



2025/1189

16.6.2025

COMMISSION IMPLEMENTING REGULATION (EU) 2025/1189

of 13 June 2025

**imposing provisional anti dumping duties on imports of screws without heads originating in the
People's Republic of China**

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 17 October 2024, the European Commission ('the Commission') initiated an anti-dumping investigation with regard to imports of screws without heads ('screws') originating in People's Republic of China ('China') on the basis of Article 5 of the basic Regulation. It 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 2 September 2024 by the European Industrial Fasteners Institute ('the complainant'). The complaint was made on behalf of the Union industry of screws without heads 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) The Commission made imports of the product concerned subject to registration by Commission Implementing Regulation (EU) 2025/141 ⁽³⁾ ('the registration Regulation').

1.3. Interested parties

- (4) 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, other known Union producers, the known exporting producers and the Chinese authorities, 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.
- (5) 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

- (6) Apart from the comments on the product scope explained in the Section 2.4 below, no other comments were made on initiation.

⁽¹⁾ OJ L 176, 30.6.2016, p. 21, ELI: <http://data.europa.eu/eli/reg/2016/1036/oj>.

⁽²⁾ OJ C, C/2024/6209, 17.10.2024, ELI: <http://data.europa.eu/eli/C/2024/6209/oj>.

⁽³⁾ OJ L, 2025/141, 30.1.2025, ELI: http://data.europa.eu/eli/reg_impl/2025/141/oj.

1.5. Sampling

- (7) 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

- (8) In its Notice of Initiation, the Commission stated that it had provisionally selected a sample of Union producers. The Commission selected the sample on the basis of the largest production and sales volume of the various product types falling within the scope of the like product in the Union between 1 July 2023 and 30 June 2024, taking into account the geographical spread. This sample consisted of three Union producers. The sampled Union producers accounted for around 14 % of production and sales volume of the Union industry. The Commission invited interested parties to comment on the provisional sample. No comments were received. The sample is representative of the Union industry.

Sampling of unrelated importers

- (9) 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.
- (10) Eight unrelated importers provided the requested information and agreed to be included in the sample. In accordance with Article 17(1) of the basic Regulation, the Commission selected a sample of three unrelated importers on the basis of the largest volume of sales of the product concerned in the Union. In accordance with Article 17(2) of the basic Regulation, all known importers concerned were consulted on the selection of the sample. No comments were received.

Sampling of exporting producers

- (11) To decide whether sampling was necessary and, if so, to select a sample, the Commission asked all exporting producers in China 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.
- (12) One hundred twenty-seven exporting producers in China provided the requested information and agreed to be included in the sample. In accordance with Article 17(1) of the basic Regulation, the Commission selected a sample of three exporting producers on the basis of the largest representative volume of exports to the Union which could reasonably be investigated within the time available. In accordance with Article 17(2) of the basic Regulation, all known exporting producers concerned and the authorities of China were consulted on the selection of the sample.
- (13) Following a comment from a non-sampled exporting producer arguing that one of the companies selected to be in the sample was a trading company rather than an exporting producer, the Commission verified with the sampled company whether that information was correct. Having confirmed the company was indeed a trader, the Commission decided to revise the sample replacing this company with another exporting producer.
- (14) The newly selected exporting producer informed the Commission of its decision not to cooperate in the investigation and submit the questionnaire reply. Consequently, the Commission informed this exporting producer that it considered the failure to reply to the questionnaire as non-cooperation in accordance with Article 18 of the basic Regulation.
- (15) As a result, the Commission revised the sample a second time and selected a third exporting producer as part of the final sample to replace the non-cooperating producer mentioned in recital (14).
- (16) For both revisions of the sample, the Commission applied the same criterion used for the selection of the initial sample, i.e. the largest representative volume of exports to the Union during the investigation period which could reasonably be investigated within the time available.

1.6. Individual examination

- (17) No exporting producers in China requested individual examination under Article 17(3) of the basic Regulation.

1.7. Request for anonymity

- (18) Most of the Union producers that were either represented by the complainant, or supporters of the complaint requested to obtain anonymity treatment in order to prevent possible retaliatory actions by customers in the Union that also sourced headless screws from Chinese suppliers. These customers included some large companies with significant market power compared to the Union producers of headless screws that are mostly SMEs. Considering the asymmetry between the Union headless screws producers and users, it concluded that the risk of retaliation alleged by the Union producers represented by EIFI and supporters indeed existed. On this basis, the Commission granted confidential treatment to the name of these companies.

1.8. Questionnaire replies and verification visits

- (19) 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').
- (20) The Commission sent questionnaires to the Union producers, importers and exporting producers. The same questionnaires were made available online ⁽⁴⁾ on the day of initiation.
- (21) 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 producers:

- Company 1, Italy,
- Company 9, France,
- Company 14, Spain.

Exporting producers in China:

- Zhejiang Junyue Standard Part Co., Ltd., Yucheng Town Industrial Park, Haiyan County, China ('Junyue'),
- Chinafar Group, including:
 - Jiaxing Chinafar Standard Parts Co., Ltd., Jiaxing, Zhejiang, China ('Chinafar'), and
 - Jiangsu Zhe Fasteners Co., Ltd., Yancheng, Jiangsu, China ('Zhe Fasteners').
- Brother Group, including:
 - Jiaxing High-enter Fasteners Co., Ltd., Jiaxing, Zhejiang, China ('High-enter'),
 - Zhejiang Morgan Brother Technology Co., Ltd., Jiaxing, Zhejiang, China ('Morgan Brother'), and
 - Jiaxing Brother Standard Part Co., Ltd., Jiaxing, Zhejiang, China ('Brother Standard').

⁽⁴⁾ <https://tron.trade.ec.europa.eu/investigations/case-view?caseId=2754>.

1.9. Investigation period and period considered

- (22) The investigation of dumping and injury covered the period from 1 July 2023 to 30 June 2024 ('the investigation period'). The examination of trends relevant for the assessment of injury covered the period from 1 January 2021 to the end of the investigation period ('the period considered').

2. PRODUCT UNDER INVESTIGATION, PRODUCT CONCERNED AND LIKE PRODUCT

2.1. Product under investigation

- (23) The product under investigation is screws and bolts, whether or not with their nuts and washers, without heads, of iron or steel other than stainless steel, regardless of tensile strength, excluding coach screws and other wood screws, screw hooks and screw rings, self-tapping screws, and screws and bolts for fixing railway track construction material ('the product under investigation').
- (24) All screws without heads, namely threaded rods, anchor bolts and U-bolts are used to mechanically join two or more elements. They are used by a variety of consumer industries and in a wide range of final applications, including automotive, renewable energy, electrical appliances, agriculture, mechanical industry in general, and building.

2.2. Product concerned

- (25) The product concerned is the product under investigation originating in the People's Republic of China, currently falling under CN codes 7318 15 42 and 7318 15 48.

2.3. Like product

- (26) 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 country concerned, and
 - the product under investigation produced and sold in the Union and other third countries by the Union industry.
- (27) 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

2.4.1. Anchor bolt cages

- (28) Manufacturers of Foundation Bolts and Anchor Bolt Cages from the European Wind Energy Sector requested that anchor bolt cages were included in the product scope of the investigation.
- (29) The Commission noted however that these products were not covered by the product definition, as set out in recital (23), neither in the complaint of this case and therefore no evidence of dumping and resulting injury justifying an investigation has been provided by the Union industry. The claim was therefore rejected.
- (30) One importer, GebuVolco, claimed that hanger bolts should be excluded from the product scope of the investigation. They argued that hanger bolts are:
- specific products with torx recess in the metrical side and hexagon in the middle of the two different threads,
 - there was no manufacturer in the Union that could produce the required quantity and quality hanger bolts,
 - the use of hanger bolts are decreasing in the Union.

- (31) The Commission considered that hanger bolts have similar physical and technical characteristics as other screws. The complainant confirmed that the Union industry had capacity to produce hanger bolts. The Commission found at least one Union producer indicating the production of hanger bolts ⁽³⁾. Furthermore, the importer did not substantiate its claim on why the Union industry was incapable of producing hanger bolts of adequate quality. This claim was therefore rejected.

3. DUMPING

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

- (32) 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.
- (33) 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 screws. Thirty-eight exporting producers submitted the relevant information.
- (34) 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. In addition, in point 5.2 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)(a) 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*.
- (35) 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.
- (36) In the Notice of Initiation, the Commission also specified that, in view of the evidence available, it may need to select an appropriate representative country pursuant to Article 2(6a)(a) of the basic Regulation for the purpose of determining the normal value based on undistorted prices or benchmarks.
- (37) On 5 March 2025, 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 screws. In addition, based on the criteria guiding the choice of undistorted prices or benchmarks, the Commission identified possible representative countries, namely Malaysia, Thailand, and Türkiye.
- (38) The Commission received comments on the First Note from Chinafar Group, Junyue, Brother Group and the European Fasteners Distributor Association ('EFDA'). The complainant provided comments on these interested parties' submissions.
- (39) On 4 April 2025, the Commission addressed the comments received from interested parties on the First Note by a second note ('the Second Note') and informed interested parties on the relevant sources it intended to use for the determination of the normal value, with Thailand as the representative country. It also informed interested parties that it would establish selling, general and administrative costs ('SG & A') and profits based on readily available financial data of three Thai fasteners' producers, sourced from the Orbis database.

⁽³⁾ E.g. O.M.CI. Citterio srl is specialising in double threaded screws, which are commonly known as hanger bolts (<https://www.omcicitterio.it/eng/home.php>).

- (40) The Commission received comments on the Second Note from Chinafar Group, Junyue, and EFDA. The complainant provided comments on these interested parties' submissions. All comments are addressed in Section 3.2.2 and Section 3.2.3 below.
- (41) Having established the existence of significant distortions within the meaning of point (b) of Article 2(6a) of the basic Regulation, as explained in Section 3.2.1 below, and having analysed the comments and information received, the Commission concluded that Thailand was an appropriate 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 described in detail in Section 3.2.2 below.

3.2. Normal value

- (42) 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'.
- (43) 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' ('administrative, selling and general costs' is referred hereinafter as 'SG & A').
- (44) As further explained below, the Commission concluded in the present investigation that, based on the evidence available, the application of Article 2(6a) of the basic Regulation was appropriate.

