COMMISSION IMPLEMENTING REGULATION (EU) 2023/1444

of 11 July 2023

imposing a provisional anti-dumping duty on imports of steel bulb flats originating in the People's Republic of China and Türkiye

THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EU) 2016/1036 of the European Parliament and of the Council of 8 June 2016 on protection against dumped imports from countries not members of the European Union ([1]) ('the basic Regulation'), and in particular Article 7 thereof,

After consulting the Member States,

Whereas:

1. PROCEDURE

1.1. Initiation

(1) On 14 November 2022, the European Commission ('the Commission') initiated an anti-dumping investigation with regard to imports of steel bulb flats originating in the People's Republic of China ('China' or 'the PRC') and Türkiye ('the countries concerned') on the basis of Article 5 of the basic Regulation. The Commission published a Notice of Initiation in the *Official Journal of the European Union* ([2]) ('the Notice of Initiation').

(2) The Commission initiated the investigation following a complaint lodged on 30 September 2022 by Laminados Losal S.A.U. ('the complainant'). The complaint was made on behalf of the Union industry of steel bulb flats in the sense of Article 5(4) of the basic Regulation. The complaint contained evidence of dumping and of resulting material injury that was sufficient to justify the initiation of the investigation.

1.2. Registration

(3) Pursuant to Article 14(5a) of the basic Regulation, the Commission should register imports subject to an anti-dumping investigation during the period of pre-disclosure, unless it has sufficient evidence within the meaning of Article 5 that the requirements either under point (c) or (d) of Article 10(4) of the basic Regulation are not met.

(4) The complainant did not request registration and the Commission found that the requirements under point (d) of Article 10(4) of the basic Regulation were not met. In addition to the level of imports which caused injury during the investigation period, there was no further substantial rise in imports thereafter.

(5) For the reasons set out in section 4.3.1 below, the Commission decided to cumulate the imports from the countries concerned for the purpose of the analysis described in the recitals above. An analysis of the data extracted from the Surveillance Database and the data supplied by the cooperating exporting producers in the countries concerned, showed that the cumulative volume of imports from the countries concerned decreased by 2 % in the first four full months (i.e. December 2022 to March 2023) after the initiation of the investigation as compared to the same months during the investigation period. The average monthly imports from the countries concerned during the first four months after the initiation of the investigation decreased by 15 % as compared to the average monthly imports during the investigation period. Therefore, the Commission did not make the imports of steel bulb flats subject to registration under Article 14(5a) of the basic Regulation during the period of pre-disclosure.

([1]) OJ L 176, 30.6.2016, p. 21.

([2]) Notice of initiation of an anti-dumping proceeding concerning imports of bulb flat originating in the People's Republic of China and Türkiye (OJ C 431, 14.11.2022, p. 11).

1.3. **Interested parties**

(6) In the Notice of Initiation, the Commission invited interested parties to contact it in order to participate in the investigation. In addition, the Commission specifically informed the complainant, the known exporting producers, the authorities of the PRC and Türkiye, known importers, suppliers and users, traders, as well as associations known to be concerned about the initiation of the investigation and invited them to participate.

(7) Interested parties had an opportunity to comment on the initiation of the investigation and to request a hearing with the Commission and/or the Hearing Officer in trade proceedings.

1.4. **Comments on initiation**

(8) Following initiation, comments were received from the Government of Türkiye, the Turkish exporting producer Özkan Demir Çelik Sanayi A.Ş ('Özkan Demir'), the Union user Fincantieri S.p.A ('Fincantieri') and the unrelated importer Baglietto s.r.l. ('Baglietto').

(9) The Government of Türkiye and Fincantieri both claimed, among other things, that the complaint relied too much on confidential information, especially with respect to the level of detail concerning the microeconomic indicators of the Union industry, as well as certain annexes to the complaint. Both parties claimed that the non-confidential version was therefore insufficient to allow parties to provide meaningful comments on the injury indicators and allegations set out in the complaint.

(10) Article 19 of the basic Regulation allows for the safeguarding of confidential information in circumstances where disclosure would be of significant competitive advantage to a competitor or would have a significantly adverse effect upon a person supplying the information or upon a person from whom that person has acquired the information. Since the complaint relates to the information of one Union producer only, or the information of that Union producer in combination with publicly available information and statistics, the complainant provided the relevant figures in meaningful ranges for reasons of confidentiality. In the same vein, the complainant provided a non-confidential version of the annexes or a meaningful summary of the information provided. The Commission therefore considered that the non-confidential version of the complaint available in the file for inspection by interested parties contained all the essential evidence and non-confidential summaries of the confidential data which allow interested parties to properly exercise their rights of defence. Therefore, this claim was rejected.

(11) The Government of Türkiye and Fincantieri both opposed the inclusion in the injury analysis of the data for Laminorul S.A. ('Laminorul'), a Romanian steel bulb flats producer, which went bankrupt and ceased production during the period considered. According to the information available to the Commission, following its bankruptcy, Laminorul was acquired by another company, but has not restarted its production of steel bulb flats. According to the Government of Türkiye and Fincantieri, the data available for Laminorul should not have been included in the figures presented in the complaint, since that company went bankrupt and no longer produces steel bulb flats. Laminorul should therefore not have been considered part of the Union industry in the complaint.

(12) The Commission considered, however, that Laminorul was still part of the Union industry during the period considered, albeit not throughout the entire period. For that reason, the complainant was correct in including Laminorul's data in the complaint and showed an accurate reflection of the situation of the Union industry for the relevant periods. In addition, the data presented in the complaint showed that most indicators showed similar trends, with and without including Laminorul in the analysis. In any case, the Commission has indicated the effect of Laminorul's data on the Union industry's injury situation in its analysis for the period considered in this Regulation, where possible.

(13) The Government of Türkiye and Özkan Demir provided comments on several individual injury indicators presented in the complaint, claiming that some of the indicators did not point to an injurious situation of the Union industry, or that that injury might have been caused by other factors than the imports from the countries concerned.

(14) In this respect, the Commission recalled the wording of Article 5(2) of the basic Regulation, which states that the complaint shall contain the information on changes in the quantity of the allegedly dumped imports, the effect of those imports on prices of the like product on the Union market and the consequent impact of the imports on the Union industry, as demonstrated by relevant (not necessarily all) factors. The complaint contained this information, which pointed to the existence of injury and a causal link with imports from the countries concerned. Accordingly, the Commission considered that the complaint contained sufficient evidence tending to show injury and a causal link, and therefore rejected the claim.

(15) Other specific comments on injury, causation and Union interest, which were not directly linked to the initiation, are dealt with in the relevant sections below (Sections 4, 5 and 7).

1.5. **Sampling**

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

Sampling of Union producers

(17) Given the limited number of Union producers of steel bulb flats, the Commission announced in the Notice of Initiation that it would make questionnaires available to the only two known Union producers. Of these two producers, only Laminados Losal, S.A.U. (the complainant) provided a questionnaire reply. The second Union producer, Olifer s.p.l., ('Olifer') accounting for [15-25] % of Union production, did not come forward during the investigation. Thus, the Commission did not have recourse to sampling but used the data of the complainant and estimated the data for Olifer and Laminorul where relevant as explained in recital 147.

Sampling of importers

(18) To decide whether sampling was necessary and, if so, to select a sample, the Commission asked unrelated importers to provide the information specified in the Notice of Initiation.

(19) Only one unrelated importer provided the requested information and agreed to be included in the sample. The Commission therefore decided that sampling was not necessary.

Sampling of exporting producers in the PRC

(20) To decide whether sampling was necessary and, if so, to select a sample, the Commission asked all exporting producers in the PRC to provide the information specified in the Notice of Initiation. In addition, the Commission asked the Mission of the People's Republic of China to the European Union to identify and/or contact other exporting producers, if any, that could be interested in participating in the investigation.

(21) One exporting producer in the PRC, Changshu Longteng Special Steel Co., Ltd. provided the requested information and agreed to be included in the sample. Accordingly, the Commission decided that sampling was not necessary.

Sampling of exporting producers in Türkiye

(22) To decide whether sampling was necessary and, if so, to select a sample, the Commission asked all exporting producers in Türkiye to provide the information specified in the Notice of Initiation. In addition, the Commission asked the Mission of Türkiye to the European Union to identify and/or contact other exporting producers, if any, that could be interested in participating in the investigation.

(23) One exporting producer in Türkiye, Özkan Demir, provided the requested information and agreed to be included in the sample. Accordingly, the Commission decided that sampling was not necessary.

1.6. **Questionnaire replies and verification visits**

(24) The Commission sent a questionnaire concerning the existence of significant distortions in China within the meaning of Article 2(6a)(b) of the basic Regulation to the Government of the People's Republic of China ('GOC'). No reply was received. Consequently, the Commission informed the Mission of the People's Republic of China to the European Union about its intention to apply facts available in accordance with Article 18 of the basic Regulation. No comments were received.

(25) The Commission published online ([3]) the questionnaires for the exporting producers, the unrelated importers and the Union producers.

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

Union producer

— Laminados Losal S.A.U., Gernika, Spain

User

— Fincantieri S.p.A, Monfalcone and Trieste, Italy

Exporting producer in Türkiye

— Özkan Demir Çelik Sanayi A.Ş, Aliağa/İzmir, Türkiye

(27) In view of the outbreak of COVID-19 and the confinement measures put in place the Commission carried out a remote crosscheck of the following Chinese exporting producer:

— Changshu Longteng Special Steel Co., Ltd., the PRC

1.7. **Investigation period and period considered**

(28) The investigation of dumping and injury covered the period from 1 October 2021 to 30 September 2022 ('the investigation period'). The examination of trends relevant for the assessment of injury covered the period from 1 January 2019 to the end of the investigation period ('the period considered').

2. **PRODUCT UNDER INVESTIGATION, PRODUCT CONCERNED AND LIKE PRODUCT**

2.1. **Product under investigation**

(29) The product under investigation is non-alloy steel bulb flats in the range up to 204 mm width ('steel bulb flats'). Steel bulb flats are mainly used in the shipbuilding industry for the construction of the steel framework of passengers' cruises, ferries, military vessels, and merchant vessels. Steel bulb flats can also be used in the construction of offshore platforms and tram rails, but in the Union this application of steel bulb flats concerns only marginal quantities ('the product under investigation').

2.2. **Product concerned**

(30) The product concerned is the product under investigation originating in the People's Republic of China and Türkiye, currently falling under CN code ex 7216 50 91 (TARIC code 7216 50 91 10) ('the product concerned').

([3]) https://tron.trade.ec.europa.eu/investigations/case-view?caseId=2640

2.3. **Like product**

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

— the product concerned when exported to the Union;

— the product under investigation produced and sold on the domestic market of the PRC and Türkiye and

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

(32) The Commission decided at this stage that those products are therefore like products within the meaning of Article 1(4) of the basic Regulation.

2.4. **Claims regarding product scope**

(33) No claims regarding product scope were received.

3. **DUMPING**

3.1. **China**

3.1.1. *Procedure for the determination of the normal value under Article 2(6a) of the basic Regulation*

(34) In view of the sufficient evidence available at the initiation of the investigation pointing to the existence of significant distortions within the meaning of point (b) of Article 2(6a) of the basic Regulation with regard to China, the Commission considered it appropriate to initiate the investigation with regard to the exporting producers from this country having regard to Article 2(6a) of the basic Regulation.

(35) Consequently, in order to collect the necessary data for the eventual application of Article 2(6a) of the basic Regulation, in the Notice of Initiation the Commission invited all exporting producers in China to provide information regarding the inputs used for producing steel bulb flats. One exporting producer, Changshu Longteng Special Steel Co, Ltd., submitted the relevant information. In addition, in order to obtain information it deemed necessary for its investigation with regard to the alleged significant distortions, the Commission sent a questionnaire to the GOC.

(36) Moreover, in point 5.3.2 of the Notice of Initiation, the Commission invited all interested parties to make their views known, submit information and provide supporting evidence regarding the application of Article 2(6a) of the basic Regulation within 37 days of the date of publication of the Notice of Initiation in the *Official Journal of the European Union*. No questionnaire reply was received from the GOC and no submission on the application of Article 2(6a) of the basic Regulation was received within the deadline. Subsequently, the Commission informed the GOC that it would use facts available within the meaning of Article 18 of the basic Regulation for the determination of the existence of the significant distortions in China. The Commission invited the GOC to submit its comment on the application of Article 18. No comments were received.

(37) In point 5.3.2 of the Notice of Initiation, the Commission also specified that, in view of the evidence available, a possible appropriate representative third country was Türkiye pursuant to Article 2(6a)(a) of the basic Regulation for the purpose of determining the normal value based on undistorted prices or benchmarks. The Commission further stated that it would examine other possibly appropriate representative countries in accordance with the criteria set out in 2(6a)(a) first indent of the basic Regulation.

(38) On 24 January 2023, the Commission informed by a note ('the First Note') interested parties on the relevant sources it intended to use for the determination of the normal value. In that note, the Commission provided a list of all factors of production such as raw materials, labour and energy used in the production of steel bulb flats, based on data provided by Changshu Longteng Special Steel Co., Ltd. submission, the sole exporting producer of the product concerned located in the PRC that cooperated. In addition, based on the criteria guiding the choice of undistorted prices or benchmarks, the Commission identified Türkiye as an appropriate representative country. The Commission received comments from exporting producer Changshu Longteng Special Steel Co., Ltd. on the First Note.

(39) On 3 April 2023, and after having analysed the comments received and the additional information provided by Changshu Longteng Special Steel Co., Ltd., the Commission informed by a second note ('the Second Note') interested parties on the relevant sources it intended to use for the determination of the normal value, with Türkiye as the representative country. It also informed interested parties that it would establish selling, general and administrative costs ('SG&A') and profits based on a data from a producer in the representative country, namely Kocaer Çelik Sanayi. The Commission invited interested parties to comment and received comments from Changshu Longteng Special Steel Co., Ltd.

(40) After having analysed the comments and information received on the Second Note, the Commission provisionally concluded that Türkiye was an appropriate choice as representative country from which undistorted prices and costs would be sourced for the determination of the normal value. The underlying reasons for that choice are further described in detail in Section 3.4 below.

3.1.2. *Normal value*

(41) According to Article 2(1) of the basic Regulation, *'the normal value shall normally be based on the prices paid or payable, in the ordinary course of trade, by independent customers in the exporting country'*.

(42) However, according to Article 2(6a)(a) of the basic Regulation, *'in case it is determined […] that it is not appropriate to use domestic prices and costs in the exporting country due to the existence in that country of significant distortions within the meaning of point (b), the normal value shall be constructed exclusively on the basis of costs of production and sale reflecting undistorted prices or benchmarks'*, and *'shall include an undistorted and reasonable amount of administrative, selling and general costs and for profits'*.

(43) As further explained below, the Commission concluded in the present investigation that, based on the evidence available, and in view of the lack of cooperation of the GOC and the exporting producers, the application of Article 2(6a) of the basic Regulation was appropriate.

3.1.2.1. Existence of significant distortions

(44) In recent investigations concerning the steel sector in the PRC ([4]), the Commission found that significant distortions in the sense of Article 2(6a)(b) of the basic Regulation were present.

