcelain Plant Liling Hunan China	B595
Huanyu Ceramic Industrial Co., Ltd. Liling Hunan China	B596



Hunan Baihua Ceramics Co., Ltd.	B597
Hunan Eka Ceramics Co., Ltd.	B598
Hunan Fungdeli Ceramics Co., Ltd.	B599
Hunan Gaofeng Ceramic Manufacturing Co., Ltd.	B600
Hunan Huari Ceramic Industry Co., Ltd	B601
Hunan Huawei China Industry Co., Ltd	B602
Hunan Huayun Ceramics Factory Co., Ltd	B603
Hunan Liling Tianxin China Industry Ltd.	B604
Hunan Provincial Liling Chuhua Ceramic Industrial Co., Ltd.	B605
Hunan Quanxiang Ceramics Corp. Ltd.	B606
Hunan Rslee Ceramics Co., Ltd	B607
Hunan Taisun Ceramics Co., Ltd.	B608
Hunan Victor Imp. & Exp. Co., Ltd	B609
Hunan Wing Star Ceramic Co., Ltd.	B610
Hunan Xianfeng Ceramic Industry Co.,Ltd	B611
Jiangsu Gaochun Ceramics Co., Ltd.	B612
Jiangsu Yixing Fine Pottery Corp., Ltd.	B613
Jiangxi Global Ceramic Co., Ltd.	B614
Jiangxi Kangshu Porcelain Co.,Ltd.	B615
Jingdezhen F&B Porcelain Co., Ltd.	B616
Jingdezhen Yuanjing Porcelain Industry Co., Ltd.	B617
Jiyuan Jukang Xingxing Ceramics Co., Ltd.	B618
Joyye Arts & Crafts Co., Ltd.	B619
Junior Star Ent's Co., Ltd.	B620
K&T Ceramics International Co., Ltd.	B621
Kam Lee (Xing Guo) Metal and Plastic Fty. Co., Ltd.	B622
Karpery Industrial Co., Ltd. Hunan China	B623
Kilncraft Ceramics Ltd.	B624
Lian Jiang Golden Faith Porcelain Co., Ltd.	B625
Liling Gaojia Ceramic Industry Co., Ltd	B626
Liling GuanQian Ceramic Manufacture Co., Ltd.	B627
Liling Huahui Ceramic Manufacturing Co., Ltd.	B628
Liling Huawang Ceramics Manufacturing Co., Ltd.	B629
Liling Jiahua Porcelain Manufacturing Co., Ltd	B630
Liling Jialong Porcelain Industry Co., Ltd	B631

Liling Jiaxing Ceramic Industrial Co., Ltd	B632
Liling Kaiwei Ceramic Co., Ltd.	B633
Liling Liangsheng Ceramic Manufacture Co., Ltd.	B634
Liling Liuxingtang Ceramics Co., Ltd	B635
Liling Minghui Ceramics Factory	B636
Liling Pengxing Ceramic Factory	B637
Liling Quanhu Industries General Company	B638
Liling Rongxiang Ceramic Co., Ltd.	B639
Liling Ruixiang Ceramics Industrial Co., Ltd.	B640
Liling Santang Ceramics Manufacturing Co., Ltd.	B641
Liling Shenghua Industrial Co., Ltd.	B642
Liling Spring Ceramic Industry Co., Ltd	B643
Liling Tengrui Industrial and Trading Co.,Ltd.	B644
Liling Top Collection Industrial Co., Ltd	B645
Liling United Ceramic-Ware Manufacturing Co., Ltd.	B646
Liling Yonghe Porcelain Factory	B647
Liling Yucha Ceramics Co., Ltd.	B648
Liling Zhengcai Ceramic Manufacturing Co., Ltd	B649
Linyi Jinli Ceramics Co., Ltd.	B650
Linyi Pengcheng Industry Co., Ltd.	B651
Linyi Wanqiang Ceramics Co., Ltd.	B652
Linyi Zhaogang Ceramics Co., Ltd.	B653
Liveon Industrial Co., Ltd.	B654
Long Da Bone China Co., Ltd.	B655
Meizhou Gaoyu Ceramics Co., Ltd.	B656
Meizhou Lianshunchang Trading Co., Ltd.	B657
Meizhou Xinma Ceramics Co., Ltd.	B658
Meizhou Yuanfeng Ceramic Industry Co., Ltd.	B659
Meizhou Zhong Guang Industrial Co., Ltd.	B660
Miracle Dynasty Fine Bone China (Shanghai) Co., Ltd.	B661
Photo USA Electronic Graphic Inc.	B662
Quanzhou Allen Light Industry Co., Ltd.	B663
Quanzhou Chuangli Craft Co., Ltd.	B664
Quanzhou Dehua Fangsheng Arts Co., Ltd.	B665
Quanzhou Haofu Gifts Co., Ltd.	B666