3.2.1. Existence of significant distortions

- (45) In recent investigations concerning the iron and steel sector in the PRC ⁽⁶⁾, the Commission found that significant distortions in the sense of Article 2(6a)(b) of the basic Regulation were present.
- (46) 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 ⁽⁷⁾. In particular, the Commission concluded that in the steel sector, which is the main raw material to produce the product under investigation, not 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 ⁽⁸⁾, but the GOC is also in a position to interfere with prices and costs through State presence in

⁽⁶⁾ Commission Implementing Regulation (EU) 2024/1666 of 6 June 2024 imposing a definitive anti-dumping duty on imports of steel ropes and cables originating in the People's Republic of China as extended to imports of steel ropes and cables consigned from Morocco and the Republic of Korea, 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, 2024/1666, 7.6.2024, ELI: http://data.europa.eu/eli/reg_impl/2024/1666/oj); 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 (OJ L 177, 12.7.2023, p. 63, ELI: http://data.europa.eu/eli/reg_impl/2023/1444/oj); Commission Implementing Regulation (EU) 2023/100 of 11 January 2023 imposing a provisional anti-dumping duty on imports of stainless steel refillable kegs originating in the People's Republic of China (OJ L 10, 12.1.2023, p. 36, ELI: http://data.europa.eu/eli/reg_impl/2023/100/oj); 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, ELI: http://data.europa.eu/eli/reg_impl/2022/2068/oj); 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, ELI: http://data.europa.eu/eli/reg_impl/2022/191/oj).

⁽⁷⁾ See Implementing Regulation (EU) 2024/1666, recital 76; Implementing Regulation (EU) 2023/1444, recital 66; Implementing Regulation (EU) 2023/100, recital 58; Implementing Regulation (EU) 2022/2068, recital 80; Implementing Regulation (EU) 2022/191, recital 208.

⁽⁸⁾ See Implementing Regulation (EU) 2024/1666, recital 60; Implementing Regulation (EU) 2023/1444 recital 45; Implementing Regulation (EU) 2023/100, recital 38; Implementing Regulation (EU) 2022/2068, recital 64; Implementing Regulation (EU) 2022/191, recital 192.

firms in the sense of Article 2(6a)(b), second indent of the basic Regulation ⁽⁹⁾. 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 ⁽¹⁰⁾. 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 ⁽¹¹⁾. 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 ⁽¹²⁾, 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 ⁽¹³⁾.

- (47) 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 in the Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China for the Purposes of Trade Defence Investigations ⁽¹⁴⁾ ('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 the product under investigation. 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.
- (48) The complaint provided examples of elements pointing to the existence of distortions, as listed in the first to sixth indent of Article 2(6a)(b) of the basic Regulation, and alleged that market conditions, in particular costs and prices, in Chinese steel industry are not driven by market forces of supply and demand, but instead are distorted by State intervention in the economy.

⁽⁹⁾ See Implementing Regulation (EU) 2024/1666, recitals 66-68; Implementing Regulation (EU) 2023/1444 recital 58; Implementing Regulation (EU) 2023/100, recital 40; Implementing Regulation (EU) 2022/2068, recital 66; Implementing Regulation (EU) 2022/191, recitals 193-194. 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 review and the suppliers of their inputs.

⁽¹⁰⁾ See Implementing Regulation (EU) 2024/1666 recitals 61-65; Implementing Regulation (EU) 2023/1444, recital 59; Implementing Regulation (EU) 2023/100, recital 43; Implementing Regulation (EU) 2022/2068, recital 68; Implementing Regulation (EU) 2022/191, recitals 195-201.

⁽¹¹⁾ See Implementing Regulation (EU) 2023/1444 recital 62; Implementing Regulation (EU) 2023/100 recital 52; Implementing Regulation (EU) 2022/2068 recital 74; Implementing Regulation (EU) 2022/191, recital 202.

⁽¹²⁾ See Implementing Regulation (EU) 2024/1666, recital 72; Implementing Regulation (EU) 2023/1444, recital 45; Implementing Regulation (EU) 2023/100, recital 33; Implementing Regulation (EU) 2022/2068, recital 75; Implementing Regulation (EU) 2022/191, recital 203.

⁽¹³⁾ See Implementing Regulation (EU) 2024/1666, recital 73; Implementing Regulation (EU) 2023/1444 recital 64; Implementing Regulation (EU) 2023/100, recital 54; Implementing Regulation (EU) 2022/2068, recital 76; Implementing Regulation (EU) 2022/191, recital 204.

⁽¹⁴⁾ Commission staff working document SWD (2024) 91, 10 April 2024, available at: [https://ec.europa.eu/transparency/documents-register/detail?ref=SWD\(2024\)91&lang=en](https://ec.europa.eu/transparency/documents-register/detail?ref=SWD(2024)91&lang=en).

- (49) The complaint referred to previous anti-dumping investigations concerning the steel industry, and in particular the investigation into the fasteners industry, where the Commission established that the Chinese industry is heavily distorted and therefore, the prices and costs in the PRC could not constitute a proper basis for establishing the normal value ⁽¹⁵⁾.
- (50) The complaint provided also references to the relevant parts of the Report, and pointed out in particular that:
- (51) State presence in firms allows the State to interfere with respect to prices and costs. The Chinese economic system is based on the concept of a socialist market economy, the core principle of which is the socialist public ownership of the means of production, namely, ownership by the whole people and collective ownership by the working people. The socialist market economy is developed under the leadership of the Chinese Communist Party ('CCP') and the structures of the State and those of the CCP are intertwined at every level. The Chinese State also engages in an interventionist economic policy in pursuance of goals that coincide with the political agenda set by the CCP rather than reflecting the prevailing economic conditions in a free market. Specifically in the steel sector, which is the source of the main raw material used to produce the product under investigation, a substantial degree of ownership by the GOC persists and, as a result, the GOC is also in a position to interfere with prices and costs through State presence.
- (52) The steel market, including the product under investigation, is served to a significant extent by enterprises which operate under the ownership, control or policy supervision or guidance of the GOC. The complaint indicated that specifically in the sector under investigation both public and privately owned enterprises are subject to policy supervision and guidance. Moreover, it mentioned the Commission investigation regarding fasteners, where it was found that 'while the fasteners industry is very fragmented and consists mostly of SMEs, the investigation revealed connections between the party and the fastener industry associations, which group and represent the fastener producers' ⁽¹⁶⁾.
- (53) Public policies or measures discriminate in favour of domestic suppliers or otherwise influence free market forces. Overall, in the PRC the system of planning results in resources being driven to sectors designated as strategic or politically important to the GOC, rather than being allocated by market forces. As such, the production of the product under investigation is considered as a strategic industry for the Chinese economy and is subject to significant incentives and subsidies. The complaint also reiterated that the steel industry benefits from the GOC's consistent intervention, starting at the sector's roots (i.e. the steelmaking raw materials market), resulting in a sector permeated by unfair and artificial advantages originating from the distorted mechanisms of price formation.
- (54) There is a lack and discriminatory application or inadequate enforcement of bankruptcy, corporate or property laws, thereby generating distortions when keeping insolvent firms afloat and when allocating land use rights in the PRC. The complaint referred in this regard to the Commission's conclusions in previous investigations and argued that these conclusions would equally apply to the Chinese producers of screws without heads.
- (55) Wage costs are distorted. The complaint referred to the Commission's conclusions in previous investigations and argued that these conclusions would equally apply to the Chinese producers of screws without heads.

⁽¹⁵⁾ Implementing Regulation (EU) 2022/191.

⁽¹⁶⁾ Implementing Regulation (EU) 2022/191, recital 194.

- (56) Access to finance for corporate actors is affected by significant distortions resulting from the continuing pervasive role of the State in the capital markets. The complaint argued that in the Commission's previous investigation in the fasteners sector, the Chinese producers were found to have benefitted from state financial incentive programmes and subsidies. In relation to the steel sector, the complaint referred to the Report highlighting specifically the impact of the financial system in China on the steel sector and the state support measures for the steel sector.
- (57) In conclusion, the complainant considered that, due to these distortions from substantial government intervention, the costs and prices in China are not reliable for the purpose of determining the normal value. As such, the normal value should be established by using non-distorted production costs in an appropriate representative country.
- (58) The Commission's investigation confirmed that in the sector of the product under investigation, which is part of the downstream 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. For instance, Zhejiang Metals & Minerals Holdings Co., a producer and exporter of the product under investigation, is controlled by Zhejiang International Trade Group, an SOE ⁽¹⁷⁾. Moreover, this sector is a sub-sector of fasteners and the findings concerning State ownership in the fasteners investigation having led to the adoption of Implementing Regulation (EU) 2022/191 (the 'fasteners investigation') are therefore relevant for screws without heads ⁽¹⁸⁾. The fasteners case referred specifically to the steel sector, which is the main raw material to produce fasteners, and therefore screws without heads. In the Chinese steel sector, a substantial degree of ownership by the GOC persists. Many of the largest steel producers are owned by the State. Examples of SOEs active in the steel sector include: the Ansteel Group ⁽¹⁹⁾ and the Baowu Steel Group ⁽²⁰⁾, which are both SOEs under the central State-owned Assets Supervision and Administration Commission of the State Council ('SASAC'); the Baotou Steel Group, an SOE owned by the Inner Mongolian Government ⁽²¹⁾; as well as the Shougang Group ⁽²²⁾, an SOE wholly owned by the Beijing State-Owned Asset Management Ltd ⁽²³⁾.
- (59) Furthermore, the latest Chinese policy documents concerning the steel sector confirm the continued importance which the GOC attributes to the sector, including the intention to intervene in the sector to shape it in line with government policies. This is exemplified by the Ministry of Industry and Information Technology ('MIIT') Guiding Opinion on Fostering a High-Quality Development of the Steel Industry, which calls for further consolidation of the industrial foundation and significant improvement in the modernization level of the industrial chain ⁽²⁴⁾, including the supply of special steel, an input used to produce the product under investigation. Specifically, this Guiding Opinion requires to '[p]romote mergers and reorganizations of enterprises. Encourage leading enterprises in the industry to implement mergers and reorganizations and create a number of world-class super-large steel enterprise groups. Relying on the industry's dominant enterprises, cultivate 1 to 2 specialized leading enterprises in the fields of stainless steel, special steel, [...].' Further, it explicitly requires to '[S]upport steel companies to target the upgrading of downstream industries and the development direction of strategic emerging industries, focus on the development of small batches and multiple varieties of key steels such as high-quality special steels, special alloy steels for high-end equipment, and steel for core basic parts' ⁽²⁵⁾.