(45) In those investigations, the Commission found that there is substantial government intervention in the PRC resulting in a distortion of the effective allocation of resources in line with market principles ([5]). In particular, the Commission concluded that in the steel sector – steel being the main raw material to produce the product under investigation, not

([4]) Commission Implementing Regulation (EU) 2022/2068 of 26 October 2022 imposing a definitive anti-dumping duty on imports of certain cold-rolled flat steel products originating in the People's Republic of China and the Russian Federation following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council (OJ L 277, 27.10.2022, p. 149); Commission Implementing Regulation (EU) 2022/191 of 16 February 2022 imposing a definitive anti-dumping duty on imports of certain iron or steel fasteners originating in the People's Republic of China (OJ L 36, 17.2.2022, p. 1); Commission Implementing Regulation (EU) 2022/95 of 24 January 2022 imposing a definitive anti-dumping duty on imports of certain tube and pipe fittings, of iron or steel, originating in the People's Republic of China, as extended to imports of certain tube and pipe fittings, of iron or steel consigned from Taiwan, Indonesia, Sri Lanka and the Philippines, whether declared as originating in these countries or not, following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council (OJ L 16, 25.1.2022, p. 36); Commission Implementing Regulation (EU) 2021/2239 of 15 December 2021 imposing a definitive anti-dumping duty on imports of certain utility scale steel wind towers originating in the People's Republic of China (OJ L 450, 16.12.2021, p. 59); Commission Implementing Regulation (EU) 2021/635 of 16 April 2021 imposing a definitive anti-dumping duty on imports of certain welded pipes and tubes of iron or non-alloyed steel originating in Belarus, the People's Republic of China and Russia following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council (OJ L 132, 19.4.2021, p. 145).

([5]) See Implementing Regulation (EU) 2022/2068 recital 80; Implementing Regulation (EU) 2022/191 recital 208, Implementing Regulation (EU) 2022/95 recital 59, Implementing Regulation (EU) 2021/2239 recitals 67-74, Implementing Regulation (EU) 2021/635 recitals 149-150.

only does a substantial degree of ownership by the GOC persist in the sense of Article 2(6a)(b), first indent of the basic Regulation ([6]), but the GOC is also in a position to interfere with prices and costs through State presence in firms in the sense of Article 2(6a)(b), second indent of the basic Regulation ([7]). The Commission further found that the State's presence and intervention in the financial markets, as well as in the provision of raw materials and inputs have an additional distorting effect on the market. Indeed, overall, the system of planning in the PRC results in resources being concentrated in sectors designated as strategic or otherwise politically important by the GOC, rather than being allocated in line with market forces ([8]). Moreover, the Commission concluded that the Chinese bankruptcy and property laws do not work properly in the sense of Article 2(6a)(b), fourth indent of the basic Regulation, thus generating distortions in particular when maintaining insolvent firms afloat and when allocating land use rights in the PRC ([9]). In the same vein, the Commission found distortions of wage costs in the steel sector in the sense of Article 2(6a)(b), fifth indent of the basic Regulation ([10]), as well as distortions in the financial markets in the sense of Article 2(6a)(b), sixth indent of the basic Regulation, in particular concerning access to capital for corporate actors in the PRC ([11]).

(46) Like in previous investigations concerning the steel sector in the PRC, the Commission examined in the present investigation whether it was appropriate or not to use domestic prices and costs in the PRC, due to the existence of significant distortions within the meaning of point (b) of Article 2(6a) of the basic Regulation. The Commission did so on the basis of the evidence available on the file, including the evidence contained in the complaint, as well as the Commission Staff Working Document on Significant Distortions in the Economy of the PRC for the Purposes of Trade Defence Investigations ([12]) ('Report'), which relies on publicly available sources. That analysis covered the examination of the substantial government interventions in the PRC's economy in general, but also the specific market situation in the relevant sector including steel bulb flats. The Commission further supplemented these evidentiary elements with its own research on the various criteria relevant to confirm the existence of significant distortions in the PRC, as also found by its previous investigations in this respect.

([6]) See Implementing Regulation (EU) 2022/2068 recital 64; Implementing Regulation (EU) 2022/191 recital 192, Implementing Regulation (EU) 2022/95 recital 46, Implementing Regulation (EU) 2021/2239 recitals 67-74, Implementing Regulation (EU) 2021/635 recitals 115-118.

([7]) See Implementing Regulation (EU) 2022/2068 recital 66; Implementing Regulation (EU) 2022/191 recitals 193-4, Implementing Regulation (EU) 2022/95 recital 47, Implementing Regulation (EU) 2021/2239 recitals 67-74, Implementing Regulation (EU) 2021/635 recitals 119-122. While the right to appoint and to remove key management personnel in SOEs by the relevant State authorities, as provided for in the Chinese legislation, can be considered to reflect the corresponding ownership rights, CCP cells in enterprises, state owned and private alike, represent another important channel through which the State can interfere with business decisions. According to the PRC's company law, a CCP organisation is to be established in every company (with at least three CCP members as specified in the CCP Constitution) and the company shall provide the necessary conditions for the activities of the party organisation. In the past, this requirement appears not to have always been followed or strictly enforced. However, since at least 2016 the CCP has reinforced its claims to control business decisions in SOEs as a matter of political principle. The CCP is also reported to exercise pressure on private companies to put 'patriotism' first and to follow party discipline. In 2017, it was reported that party cells existed in 70 % of some 1,86 million privately owned companies, with growing pressure for the CCP organisations to have a final say over the business decisions within their respective companies. These rules are of general application throughout the Chinese economy, across all sectors, including to the producers of the product under investigation and the suppliers of their inputs.

([8]) See Implementing Regulation (EU) 2022/2068 recital 68; Implementing Regulation (EU) 2022/191 recitals 195-201, Implementing Regulation (EU) 2022/95 recitals 48-52, Implementing Regulation (EU) 2021/2239 recitals 67-74, Implementing Regulation (EU) 2021/635 recitals 123-129.

([9]) See Implementing Regulation (EU) 2022/2068 recital 74; Implementing Regulation (EU) 2022/191 recital 202, Implementing Regulation (EU) 2022/95 recital 53, Implementing Regulation (EU) 2021/2239 recitals 67-74, Implementing Regulation (EU) 2021/635 recitals 130-133.

([10]) See Implementing Regulation (EU) 2022/2068 recital 75; Implementing Regulation (EU) 2022/191 recital 203, Implementing Regulation (EU) 2022/95 recital 54, Implementing Regulation (EU) 2021/2239 recitals 67-74, Implementing Regulation (EU) 2021/635 recitals 134-135.

([11]) See Implementing Regulation (EU) 2022/2068 recital 76; Implementing Regulation (EU) 2022/191 recital 204, Implementing Regulation (EU) 2022/95 recital 55, Implementing Regulation (EU) 2021/2239 recitals 67-74, Implementing Regulation (EU) 2021/635 recitals 136-145.

([12]) Commission staff working document SWD (2017) 483 final/2, 20. 12. 2017, available at: https://ec.europa.eu/transparency/documents-register/detail?ref=SWD(2017)483&lang = en

(47) The complaint alleged that the Chinese economy as a whole is widely influenced and affected by various all-encompassing interventions by the GOC or other public authorities on various levels of government and the market, in view of which domestic prices and costs of the Chinese steel industry cannot be used in the present investigation.

(48) More specifically, the complaint pointed out that against the background of the 'socialist market economy' doctrine enshrined in the PRC Constitution, the omnipresence of the Chinese Communist Party ('CCP') and its influence over the economy by means of strategic planning initiatives – such as the 13th and 14th Five Year Plans ('FYP') – the GOC's interventionism takes various forms, namely administrative, financial and regulatory.

(49) The complaint provided examples of elements pointing to existence of distortions, as listed in the first to sixth dash of Article 2(6a)(b) of the basic Regulation. In particular, referring to previous Commission investigations in the steel sector, to the Report, as well as to additional sources, the complainant submitted that:

— The Chinese State engages in an interventionist economic policy in pursuance of goals that coincide with the political agenda set by the CCP rather than reflect the prevailing economic conditions in a free market. With the high level of government intervention in the steel industry, reflected in the 13th FYP for Adjusting and Upgrading the Steel Industry, and a high share of State-owned enterprises ('SOEs') in the sector, even privately owned steel producers are prevented from operating under market conditions. As such the steel market, and thus the steel bulb flats sector, are to a significant extent served by enterprises which operate under the ownership, control and policy supervision of the Chinese authorities;

— The steel industry is regarded as a fundamental sector of the Chinese economy, a national cornerstone by the GOC, and as such is a particularly supported industry. The current problem of overcapacity is arguably the clearest illustration of the implications of the GOC's policies for the industry and the resulting distortions;

— Almost half of all companies in the Chinese Steel sector are SOEs and four of the ten world's largest steel producers fall under this category, giving these SOEs a dominant role in the steel market. As a result, there is significant state intervention on the cost of raw materials in the steel sector, more specifically for the steel shipbuilding and steel bulb flats sector, creating distortions in the prices of steel. The 13th FYP outlined steel shipbuilding as a strategical sector to be supported by the GOC. Considering that a majority of steel bulb flats products are used and manufactured for the steel shipbuilding sector, the steel bulb flats sector can be considered strategic for the GOC and thus receive support from the state. The complaint further points out that the two most important Shipyards in China, namely China State Shipbuilding Corporation and China Shipbuilding Industry Corporation, are SOEs. Both of them are under the supervision of the State-owned Asset Supervision and Administration Commission ('SASAC') and are thus affected by public measures and policies favouring domestic producers;

— The Chinese financial system is characterised by the strong position of State-owned banks, which, when granting access to finance, take into consideration criteria other than economic viability of a project. Indeed, their lending policy needs to be aligned with the GOC industrial policy objectives rather than primarily assessing the economic environment and merits of a given project.

— As stated in previous investigations of the Commission on steel, there is substantial government intervention in the Chinese market, resulting in distortions of wages in the steel sector, as well as shortcomings in Chinese bankruptcy and property law.

(50) The GOC did not comment or provide evidence supporting or rebutting the existing evidence on the case file, including the Report and the additional evidence provided by the complainant, on the existence of significant distortions and/or appropriateness of the application of Article 2(6a) of the basic Regulation in the case at hand.

(51) Specifically in the sector of the product under investigation, which is a subsector of the steel sector, a substantial degree of ownership by the GOC persists in the sense of Article 2(6a)(b), first indent of the basic Regulation. Since there was no cooperation from Chinese exporters of the product under investigation, the exact ratio of the private and State-owned producers could not be determined.

(52) However, the investigation confirmed that the two largest producers in the steel sector, namely Angang Steel Group ('Ansteel') and China Baowu Steel Group ('Baowu') are either fully State-owned or the State holds a controlling stake. Moreover, some key steel bulb flats producing companies such as Hebei Jitai Special Steel Group Co., Ltd., Suqian Nangang Jinxin Rolling Co., Ltd and Hebei Jingye Group Co. Ltd., are subject to government interference. The company Hebei Jitai Special Steel Group Co., Ltd., a fully owned subsidiary of the private company Tangshan Baigong Industry Development co. ([13]), declares among its objectives to '*contribute to the development of the company, the progress of the times, and the motherland*.' ([14]). Furthermore, Suqian Nangang Jinxin Rolling Co., Ltd. is held and controlled by Nanjing Steel, an SOE under Nanjing SASAC. ([15]) In the case of Hebei Jingye Group Co. Ltd., various CCP building activities have been organized under the leadership of the Group's Party Committee deputy secretary. ([16])

(53) In addition, given that CCP interventions into operational decision making have become the norm also in private companies ([17]), with CCP claiming leadership over virtually every aspect of the country's economy, the influence of the State by means of CCP structures within companies effectively results in economic operators being under control and policy supervision of the government, given how far the State and Party structures have grown together in the PRC.

(54) This is apparent also at the level of the China Iron and Steel Association ('CISA'). According to Article 3 of its Articles of Association, CISA '*adheres to the overall leadership of the Communist Party of China*' and '*accepts the business guidance, supervision and management by the entities in charge of registration and management, by entities in charge of party building, as well as by the relevant administrative departments in charge of industry management*' ([18]).

(55) Both public and privately owned enterprises in the steel sector are subject to policy supervision and guidance. The latest Chinese policy documents concerning the steel sector confirm the continued importance which GOC attributes to the sector, including the intention to intervene in the sector in order to shape it in line with the government policies. This is exemplified by the Ministry of Industry and Information Technology's draft Guiding Opinion on Fostering a High Quality Development of Steel Industry, which calls for further consolidation of the industrial foundation and significant improvement in the modernization level of the industrial chain ([19]), by the 14th FYP on Developing the Raw Material Industry according to which the sector will '*adhere to the combination of market leadership and government promotion*' and will '*cultivate a group of leading companies with ecological leadership and core competitiveness*' ([20]), or by the 14th FYP on Developing Scrap Steel Industry whose key objectives is to '*continuously increase the application ratio of scrap steel, and by the end of the 14th FYP, the comprehensive scrap ratio of national steel*

([13]) Hebei Jitai Special Steel Group Co., Ltd. (n.d.). Baidu, available at: https://baike.baidu.com/item/%E6%B2%B3%E5%8C%97%E5%90%89%E6%B3%B0%E7%89%B9%E9%92%A2%E9%9B%86%E5%9B%A2%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8/4599958 (accessed on 3 April 2023).

([14]) Study the century-old party history and move forward with your head held high – Tangshan Baigong Industrial Development Co., Ltd. visited Li Dazhao Memorial Hall. (2021, 17 June). Tsuniversal, available at: https://www.tsuniversal.com/news/74.html (accessed on 3 April 2023).

([15]) *Suqian Nangang Jinxin Rolling Co., Ltd.* (n.d.). QCC, available at: https://www.qcc.com/firm/e466e01d6e0994f2d8c8736a6d7e4da7.html (accessed on 3 April 2023).

([16]) *The party committee of Jingye Group commended the advanced party branches and exemplary party members in 2022*. (2023, 3 March). Jingye Group, available at: http://www.hbjyjt.com/content/?2085.html (accessed on 3 April 2023).

([17]) See for example Art. 33 of the CCP Constitution, Article 19 of the Chinese Company Law or the Guidelines on stepping up the United Front work in the private sector for the new era issued by the General Office of the CCP's Central Committee in 2020,

([18]) available at: http://www.chinaisa.org.cn/gxportal/xfgl/portal/content.html?articleId=5b2ddec5eba936fba45d7bd801b09f6ff30d867762906011672eaeda213c54ac&columnId=0227750914a0f2a722c5b71b220e0aa19ceb0ee2cd7a7e325a35f6591cdbf66a (accessed on 3 April 2023).

([19]) See: https://www.miit.gov.cn/jgsj/ycls/gzdt/art/2020/art_8fc2875eb24744f591bfd946c126561f.html (accessed on 3 April 2023). https://www.miit.gov.cn/jgsj/ycls/gzdt/art/2020/art_8fc2875eb24744f591bfd946c126561f.html (accessed on 3 April 2023). https://www.miit.gov.cn/jgsj/ycls/gzdt/art/2020/art_8fc2875eb24744f591bfd946c126561f.html (accessed on 3 April 2023). https://www.miit.gov.cn/jgsj/ycls/gzdt/art/2020/art_8fc2875eb24744f591bfd946c126561f.html (accessed on 3 April 2023).