Quanzhou Hongsheng Group Corporation	B667
Quanzhou Jianwen Craft Co., Ltd.	B668
Quanzhou Kunda Gifts Co., Ltd.	B669
Quanzhou Yongchun Shengyi Ceramics Co., Ltd.	B670
Raoping Bright Future Porcelain Factory ("RBF")	B671
Raoping Sanrao Yicheng Porcelain Factory	B672
Raoping Sanyi Industrial Co., Ltd.	B673
Raoping Suifeng Ceramics and Glass Factory	B674
Raoping Xinfeng Yangda Colour Porcelain FTY	B675
Red Star Ceramics Limited	B676
Rong Lin Wah Industrial (Shenzhen) Co., Ltd.	B677
Ronghui Ceramic Co., Ltd Liling Hunan China	B678
Shandong Futai Ceramics Co., Ltd.	B679
Shandong Gaode Hongye Ceramics Co., Ltd.	B680
Shandong Kunlun Ceramic Co., Ltd.	B681
Shandong Zhaoding Porcelain Co., Ltd.	B682
Shantou Ceramics Industry Supply & Marketing Corp.	B683
Sheng Hua Ceramics Co., Ltd.	B684
Shenzhen Baoshengfeng Imp. & Exp. Co., Ltd.	B685
Shenzhen Bright Future Industry Co., Ltd. ("SBF")	B686
Shenzhen Donglin Industry Co., Ltd.	B687
Shenzhen Ehome Enterprise Ltd	B688
Shenzhen Ever Nice Industry Co., Ltd.	B689
Shenzhen Fuliuyan Porcelain Co., Ltd.	B690
Shenzhen Full Amass Ind. Dev. Co. Ltd	B691
Shenzhen Fuxingjiayun Ceramics Co., Ltd.	B692
Shenzhen Good-Always Imp. & Exp. Co. Ltd	B693
Shenzhen Gottawa Industrial Ltd.	B694
Shenzhen Hiker Housewares Ltd.	B695
Shenzhen Hua Mei Industry Development Ltd	B696
Shenzhen Mingsheng Ceramic Ltd.	B697
Shenzhen Senyi Porcelain Industry Co. Ltd.	B698
Shenzhen SMF Investment Co., Ltd	B699
Shenzhen Tao Hui Industrial Co., Ltd.	B700
Shenzhen Topchoice Industries Limited	B701