⁽¹⁷⁾ See: <https://cn.linkedin.com/company/zhejiang-minmetals-huijin-imp.-&-exp.-co.-ltd> (accessed 20 March 2025) as well as Zhejiang International Trade Group's audit report and financial statements 2021-2023, page 1 of the notes to the financial statements https://www.shclearing.cn/xxpl/cwbg/nb/202410/t20241031_1501107.html (accessed 20 March 2025).

⁽¹⁸⁾ Implementing Regulation (EU) 2022/191, recital 192.

⁽¹⁹⁾ See: <http://wap.sasac.gov.cn/n2588045/n27271785/n27271792/c14159097/content.html> (accessed on 17 March 2025).

⁽²⁰⁾ See: <http://wap.sasac.gov.cn/n2588045/n27271785/n27271792/c14159097/content.html> (accessed on 17 March 2025).

⁽²¹⁾ See: <https://www.baoganggf.com/gsjj> (accessed on 17 March 2025).

⁽²²⁾ See: <https://www.shougang.com.cn/en/ehhtml/CompanyProfile.html> (accessed on 17 March 2025).

⁽²³⁾ See: <https://www.shougang.com.cn/sgweb/html/index.html> (accessed on 17 March 2025).

⁽²⁴⁾ See: https://www.gov.cn/zhengce/zhengceku/2022-02/08/content_5672513.htm (accessed on 17 March 2025).

⁽²⁵⁾ Ibid.

- (60) Another example of the GOC's intention to intervene in the steel sector can be found in the 14th Five-Year Plan on Developing the Raw Material Industry ('14th FYP') 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' ⁽²⁶⁾.
- (61) Additionally, the MIIT 2023 Work Plan on the Stable Growth of the Steel Industry ⁽²⁷⁾ sets the following objectives: 'In 2023, [...] the investment in fixed assets in the entire industry shall maintain a steady growth, and the economic benefits shall be significantly improved; the industry's R&D investment shall eventually reach 1,5 %; the industry's added value growth shall reach about 3,5 %; in 2024, the industry development environment and industry structure shall be further optimized, the move towards high-end, intelligent, and green products shall continue, and the industry added value growth shall exceed 4 %'. This Plan also foresees government mandated corporate consolidation of the steel sector: '[e]ncourage industry-leading enterprises to implement mergers and acquisitions, build world-class super-large iron and steel enterprise groups, and foster the optimal layout of national iron and steel production capacity. Support specialized enterprises with leading power in particular steel market segments to further integrate resources and create a steel industry ecosystem. Encourage iron and steel enterprises to carry out cross-regional [...] mergers and reorganizations [...]. Consider giving greater policy support for capacity replacement to iron and steel enterprises that have completed substantive mergers and reorganizations'.
- (62) Similar examples of the GOC's intention to supervise and guide the developments of the steel sector can be seen at the provincial level, such as in Hebei where the provincial government released the Three-Year Action Plan on Cluster Development in the Steel Industry Chain in 2020. This plan requires 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' ⁽²⁸⁾. Moreover, Hebei's plan in the steel sector states the following objectives: 'Adhere to structural adjustment and highlight product diversification. Unswervingly promote the structural adjustment and layout optimization of the iron and steel industry, promote the consolidation, reorganization, transformation and upgrading of enterprises, and comprehensively promote the development of the iron and steel industry in the direction of large-scale enterprises, modernization of technical equipment, diversification of production processes, and diversification of downstream products' ⁽²⁹⁾.
- (63) More specifically as regards the inputs used to produce the product under investigation, Hebei's Plan requires to '[a]ccelerate the development and application of high-end and key new steel materials, increase the proportion of high-quality and special steel varieties, strengthen the quality stability of large-scale and wide-ranging advantageous products, and create a "pyramid" product structure. By the end of 2020, the proportion of ordinary low-alloy steel and alloy steel will be increased to 20 %, and by the end of 2022, it will reach about 25 %, providing support and guarantee for the upgrading of downstream industries' ⁽³⁰⁾.
- (64) Likewise, the Henan Implementation Plan for the Transformation and Upgrade of the Steel Industry during the 14th FYP requires to 'focus on national strategic needs, guide enterprises to promote the optimization and upgrading of product structure, develop high-quality special steel, high-performance marine engineering steel, special alloy steel for high-end equipment, core basic parts steel and other "special, fine, high" key varieties, and enhance the added value and competitiveness of steel products' ⁽³¹⁾.

⁽²⁶⁾ See Section IV, Subsection 3 of the 14th FYP on Developing the Raw Materials Industry.

⁽²⁷⁾ See: https://www.miit.gov.cn/zwgk/zcwj/wjfb/tz/art/2023/art_2a4233d696984ab59610e7498e333920.html (accessed on 17 March 2025).

⁽²⁸⁾ See the Hebei Province's Three Year Action Plan on Cluster Development in the Steel Industry Chain, Chapter II, Section 3.8; available at: <https://huanbao.bjx.com.cn/news/20200717/1089773.shtml> (accessed on 17 March 2025).

⁽²⁹⁾ Ibid, Chapter I, Section 2.

⁽³⁰⁾ Ibid, Chapter I, Section 3.2.

⁽³¹⁾ 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 17 March 2025).

- (65) Similar industrial policy objectives can also be found in the planning documents of other provinces, such as Jiangsu ⁽³²⁾, Shandong ⁽³³⁾, Shanxi ⁽³⁴⁾ or Zhejiang ⁽³⁵⁾.
- (66) In this regard, another example of effective steering by the GOC through the plans is the Notice of the Ansteel Group Co., Ltd.'s Party Committee on conscientiously studying, publicising and implementing the spirit of the Party's 20th National Congress ⁽³⁶⁾. The notice claims that the Ansteel Group will conscientiously implement the guiding plans and better introduce them to Party members, cadres and employees of the entire group.
- (67) As to the GOC being 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, the investigation confirmed that overlaps between managerial positions and CCP membership/Party functions exist also in the sector under investigation. For instance, the Chairman of the Zhejiang International Trade Group, controlling the Zhejiang Metals & Minerals Holdings Co., which is a producer and exporter of screws without heads, also serves as the Secretary of the Party Committee ⁽³⁷⁾. Still, as established in the fasteners investigation, the sector is very fragmented and mostly consists of SMEs hence it was not possible for the Commission to find extensive information on each producer. However the existence of personal connections between producers of the product under investigation and the CCP was established at the level of industry associations. The fastener industry associations underline their personal connection to the CCP, for example the Articles of Association of the Ningbo Fasteners Industry Association require that: 'The president, vice president and secretary-general of this association must meet the following conditions: (1) Adhere to the party's line, principles, policies, and be of a good political quality' ⁽³⁸⁾.
- (68) Additionally, given that the product under investigation represents a sub-sector of the steel sector, the information available with respect to steel producers is relevant also to the product under investigation.
- (69) For instance, the Chairman of the Board of Directors and the General Manager of Baoshan Iron and Steel Ltd., a steel producer whose controlling shareholder is the Baowu Steel Group, also serve as the company's Party Committee Secretary and Deputy Secretary respectively ⁽³⁹⁾. Likewise, the Chairman of the Board of Directors of Wuhan Iron and Steel Group, also controlled by the Baowu Steel Group, serves as the Party Committee Secretary ⁽⁴⁰⁾. Moreover, 'Wuhan Iron and Steel Group held the tenth centralized study and discussion of the Party Committee Theory Study Group in 2022 to convey and study the spirit of the Central Economic Work Conference and promote the implementation of the decisions and arrangements of the 20th National Congress of the Party and the spirit of the Central Economic Work Conference in Wuhan Iron and Steel Group. [The] General Representative of China Baowu Wuhan Headquarters, Secretary of the Party Committee and Chairman of Wuhan Iron and Steel Group, presided over the meeting and put forward requirements for implementing the requirements of the Party Central Committee, the Hubei Provincial Party Committee and the China Baowu Party Committee, and further implementing the spirit of the Central Economic Work Conference' ⁽⁴¹⁾.

⁽³²⁾ Jiangsu Province's Work Plan Steel Sector Transformation and Upgrade and Layout Optimisation 2019-2025; available at: http://www.jiangsu.gov.cn/art/2019/5/5/art_46144_8322422.html (accessed on 17 March 2025).

⁽³³⁾ Shandong Province's 14th FYP on the Steel Industry Development; available at: https://m.mysteel.com/21/1119/11/DFD9D26D73D90F7D_abc.html (accessed on 17 March 2025).

⁽³⁴⁾ Shanxi Province's 2020 Steel Industry Transformation and Upgrade Action Plan; available at: https://m.mysteel.com/20/0715/11/7BF7729C99CEB3EA_abc.html (accessed on 17 March 2025).

⁽³⁵⁾ Zhejiang Province's Action Plan to Foster a High Quality Development of the Steel Industry: 'Foster enterprise mergers and reorganisation, accelerate the concentration process, reduce the number of steel smelting enterprises to approximately 10 enterprises'; available at: https://www.jiaxing.gov.cn/art/2022/4/20/art_1228922756_59529426.html (accessed on 17 March 2025).

⁽³⁶⁾ See: <http://www.ansteel.cn/dangdejianshe/dangjiandongtai/2023-03-17/12429.html> (accessed on 17 March 2025).

⁽³⁷⁾ See: <https://www.zibchina.com/news/newsinfo.html?id=695278> (accessed on 20 March 2025).

⁽³⁸⁾ <http://www.fastener-cn.net/reception/association/constitution.js> (accessed on 17 March 2025).