([20]) See Section IV, Subsection 3 of the 14th FYP on Developing the Raw Materials Industry

making will reach 30 %.' ([21]) Concerning more specifically the product under investigation, Shandong and Jiangsu provinces have issued their respective 14th FYP on developing shipbuilding and marine engineering equipment, explicitly promoting the shipbuilding sector and the related steel production, such as steel bulb flats. ([22])

(56) Similar examples of the intention by the Chinese authorities to supervise and guide the developments of the steel sector can be seen also in other provinces, such as in Hebei which plans to '*steadily implement the group development of organizations, accelerate the reform of mixed ownership of state-owned enterprises, focus on promoting the cross-regional merger and reorganization of private iron and steel enterprises, and strive to establish 1-2 world-class large groups, 3-5 large groups with domestic influence as the support*' and to '*further expand the recycling and circulation channels of scrap steel, strengthen the screening and classification of scrap steel.*' ([23]). The influence of the State can also be found on the municipal level, such as in the Hebei Tangshan Municipality 2022 Iron and steel 1+3 action plan, in which different municipal entities are tasked to '*foster alliances and reorganization of enterprises with similar products in the region'*, such as the two large steel groups Shougang (Jingtang, Qiangang) and Tangsteel New District, '*seek and guide financial institutions to provide iron and steel enterprises with low-interest loans to allow them to switch to new industries, and at the same time* […] *provide subsidies in the form of interest rate discounts*' as well as '*support optimization of the products' structure'* by granting '*new national-level champion manufacturing enterprises and champion products* […] *with RMB 1 million and RMB 500 000 respectively, and new provincial-level champion manufacturing enterprises and champion products* [with] RMB *300 000 AND RMB 100 000 respectively*' ([24]).

(57) Similarly, the Henan Implementation Plan for the Transformation and Upgrade of the Steel Industry during the 14th FYP foresees the '*construction of specific steel production bases*' that is to '*build 6 large specific steel production bases in Anyang, Jiyuan, Pingdingshan, Xinyang, Shangqiu, Zhoukou, etc., and ensure expansion, intensification and specialization of the industry. Among them, by 2025, the pig iron production capacity in Anyang will be controlled below 14 million tons, and the production capacity of crude steel will be controlled below 15 million tons.*' ([25])

(58) The investigation has further confirmed that the GOC is interfering with prices and costs through State presence in firms in the sense of Article 2(6a)(b), second indent of the basic Regulation, establishing the existence of personal connections between producers of steel bulb flats and the CCP. For example, the Chairman of the Board of Directors of the cooperating exporting producer Changshu Longteng Special Steel Co., Ltd. holds in parallel the position of Secretary of the enterprise's Party Committee. ([26]) Moreover, the company signed a strategic agreement with SOE Jiangsu Huaneng, a wholly-owned subsidiary of Huaneng, an SOE under central SASAC ([27]) and signed an agreement of intention to deepen cooperation with the Jiangsu Branch of the Export-Import Bank of China, pointing towards financial support by the State. ([28]) The interference of the Municipal CCP committee into the work of

([21]) See Section II, Subsection 1 of the 14th FYP on Developing Scrap Steel Industry

([22]) See Shandong Province 14th FYP on developing shipbuilding and marine engineering equipment, available at:http://gxt.shandong.gov.cn/art/2022/3/29/art_103885_10301690.html (Accessed 04 April 2023) and 14th Five-Year Plan for the Development of Ship and Marine Engineering Equipment Industry in Jiangsu Province, available at: https://gxt.jiangsu.gov.cn/art/2022/3/22/art_6197_10385582.html (Accessed 04 April 2023).

([23]) See the Hebei Province's Three Year Action Plan on Cluster Development in the Steel Industry Chain, Chapter I, Section 3; available at: https://huanbao.bjx.com.cn/news/20200717/1089773.shtml (accessed on 3 April 2023).

([24]) *Tangshan Municipal People's Government issued the '1+3' Action Plan for Tangshan Steel Industry.* (2022, 6 June). China Iron and Steel Association, available at: http://www.chinaisa.org.cn/gxportal/xfgl/portal/content.html?articleId=e2bb5519aa49b566863081d57aea9dfdd59e1a4f482bb7acd243e3ae7657c70b&columnId=3683d857cc4577e4cb75f76522b7b82cda039ef70be46ee37f9385ed3198f68a (accessed on 3 April 2023).

([25]) See the Henan Implementation Plan for the Transformation and Upgrade of the Steel Industry during the 14th FYP, Chapter II, Section 3; available at: https://huanbao.bjx.com.cn/news/20211210/1192881.shtml (accessed on 3 April 2023)

([26]) Liming, C. (2018, December 2). *Interview with Ji Bingyuan, Chairman, General Manager and Party Secretary of Longteng Special Steel.*

([27]) *Longteng Special Steel and Huaneng Jiangsu reached a strategic cooperation.* (2021, 22 June). Sina Finance App. https://finance.sina.com.cn/money/future/indu/2021-06-22/doc-ikqcfnca2450921.shtml (accessed on 3 April 2023).

([28]) *Export-Import Bank of China Jiangsu Branch signed 'Deepening Cooperation Agreement' with Changshu Municipal People's Government.* (2021, 26 March). JSCHINA, available at: https://jsnews.jschina.com.cn/xhh/news/202103/t20210326_2753645.shtml (accessed on 3 April 2023)

Longteng is also apparent from the following article published on Changshu Municipality's website: '*the Party Committee of the Transportation Bureau will further deepen the pairing work. Thanks to the leadership of the Party building, it will ensure a closer and deeper cooperation with the paired enterprises, so as to better transform the political advantages of Party building in terms of mutual support and mutual promotion into development advantages and practical actions to serve the masses. Together, we will achieve new results, new progress, and new victories in the New Era's Long March*.' ([29]) Similarly, the Chairman of the Board of both Suqian Nangang Jinxin Rolling Co., Ltd. and its mother company Nanjing Steel does also hold at the same time the position of Secretary of the Party Committee. ([30])

(59) Further, policies discriminating in favour of domestic producers or otherwise influencing the market in the sense of Article 2(6a)(b), third indent of the basic Regulation are in place in the sector of the product under investigation. The investigation identified policy documents showing that the industry benefits from governmental guidance and intervention into the product under investigation as part of the steel sector.

(60) The steel industry keeps being regarded as a key industry by the GOC ([31]). This is confirmed in the numerous plans, directives and other documents focused on steel, which are issued at national, regional and municipal level. Under the 14th FYP, the GOC earmarked the steel industry for transformation and upgrade, as well as optimization and structural adjustment ([32]). Similarly, the 14th FYP on Developing the Raw Materials Industry, applicable also to the steel industry, lists the sector as the '*bedrock of the real economy*' and '*a key field that shapes China's international competitive edge*' and sets a number of objectives and working methods which would drive the development of the steel sector in the time period 2021-2025, such a technological upgrade, improving the structure of the sector (not least by means of further corporate concentrations) or digital transformation. ([33])

(61) The important raw material used for the production of the product under investigation is iron ore. Iron ore is also mentioned in the 14th FYP on Developing the Raw Materials Industry, in which the State plans to '*rationally develop domestic mineral resources. Strengthen the exploration of iron ore* […]*, implement preferential tax policies, encourage the adoption of advanced technology and equipment to reduce the generation of mining solid waste*.' ([34]) In provinces, such as Hebei, the authorities foresee the following for the sector: '*new project investment discount subsidy; explore and guide financial institutions to provide low-interest loans for iron and steel enterprises to switch to new industries, and at the same time, the government will provide discount subsidies*.' ([35]) In sum, the GOC has measures in place to induce operators to comply with the public policy objectives of supporting encouraged industries, including the production of the main raw materials used in the manufacturing of steel bulb flats. Such measures impede market forces from operating freely.

(62) The present investigation has not revealed any evidence that the discriminatory application or inadequate enforcement of bankruptcy and property laws according to Article 2(6a)(b), fourth indent of the basic Regulation in the steel sector, referred to above in recital 45, would not affect the manufacturers of the product under investigation.

([29]) *The Party Committee of the Transport Bureau and Longteng Special Steel held a signing ceremony for party building*. (2020, 5 August). Changshu Government, available at: http://www.changshu.gov.cn/zgcs/c100297/202008/03d86105d1b24c0093db89f968f834f7.shtml (accessed on 3 April 2023).

([30]) *Huang Yixin*. (n.d.). Aiqicha Baidu, available at: https://aiqicha.baidu.com/person?personId=4736c00788016f6251d98eb690072596 (accessed on 3 April 2023).

([31]) Report, Part III, Chapter 14, p. 346 ff.

([32]) See the People's Republic of China 14th Five-Year Plan for National Economic and Social Development and Long-Range Objectives for 2035, Part III, Article VIII, available at: https://cset.georgetown.edu/publication/china-14th-five-year-plan/ (accessed on 3 April 2023).

([33]) See in particular Sections I and II of the 14th FYP on Developing the Raw Materials Industry.

([34]) See the 14th FYP on Developing the Raw Materials Industry, p. 22.

([35]) See the Hebei Tangshan Municipality Iron and Steel 1+3 Action Plan 2022, Chapter 4, Section 2; available at: http://www.chinaisa.org.cn/gxportal/xfgl/portal/content.html?articleId=e2bb5519aa49b566863081d57aea9dfdd59e1a4f482bb7acd243e3ae7657c70b&columnId=3683d857cc4577e4cb75f76522b7b82cda039ef70be46ee37f9385ed3198f68a (accessed on 3 April 2023).

(63) The steel sector, as referred to above in recital 45, is also affected by the distortions of wage costs in the sense of Article 2(6a)(b), fifth indent of the basic Regulation. No evidence was submitted to the effect that the steel sector, including the producers of steel bulb flats, would not be subject to the Chinese labour law system. Those distortions affect the sector both directly (when producing steel bulb flats or the main inputs), as well as indirectly (when having access to inputs from companies subject to the same labour system in the PRC) ([36]).

(64) Moreover, no evidence was submitted in the present investigation demonstrating that the steel sector, as referred to above in recital 45, is not affected by the government intervention in the financial system in the sense of Article 2(6a)(b), sixth indent of the basic Regulation. Therefore, the substantial government intervention in the financial system leads to the market conditions being severely affected at all levels.

(65) Finally, the Commission recalls that in order to produce steel bulb flats, a number of inputs is needed. When the producers of steel bulb flats purchase/contract these inputs, the prices they pay (and which are recorded as their costs) are clearly exposed to the same systemic distortions mentioned before. For instance, suppliers of inputs employ labour that is subject to the distortions. They may borrow money that is subject to the distortions on the financial sector/capital allocation. In addition, they are subject to the planning system that applies across all levels of government and sectors.

(66) As a consequence, not only the domestic sales prices of steel bulb flats are not appropriate for use within the meaning of Article 2(6a)(a) of the basic Regulation, but all the input costs (including raw materials, energy, land, financing, labour, etc.) are also affected because their price formation is affected by substantial government intervention, as described in Parts I and II of the Report. Indeed, the government interventions described in relation to the allocation of capital, land, labour, energy and raw materials are present throughout the PRC. This means, for instance, that an input that, in itself, was produced in the PRC by combining a range of factors of production, is exposed to significant distortions. The same applies for the input to the input and so forth.

(67) No evidence or argument to the contrary has been adduced by the GOC in the present investigation. However, in its submission of 6 February 2023, Changshu Longteng Special Steel Co., Ltd. argued that allegations on significant distortions should not become a pre-determined conclusion and that the Commission should first verify the alleged distortions and decide whether they are significant before it can search for normal value data from alternative sources. In the company's view, however, the Commission has prematurely started seeking for alternative normal value sources at an early stage of the investigation.

(68) This argument cannot be accepted. As indicated in the Notice of Initiation, the Commission considered at the initiation stage that there was sufficient evidence pursuant to Article 5(9) of the basic Regulation tending to show that, due to significant distortions affecting prices and costs, the use of domestic prices and costs in the PRC would be inappropriate, thus warranting the initiation of an investigation on the basis of Article 2(6a) of the basic Regulation. The Commission recalled in this context that according to Article 2(6a)(e) of the basic Regulation, parties to the investigation shall be informed promptly after initiation about the relevant sources that the Commission intends to use for the purpose of determining normal value. Longteng's argument that the Commission ought to seek for alternative sources of normal value only following a determination on the existence of significant distortions seems therefore be based on a misreading of the basic Regulation. In any event, far from reaching any predetermined conclusions concerning significant distortions as claimed by Longteng, in the course of the present investigation, the Commission has been collecting further information to complement the available sources in order to verify the allegations made at initiation stage and, ultimately, to determine whether significant distortions in the sense of Article 2(6a) of the basic Regulation are present in the steel bulb flats sector. While such determinations will be made only at definitive stage of the investigation, the provisional results of the Commission's investigation are laid out in recitals 44 to 67 above and interested parties have the opportunity to further comment on them.

([36]) See Implementing Regulation (EU) 2021/635, recitals 134-135 and Implementing Regulation (EU) 2020/508, recitals 143-144.

3.1.2.2. Representative country

General remarks

(69) The choice of the representative country was based on the following criteria pursuant to Article 2(6a) of the basic Regulation:

— A level of economic development similar to the PRC. For this purpose, the Commission used countries with a gross national income per capita similar to the PRC on the basis of the database of the World Bank ([37]);

— Production of the product under investigation in that country;

— Availability of relevant public data in the representative country;

— Where there is more than one possible representative country, preference was given, where appropriate, to the country with an adequate level of social and environmental protection.

(70) As explained in recitals 38 and 39, the Commission issued two notes for the file on the sources for the determination of the normal value: the First Note on production factors of 24 January 2023 and the Second Note on the production factors of 3 April 2023. These notes described the facts and evidence underlying the relevant criteria, and also addressed the comments received by the parties on these elements and on the relevant sources. In the second note on production factors, the Commission informed interested parties of its intention to consider Türkiye as an appropriate representative country in the present case if the existence of significant distortions pursuant to Article 2(6a) of the basic Regulation would be confirmed.

A level of economic development similar to China

(71) In the First Note on production factors, the Commission identified Türkiye and Russia as countries with a similar level of economic development as China according to the World Bank, i.e. they are all classified by the World Bank as 'upper-middle income' countries on a gross national income basis where production of the product under investigation was known to take place. No comments were received concerning the countries identified in that note.

(72) In the Second Note, following comments received from the cooperating exporting producer Changshu Longteng Special Steel Co, Ltd. on the First Note, the Commission indicated that Malaysia was considered for establishing the following factors of production: nitrogen, oxygen and limestone. No comments were received concerning the countries identified in that note.

Availability of relevant public data in the representative country

(73) In the First Note, the Commission indicated that for the countries identified as countries where the product under investigation is being produced, namely Russia and Türkiye, the availability of public data needed to be further verified in particular with regard to the public financial data from producers of the product under investigation.

(74) With regard to Russia, the financial statements of the only company that was identified in the First Note as a producer, namely 'JSC Omutninsk Metallurgical Plant', were not readily available. The Commission therefore concluded that it could not use the data of this company in the proceeding.

(75) Moreover, Russian import statistics data was available for up until January 2022, and thus covering only one third of the investigation period.

(76) As a result, the Commission concluded that Russia could not be considered as an appropriate representative country for this investigation.

([37]) World Bank Open Data – Upper Middle Income, https://data.worldbank.org/income-level/upper-middle-income.

(77) Concerning Türkiye, the Commission identified readily available financial statements for only one producer of the product under investigation which was, however, lossmaking in 2021. Although the financial statements of the cooperating exporting producer in Türkiye, Özkan Demir, were readily available within the meaning of Article 2(6a) of the basic Regulation, the company was lossmaking in 2021 and thus could not be used to construct the normal value. Therefore, in addition to that company the Commission identified readily available financial statements for producers of a product in the same general category and/or sector in potential representative countries which showed a reasonable level of profitability for a period partially overlapping with the IP. Those producers were either identified in the complaint or in the list of producers that produce products falling under CN code 7216 50 91 'Bulb flat', which includes both the product under investigation 'non-alloy steel bulb flat in the range up to 204 mm width' as defined in the Notice of Initiation and all other types of steel bulb flats products. The Commission also cross-checked the list of producers with those provided by the Turkish authorities at pre-initiation stage.

(78) In light of the above considerations, the Commission considered Türkiye as an appropriate choice for a representative country.