Shenzhen Trueland Industrial Co., Ltd.	B702
Shenzhen Universal Industrial Co., Ltd.	B703
Shenzhen Zhan Peng Xiang Industrial Co., Ltd.	B704
Shijiazhuang Kuangqu Huakang Porcelain Co., Ltd.	B705
Shun Sheng Da Group Co., Ltd. Quanzhou Fujian	B706
Stechcol Ceramic Crafts Development (Shenzhen) Co., Ltd.	B707
Taiyu Ceramic Co., Ltd. Liling Hunan China	B708
Tangshan Beifangcidu Ceramic Group Co., Ltd.	B709
Tangshan Boyu Osseous Ceramic Co., Ltd.	B710
Tangshan Chinawares Trading Co., Ltd	B711
Tangshan Daxin Ceramics Co., Ltd.	B712
Tangshan Golden Ceramic Co., Ltd.	B713
Tangshan Haigelei Fine Bone Porcelain Co., Ltd.	B714
Tangshan Hengrui Porcelain Industry Co., Ltd.	B715
Tangshan Huamei Porcelain Co., Ltd.	B716
Tangshan Huaxincheng Ceramic Products Co., Ltd.	B717
Tangshan Huyuan Bone China Co., Ltd.	B718
Tangshan Imperial-Hero Ceramics Co., Ltd.	B719
Tangshan Jinfangyuan Bone China Manufacturing Co., Ltd.	B720
Tangshan Keyhandle Ceramic Co., Ltd.	B721
Tangshan Longchang Ceramics Co., Ltd.	B722
Tangshan Masterwell Ceramic Co., Ltd.	B723
Tangshan Redrose Porcelain Products Co., Ltd.	B724
Tangshan Shiyu Commerce Co., Ltd.	B725
Tangshan Xueyan Industrial Co., Ltd.	B726
Tangshan Yida Industrial Corp.	B727
Tao Yuan Porcelain Factory	B728
Teammann Co., Ltd.	B729
The China & Hong Kong Resources Co., Ltd.	B730
The Great Wall Group Holding Co., Ltd. Guangdong	B731
Tianshan (Handan) Tableware Co., Ltd. ("Tianshan")	B732
Topking Industry (China) Ltd.	B733
Weijian Ceramic Industrial Co., Ltd.	B734
Weiye Ceramics Co., Ltd.	B735
Winpat Industrial Co., Ltd.	B736

Xiamen Acrobat Splendor Ceramics Co., Ltd.	B737
Xiamen Johnchina Fine Polishing Tech Co., Ltd.	B738
Xiangqiang Ceramic Manufacturing Co., Ltd. Liling City Hunan	B739
Xin Xing Xian XinJiang Pottery Co., Ltd.	B740
Xinhua County Huayang Porcelain Co., Ltd.	B741
Xuchang Jianxing Porcelain Products Co., Ltd.	B742
Yangjiang Shi Ba Zi Kitchen Ware Manufacturing Co., Ltd.	B743
Yanling Hongyi Import N Export Trade Co., Ltd.	B744
Ying-Hai (Shenzhen) Industry Dev. Co., Ltd.	B745
Yiyang Red Star Ceramics Ltd.	B746
Yong Feng Yuan Industry Co., Ltd. ("Yong Feng Yuan Industry")	B747
Yongchun Dahui Crafts Co., Ltd.	B748
Yu Yuan Ceramics Co., Ltd.	B749
Yuzhou City Kongjia Porcelain Co., Ltd.	B750
Yuzhou Huixiang Ceramics Co., Ltd.	B751
Yuzhou Ruilong Ceramics Co., Ltd.	B752
Zeal Ceramics Development Co., Ltd, Shenzhen, China	B753
Zhangjiakou Xuanhua Yici Ceramics Co., Ltd. ("Xuanhua Yici")	B754
Zhejiang Nansong Ceramics Co., Ltd.	B755
Zibo Boshan Shantou Ceramic Factory	B756
Zibo CAC Chinaware Co., Ltd.	B757
Zibo Fortune Light Industrial Products Co., Ltd.	B758
Zibo Fuxin Porcelain Co., Ltd.	B759
Zibo GaoDe Ceramic Technology & Development Co., Ltd.	B760
Zibo Hongda Ceramics Co., Ltd.	B761
Zibo Jinxin Light Industrial Products Co., Ltd.	B762
Zibo Kunyang Ceramic Corporation Limited	B763

## **Annex II**

A declaration signed by an official of the entity issuing the commercial invoice, in the following format, must appear on the valid commercial invoice referred to in Article 1(3):

- (1) The name and function of the official of the entity issuing the commercial invoice.
- (2) The following declaration: “I, the undersigned, certify that the (volume) of ceramic tableware and kitchenware sold for export to the European Union covered by this invoice was manufactured by (company name and address) (TARIC additional code) in (country concerned). I declare that the information provided in this invoice is complete and correct.”
- (3) Date and signature.