⁽³⁹⁾ See Baoshan Iron and Steel Ltd.'s 2023 Annual Report, page 41 https://static.sse.com.cn/disclosure/listedinfo/announcement/c/new/2024-04-27/600019_20240427_B5D4.pdf (accessed on 7 February 2025).

⁽⁴⁰⁾ See: <https://www.wuganggroup.cn/people/3143> (accessed on 17 March 2025).

⁽⁴¹⁾ See: https://mp.weixin.qq.com/s?__biz=MjM5Njg2NjIwMQ==&mid=2654952836&idx=1&sn=505b807e2826f1e3e6f08ba15b727722&chksm=bd294c728a5ec5641240246649545fda2b2065c015f861fa599249b2165962ca848a25a1faa2&token=1369557425&lang=zh_CN#rd (accessed on 17 March 2025).

- (70) Furthermore, the Chairman of the Board of Directors of the Baotou Steel Union, belonging to the Baotou Steel Group, serves also as the company's Party Secretary. Similarly, the Executive Manager of Baotou Steel Union as well as the Chairman of the company's trade union are both Deputy Party Secretaries ⁽⁴²⁾. Finally, within the Shougang Group, the Chairman of the Board of Directors serves as the Party Committee Secretary, while the Executive Manager is the Deputy Secretary of the company's Party Committee ⁽⁴³⁾.
- (71) The Industry Association covering the product concerned is the Fasteners Branch ⁽⁴⁴⁾ of the China Machinery General Parts Industry Association ⁽⁴⁵⁾ ('CMGPPIA'). CMGPPIA states in Article 3 of its Articles of Association that the organisation, 'in accordance with the provisions of the Constitution of the Communist Party of China, establishes organizations of the Communist Party of China to carry out party activities and provide necessary conditions for the activities of party organizations. The entity in charge of registration and management of this association is the Ministry of Civil Affairs of the People's Republic of China, and the entity in charge of Party building is the Party Committee of SASAC' and that it 'accepts business guidance and supervision from entities in charge of registration and management, entities in charge of Party building, and industry management departments' ⁽⁴⁶⁾.
- (72) 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 Chinese steel sector, and these are generally applicable to the product under investigation given that the screws without heads industry is a sub-sector of the steel sector. Furthermore, as established in the fasteners investigation, the fasteners industry is listed in the Announcement of the Ministry of Industry and Information Technology on the issuance of the Guiding Catalogue for the Promotion and Application of the First (Set) Major Technical Equipment (2019 Edition) ⁽⁴⁷⁾ and also in the Industrial Structure Adjustment Guidance Catalogue (2019 NDRC) ⁽⁴⁸⁾ as an encouraged industry.
- (73) Next to the above-mentioned documents on the central level, there are a number of guidance documents on the local, provincial or municipal level, which guide and support the development of the fasteners industry. For example, the 2019 Incentive policies for fastener industry in Haiyan district, envisages that: 'Haiyan is the "Hometown of Fasteners", and the fastener industry is also one of the important traditional industries in Haiyan. [...] In order to [...] boost the innovation and development of the fastener industry in our county, our county recently issued the "Three-year Special Action Policy for the Digitalization and Smart Transformation of the Fastener Industry in Haiyan County". The scope of the related special funds covers companies implementing digital and smart transformation in the fastener industry' ⁽⁴⁹⁾.
- (74) The steel industry is consistently considered as a key industry by the GOC ⁽⁵⁰⁾. This is confirmed in the numerous plans, directives and other documents focused on the sector, 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 ⁽⁵¹⁾. Similarly, the 14th FYP on Developing the Raw Materials Industry,

⁽⁴²⁾ See: <https://www.baoganggf.com/ggry> (accessed on 17 March 2025).

⁽⁴³⁾ See: <https://www.shougang.com.cn/sgweb/html/gslld.html> (accessed on 17 March 2025).

⁽⁴⁴⁾ See: <https://www.afastener.com/association/detail-18.html> (accessed on 13 May 2025).

⁽⁴⁵⁾ See: <https://www.afastener.com/association/detail-17.html> (accessed on 13 May 2025).

⁽⁴⁶⁾ See: <http://www.cncma.org/article/472> (accessed on 17 March 2025).

⁽⁴⁷⁾ See https://www.miit.gov.cn/cms_files/filemanager/oldfile/miit/n5084605/c7592204/part/752209.pdf, page 55 listing strength fasteners.

⁽⁴⁸⁾ See <http://www.gov.cn/xinwen/2019-11/06/5449193/files/26c9d25f713f4ed5b8dc51ae40ef37af.pdf>, page 29.

⁽⁴⁹⁾ http://www.haiyan.gov.cn/art/2019/12/6/art_1512856_40973400.html.

⁽⁵⁰⁾ Report, Part III, Chapter 14, p. 346 ff.

⁽⁵¹⁾ 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 17 March 2025).

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 sector in the time period 2021-2025, such as technological upgrade, improving the structure of the sector (not least by means of further corporate concentrations) or digital transformation ⁽⁵²⁾.

- (75) Moreover, the abovementioned Work Plan on the Stable Growth of the Steel Industry (see recital (61)) demonstrates how the focus of the Chinese authorities on the sector is put into the wider context of the GOC steering the Chinese economy: '[s]upport steel companies to closely follow the needs of new infrastructure, new urbanization, rural revitalization, and emerging industries, dock with major engineering projects related to the "14th Five-Year Plan" in various regions, and make every effort to ensure steel supply. Establish and deepen upstream and downstream cooperation mechanisms between steel and key steel-using sectors such as shipbuilding, transportation, construction, energy, automobiles, home appliances, agricultural machinery, and heavy equipment, carry out production-demand docking activities, and actively expand steel application fields' ⁽⁵³⁾.
- (76) At local level, such as in the Shandong province, where Shandong Juning Machinery Co. Ltd is located, the Shandong 14th FYP for iron and steel industry development ⁽⁵⁴⁾ requires the following: 'Steel for construction machinery: Support our province to move from a major construction machinery province to a strong construction machinery province, focus on developing green and environmentally friendly, high purity, excellent low-temperature impact performance, stable hardenability and easy-to-cut construction machinery steel, accelerate the research and development of high-strength construction machinery steel [...], meet the development needs of modern construction machinery with high power and low dead weight, and realize the iterative upgrade of the downstream customer industry chain and the complete and healthy development of the construction machinery manufacturing industry ecosystem'.
- (77) In addition to the above, in the fasteners investigation, it was established that fasteners producers are also beneficiaries of state subsidies, which clearly indicates the interest of the State in the sector. During the fasteners investigation, the Commission established that a number of financial incentive programmes were made available to the fasteners producers, including the 2019 Incentive policies for fastener industry in 2019 in the Haiyan district: 'Vigorously promote the digital and smart transformation of fastener enterprises: For the application of digital management systems and integrated control device software, special financial incentives will be granted depending on the implementation year, [...], Enterprises implementing digital and smart transformation (or new purchases) and upgrade of their equipment in 2019 will be granted a one-time subsidy of up to 20 % of the actual investment in core equipment and a maximum of RMB 2 million; as for implementation in 2020, they will be granted a one-time subsidy of up to 15 % of the actual investment in core equipment and a maximum of RMB 1,5 million; as for implementation in 2021, they will be granted a one-time subsidy of up to 12 % of the actual investment in core equipment and a maximum of RMB 1 million yuan' ⁽⁵⁵⁾.
- (78) 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 to manufacture the product under investigation. Such measures impede market forces from operating freely.
- (79) The present investigation has not revealed any evidence that the discriminatory application or inadequate enforcement of bankruptcy and property laws in the steel sector, according to Article 2(6a)(b), fourth indent of the basic Regulation would not affect the manufacturers of the product under investigation.

⁽⁵²⁾ See in particular Sections I and II of the 14th FYP on Developing the Raw Materials Industry.

⁽⁵³⁾ See: https://www.miit.gov.cn/zwgk/zcwj/wjfb/tz/art/2023/art_2a4233d696984ab59610e7498e333920.html (accessed on 17 March 2025).

⁽⁵⁴⁾ See: at : <http://gxt.shandong.gov.cn/module/download/downloadfile.jsp?classid=0&filename=1f79d908601e479f83707e67b133e347.pdf> (accessed on 17 March 2025).

⁽⁵⁵⁾ http://www.haiyan.gov.cn/art/2019/12/6/art_1512856_40973400.html.

- (80) The product under investigation is also affected by the distortions of wage costs in the sense of Article 2(6a)(b), fifth indent of the basic Regulation, as also referred to above in recital (46). Those distortions affect the sector both directly (when producing the product under investigation or the main inputs), as well as indirectly (when having access to inputs from companies subject to the same labour system in the PRC) ⁽⁵⁶⁾.
- (81) Moreover, no evidence was submitted in the present investigation demonstrating that the sector of the product under investigation 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, as also referred to above in recital (46). The abovementioned Work Plan on the Stable Growth (see recital (61)) exemplifies also this type of government intervention very well: 'Encourage financial institutions to actively provide financial services to steel companies that implement mergers and reorganizations, layout adjustments, transformation and upgrading, in accordance with the principles of risk control and business sustainability'. Therefore, the substantial government intervention in the financial system leads to the market conditions being severely affected at all levels.
- (82) Finally, the Commission recalled that in order to produce the product under investigation, a number of inputs is needed. When the producers of the product under investigation 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.
- (83) As a consequence, not only the domestic sales prices of the product under investigation 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.
- (84) In sum, the evidence available showed that prices or costs of the product under investigation, including the costs of raw materials, energy and labour, are not the result of free market forces because they are affected by substantial government intervention within the meaning of Article 2(6a)(b) of the basic Regulation, as shown by the actual or potential impact of one or more of the relevant elements listed therein. On that basis, the Commission concluded that it is not appropriate to use domestic prices and costs to establish normal value in this case. ,
- (85) 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.
- (86) The Commission received comments from Chinafar Group in relation to the existence of significant distortions in China. The sampled exporting producer argued that the allegation on significant distortion should not become a pre-determined conclusion and, with regard to WTO jurisprudence, investigating authorities should use the cost actually incurred by exporting producers for the calculation of the constructed normal value. Moreover, even if distortions were identified, the Commission should assess each Chinese exporter individually, especially when sampling was applied.