(79) In their comments on the First Note, Changshu Longteng Special Steel Co., Ltd. pointed out that some of the Turkish producers listed were not satisfactory as for four out of five producers, only consolidated financial statements were available and thus could not reflect the actual SG&A and profit margins of a steel bulb flats producer. Moreover, the SG&A and profit, calculated on the basis of available data of these five producers, were unreasonably high, according to Changshu Longteng Special Steel Co., Ltd. Finally, Changshu Longteng Special Steel Co., Ltd. claimed that the Commission should disregard Türkiye for establishing the benchmark of some raw materials (i.e. limestone and oxygen).

(80) In light of the above considerations, the Commission re-examined the SG&A and profits reported by four out of the five identified steel producers in Türkiye and considered it unreasonably high. Therefore, the Commission disregarded these companies and decided to use the SG&A and profit margins reported by only one of the Turkish producers, that is Kocaer Çelik Sanayi for 2022 financial data (i.e. for the period partially overlapping with the IP). Following the Second Note, Changshu Longteng Special Steel Co., Ltd. argued that Kocaer Çelik Sanayi, incurred extremely high financial expenses for which details could not be found. Moreover, Changshu Longteng Special Steel Co., Ltd. claimed that they did not face such high financial expenses.

(81) The Commission selected a company with readily available financial statements showing a reasonable amount of SG&A and profits margins for steel producing industry, and applied the SG&A and profit of Kocaer Çelik Sanayi in Türkiye. The SG&A expressed as a percentage of the costs of goods sold ('COGS') and applied to the undistorted costs of production, amounted to 10,98 %. The profit expressed as a percentage of the COGS and applied to the undistorted costs of production, amounted to 8,8 %. The Commission used consolidated data, as this was the only data that was publicly available. Moreover, the Commission did not consider these percentages unreasonably high, but rather in line with the cost and profits incurred in this type of industry. Moreover, these percentages are in line with the ones used in previous investigations concerning the steel industry, like for example with regard to steel wind towers ([38]) and organic coated steel ([39]). The Commission did not have at its disposal any information pointing to the contrary.

(82) Therefore, in the absence of any other comments or the submission of any other readily available data, the Commission provisionally concluded that the sources it proposed to use for SG&A and profit are undistorted and reasonable within the meaning of Article 2(6a)(a) last paragraph of the basic Regulation.

([38]) OJ L 450, 16.12.2021, p. 59.

([39]) Commission Implementing Regulation (EU) 2019/687 of 2 May 2019 imposing a definitive anti-dumping duty on imports of certain organic coated steel products originating in the People's Republic of China following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council (OJ L 116, 3.5.2019, p. 5).

Level of social and environmental protection

(83) Having established that Türkiye was the only available appropriate representative country, based on all of the above elements, there was no need to carry out an assessment of the level of social and environmental protection in accordance with the last sentence of Article 2(6a)(a) first indent of the basic Regulation.

Conclusion

(84) In view of the above analysis, Türkiye met the criteria laid down in Article 2(6a)(a), first indent of the basic Regulation in order to be considered as an appropriate representative country.

Sources used to establish undistorted costs

(85) In the First Note, the Commission listed the factors of production such as raw materials, energy and labour used in the production of the product under investigation by the exporting producer.

(86) In order to construct the normal value in accordance with Article 2(6a)(a) of the basic Regulation, the Commission used Global Trade Atlas ([40]) ('GTA') and Metal Bulletin ([41]) to establish the undistorted cost of most of the factors of production, notably the raw materials. In addition, the Commission stated that it would use the Turkish Statistical Institute for establishing undistorted costs of labour ([42]) and energy ([43]) and Directorate-General of Izmir Metropolitan Municipality's statistics for undistorted cost of water ([44]).

(87) The Commission invited the interested parties to comment and propose publicly available information on undistorted values for each of the factors of production mentioned in that note.

(88) In its comments on the First Note, Changshu Longteng Special Steel Co., Ltd claimed that the import prices of ferrochromium in Türkiye varied based on the ratio of weight of carbon and chromium. The Commission verified the actual ratio of weight of carbon and chromium used by the Changshu Longteng Special Steel Co., Ltd. In this regard, to establish the corresponding cost of ferrochromium the Commission decided to use the Metal Bulletin's independent industry benchmarks for the global metal and mining industry (Fastmarkets' prices) which reflects different ratios of weight of carbon and chromium.

(89) Following the First Note, Changshu Longteng Special Steel Co., Ltd. also claimed that the average Turkish prices of certain raw materials (i.e. oxygen and limestone) could not be used due to low volume of imports. In addition, on the basis of the questionnaire reply of Changshu Longteng Special Steel Co., Ltd, the Commission identified an additional factor of production, i.e. nitrogen, which was also imported in non-representative quantities into Türkiye during the investigation period.

([40]) https://www.gtis.com/gta
([41]) https://xml.metalbulletin.com/mb-index.html
([42]) https://data.tuik.gov.tr/Bulten/In$dex?p=Labour-Cost-Statistics-2020-37495
([43]) https://data.tuik.gov.tr/Bulten/Index?p=Electricity-and-Natural-Gas-Prices-Period-I:-January-June,-202245567
([44]) https://www.izsu.gov.tr/YuklenenDosyalar/AtikSuTarifeleri

(90) Consequently, the Commission examined the volume of imports into Thailand, Malaysia, Brazil and Mexico since these countries are with similar level of economic development as China and have been previously considered as representative countries in several recent previous investigations in the steel sector such as steel road wheels ([45]), stainless steel hot-rolled flat products ([46]), steel wind towers ([47]), organic coated steel ([48]), tube or pipe fittings, of iron or steel ([49]). The Commission established that, following the exclusion of imports from the PRC and countries which are not members of the WTO, only Malaysia had imports in sufficiently representative quantities of all the three factors of production concerned during the investigation period. On this basis, the Commission informed in the Second Note that when constructing the normal value the Commission intends to use costs of these inputs based on imports to Malaysia.

(91) Subsequently, in the Second Note, the Commission updated the list of factors of production based on the comments of the parties and information submitted by the cooperating exporting producer in the questionnaire reply.

(92) Following the Second Note, Changshu Longteng Special Steel Co., Ltd. claimed that the Malaysian import volume of nitrogen and oxygen and the Turkish import volume of argon were not representative because the import volumes were significantly lower than their actual consumption of those raw materials. Furthermore, Changshu Longteng Special Steel Co., Ltd. stated that for each of those raw materials there are some supplying countries with unreasonably high unit prices and high transport costs.

(93) The Commission rejected this claim since the representativity of import volumes was assessed based on absolute quantity of import volumes. The fact that these volumes were not at the same levels as the consumption of those raw materials of the exporting producer did not change the conclusion that the absolute volumes of these imports were considered representative.

(94) In the Second Note, the Commission also informed the interested parties that due to the large number of factors of production of the cooperating exporting producer that provided complete information and the negligible weight of some of the raw materials in the total cost of production, these negligible items were grouped under 'consumables'. Further, the Commission informed that it would calculate the percentage of the consumables on the total cost of raw materials and apply this percentage to the recalculated cost of raw materials when using the established undistorted benchmarks in the appropriate representative country.

Undistorted costs and benchmarks

Factors of production

(95) Considering all the information submitted by the interested parties and collected during the verification visits, the following factors of production and their sources have been identified in order to determine the normal value in accordance with Article 2(6a)(a) of the basic Regulation:

([45]) Commission Implementing Regulation (EU) 2020/353 of 3 March 2020 imposing a definitive anti-dumping duty and definitively collecting the provisional duty imposed on imports of steel road wheels originating in the People's Republic of China (OJ L 65, 4.3.2020, p. 9).

([46]) Commission Implementing Regulation (EU) 2020/1408 of 6 October 2020 imposing a definitive anti-dumping duty and definitively collecting the provisional duty imposed on imports of certain hot rolled stainless steel sheets and coils originating in Indonesia, the People's Republic of China and Taiwan (OJ L 325, 7.10.2020, p. 26).

([47]) OJ L 450, 16.12.2021, p. 59.

([48]) Commission Implementing Regulation (EU) 2019/687 of 2 May 2019 imposing a definitive anti-dumping duty on imports of certain organic coated steel products originating in the People's Republic of China following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council (OJ L 116, 3.5.2019, p. 5).

([49]) Commission Implementing Regulation (EU) 2022/95 of 24 January 2022 imposing a definitive anti-dumping duty on imports of certain tube and pipe fittings, of iron or steel, originating in the People's Republic of China, as extended to imports of certain tube and pipe fittings, of iron or steel consigned from Taiwan, Indonesia, Sri Lanka and the Philippines, whether declared as originating in these countries or not, following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council (OJ L 16, 25.1.2022, p. 36).

Table 1

Factors of production of steel bulb flats

Factor of Production	HS code	Source of data that the Commission intends to use	Undistorted value
Raw materials			
Limestone	252100	GTA for Malaysia	0,243 CNY/kg
Iron ore	260111	GTA for Türkiye	0,83 CNY/kg
Sintered iron ore	260112	GTA for Türkiye	1,28 CNY/kg
Coal	270111	GTA for Türkiye	1,53 CNY/kg
Coke/Coke powder	270400	GTA for Türkiye	3,35 CNY/kg
Carbon powder	280300	GTA for Türkiye	10,08 CNY/kg
Pure Tourmaline	284910	GTA for Türkiye	8,67 CNY/kg
Ferro-manganese	720211	GTA for Türkiye	10,68 CNY/kg
Ferro-silicon	720221	GTA for Türkiye	15,86 CNY/kg
Silico-manganese	720230	GTA for Türkiye	11,76 CNY/kg
Ferro-chromium	720241	MB-FEC-0005	8,97 CNY/kg
Ferro-molybdenum	720270	GTA for Türkiye	160,64 CNY/kg
Ferro-titanium	720291	GTA for Türkiye	43,32 CNY/kg
Ferro-vanadium	720292	GTA for Türkiye	190,12 CNY/kg
Ferro-niobium	720293	GTA for Türkiye	176,27 CNY/kg
Ferro-aluminium	720299	GTA for Türkiye	19,24 CNY/kg
Steel scraps	720410	GTA for Türkiye	2,15 CNY/kg
Aluminium	760110	GTA for Türkiye	19,67 CNY/kg
Argon	280421	GTA for Türkiye	7,30 CNY/m^3
Nitrogen	280430	GTA for Malaysia	5,85 CNY/m^3
Oxygen	280440	GTA for Malaysia	2,46 CNY/m^3
Water costs		Price of water as charged by Izmir Metropolitan Municipality for industrial users	8,25 CNY/m^3
Labour			
Labour costs		Turkish Statistical Institute (based on hourly average labour cost in the manufacturing sector)	37,03 CNY/hour
Energy			
Electricity		Turkish Statistical Institute – price of electricity for industrial users	0,60 CNY/kWh
Natural gas		Turkish Statistical Institute – price of gas for industrial users	2,75 CNY/m^3

3.1.2.3. Raw materials

(96) In order to establish the undistorted price of raw materials as delivered at the gate of a representative country producer, the Commission used as a basis the weighted average import price to Türkiye and for nitrogen, oxygen and limestone to Malaysia as reported in GTA and Metal Bulletin's independent industry benchmark for Ferrochromium to which import duties and transport costs were added. An import price in the representative country was determined as a weighted average of unit prices of imports from all third countries excluding the PRC and countries which are not members of the WTO, listed in Annex 1 of Regulation (EU) 2015/755 of the European Parliament and the Council ([50]). The Commission decided to exclude imports from the PRC into the representative country as it concluded in Section 3.3.1 above that it is not appropriate to use domestic prices and costs in the PRC due to the existence of significant distortions in accordance with Article 2(6a)(b) of the basic Regulation. Given that there is no evidence showing that the same distortions do not equally affect products intended for export, the Commission considered that the same distortions affected export prices. After excluding the imports into the representative country from China and non-market economy countries, the Commission found that imports of the main raw materials from other third countries remained representative.

(97) The Commission deviated from the above-described methodology for a limited number of raw materials.

(98) As indicated in recital 88, the Commission decided to use the Metal Bulletin (Fastmarkets' prices) for establishing the benchmark of ferrochromium.

(99) As indicated in recital 90, for limestone, nitrogen and oxygen the Commission decided to use cost of these inputs based on imports to Malaysia, excluding imports from the PRC and countries which are not members of the WTO.

(100) The Commission expressed the transport cost incurred by the cooperating exporting producer for the supply of raw materials as a percentage of the actual cost of such raw materials and then applied the same percentage to the undistorted cost of the same raw materials in order to obtain the undistorted transport cost. The Commission considered that, in the context of this investigation, the ratio between the exporting producer's raw material and the reported transport costs could be reasonably used as an indication to estimate the undistorted transport costs of raw materials when delivered to the company's factory.

(101) For a number of factors of production, the actual costs incurred by the cooperating exporting producer represented a negligible share (cumulatively around 3,3 %) of total raw material costs in the review investigation period. As the value used for these had no appreciable impact on the dumping margin calculations, regardless of the source used, the Commission decided to include those costs into consumables as explained in the recital 94.

Labour

(102) The Commission used the statistics published by the Turkish Statistical Institute ([51]). This institute publishes detailed information on labour costs in different economic sectors in Türkiye. The Commission established the benchmark based on hourly average labour costs for 2020 for the economic activity 'Manufacture of basic metals' NACE code 24 according to NACE Rev.2 classification. The values were further adjusted for inflation using the domestic consumer price index ([52]) to reflect the costs for the investigation period.

([50]) Regulation (EU) 2015/755 of the European Parliament and of the Council of 29 April 2015 on common rules for imports from certain third countries (OJ L 123, 19.5.2015, p. 33). Article 2(7) of the basic Regulation considers that domestic prices in those countries cannot be used for the purpose of determining normal value.

([51]) https://data.tuik.gov.tr/Bulten/Index?p=Labour-Cost-Statistics-2020-37495

([52]) https://data.tuik.gov.tr/Bulten/Index?p=Consumer-Price-Index-January-2023-49655.

Energy

(103) The Commission used the average industrial electricity and gas prices for industrial users in Türkiye published by the Turkish Statistical Institute ([53]) for the period from July 2021 to June 2022, net of VAT.

Water

(104) The Commission used the water tariff charged by Directorate-General of Izmir Metropolitan Municipality that is responsible for water supply, sewage collection and treatment in Izmir Metropolitan Municipality where representative company of the product under investigation is located. The information enables to identify tariffs applicable for the industry and benchmark would be average monthly tariff for the investigation period, net of VAT ([54]).

(105) Regarding water, Changshu Longteng Special Steel Co., Ltd. considered the benchmark used, namely water costs in Izmir not to be representative because Changshu Longteng Special Steel Co., Ltd. is located in a rural area with easy access to water and thus the water cost of Changshu Longteng Special Steel Co. cannot be compared to a tourist city in Türkiye.

(106) The Commission used as benchmark water tariff for industrial use in the region where the producer of the product under investigation, Kocaer Çelik Sanayi, is located in Türkiye. Furthermore, the selected region has a well-developed industrial base. Consequently, the Commission rejected this claim.

Manufacturing overhead costs, SG&A and profits

(107) According to Article 2(6a)(a) of the basic Regulation, '*the constructed normal value shall include an undistorted and reasonable amount for administrative, selling and general costs and for profits*'. In addition, a value for manufacturing overhead costs needs to be established to cover costs not included in the factors of production referred to above.

(108) The manufacturing overheads incurred by the cooperating exporting producer were expressed as a share of the costs of manufacturing actually incurred by the exporting producer. This percentage was applied to the undistorted costs of manufacturing.

