

Milan, 8th June 2015

Comments of ANIE-Energia regarding the Commission Implementing Regulation (EU) 2015/763 of 12 May 2015 imposing a provisional anti-dumping duty on imports of certain grain-oriented flat-rolled products of silicon-electrical steel (GOES) originating in the People's Republic of China, Japan, the Republic of Korea, the Russian Federation and the United States of America

Anie Federation represents the Italian electrical engineering and electronic industry with about 1,200 companies accounting for 85% of all companies operating in Italy, with a combined turnover of 56 billion € in 2013, of which 29 billion € of export, and 410,000 employees.

Within Anie Federation there is the ANIE-Energia Association that represents the manufacturers of equipments, components and systems for the production, transmission and distribution of electrical energy and for their use in industrial applications. Among these, the manufacturers of power and distribution transformers that employ the grain oriented flat rolled products of electrical steel (GOES), an essential material used in the production of electric transformers.

The industry of this sector in Italy accounts for a direct turnover of about 600 million € and it employs approximately 4,000 people and a similar number in the supply chain.

As regards to the period of investigation examined by the EU Commission (years 2011, 2012 and 2013), we'd like to point out that in 2014 and in the early months of 2015 the situation of GOES prices and of GOES availability has been strongly changed. The enter into force of the Ecodesign Regulation EU 548/2014 on the electric transformers changed the demand from conventional GOES to high permeability GOES and domain refined GOES, bringing to a global and high increase in the prices of GOES.

We also point out that starting from September 2014 the euro-dollar exchange rate has been rapidly falling down under the rate of 1,30 to get today at about 1,10.

The EU Commission should take into consideration the revaluation of the dollar in terms of the euro because from one side it gets to spread a renewed rise of prices of GOES and from the other side it is moving the commercial interests of some exporters to other attractive markets outside the EU.

On the base of our information the European industry of GOES is not able to satisfy the whole demand of the manufacturers of electric transformers. The imposing of duties on imports of a such specialized product from the countries above mentioned would risk in leading to a shortage of supply of GOES at a competitive prices to the detriment of the EU electric transformers industry: this situation is undermining not only the competitiveness at global level, but it also is endangering the industrial activity within the EU. So considering the development of this situation, we ask to the EU Commission to update the investigation period taking into account the year 2014 and the early 6-9 months of 2015.

About the contents of the Regulation EU 763/2015 we would like to make our remarks to the EU Commission as following:

- Paragraph 6.3.3 (point 228): the EU Commission claims that the cost of GOES accounts on average for around 6%-13% of the total cost of production of transformers. We completely disagree with this assessment as the incidence of GOES accounts for a minimum of 25% to a maximum of around 50% in some types of electric transformers with resin insulation. In the previous anti-dumping measures on

imports of GOES from extra UE countries (Regulations EC 151/2003 and EC 1371/2005) the EU Commission has always assumed that GOES plays an important role in the cost of the transformer, and the grain-oriented flat-rolled products of silicon-electrical steel account for an average around 10% to 30% of the total cost of production of the electrical transformers.

Another important component in the cost of production of electrical transformer is represented by wires: within last ten years, also due to the increase in copper prices, manufacturers of electric transformers have used aluminium wire with increasing frequency. It is less expensive and it has a lower specific weight than the copper one.

It should be considered that the weight of an electric transformer with aluminium wire is less about 20% than an electric transformer with copper wire. This choice has brought to an increase incidence in the cost of GOES even up to 50%; therefore the raising of anti-dumping measures leads to an increase in the cost of production of the electric transformers of around 15% with peaks up to 20%. The rise in the cost of electric transformers will have adverse impact on the competitiveness of the EU industry of the electric transformers vis-à-vis non-EU competitors endangering their industrial activity.

- In the Paragraph 2 the EU Commission is not determined to make a difference among the several types of GOES for the evaluation of the dumping. We completely disagree with these assessments because within CN codes 72251100 e 72261100 are included many similar products to each other but with different features and, therefore, with different prices (high permeability GOES, conventional GOES, first quality GOES, etc..).

Therefore at point (21) the Commission excludes from the evaluation GOES of a thickness of less than 0,16 mm, although it falls within CN codes above mentioned.

To avoid any discrimination and injustice, it's necessary to properly estimate the dumping, taking into account comparable products to each other and not to put together all types of GOES. On this matter, for example, in point (66) it is the Commission itself which argues that is not possible to make a comparison between the type/level of Russian GOES and GOES of China's exports.