⁽⁵⁶⁾ See Implementing Regulation (EU) 2023/1444, recital 63; Implementing Regulation (EU) 2023/100, recital 33.

- (87) The Commission considered that the provisions of Article 2(6a) of the basic Regulation are fully consistent with the European Union's WTO obligations. As explicitly clarified by the WTO Appellate Body in DS473 ⁽⁵⁷⁾, WTO law permits the use of data from a third country, duly adjusted when such adjustment is necessary and substantiated. Under Article 2(6a) of the basic Regulation, it is only when significant distortions are found to be present and to affect costs and prices that normal value is constructed by reference to undistorted costs and prices sourced in a representative country or by reference to an international benchmark. In any event, Article 2(6a) second subparagraph, third indent of the basic Regulation provides for the possibility to use domestic costs only to the extent they are established not to be distorted.
- (88) The Commission noted that once it is determined that due to the existence of significant distortions in the exporting country in accordance with Article 2(6a)(b) of the basic Regulation it is not appropriate to use domestic prices and costs in the exporting country, the normal value is constructed by reference to undistorted prices or benchmarks in an appropriate representative country for each exporting producer according to Article 2(6a)(a) of the basic Regulation. The same provision of the basic Regulation also allows the use of domestic costs if they are positively established not to be distorted. In that context, the exporting producers had the possibility to provide evidence that their individual SG & A costs and/or other input costs were actually undistorted. However, as evidenced in recitals (46) to (84), the Commission has established the existence of distortions in the steel industry and there was no positive evidence as to the factors of production of individual exporting producers being undistorted. Therefore, these claims were rejected.
- (89) In view of the above, the Commission proceeded to construct the normal value exclusively on the basis of costs of production and sale reflecting undistorted prices or benchmarks, that is, in this case, on the basis of corresponding costs of production and sale in an appropriate representative country, in accordance with Article 2(6a)(a) of the basic Regulation, as described in the following section.

3.2.2. *Representative country*

3.2.2.1. *General remarks*

- (90) 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 China. For this purpose, the Commission used countries with a gross national income per capita similar to China on the basis of the database of the World Bank ⁽⁵⁸⁾,
 - Production of the product under investigation in that country,
 - Existence of relevant readily available 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.
- (91) As explained in recitals (37) to (39), the Commission issued two notes for the file on the sources for the determination of the normal value.
- (92) 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.
- (93) In the Second Note, the Commission informed interested parties of its intention to consider Thailand 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.

⁽⁵⁷⁾ DS473: European Union – Anti-Dumping measures on Biodiesel from Argentina.

⁽⁵⁸⁾ World Bank Open Data – Upper Middle Income (<https://data.worldbank.org/income-level/upper-middle-income>).

3.2.3. *A level of economic development similar to China*

- (94) In the First Note, the Commission identified Malaysia, Thailand and Türkiye 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.
- (95) Following the First and Second Note, Chinafar Group claimed that Thailand should be discarded as a potentially representative country since its gross national income (GNI) per capita is nearly half that of China and therefore Thailand cannot be considered a country with level of economic development similar to China. It further noted that the Commission itself stated in the First Note that it 'intends to use countries with a gross national income similar to China', without making reference to the category of upper-middle countries.
- (96) When constructing the normal value in line with Article 2(6a)(a) of the basic Regulation, the Commission may use a representative country with a similar level of economic development as the exporting country. The basic Regulation does not contain any further requirement to choose the country with the level of economic development closest to the exporting country. In these circumstances, the Commission does so by exercising its discretion and using countries classified in the same income category by the World Bank. The relevant World Bank category is that of the upper-middle income countries, in which China is classified. The Commission clearly specified in the First Note that it would use the World Bank database for this purpose, which is also in line with its practice. The fact that a country may have a closer GNI or GDP per capita to China than another one is not a decisive factor in the selection of the appropriate representative country. Therefore this claim was rejected.

3.2.4. *Existence of relevant readily available data in the representative country*

- (97) In the First Note, the Commission provided information on readily available financial data for companies producing the broader category of fasteners, including the product under investigation, in Malaysia, Thailand, and Türkiye, and on imports into these countries of the raw materials to produce the product under investigation.
- (98) In their comments to the First Note, the three sampled exporting producers and EFDA proposed Malaysia as the most appropriate representative country, while the complainant proposed Türkiye. No alternative representative country for this investigation was suggested.
- (99) Junyue and Chinafar Group contended that Türkiye could not be considered a representative country since its economy had been characterised by high inflation, significant currency devaluation, and political interference, in particular regarding the determination of labour cost levels.
- (100) The Commission noted that inflation and currency deflation were not criteria used for assessing the representativity of a country pursuant to Article 2(6a)(a) of the basic Regulation and in the case that the Commission would choose Türkiye as a representative country, it would adjust the values for inflation and/or currency deflation where appropriate to reflect the costs for the investigation period. Also, the companies did not provide substantiated evidence on the existence of political interference in labour costs. Therefore, the Commission rejected this claim.
- (101) Junyue and Chinafar Group claimed that both Thailand and Türkiye were not appropriate representative countries based on the volume of imports from the Russian Federation ('Russia').
- (102) The Commission had already provided in the First Note an analysis of the import trends from Russia from 2019 up to the investigation period, which showed no significant change, both in volumes and in average price, in the imports from Russia to both countries. Therefore, there was no indication that Russian export patterns had changed due to the sanctions in force following the full-scale invasion of Ukraine in 2022, which could have caused distorting import prices in those two countries. The claim was therefore rejected.

- (103) Following the First Note, Junyue also submitted that Thailand's fastener industry, including screws, was heavily specialised in automotive-grade fasteners, which were not representative of the product under investigation as fasteners used in the automotive sector tended to be higher priced, since they had to comply with more stringent product standards. Due to this specialisation, Junyue claimed that for certain factors of production Thai producers resorted to special grade imports of Japanese origin, which rendered the benchmark unrepresentative.
- (104) Based on GTA, the Commission evaluated Japanese export prices for the main raw materials (i.e. HS codes 7213 91, 7213 99, 7228 30, 7227 90, and 7214 99). During the investigation period, Thailand was Japan's main export market, accounting for 21 % of the total exports of these raw materials. The other top five export destinations, excluding China, together represented about 53 % of the total exports of these raw materials. The average export price to Thailand was 10 % higher compared to these other top markets (1,09 EUR/kg price for Thailand and 0,90 EUR/kg to the other top five export countries).
- (105) The Commission concluded in the Second Note that, while it was possible that Thai producers of fasteners imported special grade materials from Japan, this did not disqualify Thailand as a representative country. In fact, non-standard screws were also covered by the present investigation and special grade raw materials might be used for these products. Therefore, it could not be concluded that Japanese export prices to Thailand were unreasonably high and unrepresentative. The Commission rejected the claim in recital (103) that Thailand should be excluded as an appropriate representative country.
- (106) In the Second Note, the Commission further analysed the imports of the three main factors of production, accounting for about 65 % of the cost of manufacturing (classified under HS codes 7213 91, 7213 99 and 7228 30) into the three potential representative countries. For all these factors of production, imports into Thailand (excluding imports from China and countries listed in Annex 1 to Regulation (EU) 2015/755 of the European Parliament and of the Council ⁽⁵⁹⁾) were the largest in terms of quantities.
- (107) For the factor of production under HS code 7213 91, total imports from undistorted sources were significant in all three countries, with Thailand having the highest quantities of imports from countries other than China and countries listed in Annex 1 to Regulation (EU) 2015/755.
- (108) Regarding the factor of production under HS code 7213 99, Thai imports represented by far the highest import volume, amounting to around 76 000 tonnes, i.e. five times higher than import volumes into Malaysia and Türkiye. Imports from China and countries listed in Annex 1 to Regulation (EU) 2015/755 into Malaysia represented 33 % of the total imports into the country and the average import price from other sources into Malaysia was similar to the import price from China and countries listed in Annex 1 to Regulation (EU) 2015/755. At the same time, Thailand and Türkiye had virtually no imports from China and countries listed in Annex 1 to Regulation (EU) 2015/755. Therefore, the Commission considered the import price into Malaysia to be less reliable than the import price into Thailand or Türkiye.
- (109) For HS code 7228 30, the import volume into Thailand was by far the largest among the three countries. Imports from China and countries listed in Annex 1 to Regulation (EU) 2015/755 represented a high share of total imports of this factor of production into all three countries. However, the average import price from other sources into Türkiye was comparable to that from China and countries listed in Annex 1 to Regulation (EU) 2015/755 and thus might have been influenced by the Chinese import price, while the average import price from other sources into Thailand or Malaysia was significantly higher than that from China. Therefore, the Commission considered the import price into Türkiye to be less reliable than the import price into Thailand or Malaysia.

⁽⁵⁹⁾ 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, ELI: <http://data.europa.eu/eli/reg/2015/755/oj>), as amended by Delegated Regulation (EU) 2017/749 (OJ L 113, 29.4.2017, p. 11, ELI: http://data.europa.eu/eli/reg_del/2017/749/oj).