(109) For establishing an undistorted and reasonable amount for SG&A and profit the Commission relied on the financial data of Kocaer Çelik Sanayi in 2022, as extracted from the Orbis database.

3.1.3. *Calculation*

(110) On the basis of the above, the Commission constructed the normal value per product type on an ex-works basis in accordance with Article 2(6a)(a) of the basic Regulation.

(111) First, the Commission established the undistorted manufacturing costs. The Commission applied the undistorted unit costs to the actual consumption of the individual factors of production of the cooperating exporting producer. These consumption rates provided by the cooperating exporting producer were verified during the remote cross-check. The Commission multiplied the usage factors by the undistorted costs per unit observed in the representative country or by other undistorted costs per unit identified in the table above.

(112) Second, to arrive at a total undistorted manufacturing cost was established, the Commission applied the manufacturing overheads. Manufacturing overheads incurred by the cooperating exporting producers were increased by the costs of consumables referred to in recital 101 and subsequently expressed as a share of the costs of manufacturing actually incurred by each of the exporting producers. This percentage was applied to the undistorted costs of manufacturing.

([53]) https://data.tuik.gov.tr/Bulten/Index?p=Electricity-and-Natural-Gas-Prices-Period-I:-January-June,-2022-45567.
([54]) https://www.izsu.gov.tr/YuklenenDosyalar/AtikSuTarifeleri/Tarifeler_01092022.jpg.

(113) Finally, the Commission added SG&A and profit which were expressed as a percentage of the cost of goods sold and applied to the undistorted total cost of manufacturing (i.e. SG&A amounted to 10,98 % and profit amounted to 8,8 %).

(114) On that basis, the Commission constructed the normal value per product type on an ex-works basis in accordance with Article 2(6a)(a) of the basic Regulation.

3.1.4. *Export price*

(115) The cooperating exporting producer exported to the Union directly to independent customers.

(116) The export price was therefore the price actually paid or payable for the product concerned when sold for export to the Union, in accordance with Article 2(8) of the basic Regulation.

3.1.5. *Comparison*

(117) The Commission compared the normal value and the export price of the cooperating exporting producer on an ex-works basis per product type.

(118) Where justified by the need to ensure a fair comparison, the Commission adjusted the normal value and/or the export price for differences affecting prices and price comparability, in accordance with Article 2(10) of the basic Regulation. Adjustments were made for transport, insurance, handling, loading costs, customs duty, credit costs and bank charges.

3.1.6. *Dumping margin*

(119) For the exporting producer, the Commission compared the weighted average normal value of each type of the like product with the weighted average export price of the corresponding type of the product concerned, in accordance with Article 2(11) and (12) of the basic Regulation.

(120) The level of cooperation in this case was high, because the exports of the cooperating exporting producer constituted all the imports during the IP. Changshu Longteng Special Steel Co. claimed that there was another exporting producer in the PRC of the product concerned. However, no other company came forward, and the Commission did not identify additional exports in the import statistics. On this basis, the Commission considered it appropriate to establish the dumping margin for non-cooperating exporting producers at the same level as that of the cooperating company.

(121) On this basis, the provisional weighted average dumping margin expressed as a percentage of the CIF Union frontier price, duty unpaid, is as follows:

Company	Provisional dumping margin
Changshu Longteng Special Steel Co., Ltd.	14,7 %
All other companies	14,7 %

3.2. **Türkiye**

3.2.1. *Normal value*

(122) The Commission first examined whether the total volume of domestic sales for the exporting producer Özkan Demir was representative, in accordance with Article 2(2) of the basic Regulation. The domestic sales are representative if the total domestic sales volume of the like product to independent customers on the domestic market per exporting producer represented at least 5 % of its total export sales volume of the product concerned to the Union during the investigation period. On this basis, the total sales by Özkan Demir of the like product on the domestic market were representative.

(123) The Commission subsequently identified the product types sold domestically that were identical or comparable with the product types sold for export to the Union for the exporting producer with representative domestic sales.

(124) The Commission then examined whether Özkan Demir's sales on its domestic market for each product type that is identical or comparable with a product type sold for export to the Union were representative, in accordance with Article 2(2) of the basic Regulation. The domestic sales of a product type are representative if the total volume of domestic sales of that product type to independent customers during the investigation period represents at least 5 % of the total volume of export sales of the identical or comparable product type to the Union. The Commission established that for a small number of product types that were exported to the Union during the investigation period, there were either no domestic sales at all, or the domestic sales of that product type were below 5 % in volume and thus not representative.

(125) The Commission next defined the proportion of profitable sales to independent customers on the domestic market for each product type during the investigation period in order to decide whether to use actual domestic sales for the calculation of the normal value, in accordance with Article 2(4) of the basic Regulation.

(126) The normal value is based on the actual domestic price per product type, irrespective of whether those sales are profitable or not, if:

(a) the sales volume of the product type, sold at a net sales price equal to or above the calculated cost of production, represented more than 80 % of the total sales volume of this product type; and

(b) the weighted average sales price of that product type is equal to or higher than the unit cost of production.

(127) In this case, the normal value is the weighted average of the prices of all domestic sales of that product type during the IP.

(128) The normal value is the actual domestic price per product type of only the profitable domestic sales of the product types during the IP, if:

(a) the volume of profitable sales of the product type represents 80 % or less of the total sales volume of this type: or

(b) the weighted average price of this product type is below the unit cost of production.

(129) The analysis of domestic sales showed that [50-70] % of all domestic sales were profitable and that the weighted average sales price was higher than the cost of production.

(130) For the product types for which sales were overall profitable, the normal value was calculated either as a weighted average of the prices of all domestic sales during the IP (recitals 126 and 127) or as a weighted average of the profitable sales only (recital 128) depending of the volume of profitable sales.

(131) For the product types for which (1) sales were overall not profitable or (2) there were no or insufficient sales on the domestic market and where there was no specific information about market prices for those product types not sold by Özkan Demir on the domestic market, the Commission constructed the normal value in accordance with Article 2(3) and (6) of the basic Regulation.

(132) Normal value was constructed by adding the following to the average cost of production of the like product of the cooperating exporting producer during the investigation period:

(a) the weighted average SG&A expenses incurred by the cooperating exporting producer on domestic sales of the like product, in the ordinary course of trade, during the IP; and

(b) the weighted average profit realised by the cooperating exporting producer on domestic sales of the like product, in the ordinary course of trade, during the investigation period.

(133) For the product types not sold in representative quantities on the domestic market, the average SG&A expenses and profit of transactions made in the ordinary course of trade on the domestic market for those types were added. For the product types not sold at all on the domestic market, the weighted average SG&A expenses and profit of all transactions made in the ordinary course of trade on the domestic market were added.

3.2.2. *Export price*

(134) The exporting producer exported to the Union directly to independent customers.

(135) The export price was therefore the price actually paid or payable for the product concerned when sold for export to the Union, in accordance with Article 2(8) of the basic Regulation.

3.2.3. *Comparison*

(136) The Commission compared the normal value and the export price of the exporting producer on an ex-works basis.

(137) Where justified by the need to ensure a fair comparison, the Commission adjusted the normal value and/or the export price for differences affecting prices and price comparability, in accordance with Article 2(10) of the basic Regulation. Adjustments were made for transport, insurance, handling and loading, packing expenses, credits costs and bank charges, commissions, rebates and other allowances.

(138) The Commission identified currency conversion issues during the investigation period. Article 2(10)(j) of the basic Regulation provides that the date of sale should be the date of invoice, and that the date of contract, purchase order or order confirmation might be used if these more appropriately establish the material terms of sale. Firstly, the Commission considered the exchange rate fluctuation of the Turkish Lira (and overall significant fall against the Euro ([55])). Secondly, the Commission considered the price setting practices of the Turkish exporting producer, by which the material terms of sale were settled at the time of the purchase order rather than at the date of invoice, both for domestic ([56]) and export sales. The Commission therefore used the exchange rate on the date of the purchase order to convert the normal value and the export price into Turkish Lira.

3.2.4. *Dumping margin*

(139) For the cooperating exporting producer, the Commission compared the weighted average normal value of each type of the like product with the weighted average export price of the corresponding type of the product concerned, in accordance with Article 2(11) and (12) of the basic Regulation.

(140) On this basis, the provisional weighted average dumping margin expressed as a percentage of the CIF Union frontier price, duty unpaid is 13,6 %

(141) The level of cooperation in this case is high because the exports of the cooperating exporting producer constituted all the exports to the Union from Türkiye during the IP, as the investigation indicated that it was the sole exporting producer of the product concerned. On this basis, the Commission considered it appropriate to establish the dumping margin for non-cooperating exporting producers at the same level as that of the cooperating company.

([55]) From 1 euro = 10.6809 Turkish Lira in first month of the IP (October 2021), to 1 euro = 18,1465 Turkish Lira in last month of the IP (i.e. +70 % overall). Sources: The European Central Bank, DG Budget, Pacific Exchange Rate Service.

([56]) Domestic sales were made in foreign currency.

(142) The provisional dumping margins, expressed as a percentage of the CIF Union frontier price, duty unpaid, are as follows:

Company	Provisional dumping margin
Türkiye Özkan Demir Çelik Sanayi A.Ş	13,6 %
All other companies	13,6 %

4. **INJURY**

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

(143) According to the information available to the Commission, the like product was manufactured by three producers in the Union until 2020, and two during the rest of the period considered and the investigation period. They constitute the 'Union industry' within the meaning of Article 4(1) of the basic Regulation.

(144) The Commission could not disclose the data regarding volume of imports, market share and import prices from the PRC and Türkiye as it is market sensitive and confidential under Article 19 of the basic Regulation, given the limited number of the parties operating on the Union market (two Union producers, one exporting producer from Türkiye and one exporting producer form China). The disclosure of this information could allow parties to calculate back company-specific confidential data. The Commission therefore provided this information in ranges and indexes, which gave sufficient meaningful information to all interested parties to understand the Commission's analysis and conclusions and provide comments in this regard. The data was also provided in the form of meaningful trends so that all interested parties could defend their interests. The Commission could not disclose the method for creating the ranges as this would allow the parties to retrieve the exact numbers from the ranges.

(145) The total Union production during the investigation period was established at around [15 000-18 000] tonnes. The Commission established the Union production on the basis of all the available information concerning the Union industry, such as the information provided by the complainant, the estimations made in the complaint and statistical data from Eurostat. As indicated in recital 17, the complainant was the sole cooperating Union producer, representing [75-85] % of the total Union production of the like product during the investigation period.

4.2. **Union consumption**

(146) The Commission established the Union consumption on the basis of the total Union industry's sales of steel bulb flats in the Union plus total imports into the Union from third countries. The methodology for estimating imports is explained in detail in Section 4.3.2 below.

(147) As also explained in recitals 11 and 12, there were three Union producers during the period considered: Losal (the complainant), Olifer and Laminorul. Olifer did not cooperate in the investigation and Laminorul applied for bankruptcy in 2019. The sales volumes of Olifer and Laminorul in the Union during the period considered were therefore based on the estimation made in the complaint. ([57]) Laminorul sold steel bulb flats in the Union during the period considered only in 2019 and 2020, which accounted for around [18-22] % and [4-7] % respectively of total sales by the Union industry of the product under investigation in those years. For the sales in 2021 and the investigation period, all sales by the Union industry were considered to be the product under investigation. For the previous years, it was considered that 75 % of Laminorul's sales concerned the product under investigation, while the remaining 25 % of sales concerned steel bulb flats of larger widths that are not part of the product scope. The Commission considered that these assumptions, based on the complainant's market knowledge, provided a reasonable estimate which was needed to calculate the Union consumption. The sales volumes for the complainant were obtained from its questionnaire reply and verified on spot.

([57]) Annexes F.7.9 and H.9.1 of the complaint.

(148) Union consumption developed as follows:

Table 2

Union consumption (tonnes)

	2019	2020	2021	Investigation period
Total Union consumption	[70 000-75 000]	[42 000-46 000]	[44 000-48 000]	[47 000-51 000]
Index (2019 = 100)	100	60	63	68

Source: Complaint, questionnaire reply complainant, cooperating exporting producers and Eurostat.

(149) Union consumption decreased by 32 % during the period considered. After an initial large drop of 40 % in 2020, consumption increased again somewhat in the following years. The drop in 2020 coincided with the year when the Union was hit hardest by the Covid-19 pandemic and can largely be attributed to the associated 'lockdowns' when the factories of both the steel bulb flats producers and users were temporarily closed down. In addition, as explained in recital 29, steel bulb flats are primarily used in the shipbuilding industry. In the Union, most of the product concerned is used in the production of cruise ships and other luxury vessels, as well as military vessels. One of the consequences of the Covid-19 pandemic was a slowdown in the orders for and production of luxury vessels, which had a strong impact on the production of steel bulb flats. Although consumption has increased since 2020, it is still far from the pre-pandemic level.

4.3. **Imports from the countries concerned**

4.3.1. *Cumulative assessment of the effects of imports from the countries concerned*

(150) The Commission examined whether imports of steel bulb flats originating in the countries concerned should be assessed cumulatively, in accordance with Article 3(4) of the basic Regulation.

(151) The margin of dumping established in relation to the imports from China and Türkiye was above the de minimis threshold laid down in Article 9(3) of the basic Regulation. The volume of imports from each of the countries concerned was not negligible within the meaning of Article 5(7) of the basic Regulation. Market shares in the investigation period were [4,0-6,0] % and [53,0-58,0] % respectively.

(152) The conditions of competition between the dumped imports from China and Türkiye and the like product were similar. More specifically, the imported products competed with each other and with the steel bulb flats produced in the Union because they have to comply with the same technical standards and have to be certified by the same institutions before they qualify for their intended end-use. Steel bulb flats from all sources are sold through the same sales channels and to similar categories of customers. Shipbuilders use the same steel bulb flats for the same purpose and differentiate only on the technical aspects of the product (e.g. width, length, steel grade etcetera), not the origins of the product.

(153) Therefore, all the criteria set out in Article 3(4) of the basic Regulation were met and imports from China and Türkiye were examined cumulatively for the purposes of the injury determination.

4.3.2. *Volume and market share of the imports from the countries concerned*

(154) The Commission established the volume of imports from China and Türkiye on the basis of the verified data of the cooperating exporting producers. The verified data from these producers was considered more accurate than the Eurostat data, since Eurostat reports all imports falling under the CN code for steel bulb flats. This code also includes steel bulb flats with dimensions falling outside the product scope of this investigation.

(155) The market share of the imports was established on the basis of the share that these imports represented of the total Union consumption. As explained in recital 146, Union consumption was based on the Union industry's sales of steel bulb flats in the Union plus total imports into the Union from third countries. The volume of imports from other third countries, as also shown in Table 3 below, was established on the basis of Eurostat data. To estimate which part of these imports related to the product concerned, the Commission followed the assumptions explained in section C.1.1.1 of the complaint. The complainant estimated that 25 % of imports from the United Kingdom were related to the product under investigation in 2019 and 2020, and 45 % in the other years when the known producer in the United Kingdom had expanded its steel bulb flats product range. The complainant further estimated that 75 % of imports from all other countries was related to the product under investigation. Based on the available information, the Commission considered these assumptions a reasonable estimate of the imports of the product under investigation.