- (110) Junyue provided the audited financial statements covering the investigation period for the subsidiary of the Malaysian producer selected by the Commission in the First Note, producing only fasteners (Chin Well Fasteners Co. Sdn. Bhd. ('Chin Well Fasteners')). It also identified an additional producer in Malaysia producing standard fasteners (Asia Bolts & Nuts Sdn. Bhd.) with readily financial information for 2023. The latter was discarded as it showed a profit of 0,7 %, which was not considered reasonable.
- (111) Junyue and Chinafar claimed that the financial information of the Thai and Turkish companies identified by the Commission in the First Note were not representative of the product under investigation and showed abnormally high SG & A and profit ratios.
- (112) They claimed that this was explained by the fact that products manufactured by these companies were not comparable to the product under investigation, since they were mainly high-strength, high-quality fasteners for very niche and very profitable markets such as the aerospace, automotive and energy/petrochemical sectors and therefore of a higher quality compared to the product under investigation manufactured in China.
- (113) They argued that this also applied to the Thai company Thai Meira, Co. Ltd., which specialised in non-standard fasteners for the automotive industry. Moreover, also the Thai company S.J. Screws Co. Ltd. could not be considered representative, since it mostly manufactured products not falling under the product under investigation which involved a higher cost of production, such as rigging hardware, steel plates and fishing industrial products, or non-standard fasteners for the automotive industry.
- (114) The Commission noted that some of the sampled Chinese producers produced high-strength fasteners and served specific sectors, such as offshore oil fields and oil pipelines. The fact that the companies found in the possible representative countries are specialised in certain segments, such as non-standard screws for the automotive industry, which are part of the product under investigation, and/or they produce only part of the product under investigation, is not a reason to exclude these companies. Therefore this claim was dismissed.
- (115) EFDA commented that the Commission did not include in the list of selected companies an important Turkish producer, Norm Civata Sanaya Ve Ticaret Anonim Sirketi ('Norm Civata').
- (116) From the information provided in the Orbis database, it appeared that Norm Civata is a wholesale company regrouping several branch companies and its financial information is at consolidated level. The financial information of the branch active in the 'Metals & Metal Products' was not available. Therefore, the Commission considered it inappropriate to use the annual report of Norm Civata for the purpose of this investigation.
- (117) EFDA also questioned the methodology for the calculation of SG & A and claimed that the financial profit and loss should be subtracted from the operating expenses. The Commission rejected this claim as it is its established practice to include financial expenses in the SG & A expenses to reflect the full cost of production of the product under investigation.
- (118) In light of the above considerations, the Commission informed the interested parties with the Second Note that it intended to use Thailand as an appropriate representative country and the financial data of three companies⁽⁶⁰⁾, in accordance with Article 2(6a)(a), first indent of the basic Regulation in order to source undistorted prices or benchmarks for the calculation of normal value.
- (119) Interested parties were invited to comment on the appropriateness of Thailand as a representative country and of the three companies as producers in the representative country.

3.2.5. *Comments of the interested parties*

- (120) Following the Second Note, Junyue, Chinafar Group and EFDA reiterated their claim that Malaysia was the most appropriate representative country within the meaning of Article 2(6a)(a) of the basic Regulation rather than Thailand for a number of reasons.

⁽⁶⁰⁾ Sanwa Iron (Thailand) Company Ltd., Thai Meira Co. Ltd., S.J. Screw Thai Company Ltd.

- (121) First, they claimed that companies in Malaysia mainly produced standard fasteners and, therefore, their product mix was similar to that of Chinese producers.
- (122) Second, Junyue and EFDA considered unjustified that the Commission only focused on imports volumes of one single factor of production (HS 7213 99) to disregard Malaysia as representative country. For this factor of production, Chinese imports from China represented 33 % of the total imports, a similar percentage of imports into Thailand of the other two factors of productions (HS 7213 91 and HS 7228 30).
- (123) Third, Junyue argued that the similarity between the average price of Chinese imports and the average import price from other countries merely indicated that prices of imported materials were essentially set at market terms.
- (124) Junyue further contended that Thailand's import data was even more concerning due to a higher overall proportion of Chinese imports into Thailand (43 %) compared to Malaysia (29 %) and Türkiye (15 %).
- (125) Contrary to Junyue's claim, the Commission did not focus on imports of one single factor of production to disregard Malaysia as a representative country. In fact, the Commission analysed the imports of the three main factors of production accounting for about 65 % of the cost of manufacturing (HS 7213 91, HS 7213 99 and HS 7228 30) into the three potential representative countries.
- (126) For all these factors of production, imports into Thailand (excluding imports from China and countries listed in Annex 1 to Regulation (EU) 2015/755) were the largest in terms of quantities. For HS code 7213 91, total imports from undistorted sources were significant in all three countries, with Thailand having the highest quantities of imports from countries other than China and countries listed in Annex 1 to Regulation (EU) 2015/755.
- (127) For HS code 7213 99, Thai imports represented by far the highest import volume, amounting to around 76 000 tonnes, i.e. five times higher than import volumes into Malaysia and Türkiye. As stated in recital (108), Chinese imports into Malaysia represented 33 % of the total imports into the country and the average import prices from countries other than China were comparable to Chinese prices, suggesting that they might be less reliable.
- (128) For HS code 7228 30, accounting for 11 % of the total cost of manufacturing, in view of the volume of imports, the Commission considered Thailand the most representative country, as set out in recital (109) above.
- (129) On this basis, the Commission considered that Thailand had a higher quality set of readily available data for undistorted import values and therefore concluded to consider Thailand the appropriate representative country and dismissed Junyue's claim.
- (130) Junyue and Chinafar Group reiterated the claim that Thai import prices were high due to the significant presence of special grade imports of Japanese origin, used by Thai producers for special applications, notably the automotive sector. Junyue also maintained that this trend was related to the fact that several producers were linked to Japanese companies and sourced high-grade raw materials from their parent companies.
- (131) Junyue further contended that, should the Commission decide to maintain Thailand as representative country, import data should be adjusted by deducting Japanese imports from the total imports, since they are unreasonably high priced.
- (132) Concerning these claims, the Commission noted that neither Junyue nor Chinafar Group provided any evidence of the scale of Japanese imports to Thailand of raw materials destined for the production of non-standard screws for specialised sectors. Likewise, there was no evidence that imports were made from related parties.
- (133) The two sampled producers did also not provide any evidence that high grade materials for the production of non-standard screws were not used in China either. To this regard, the Commission noted that China also imported significant quantities of the raw materials from Japan, being the third export market for Japan.

- (134) Furthermore, the normal value of the product concerned was constructed on the basis of all imports into Thailand, and not only on the basis of imports from Japan. Thai imports of the five major raw materials from Japan represented only around 17 % of the total imports of those materials. Based on the above considerations, the claims mentioned in recitals (130) and (131) were rejected.
- (135) In their comments to the Second Note, Junyue and Chinafar Group restated their view that the Malaysian companies selected by the Commission in the First Note were more representative than the Thai companies, since they focused mainly on the production of the product under investigation and, for the company, Chin Well Fasteners, the publicly available financial data corresponded to the investigation period.
- (136) On the contrary, they argued again that two of the three Thai producers selected by the Commission did not produce the product under investigation. They alleged that Thai Meira primarily produced special fasteners and S. J. Screwthai primarily focused on products that did not correspond to the product concerned.
- (137) EFDA also submitted that S.J. Screwthai was a wholesale company, based on the information in Orbis database and the Commission had dismissed for the same reason the Turkish company Norm Civata.
- (138) The Commission reviewed the information available for the two companies in Thailand and, based on their website and on the Orbis database, concluded that (i) S.J. Screws was identified in the Orbis database as a wholesale and retail trader. The analysis of the company's website was not conclusive in establishing whether the company was a genuine producer or a wholesaler and therefore the Commission decided to exclude this company from the analysis; (ii) Thai Meira produced, among others, products falling within the product scope of this investigation, notably stud bolts.
- (139) Chinafar Group also claimed that Thai Meira showed an unrepresentative high profit because of its specialisation on non-standard fasteners destined to the automotive sector. However, the company did not provide evidence which showed that the profitability of sales to the automotive sector was higher than that of sales to other sectors. The claim was therefore dismissed.
- (140) EFDA further identified and extracted from Orbis the financial data of five additional companies in Thailand which the Commission could have relied on: Thai Union Fasteners, MDF Precision, Bangkok Fastenings, Suntorx Enterprise and Tycoon Worlwide Group.
- (141) The Commission analysed the financial data of all these companies and found that Tycoon Worlwide Group was lossmaking in 2023 and the profits of the other four companies (calculated on cost of goods sold) ranged from 0,35 % to 1,31 %, which were considered not to be a reasonable level of profit. Therefore, the Commission did not include these companies in its analysis.
- (142) Regarding Junyue's comment that the selected Malaysian companies, such as Chin Well Fasteners and Tong Heer Fasteners Co. Sdn. Bhd. ('Tong Herr'), presented a more reliable and representative benchmark, the Commission noted the following:
- (143) Tong Herr, specialising in the manufacturing of stainless steel fasteners, was part of a larger group, which included also a manufacturer of precision casting products. While the 2024 Tong Herr's financial data was not yet available, the information at group level ⁽⁶¹⁾ showed that the fasteners' business segment was loss-making in 2024, therefore rendering it an unsuitable company for determining a representative benchmark.

⁽⁶¹⁾ <https://tong.com.my/wp-content/uploads/2025/BURSA/TH-B-250225-1-2.pdf> (last consulted 24 April 2025).

- (144) Concerning Chin Well Fasteners, while it is accurate that this company's financial data precisely aligns with the investigation period, the Commission disagreed with Junyue's assertion that Chin Well Fasteners alone constituted a more representative basis for determining the SG & A and profit ratios than the selected Thai companies. According to information available on the company's official website ⁽⁶²⁾, Chin Well Fasteners exclusively produced screws with heads. While this did not disqualify the company from serving as a potential proxy for SG & A and profit calculations, the fact that the Thai companies produce products falling within the product definition in this case makes them more appropriate.
- (145) Based on the analysis above, the Commission decided to use Thailand as the appropriate representative country and use the financial data of two companies ⁽⁶³⁾ for constructing the normal value in accordance with Article 2(6a)(a) of the basic Regulation.

3.2.6. *Level of social and environmental protection*

- (146) Following the First Note, the complainant argued that both Thailand and Türkiye were outperforming Malaysia in terms of their overall sustainable development goals score and that Türkiye had ratified all 10 ILO fundamental labour conventions. EFDA, on the other side, commented that evidence suggested that the track records of Thailand and Türkiye in terms of environmental and human rights protection were not as favourable compared to Malaysia.
- (147) After the Second Note, Chinafar Group reiterated the observations made by EFDA that the track record of Thailand in terms of environmental and human right protection was not favourable compared to Malaysia's track record.
- (148) Having established that only Thailand was the appropriate representative country in this case, 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.

3.2.6.1. *Conclusion*

- (149) In view of the above analysis, Thailand 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.

3.2.7. *Sources used to establish undistorted costs*

- (150) In the First Note, the Commission listed the factors of production such as materials, energy and labour used in the production of the product under investigation by the exporting producers and 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.
- (151) Subsequently, in the Second Note, the Commission stated that, in order to construct the normal value in accordance with Article 2(6a)(a) of the basic Regulation, it would use GTA 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 Bank of Thailand for establishing undistorted costs of labour ⁽⁶⁴⁾, the Thailand Board of Investment for electricity ⁽⁶⁵⁾, and the Energy Policy and Planning Office of the Ministry of Energy for natural gas ⁽⁶⁶⁾.

⁽⁶²⁾ <https://www.chinwell.com.my/screws/> (last consulted 24 April 2025).

⁽⁶³⁾ Sanwa Iron (Thailand) Company Ltd., Thai Meira Co. Ltd.

⁽⁶⁴⁾ https://app.bot.or.th/BTWS_STAT/statistics/BOTWEBSTAT.aspx?reportID=636&language=ENG (last consulted 3 April 2025).

⁽⁶⁵⁾ BOI : The Board of Investment of Thailand (last consulted 3 April 2025).

⁽⁶⁶⁾ <https://www.eppo.go.th/index.php/en/en-energystatistics/energy-economy-static> (last consulted 3 April 2025).

- (152) In the Second Note, the Commission also informed the interested parties that due to the negligible weight of some of the inputs, namely steam and water, in the total cost of production, these negligible items, representing less than 2 % of the total cost of production reported by the sampled exporting producers, were grouped under 'consumables'. Further, the Commission informed that it will 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.

3.2.7.1. Factors of production

- (153) 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:

Table 1

Factors of production of product under investigation

Factor of Production	Commodity Code	Source	Price in CNY	Unit of measurement
Raw materials				
Bars and rods, hot-rolled, in irregularly wound coils, of iron or non-alloy steel, of circular cross-section measuring less than 14 mm in diameter	7213 91 90 01 7213 91 90 09	GTA	4,30	kg
Bars and rods, hot-rolled, in irregularly wound coils, of iron or non-alloy steel	7213 99 90	GTA	8,21	kg
Bars and rods of iron or non-alloy steel	7214 99 91	GTA	7,76	kg
Bars and rods of alloy steel (other than stainless), hot-rolled, in irregularly wound coils	7227 90 90	GTA	6,13	kg
Other bars and rods of alloy steel other than stainless, not further worked than hot-rolled, hot-drawn or extruded	7228 30 10 09	GTA	6,81	kg
Zinc	7901 11 00	GTA	18,88	kg
Labour				
Labour	n/a	Bank of Thailand	14,83	Labour hour

Factor of Production	Commodity Code	Source	Price in CNY	Unit of measurement
Energy				
Electricity	n/a	Thailand Board of Investment	Ranges from 1,08 and 1,37 ⁽¹⁾	kWh
Natural gas	n/a	Energy Policy and Planning Office of the Ministry of Energy	2,68	Cubic meter
⁽¹⁾ Company-specific and based on respective peak & off-peak consumption, demand and service charge as set out in recitals (161) and (162).				

- (154) The Commission included a value for manufacturing overhead costs in order to cover costs not included in the factors of production referred to above. The methodology is duly explained in recitals (178) and (179).

3.2.7.2. Raw materials

- (155) 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 the representative country as reported in the GTA 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 China and countries which are not members of the WTO, listed in Annex 1 to Regulation (EU) 2015/755 ⁽⁶⁷⁾.
- (156) The Commission decided to exclude imports from China into the representative country as it concluded that it is not appropriate to use domestic prices and costs in China 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 from China, the Commission considered that the same distortions affected export prices.
- (157) For a number of factors of production the actual costs incurred by the cooperating exporting producers represented a negligible share of total raw material costs in the investigation period. As they represented less than 2 % of the total cost of production and 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.
- (158) In order to establish the undistorted price of raw materials, as provided by Article 2(6a)(a), first indent of the basic Regulation, the Commission applied the relevant import duties of the representative country.

⁽⁶⁷⁾ Article 2(7) of the basic Regulation considers that domestic prices in those countries cannot be used for the purpose of determining normal value.

- (159) 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.
- (160) In the First Note, the Commission provided a list of factors of production. Following the the information collected during the verification visit at the premises of the exporting producers, the list of factors of production was revised. In particular, wire of iron and non-alloy steel (HS 7217 10) was excluded because the Commission found that it was not used in the production of the product under investigation whereas it had initially been inadvertently reported in the questionnaire replies.
- (161) Following the interested parties' comments on the First Note, the complainant argued that the significant number of imports of the main factors of production from China was likely to distort market prices in Malaysia; the complainant also asserted that electricity prices in Malaysia were heavily subsidised, providing as evidence a journal article, which focuses on the impact on domestic users.
- (162) In its comments to the Second Note, Chianafar Group argued that the mere fact that subsidisation existed did not render the prices unrepresentative for the purpose of Article 2(6a)(a) of the basic Regulation.
- (163) Having established that Thailand is at this stage considered an appropriate representative country within the meaning of Article 2(6a)(a), these claims were dismissed.

3.2.7.3. Labour

- (164) The Commission used the last available statistics published by the Bank of Thailand ⁽⁶⁸⁾ to establish the benchmark for labour. The Bank of Thailand provided information on a quarterly basis on the average monthly wages in Thailand in the manufacturing sector for the investigation period. These were adjusted to include social charges charges paid by the employer ⁽⁶⁹⁾.
- (165) Information on worked hours was not available in the statistics published by the Bank of Thailand, therefore the Commission used information on hours per week worked in Thailand as provided by the Labor Force Statistics database of the International Labor Organization ⁽⁷⁰⁾.
- (166) Consequently, the Commission calculated the labour cost per hour in Thailand by dividing the annual labour cost by the annual hours worked.
- (167) Following the Second Note, both Junyue and Chinafar Group contended that the Commission should use the actual worked hours of the Chinese exporting producers to calculate the benchmark for labour, instead of ILO data.
- (168) In their view, this was justified since Article 2(6a) of the basic Regulation only prevented the use of data related to prices and costs in the exporting countries and, by contrast, non-price- related information should not be automatically discarded.
- (169) The Commission noted that it had used the actual worked hours by the Chinese exporting producers and, as part of the calculation of the normal value, had multiplied them with the corresponding cost in Thailand. The purpose of the methodology was to recalculate how much these worked hours would cost in the representative country. The labour cost in Thailand would necessarily be the ratio between the total cost of labour and the total hours of labour in Thailand. The claim was therefore rejected.

⁽⁶⁸⁾ https://app.bot.or.th/BTWS_STAT/statistics/BOTWEBSTAT.aspx?reportID=636&language=ENG (last consulted 3 April 2025).

⁽⁶⁹⁾ <https://www.papayaglobal.com/countrypedia/country/thailand/> (last consulted 3 April 2025).

⁽⁷⁰⁾ ILO, Labor Force Statistics database, 'Mean weekly hours actually worked per employed person by sex and economic activity – Annual', Thailand. https://rshiny.ilo.org/dataexplorer35/?lang=en&segment=indicator&id=HOW_TEMP_SEX_ECO_NB_A&ref_area=THA (last consulted 3 April 2025).

3.2.7.4. Electricity

- (170) In the Second Note, the Commission announced that it intended to use the quotation of the electricity price for business, industrial and state enterprises published by the Thailand Board of Investment ⁽⁷¹⁾, using the Time of use tariff (TOU tariff) – Large General Service, Voltage level below 22 Kv in order to calculate the benchmark for electricity.
- (171) This energy is unchanged since 2018 and is updated on a monthly basis using the instrument called Ft surcharge. Electricity charges billed for each month are therefore calculated as:
- (a) an electricity base charge, according to the tariffs described above and which remained constant over the years;
 - (b) an energy adjustment charge (Ft), which is periodically updated by the Thai Energy Regulatory Commission (ERC) and published by the Metropolitan Electricity Authority ⁽⁷²⁾.
- (172) After the Second Note, the Commission established a benchmark for electricity for each sampled exporting producer based on the respective peak and off-peak consumption. The resulting usage was allocated to the peak and off-peak rates.
- (173) In addition, the Commission decided to include both the demand charge and the service charge in the electricity rate benchmark, to fully reflect the cost of electricity in the representative country. The service charge was expressed as a fixed amount per month, while the demand charge was established, in kW, based on the conservative calculation of the electricity demand. This was established by dividing the total peak consumed energy by the number of production hours. The weighted average rate for both peak and off-peak was established as a respective benchmark for each sampled exporting producer.
- (174) In the Second Note, the Commission stated that it would deduct the value added tax (VAT) from the electricity rates. However, after further investigation, the Commission established that electricity prices in Thailand were quoted exclusive of VAT.

3.2.7.5. Natural gas

- (175) To establish the benchmark for natural gas, the Commission used the prices published by the Energy Policy and Planning Office of the Ministry of Energy ⁽⁷³⁾, namely Table 7.2-4, which illustrates the Final Energy Consumption Per Capita. The Commission used as benchmark the average of 2023 and 2024 data indicated in that Table.

3.2.7.6. By-products

- (176) To establish the benchmark for by-products, the Commission used the ratio between the value of the by-products and the value of the original raw material, as recorded in the exporting producers' accounting system and applied this ratio to the benchmark obtained from GTA.

3.2.7.7. Manufacturing overhead costs, SG & A and profits

- (177) 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.
- (178) The manufacturing overheads incurred by the cooperating exporting producers were expressed as a share of the costs of manufacturing actually incurred by the exporting producers. The percentage was applied to the undistorted costs of manufacturing.

⁽⁷¹⁾ ○ BOI : The Board of Investment of Thailand (last consulted 3 April 2025).

⁽⁷²⁾ <https://www.mea.or.th/en/our-services/tariff-calculation/latestft> (last consulted 3 April 2025).

⁽⁷³⁾ Ministry of Energy – Energy policy and planning office (Table 7.2.4) <https://www.eppo.go.th/index.php/en/en-energystatistics/energy-economy-static> (last consulted 3 April 2025).

- (179) For establishing an undistorted and reasonable amount for SG & A and profit at the ex-works level of trade, the Commission relied on the financial data for 2023 for the companies Sanwa Iron (Thailand) Company Ltd. and Thai Meira Co. Ltd., as extracted from Orbis.