(156) Imports into the Union from the countries concerned developed as follows:

Table 3

Import volume (tonnes) and market share

	2019	2020	2021	Investigation period
Volume of imports from the PRC	[1 200-1 600]	[800-1 200]	[2 800-3 200]	[2 000-2 400]
Index	*100*	*68*	*204*	*151*
Volume of imports from Türkiye	[37 000-41 000]	[23 000-27 000]	[24 000-28 000]	[24 000-28 000]
Index	*100*	*65*	*66*	*67*
Volume of imports from the countries concerned	[38 200-42 600]	[23 800-28 200]	[26 800-31 200]	[26 000-30 400]
Index	*100*	*65*	*71*	*70*
Market share PRC (%)	[1,1-3,1]	[1,4-3,4]	[6,0-8,0]	[4,0-6,0]
Index	*100*	*113*	*324*	*223*
Market share Türkiye (%)	[53,0-58,0]	[57,0-62,0]	[55,0-60,0]	[53,0-58,0]
Index	*100*	*107*	*104*	*99*
Market share countries concerned (%)	[54,1-61,1]	[58,4-65,4]	[61,0-68,0]	[57,0-64,0]
Index	*100*	*107*	*112*	*104*

Source: Complaint, questionnaire reply complainant, cooperating exporting producers and Eurostat.

(157) The volume of imports from the countries concerned decreased between 2019 and the IP by 30 %, dropping sharply in 2020 before making a partial recovery until the investigation period. At the same time, their market share increased by 4 %. The decrease in the import volumes from the countries concerned coincided with a decrease in Union consumption of 32 % during the same period, as explained in recital 149. As the countries concerned were able to maintain and even increase their market share in a time of decreasing consumption, this increase in market share was to the detriment of other market participants, especially the Union industry. During the investigation period the market share of the countries concerned dropped again by eight percent as compared with 2021, but remained at a higher level than their market share in 2019. This drop in market share for the countries concerned was largely related to a significant increase in sales from the complainant to one important client during the investigation period. However, the information available to the Commission did not show that this increase was structural or that this trend would continue after the investigation period.

4.3.3. *Prices of the imports from the countries concerned, price undercutting and price suppression*

(158) The Commission established the prices of imports on the basis of the verified data of the cooperating exporting producers, in line with the determination of import volumes as explained in recitals 154-155. Price undercutting of the imports was established on the basis of data from the cooperating exporting producers and the cooperating Union producer.

(159) The weighted average price of imports into the Union from the countries concerned developed as follows:

Table 4

Import prices (EUR/tonne)

	2019	2020	2021	Investigation period
PRC	[800-900]	[800-900]	[850-1 000]	[1 000-1 200]
Index	*100*	*95*	*108*	*133*
Türkiye	[700-800]	[700-800]	[850-1 000]	[1 000-1 200]
Index	*100*	*92*	*119*	*139*

Source: Cooperating exporting producers.

(160) Import prices increased by 33 % and 39 % for China and Türkiye, respectively. This increase was largely caused by the increase in raw materials and energy prices following the Covid-19 pandemic and more recently during the investigation period, by the ongoing war in Ukraine. However, during the period considered, Union sales prices increased even more, by 46 %.

(161) The Commission determined the price undercutting during the investigation period by comparing:

(1) the weighted average sales prices per product type of the cooperating Union producer charged to unrelated customers on the Union market, adjusted to an ex-works level; and

(2) the corresponding weighted average prices per product type of the imports from the cooperating exporting producers in China and Türkiye to the first independent customer on the Union market, established on a Cost, insurance, freight (CIF) basis, with appropriate adjustments for post-importation costs.

(162) The price comparison was made on a type-by-type basis for transactions at the same level of trade, duly adjusted where necessary, and after deduction of rebates and discounts. The result of the comparison was expressed as a percentage of the cooperating Union producer's theoretical turnover during the investigation period. It showed a weighted average undercutting margin of 6,5 % for China and 11,1 % for Türkiye by the imports on the Union market.

(163) In addition, the Commission established the existence of price suppression. Indeed, as shown in Table 8, the Union industry was selling below the cost of production throughout the period concerned. Due to the significant price pressure caused by the low-priced dumped imports, the Union industry was prevented from increasing its sales prices to achieve a profitable situation, resulting in losses during the entire period considered. In particular, the Commission found underselling of 21,7 % for China and 30,0 % for Türkiye.

4.4. **Economic situation of the Union industry**

4.4.1. *General remarks*

(164) In accordance with Article 3(5) of the basic Regulation, the examination of the impact of the dumped imports on the Union industry included an evaluation of all economic indicators having a bearing on the state of the Union industry during the period considered.

(165) For the injury determination, the Commission distinguished between macroeconomic and microeconomic injury indicators. The Commission evaluated the macroeconomic indicators on the basis of data contained in the complaint and the verified data of the cooperating Union producer. The data related to all Union producers which were producing and selling the product concerned on the Union market during the period considered. As explained in recital 147 there were three Union producers in the beginning of the period considered, of which only two remained during the investigation period due to the bankruptcy of Laminorul. The Commission evaluated the microeconomic indicators on the basis of data contained in the questionnaire reply from the cooperating Union producer. Both sets of data were found to be representative of the economic situation of the Union industry as a whole, in particular because the cooperating Union producer accounted for more than 75 % of the total Union production in the investigation period.

(166) The macroeconomic indicators are: production, production capacity, capacity utilisation, sales volume, market share, growth, employment, productivity, magnitude of the dumping margin, and recovery from past dumping.

(167) The microeconomic indicators are: average unit prices, unit cost, labour costs, inventories, profitability, cash flow, investments, return on investments, and ability to raise capital.

4.4.2. *Macroeconomic indicators*

4.4.2.1. Production, production capacity and capacity utilisation

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

Table 5

Production, production capacity and capacity utilisation

	2019	2020	2021	Investigation period
Production volume (tonnes)	[25 000-30 000]	[12 500-15 500]	[13 500-17 000]	[15 000-18 000]

Index	*100*	*51*	*56*	*60*
Production capacity (tonnes)	[65 000-85 000]	[48 000-63 000]	[39 000-52 000]	[39 000-52 000]
Index	*100*	*74*	*61*	*61*
Capacity utilisation (%)	[33-39]	[22-27]	[30-36]	[32-38]
Index	*100*	*69*	*91*	*98*

Source: Complaint and verified data complainant.

(169) The production volume of the Union industry decreased during the period considered. This was in part due to the aforementioned bankruptcy of Laminorul, but the production volumes for the two remaining companies also showed a sharp decrease in 2020. ([58]) Although production volumes moved upward again in the following years, during the IP the production volume was still far below that in 2019. This decrease during the period considered is also in line with the decrease in Union consumption during the same years.

(170) Production capacity also decreased during the period considered, due to the bankruptcy of Laminorul. The production capacity for the two remaining companies remained stable during the period considered. However, the capacity utilisation rate decreased by 2 % during the period considered, up from a sharp decrease in 2020 due to the decline in consumption and related production volumes in the wake of the Covid-19 pandemic, as explained in recital 149. For the two remaining companies, the capacity utilisation rate went even further down between 2019 and the investigation period. ([59])

4.4.2.2. Sales volume and market share

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

Table 6

Sales volume and market share

	2019	2020	2021	Investigation period
Sales volume on the Union market (tonnes)	[25 000-29 000]	[11 000-15 000]	[12 000-16 000]	[15 000-19 000]
Index	*100*	*47*	*51*	*62*
Market share (%)	[35-40]	[27-32]	[28-33]	[32-37]
Index	*100*	*77*	*82*	*91*

Source: Complaint, questionnaire reply complainant, cooperating exporting producers and Eurostat.

([58]) This trend was also confirmed in Table 5 of the complainant's response to the questionnaire for Union producers, in the version for inspection by interested parties (Tron document t22.006788).

([59]) This trend was also confirmed in Table 7 of the complainant's response to the questionnaire for Union producers, in the version for inspection by interested parties (Tron document t22.006788).

(172) The sales volume of the Union industry on the Union market went down by 38 % during the period considered, dropping sharply in 2020 before making a partial recovery until the investigation period. During the same period, the market share of the Union industry decreased by 9 %. The downward trend in sales volumes, albeit slightly less steep, is also observed when looking at the two remaining companies only, though they regained some market share in 2021 and the investigation period. ([60]) The drop in market share and Union sales volumes in 2020 coincided with the bankruptcy of Laminorul. Although Union consumption, imports and sales volumes all decreased in 2020 due to the impact of the Covid-19 pandemic, as explained in recital 149, part of the sales volumes previously attributed to Laminorul were replaced by imports rather than by sales of other Union producers. This is evident from the data in Tables 3 and 6, which show that the market share of China and Türkiye went up in 2020 while at the same time the Union industry lost market share. Since 2020 the Union industry was able to recover some of the lost market share, but has not reached the level of before 2020.

4.4.2.3. Growth

(173) As explained in recitals 169 and 170 above, the production volume and capacity utilisation rate of the Union industry decreased during the period considered, which resulted in higher fixed costs per unit of production. At the same time, the demand for steel bulb flats decreased significantly in 2020, before recovering somewhat up until the investigation period. In this context of decreased consumption, the Union industry lost significant sales volumes and market share. It was able to regain some of its sales volumes and market share only at the expense of its sales prices which remained consistently below the Union industry's cost of production, as explained below in section 4.4.3.1. Therefore, the growth perspectives of the Union industry have also deteriorated.

4.4.2.4. Employment and productivity

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

Table 7

Employment and productivity

	2019	2020	2021	Investigation period
Number of employees	[250-300]	[130-160]	[130-160]	[130-160]
Index	*100*	*53*	*54*	*52*
Productivity (tonne/employee)	[100-110]	[95-105]	[103-113]	[115-125]
Index	*100*	*97*	*103*	*115*

Source: Complaint, verified data complainant and Orbis van Dijk ([61]).

(175) Employment in the sector followed the same trend as production and consumption on the Union market and dropped drastically by 48 % throughout the period considered. This was mainly caused by the bankruptcy of Laminorul, but employment also went down for the complainant, although it recovered somewhat from its lowest point in 2020 until the investigation period. ([62]) This decrease followed the downward trend observed for Union consumption in 2020 and the limited recovery in consumption until the investigation period.

([60]) This trend was also confirmed in Table 12 of the complainant's response to the questionnaire for Union producers, in the version for inspection by interested parties (Tron document t22.006788).

([61]) Orbis database, provided by Bureau Van Dijk (https://orbis.bvdinfo.com).

([62]) This trend was also confirmed in Table 29 of the complainant's response to the questionnaire for Union producers, in the version for inspection by interested parties (Tron document t22.006788).

(176) At the same time, productivity increased by 15 % between 2019 and the investigation period. However, this figure is influenced by the fact that Laminorul had laid off a large part of their staff in 2019, but still had sales in 2019 and, to a lesser extent, 2020. Productivity for the two remaining Union producers decreased throughout the period considered. ([63]) A declining productivity of the two remaining Union producers points to an increased labour cost per tonne of steel bulb flats produced.

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

(177) All dumping margins were significantly above the de minimis level. The impact of the magnitude of the actual margins of dumping on the Union industry was substantial, given the volume and prices of imports from the countries concerned.

(178) This is the first anti-dumping investigation regarding the product concerned. Therefore, no data were available to assess the effects of possible past dumping.

4.4.3. *Microeconomic indicators*

4.4.3.1. Prices and factors affecting prices

(179) The average unit sales prices of the cooperating Union producer to unrelated customers in the Union developed over the period considered as follows:

Table 8

Sales prices in the Union

	2019	2020	2021	Investigation period
Average unit sales price in the Union (EUR/tonne)	[850-950]	[850-950]	[1 000-1 150]	[1 200-1 400]
Index	*100*	*100*	*118*	*146*
Unit cost of production (EUR/tonne)	[950-1 050]	[950-1 050]	[1 100-1 250]	[1 300-1 500]
Index	*100*	*100*	*121*	*141*

Source: Verified data complainant.

(180) The average sales prices of the cooperating Union producer increased during the period considered by 46 %, while the unit cost of production increased to a slightly lesser extent with 41 % during the same period. However, throughout the entire period considered, sales prices were consistently below the average cost of production. This meant that the Union producer was not able to increase its sales prices to a level which would cover the increased cost of production.

([63]) This trend was also confirmed in summary table of the complainant's response to the questionnaire for Union producers, in the version for inspection by interested parties (Tron document t22.006788).

(181) The sales of the like product in the Union market were based on either framework contracts with customers that fixed the quantities and prices for the following period (ranging from a year to a few months), or based on quotes and spot prices. The cooperating Union producer therefore had a margin to increase sales prices in the context of increasing raw material and energy prices at the time of renegotiating contracts or offering quotes. However, it did not manage to do so to the extent required during the period considered because of price pressure by imports which continued coming in in high volumes. This led to a continuous loss-making situation of the cooperating Union producer, as explained in Section 4.4.3.4 below.

4.4.3.2. Labour costs

(182) The average labour costs of the cooperating Union producer developed over the period considered as follows:

Table 9

Average labour costs per employee

	2019	2020	2021	Investigation period
Average labour costs per employee (EUR)	[48 000-53 000]	[45 000-50 000]	[45 000-50 000]	[53 000-58 000]
Index	*100*	*94*	*94*	*112*

Source: Verified data complainant.

(183) The average labour cost per employee increased by 12 % during the period considered. This was linked to the decrease in the number of employees without a similar decrease in the fixed costs.

4.4.3.3. Inventories

(184) Stock levels of the cooperating Union producer developed over the period considered as follows:

Table 10

Inventories

	2019	2020	2021	Investigation period
Closing stocks (tonne)	[2 000-2 500]	[1 600-2 100]	[2 000-2 500]	[2 300-2 800]
Index	*100*	*82*	*104*	*117*
Closing stocks as a percentage of production	[11-14]	[14-17]	[15-18]	[16-19]
Index	*100*	*129*	*136*	*141*

Source: Verified data complainant.

(185) Inventories first decreased by 18 % in 2020 before increasing throughout the rest of the period considered to reach a level of 17 % higher than in 2019. The closing stocks as a percentage of production increased throughout the period considered and reached between 16 and 19 % of the yearly production. This situation had a negative impact on the financial situation of the cooperating Union producer.

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

(186) Profitability, cash flow, investments and return on investments of the cooperating Union producer developed over the period considered as follows:

Table 11

Profitability, cash flow, investments and return on investments

	2019	2020	2021	Investigation period
Profitability of sales in the Union to unrelated customers (% of sales turnover)	[(- 11)-(- 7)]	[(- 10,5)-(- 6,5)]	[(- 10)-(- 6)]	[(- 6)-(- 3)]
Index	*- 100*	*- 94*	*- 91*	*- 46*
Cash flow (EUR)	[700 000-800 000]	[(- 700 000)-(- 600 000)]	[(- 1 700 000)-(- 1 400 000)]	[25 000-30 000]
Index	*100*	*- 84*	*- 208*	*4*
Investments (EUR)	[1 000 000-1 200 000]	[1 250 000-1 450 000]	[600 000-700 000]	[650 000-750 000]
Index	*100*	*122*	*60*	*64*
Return on investments (%)	[(- 51)-(- 46)]	[(- 28)-(- 23)]	[(- 26)-(- 21)]	[(- 18)-(- 13)]
Index	*- 100*	*- 53*	*- 51*	*- 35*

Source: Verified data complainant.

(187) The Commission established the profitability of the cooperating Union producer by expressing the pre-tax net profit of the sales of the like product to unrelated customers in the Union as a percentage of the turnover of those sales. The cooperating Union producer managed to reduce its losses during the period considered, but remained loss-making throughout the entire period. The fact that it reduced its losses in the investigation period compared to previous years, was largely due to its increased ability, associated with the adaptation of its commercial strategy, to renegotiate and adapt its prices to the increased costs of energy and raw material. However, due the continued price pressure from low priced imports from the countries concerned, which even managed to increase their already very high market share throughout the period considered, the cooperating Union producer was not able to reflect all costs in the prices to their customers.

(188) The net cash flow is the ability of the Union producers to self-finance their activities. The trend in net cash flow developed downwards until the investigation period with a negative cash flow in 2020 and 2021, and upwards again during the investigation period to an overall decrease of 96 % throughout the period considered. This negative trend showed that the cooperating Union producer experienced difficulties to self-finance its activities, which was a further indication of its deteriorated financial situation.

(189) The return on investments is the profit in percentage of the net book value of investments. The cooperating Union producer continuously invested to improve the efficiency of its production facilities, such as the acquisition of new shot-blasting and painting machinery to enable performing those parts of the production process in-house which were previously outsourced, thereby improving efficiency and reducing lead times. However, its ability to invest was limited due to its continuously loss-making situation. In addition, the return on investment, though improving throughout the period considered, remained negative during the entire period. Therefore, the cooperating Union producer was not able to generate enough profits in order to cover its investments.

(190) The cooperating Union producer' ability to raise capital was affected by its negative financial situation. The continued losses and the net cash flow pointed to serious concerns as regards its liquidity situation and its ability to raise capital to finance its operating activity and needed investments.

4.4.4. *Conclusion on injury*

(191) The Union industry was injured throughout the entire period considered. The consistently lossmaking situation of the Union industry throughout that period coincided with significant volumes of imports from the countries concerned at prices below the Union industry's costs of production. As discussed in section 4.3.3, the Union industry's prices were significantly undercut and supressed by the imports from the countries concerned.

(192) During a period of an overall decrease of Union consumption and following some recovery after an initial significant decrease of steel bulb flats sales in the Union in 2020, the increase of import volumes from the countries concerned exceeded the increase of Union sales volumes on the Union market. After an initial drop of 35 % in 2020, import volumes from the countries concerned increased to levels of 70 % of the 2019 import volumes. The Union industry's sales volumes experienced an initial drop of 53 % and recovered to levels of only 62 % of the 2019 sales volumes.

(193) At the same time, sales prices increased for both the Union industry and the two countries concerned. However, while the Union industry was consistently unable of increasing its price level to achieve a profitable situation, the difference between Union industry sales prices and import prices from both countries concerned increased. Union prices increased by 46 % during the period considered, while import prices increased by 33 % from the PRC and by 39 % from Türkiye during the same period. This meant that, despite price increases for both imports and Union sales, the prices of imports from the two countries concerned put increasing price pressure on the sales prices of the Union industry. As a result, even though the Union industry was forced to continue selling at losses, it lost market share to the countries concerned between 2019 and the investigation period. Although the Union industry regained some of its lost market share during the investigation period, it has not reached the level of 2019. As explained in recital 157, the increase in market share during the investigation period was not of a structural nature but largely linked to a temporary increase in orders from a particular client.

(194) Almost all injury indicators showed an overall negative trend throughout the period considered. Production, production capacity and capacity utilisation all deteriorated, in line with decreased sales volumes and market share. Initially the indicators developed negatively in 2020, mainly caused by the Covid-19 pandemic and the bankruptcy of Laminorul as explained in recitals 149, 160, 170 and 172. Since 2020 the Union was able to recover to a certain extent as demand for steel bulb flats and Union consumption increased again in the wake of the Covid-19 pandemic. However, although the injury indicators showed improvement since 2020, during the investigation period they were all still far below the pre-2020 levels. Due to the continued large volumes and market shares of dumped imports from the countries concerned, which are priced below the Union industry's costs of production, the latter has not been able to recover to the extent necessary to achieve a stable and profitable financial situation.

(195) During the period considered, net investments decreased by 36 % while the return on investment remained negative. The cash flow fluctuated drastically during the period considered and was largely negative or close to zero since 2020. This affected the ability of the Union industry to self-finance its operations.

(196) The number of employees decreased during the same period by 48 %, largely caused by the bankruptcy of Laminorul in 2020, but a similar downward trend was also visible for the other Union producers. At the same time, productivity decreased (when not taking into account the sales by Laminorul as explained in recital 176), resulting in a higher labour cost per tonne of steel bulb flats.

(197) As set out above, economic indicators such as profitability, cash flow and return on investment were negative during the period considered. This affected the ability of the Union industry to self-finance operations, to make necessary investments and to raise capital, thus impeding its growth and even threatening its survival.

(198) On the basis of the above, the Commission concluded at this stage that the Union industry suffered material injury within the meaning of Article 3(5) of the basic Regulation.

5. **CAUSATION**

(199) In accordance with Article 3(6) of the basic Regulation, the Commission examined whether the dumped imports from the countries concerned caused material injury to the Union industry. In accordance with Article 3(7) of the basic Regulation, the Commission also examined whether other known factors could at the same time have injured the Union industry. The Commission ensured that any possible injury caused by factors other than the dumped imports from the countries concerned was not attributed to the dumped imports. These factors were imports from other third countries, the export performance of the Union industry, the Covid-19 pandemic affecting Union consumption, the increase in energy prices and an alleged lack of product diversification.

5.1. **Effects of the dumped imports**

(200) The Commission examined the evolution of the volume of imports from the countries concerned and their impact on the Union industry as required by Article 3(6) of the basic Regulation.

5.1.1. *Quantity and market share of the dumped imports from the countries concerned*

(201) The import quantities from the countries concerned decreased during the period considered by 30 %. This decrease, as explained in recital 157, coincided with a similar decrease in Union consumption, mainly brought on by the Covid-19 pandemic and the resulting decrease in demand for shipbuilding and the related inputs such as steel bulb flats. However, as explained in recitals 192-193, the observed increase in import volumes after 2020 was greater than that of Union sales volumes during the same period.

(202) In 2020 the Union industry lost market share, mainly due to the demise of Laminorul. As shown in Tables 3 and 6, the market share previously held by Laminorul went partly to Türkiye and China. The countries concerned continuously increased their market share between 2019 and 2021. During the investigation period, the countries concerned again lost part of the market share they had gained in the previous years to the benefit of the Union industry. However, although the Union industry was able to regain some of the market share it had lost in 2020, it has yet to reach the pre-2020 levels. the market share of imports from the countries concerned increased from [54,1-61,1] % in 2019 to [57,0-64,0] % in the IP, i.e. an increase of 4 %, while the Union industry lost market share during the same period. Consequently, there has been a significant increase in dumped imports within the meaning of Article 3(3) of the basic Regulation.

5.1.2. *Price of the dumped imports from the countries concerned and price effect*

(203) Furthermore, these imports were made at prices significantly lower than those of the Union industry over the entire period considered. Although the Union industry was able to increase its prices throughout the period considered to cater partially for increased raw material and input prices, it was not able to increase its prices to the full extent necessary to cover its production costs. At the same time, while import prices from both China and Türkiye also increased throughout the period considered, this was to a lesser extent than those of the Union industry and starting from a lower price level. Indeed, the average import price from both China and Türkiye was consistently below the Union industry's costs of production throughout the entire period considered.

(204) The price pressure exerted by the low-priced imports from both China and Türkiye meant that the Union industry had no choice but to follow that price setting to try and regain some of the sales volumes it lost in 2020, in a period of decreased consumption and increasing production costs. Although the Union industry managed to increase its sales volumes after 2020 to 62 % of the 2019 levels in the investigation period, it was not able to do so to the same extent as the increase of the Union consumption (which was at 68 % of the 2019 levels in the investigation period) and imports from the countries concerned (at 70 % of the 2019 levels). This in turn resulted in a continuous loss-making situation for the cooperating Union producer throughout the period considered. During the same period other financial indicators such as return on investment and cash flow showed a similarly negative development. Although return on investment improved during the period considered it remained consistently negative throughout, while cash flow recovered in the investigation period to only 4 % of the 2019 level.

5.1.3. *Causal link between the dumped imports from China and Türkiye, and the material injury of the Union industry*

(205) The deterioration of the economic situation of the Union industry coincided with a significant presence of dumped imports from the countries concerned. In a context of a shrinking market, the increased market share of imports from the countries concerned combined with their low average sales prices had a negative impact on the Union industry's financial situation. Although the Union industry was able to recover until the investigation period to a certain extent from the decrease in sales volumes and market share which happened in 2020, it was not able to increase their sales prices enough to fully cover the strongly increased production costs, because of the increased presence of dumped imports of the product concerned from the countries concerned. Therefore, the low-priced imports from the countries concerned thus caused price suppression.

(206) In view of the above considerations, the Commission provisionally established that the material injury suffered by the Union industry was caused by the dumped imports from the countries concerned within the meaning of Article 3(6) of the basic Regulation. Such injury had both volume and price effects.

5.2. **Effects of other factors**

5.2.1. *Imports from third countries*

(207) The volume of imports from other third countries developed over the period considered as follows:

Table 12

Imports from third countries

Country		2019	2020	2021	Investigation period
United Kingdom	Volume (tonne)	[2 000-2 400]	[2 800-3 200]	[1 000-1 400]	[1 700-2 100]
	Index	*100*	*140*	*51*	*84*
	Market share (%)	[2,0-4,0]	[5,0-7,0]	[1,5-3,5]	[2,5-4,5]
	Average price	[700-800]	[650-750]	[800-950]	[1 150-1 350]
	Index	*100*	*93*	*110*	*167*
Other third countries	Volume (tonne)	[0-10]	[300-600]	[200-500]	[100-400]
	Index	*100*	*11 295*	*8 086*	*6 324*
	Market share (%)	[0,0-0,5]	[1,0-1,5]	[0,5-1,0]	[0,3-0,8]
	Average price	[1 100-1 200]	[1 100-1 200]	[700-850]	[1 100-1 300]
	Index	*100*	*101*	*73*	*104*
Total of all third countries except the countries concerned	Volume (tonne)	[2 000-2 400]	[3 100-3 800]	[1 200-1 900]	[1 800-2 500]
	Index	*100*	*162*	*66*	*97*

	Market share (%)	[2,0-4,5]	[6,0-8,5]	[2,0-4,5]	[2,8-5,3]
	Average price	[700-800]	[700-800]	[800-950]	[1 150-1 350]
	Index	*100*	*100*	*109*	*165*

Source: Complaint, questionnaire reply complainant, cooperating exporting producers and Eurostat.

(208) During the period considered, the only other third country from which significant volumes of steel bulb flats were imported into the Union was the United Kingdom. However, the steel bulb flats produced in the United Kingdom was only partly the product under investigation. British Steel, the only known steel bulb flats producer in the United Kingdom, produced only steel bulb flats of 200 mm width and upwards in 2019, 180 mm width and upwards from 2020, and currently also 160 mm and upwards. ([64]) As explained in recital 154, the statistical information for steel bulb flats available in Eurostat for the period considered includes all sizes of steel bulb flats, not only the product under investigation. Based on information provided in the complaint, the Commission estimated the part of the import volumes registered in Eurostat which were related to the product concerned in the different years.

(209) As set out in recitals 157 and 172, imports from the countries concerned as well as Union industry sales volumes went down significantly in 2020, before making a partial recovery in the following years. At the same time, imports from the United Kingdom went up by 40 % in 2020, dropped to only half of the 2019 volume in 2021 and increased again to a level of 16 % below its 2019 volumes. The cooperating user explained that the producer in the United Kingdom produces steel bulb flats (and exports) on an irregular basis and only when they do not allocate their production capacity to other products.

(210) The observed increases and decreases in volumes for imports from the United Kingdom did not correspond to a parallel decrease and increase in imports from the countries concerned or the Union industry sales. In addition, import prices from the United Kingdom were well above the price level of imports of steel bulb flats from the countries concerned, and close to the Union industry's prices during the investigation period.

(211) In light of the above and in view of the large import volumes at low prices from the countries concerned as compared with those from other third countries, the Commission provisionally concluded that imports from other third countries did not attenuate the causal link between the injury suffered by the Union industry and the dumped imports from the countries concerned.

5.2.2. *Export performance of the Union industry*

(212) The volume of exports of the Union industry developed over the period considered as follows:

Table 13

Export performance of Union producers

	2019	2020	2021	Investigation period
Export volume (tonnes)	[1 700-2 100]	[1 600-2 000]	[800-1 000]	[300-500]
Index	*100*	*93*	*46*	*17*

([64]) See complaint Annex F.7.8, available in the open file, and the British Steel bulb flats brochure, available here: https://britishsteel.co.uk/what-we-do/special-profiles/bulb-flats/ (last accessed on 14 April 2023).

Average price (EUR/tonne)	[800-900]	[700-800]	[1 200-1 350]	0 (*)
Index	*100*	*94*	*161*	*0* (*)

Source: Eurostat, complaint and verified data complainant for export volumes, average price from complainant.
(*) The complainant did not have any exports during the investigation period.

(213) The exports of the Union industry continuously decreased since 2019 to negligible volumes in the investigation period. The Union industry pointed to the worldwide fall in consumption following the Covid-19 pandemic as a cause for this decrease, as well as the competition of especially Turkish low-priced exports which took place not only on the domestic market but also on third country markets.

(214) Exports were only a small part of the Union industry's overall sales, accounting for [5-9] % of its production in 2019 and decreased to [3-1] % during the investigation period. Therefore, although the decline in export performance could have contributed to the injury suffered by the Union industry, as also alleged by the Government of Türkiye in their comments on initiation, the Commission provisionally concluded that, considering the high share of Union sales compared to export sales during the entire period considered, the decrease in export sales did not attenuate the causal link between the dumped imports from the countries concerned and the injury suffered by the Union industry.

5.2.3. *Covid-19 pandemic and decreased consumption*

(215) In their comments on initiation, the Government of Türkiye, Özkan and Fincantieri all pointed to the Covid-19 pandemic and the parallel decrease in consumption as having contributed to or caused the injury suffered by the Union industry. As shown in Table 2, the Union consumption of steel bulb flats decreased by 32 % during the period considered, which was indeed mainly linked to the Covid-19 pandemic, as set out in recital 149. However, at the same time, the Union industry sales on the Union market dropped even further, by 38 %. In addition, an injurious situation caused by significant volume of imports at prices below the Union industry's cost of production already existed in 2019, while the Covid-19 pandemic began to have an impact only as of 2020. Therefore, rather than a cause of the Union industry's injurious situation, the Covid-19 pandemic and the resulting decrease in Union consumption of steel bulb flats should be seen as an exacerbating factor in 2020.

(216) On that basis, the Commission provisionally concluded that the evolution of Union consumption did not attenuate the causal link between the dumped imports and the injury suffered by the Union industry.

5.2.4. *Increase in energy prices*

(217) The Government of Türkiye claimed that the increase in energy prices since the end of 2021, and especially in 2022 due to the military aggression by the Russian Federation against Ukraine, affected the Complainant's injurious situation and should not be attributed to imports from the countries concerned.

(218) However, as shown in Table 8, the Union industry was able to increase their sales prices from [1 000-1 150] euro to [1 200-1 400] euro between 2021 and the investigation period. This increase of around 24 % exceeded the increase in cost of production during the same period, indicating that the increase in cost or energy prices could be passed on to the customers. Nevertheless, the Union industry was still not able to increase its sales prices to fully cover its total cost of production, due to the price pressure exerted by the continued low priced imports from the countries concerned.

(219) As explained in recitals 163, 180 and 181 above, the Union industry was unable to adequately adjust its sales prices to achieve a profitable situation during the entire period considered. Since this pattern was observed during a long period of time, it could not be explained only by the increase of energy costs in the investigation period. This impossibility to adjust sales prices coincides in time with the increase in market share of the dumped imports from the countries concerned at significant levels of undercutting, suppressing the Union industry's sales prices, which prevented the Union industry to return to a profitable situation.

(220) Therefore, the Commission provisionally concluded that the evolution of energy prices could not be a cause of the injury suffered by the Union industry.

5.2.5. *Product diversification*

(221) Özkan claimed that the injury to the Union industry was partly caused by the fact that it is general practice in the shipbuilding sector to purchase all various sizes and types of steel bulb flats for a given project from one and the same source, for easier traceability. As the Union industry only produced up to 204 mm width of steel bulb flats it did not have, according to Özkan, the competitive advantage that Özkan had since it produced all sizes of steel bulb flats.

(222) However, the Commission found no evidence of the alleged shipbuilders' practice to buy all steel bulb flats from one source, nor did Özkan provide such evidence. On the contrary, the cooperating user and an unrelated importer both provided submissions in which they pointed to the necessity to have a diversified source of supply, instead of relying on one supplier only. The user also indicated that they generally purchased steel bulb flats on a stock basis, that all steel bulb flats of the same size could be used interchangeably independent of their source, and that purchases were not linked to a specific project.

(223) In addition, the Union industry has invested in product diversification over the last years by expanding their range of steel bulb flats sizes during the period considered. In this respect, Fincantieri pointed in its comments to a passage in the complaint where the complainant stated that '*it is cheaper to produce up to 180mm nominal width size*'. Fincantieri therefore questioned the complainant's decision to invest in the production of larger sizes and claimed it contributed to the Union industry's weak profits.

(224) However, contrary to the above, both the complaint and the verified data of the complainant showed that the production of larger sizes of steel bulb flats is more economical, as it requires less rolling and is more time efficient. In paragraph 1.3 of the complaint it also stated that '*smaller is the size of the bulb flat, higher is the cost*'. This would indicate that the diversification strategy of the Union industry in the past would have a positive contribution to its profitability situation rather than contribute to the injury suffered.

(225) The Commission therefore provisionally concluded that the alleged lack of diversification in steel bulb flats types by the Union industry was not such that it would attenuate the causal link between the dumped imports and the injury suffered by the Union industry.

5.3. **Conclusion on causation**

(226) There was an overall deterioration of the Union industry's financial situation between 2019 and the investigation period. This deterioration was especially marked in 2020, after which the situation improved to a certain extent until the investigation period. However, at the end of the period concerned the Union industry was still lossmaking and had still not been able to recover to the levels experienced before 2020. These negative circumstances coincided in time with an increased market share of imports of steel bulb flats from the countries concerned, which were made at dumped prices, that increased but less than those of the Union industry during the period considered, as mentioned in Section 5.1 above.

(227) The Commission distinguished and separated the effects of all known factors on the situation of the Union industry from the injurious effects of the dumped imports. The effect of imports from other third countries, the export performance of the Union industry, the Covid-19 pandemic affecting Union consumption, the increase in energy prices and an alleged lack of product diversification on the Union industry's negative developments in terms of production volumes, sales prices and profitability was only limited.

(228) On the basis of the above, the Commission concluded at this stage that the dumped imports from the countries concerned caused material injury to the Union industry and that the other factors, either individually or collectively, were not sufficient to attenuate the causal link between the dumped imports and the material injury.

6. **LEVEL OF MEASURES**

(229) To determine the level of the measures, the Commission examined whether a duty lower than the margin of dumping would be sufficient to remove the injury caused by dumped imports to the Union industry.

6.1. **Injury margin**

(230) The injury would be removed if the Union Industry were able to obtain a target profit by selling at a target price in the sense of Articles 7(2c) and 7(2d) of the basic regulation.

(231) In accordance with Article 7(2c) of the basic Regulation, for establishing the target profit, the Commission took into account the following factors: the level of profitability before the increase of imports from the countries concerned, the level of profitability needed to cover full costs and investments, research and development (R & D) and innovation, and the level of profitability to be expected under normal conditions of competition. Such profit margin should not be lower than 6 %.

(232) The cooperating Union producer was loss-making during the entire period considered. The complainant proposed a target profit of 7,4 %, based on the profit achieved on its other product lines in 2019. However, the Commission considered that the other product lines concerned automotive hinges and special profiles, which are higher priced, more complex and customer specialized products. The profit margin was therefore provisionally established at 6 % in accordance with Article 7(2c) of the basic Regulation.

(233) On this basis, the non-injurious price is [1 300] – [1 600] euro per tonne of steel bulb flats, resulting from applying the above-mentioned profit margin of 6 % to the cost of production during the investigation period of the cooperating Union producer.

(234) The Commission then determined the injury margin level on the basis of a comparison of the weighted average import price of the cooperating exporting producers in the countries concerned, as established for the price undercutting calculations, with the weighted average non-injurious price of the like product sold by the cooperating Union producer on the Union market during the investigation period. Any difference resulting from this comparison was expressed as a percentage of the weighted average import CIF value.

(235) The injury elimination level for 'all other companies' is defined in the same manner as the dumping margin for these companies (see recitals 120 for the PRC and recital 141 for Türkiye).

Country	Company	Provisional dumping margin (%)	Provisional injury margin (%)
The PRC	Changshu Longteng Special Steel Co., Ltd.	14,7 %	21,7 %
	All other companies	14,7 %	21,7 %
Türkiye	Türkiye Özkan Demir Çelik Sanayi A.Ş	13,6 %	30,0 %
	All other companies	13,6 %	30,0 %

6.2. **Conclusion on the level of measures**

(236) Following the above assessment provisional anti-dumping duties should be set as below in accordance with Article 7(2) of the basic Regulation:

Country	Company	Provisional anti-dumping duty
The People's Republic of China	Changshu Longteng Special Steel Co., Ltd.	14,7 %
	All other companies	14,7 %
Türkiye	Türkiye Özkan Demir Çelik Sanayi A.Ş	13,6 %
	All other companies	13,6 %

7. **UNION INTEREST**

(237) Having decided to apply Article 7(2) of the basic Regulation, the Commission examined whether it could clearly conclude that it was not in the Union interest to adopt measures in this case, despite the determination of injurious dumping, in accordance with Article 21 of the basic Regulation. The determination of the Union interest was based on an appreciation of all the various interests involved, including those of the Union industry, importers and users.

7.1. **Interest of the Union industry**

(238) There are two companies producing steel bulb flats in the Union. They employ [130-160] workers directly, and are located in Spain and Italy. In 2019 there was still one additional Union producer, located in Romania. Consequently, the total direct employment in steel bulb flats in 2019 was almost twice the number of employees during the investigation period.

(239) The investigation established that the Union industry has suffered material injury caused by the dumped imports from the countries concerned during the investigation period. The imposition of measures would allow the Union industry to maintain its market share, increase production and capacity utilisation, increase prices to cover the costs of production and achieve a level of profitability which would be expected under normal conditions of competitions. That would lead the Union industry to return to a sustainable situation and allow it to make future investments.

(240) The non-imposition of measures would likely lead to a further loss of market share and deterioration of profitability, which was already negative throughout the period considered. This would possibly cause additional closures of production facilities and dismissals thus endangering the viability of the Union industry. This is especially pertinent in light of the fact that there are currently only two Union producers left, which are both small- and medium sized enterprises.

(241) The Commission therefore provisionally concluded that the imposition of provisional anti-dumping measures on imports of steel bulb flats originating in the countries concerned would be in the interest of the Union industry.

7.2. **Interest of users and unrelated importers**

(242) During the investigation only one unrelated importer, Baglietto, came forward and provided a questionnaire reply. Unfortunately, despite several revisions of the questionnaire reply, the amount of information that remained incomplete, including the narrative part of the reply, was such that the reply was too deficient to be accepted in the investigation. The importer agreed that it would instead provide a submission on injury and Union interest. In its submission, Baglietto opposed the anti-dumping measures, as it claimed that such measures would limit availabilities of steel bulb flats in the Union and could thus effectively create a duopoly or monopoly situation on the Union market.

(243) Two users also came forward and provided questionnaire replies. The reply by one user was too deficient to be accepted in the investigation, while the reply of the user Fincantieri was accepted and verified on spot. Fincantieri is the largest shipbuilding company in the Union and therefore one of the most important users of the product under investigation.

(244) Fincantieri claimed, first, that the imposition of anti-dumping measures would virtually close the market to imports of steel bulb flats and risk causing a shortage of supply, especially for the steel bulb flats sizes of 160 – 200 mm width, which was produced by only one Union producer. Second, the user argued that the imposition of measures would exacerbate the lack of availability on the Union market. According to Fincantieri, the Union industry does not have sufficient capacity to satisfy the need of the entire shipbuilding sector. Additionally, supplies by the Union industry were faced with delays and logistical issues during the investigation period, which had forced Fincantieri to resort to imports from the countries concerned. Third, Fincantieri stated that apart from the countries concerned there are no other reliable alternative providers of steel bulb flats.

(245) In addition to the importer and user, the Government of Türkiye also argued that the imposition of anti-dumping measures would lead to a monopolistic situation on the Union market. At the same the Government of Türkiye pointed to the existing safeguard measures on imports of steel products, including steel bulb flats, which in their opinion already sufficiently protect the Union industry.

(246) In essence, the main arguments put forward by the user, importer and the Government of Türkiye all related to the fact that parties fear the risk of shortage of supply and facing a monopolistic situation on the Union market if anti-dumping measures are imposed. However, the aim and intended effect of imposing anti-dumping measures is never to close the Union market for imports from third countries. The goal is to remove the trade distorting effects of injurious dumping and thus restore competition and a level playing field for Union producers. The fact that the Union industry did not operate at full capacity throughout the period considered suggested that Union producers could sell more steel bulb flats on the Union market.

(247) In addition, there was no indication that importers or users will not be able to absorb the price increase that would result from the imposition of anti-dumping measures. The information provided by Baglietto did not allow determining the possibility for the absorption of the proposed anti-dumping duty by importers.

(248) However, the verified data and statements of the cooperating user clearly showed that an increased cost of steel bulb flats would not be to the detriment of users. Steel bulb flats from the countries concerned represented less than 10 % of the user's total purchases of steel bulb flats in the investigation period. In addition, the cost of steel bulb flats accounted for a negligible part of Fincantieri's overall cost of production (less than 0,5 %) for all products that incorporate steel bulb flats. Therefore, any impact of the increased cost of steel bulb flats on Fincantieri's sizeable profit margin is expected to be very limited.

(249) Moreover, regarding a potential lack of sources of supply, if anti-dumping measures were not imposed, this would be to the detriment of the Union industry's financial situation and may lead the two remaining Union producers to re-assess their investment strategies and focus on their other, currently more profitable production lines, effectively terminating Union production of steel bulb flats.

(250) Under such circumstances, Union importers and users of steel bulb flats would become fully dependent on imports from third countries which concerned, according to all parties, in effect only China and Türkiye. In order not to become dependent on imports only from a very limited number of third country suppliers, a diversified source of supply remains necessary, including sources of supply within the Union. Imposing anti-dumping duties, which would restore competition and a level playing field for Union producers, would ensure the diversification and the possibility of supply source choice which all parties asked for.

(251) In light of the above, the claims with regard to a potential lack of supply sources and a possible duopoly/monopoly situation were provisionally rejected.

(252) As mentioned in recital 245, the Government of Türkiye made the additional argument that the Union industry is already protected via the safeguard measures currently in place against steel products, including steel bulb flats. ([65]) However, safeguard measures are temporary and have a different rationale and objective than that of anti-dumping measures. Therefore, this claim related to the safeguard measures was provisionally rejected.

7.3. **Conclusion on Union interest**

(253) On the basis of the above, the Commission concluded that there were no compelling reasons that it was not in the Union interest to impose measures on imports of steel bulb flats originating in China and Türkiye at this stage of the investigation.

8. **PROVISIONAL ANTI-DUMPING MEASURES**

(254) On the basis of the conclusions reached by the Commission on dumping, injury, causation, level of measures and Union interest, provisional measures should be imposed to prevent further injury being caused to the Union industry by the dumped imports.

(255) Provisional anti-dumping measures should be imposed on imports of steel bulb flats originating in the People's Republic of China and Türkiye, in accordance with the lesser duty rule in Article 7(2) of the basic Regulation. The Commission compared the injury margins and the dumping margins (recitals 229 – 236 above). The amount of the duties was set at the level of the lower of the dumping and the injury margins.

(256) On the basis of the above, the provisional anti-dumping duty rates, expressed on the CIF Union border price, customs duty unpaid, should be as follows:

Country	Company	Provisional anti-dumping duty
The People's Republic of China	Changshu Longteng Special Steel Co., Ltd.	14,7 %
	All other companies	14,7 %
Türkiye	Türkiye Özkan Demir Çelik Sanayi A.Ş	13,6 %
	All other companies	13,6 %

(257) To ensure a proper enforcement of the anti-dumping duties, the anti-dumping duty for all other companies should apply not only to the non-cooperating exporting producers in this investigation, but to the producers which did not have exports to the Union during the investigation period.

9. **INFORMATION AT PROVISIONAL STAGE**

(258) In accordance with Article 19a of the basic Regulation, the Commission informed interested parties about the planned imposition of provisional duties. This information was also made available to the general public via DG TRADE's website. Interested parties were given three working days to provide comments on the accuracy of the calculations specifically disclosed to them.

(259) The Türkish exporting producer Özkan Demir commented that domestic sales quantities had been erroneously rounded off, leading to a higher margin of dumping. After analysis, the Commission accepted this claim and corrected the error by using non-rounded off figures. It resulted in a change of the provisional anti-dumping margin from 14,3 % to 13,6 %.

([65]) Commission Implementing Regulation (EU) 2022/978 of 23 June 2022 amending Implementing Regulation (EU) 2019/159 imposing a definitive safeguard measure on imports of certain steel products (OJ L 167, 24.6.2022, p. 58).

(260) The Chinese exporting producer Changshu Longteng also provided comments, but these were not related to the accuracy of the calculations. These comments will therefore be dealt with at the definitive stage of the investigation.

10. **FINAL PROVISIONS**

(261) In the interests of sound administration, the Commission will invite the interested parties to submit written comments and/or to request a hearing with the Commission and/or the Hearing Officer in trade proceedings within a fixed deadline.

(262) The findings concerning the imposition of provisional duties are provisional and may be amended at the definitive stage of the investigation,

HAS ADOPTED THIS REGULATION:

Article 1

1. A provisional anti-dumping duty is imposed on imports of non-alloy steel bulb flats in the range up to 204 mm width, currently falling under CN code ex 7216 50 91 (TARIC code 7216 50 91 10) and originating in the People's Republic of China and Türkiye.

2. The rates of the provisional 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:

Country	Company	Provisional anti-dumping duty	TARIC additional code
The People's Republic of China	Changshu Longteng Special Steel Co., Ltd.	14,7 %	899J
The People's Republic of China	All other companies	14,7 %	8999
Türkiye	Türkiye Özkan Demir Çelik Sanayi A.Ş	13,6 %	899K
Türkiye	All other companies	13,6 %	8999

3. The release for free circulation in the Union of the product referred to in paragraph 1 shall be subject to the provision of a security deposit equivalent to the amount of the provisional duty.

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

Article 2

1. Interested parties shall submit their written comments on this regulation to the Commission within 15 calendar days of the date of entry into force of this Regulation.

2. Interested parties wishing to request a hearing with the Commission shall do so within 5 calendar days of the date of entry into force of this Regulation.

3. Interested parties wishing to request a hearing with the Hearing Officer in trade proceedings are invited do so within 5 calendar days of the date of entry into force of this Regulation. The Hearing Officer may examine requests submitted outside this time limit and may decide whether to accept to such requests if appropriate.

Article 3

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

Article 1 shall apply for a period of six months.

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

Done at Brussels, 11 July 2023.

For the Commission
The President
Ursula VON DER LEYEN