3.2.8. Calculation

- (180) 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.
- (181) 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 were verified during the verification. The Commission multiplied the usage factors by the undistorted costs per unit observed in the representative country.
- (182) Once the undistorted manufacturing cost established, the Commission applied the manufacturing overheads, SG & A and profit as noted in recitals (178) and (179).
- (183) SG & A expressed as a percentage of the Costs of Goods Sold ('COGS') and applied to the undistorted costs of production, amounted to 8 %. The profit expressed as a percentage of the COGS and applied to the undistorted costs of production, amounted to 21,2 %.
- (184) 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.

3.3. Export price

- (185) The sampled exporting producers exported to the Union directly to independent customers.
- (186) The export price was 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.

3.4. Comparison

- (187) Article 2(10) of the basic Regulation requires the Commission to make a fair comparison between the normal value and the export price and to make allowances for differences in factors which affect prices and price comparability. The Commission compared the normal value and the export price of the sampled exporting producers at ex-works level. As further explained below, where appropriate, the normal value and the export price were adjusted in order to: (i) net them back to ex-works level; and (ii) make allowances for differences in factors which were claimed, and demonstrated, to affect prices and price comparability.

3.4.1. Adjustments made to the normal value

- (188) As explained in recital (180) the normal value was established at *ex-works* level and therefore, no adjustments were necessary.
- (189) In their comments to the Second Note, Junyue argued that the methodology used by the Commission to establish the SG & A ratio might result in an unfair comparison between the normal value and the export price, since the SG & A used to construct the normal value likely contained expenses, which are similar to those incurred by Junyue that would be deducted by the Commission to determine the *ex-works* export price.

- (190) Junyue contended that it was for the Commission to provide a detailed breakdown of SG & A expenses to ensure no overlap with expenses already removed from the export price. If such detail was unavailable, the Commission should not perform any adjustment to the export price.
- (191) Junyue made reference to the judgement of the General Court in the Case T-762/20 ⁽⁷⁴⁾ *Sinopec* which is under appeal ⁽⁷⁵⁾, and which considered this point of adjustment of the export price under Article 2(10) of the basic Regulation where the normal value had been constructed under Article 2(6a) of the basic Regulation.
- (192) As explained in recital (187) the Commission chose to compare the export price and the normal value at the ex-works level of trade. As explained in recital (180) the normal value was established at the ex-works level of trade by using costs of production together with amounts for SG & A and for profit, which were considered to be reasonable for that level of trade. Therefore, no adjustments were necessary to net the normal value back to the ex-works level.
- (193) In its judgement in *CCCME*, which was subsequent to the Judgement in *Sinopec*, the General Court first recalled that in accordance with the case-law, if a party claims adjustments under Article 2(10) of the basic Regulation in order to make the normal value and the export price comparable for the purpose of determining the dumping margin, that party must prove that its claim is justified. The burden of proving that the specific adjustments listed in Article 2(10)(a) to (k) of the basic regulation must be made lies with those who wish to rely on them ⁽⁷⁶⁾. It follows that, in that case, as in this investigation, it was for the interested parties, in accordance with that case-law, to demonstrate the need for the adjustment requested in support of evidence which they adduced during the investigation ⁽⁷⁷⁾.
- (194) The General Court then held that it should be noted that although the practice of making adjustments may prove to be necessary, under Article 2(10) of the basic Regulation, to take account of differences between the export price and the normal value which affect their comparability, such deductions cannot be made with respect to a value which has been constructed and which is not, therefore, genuine. That value is not generally affected by factors which might damage its comparability, because it has been artificially established ⁽⁷⁸⁾. Moreover, as in the case of *CCCME*, in the case at hand the construction of the normal value per product type on an 'ex-works' basis included a reasonable amount for SG & A costs and there was no information available showing that the SG & A costs of the two Thai companies concerned included transport expenses for the delivery to customers. Consequently, in view of the Commission's discretion in the application of Article 2(10) of the basic Regulation ⁽⁷⁹⁾, the Commission's approach adhered to the most recent case-law concerning unsubstantiated claims that amounts for SG & A costs used in the construction of the normal value under Article 2(6a)(a), which are considered by the Commission to be reasonable for the ex-works level of trade, contain transport costs. The claim was therefore rejected.

3.4.2. Adjustments made to the export price

- (195) In order to net the export price back to ex-works, adjustments were made on the account of: freight, insurance, handling loading, as well as packing and discounts.
- (196) Allowances were made for the following factors affecting prices and price comparability: credit cost and bank charges.

⁽⁷⁴⁾ *Sinopec Chongqing SVW Chemical and Others v Commission*.

⁽⁷⁵⁾ Case C-319/24 P, *Commission v Sinopec Chongqing SVW Chemical and others*, pending.

⁽⁷⁶⁾ Judgement of 2 October 2024, *CCCME and Others v Commission*, T-263/22, ECLI:EU:T:2024:663, para. 183.

⁽⁷⁷⁾ Judgement of 2 October 2024, *CCCME and Others v Commission*, T-263/22, ECLI:EU:T:2024:663, para. 185.

⁽⁷⁸⁾ Judgement of 2 October 2024, *CCCME and Others v Commission*, T-263/22, ECLI:EU:T:2024:663, para. 188.

⁽⁷⁹⁾ Judgement of 2 October 2024, *CCCME and Others v Commission*, T-263/22, ECLI:EU:T:2024:663, para. 184.

- (197) Regarding the adjustment of the export price for commissions, the Commission found that the related company involved in the transactions was performing functions similar to those of an agent working on a commission basis, while using the staff of the exporting producer. Thus, the adjustment for a commission was constructed based on the related company's SGA, the portion of SG & A costs of the exporting producer related to the related company's functions and a nominal profit.

3.5. Dumping margins

- (198) For the sampled cooperating exporting producers, 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.

- (199) On this basis, the provisional weighted average dumping margins expressed as a percentage of the CIF Union frontier price, duty unpaid, are as follows:

Company	Provisional dumping margin (%)
Zhejiang Junyue Standard Part Co., Ltd.	62,3
Brother Group:	63,9
— Jiaxing High-enter Fasteners Co., Ltd.	
— Zhejiang Morgan Brother Technology Co., Ltd.	
— Jiaxing Brother Standard Part Co., Ltd.	
Chinafar Group:	80,7
— Jiaxing Chinafar Standard Parts Co., Ltd.	
— Jiangsu Zhe Fasteners Co., Ltd.	

- (200) For the cooperating exporting producers outside the sample, the Commission calculated the weighted average dumping margin, in accordance with Article 9(6) of the basic Regulation. Therefore, that margin was established on the basis of the margins of the sampled exporting producers.

- (201) On this basis, the provisional dumping margin of the cooperating exporting producers outside the sample is 67,4 %.

- (202) For all other exporting producers in China, the Commission established the dumping margin on the basis of the facts available, in accordance with Article 18 of the basic Regulation. To this end, the Commission determined the level of cooperation of the exporting producers. The level of cooperation is the volume of exports of the cooperating exporting producers to the Union expressed as proportion of the total imports from the country concerned to the Union in the IP, that were established on the basis of Eurostat.

- (203) The level of cooperation in this case is high because the exports of the cooperating exporting producers constituted 100 % of the total imports during the IP. On this basis, the Commission found it appropriate to establish the dumping margin for non-cooperating exporting producers at the level of the cooperating sampled individually examined company with the highest dumping margin.

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

Company	Provisional dumping margin (%)
Zhejiang Junyue Standard Part Co., Ltd.	62,3
Brother Group:	63,9
— Jiaxing High-enter Fasteners Co., Ltd.	
— Zhejiang Morgan Brother Technology Co., Ltd.	
— Jiaxing Brother Standard Part Co., Ltd.	

Company	Provisional dumping margin (%)
Chinafar Group: — Jiaxing Chinafar Standard Parts Co., Ltd. — Jiangsu Zhe Fasteners Co., Ltd.	80,7
Other cooperating companies	67,4
All other imports originating in country concerned	80,7

4. INJURY

4.1. Definition of the Union industry and Union production

- (205) The like product was manufactured by 42 known producers in the Union during the investigation period. They constitute the ‘Union industry’ within the meaning of Article 4(1) of the basic Regulation.
- (206) The total Union production during the investigation period was established at around 50 466 tonnes. The Commission established this figure on the basis of data provided by the complainant and the sampled Union producers. As indicated in recital (8), the three sampled Union producers represented around 14 % of the estimated total Union production and sales of the like product in the Union.

4.2. Union consumption

- (207) The Commission established the Union consumption by adding the Union industry’s sales volume in the Union market and the imports of the product concerned, as reported in Eurostat. The source of information was the reply to the macro questionnaire by the complainant and the official data by Eurostat.
- (208) Union consumption developed as follows:

Table 2

Union consumption (unit)

	2021	2022	2023	Investigation period
Total Union consumption (tonnes)	210 909	217 980	182 676	183 338
Index	100	103	87	87

Source: macro questionnaire reply by the complainant and Eurostat.

- (209) The Union consumption slightly increased in 2022 (+3 % from 2021), then decreased by 13 % in 2023, with the level during the investigation period remaining 13 % below that of 2021.

4.3. Imports from the country concerned

4.3.1. Volume and market share of the imports from the country concerned

- (210) The Commission established the volume of imports on the basis of Eurostat. The market share of the imports was established on the basis of the import volume and total Union consumption.

(211) Imports into the Union from the country concerned developed as follows:

Table 3

Import quantity and market share

	2021	2022	2023	Investigation period
Quantity of imports from China (tonnes)	106 520	120 061	102 057	112 315
<i>Index</i>	100	113	96	105
Market share (%)	51	55	56	61
<i>Index</i>	100	109	111	121

Source: Eurostat.

(212) The import volume from China increased overall by 5 795 tonnes in absolute terms, equivalent to a 5 % rise during the period considered. In 2022 imports grew significantly by 13 % compared to the previous year. In 2023 the imports dropped by 4 % in relation to 2021; as overall European demand decreased. This decline was only temporary as in the IP the imports increased by over 10 000 tonnes in relation to 2023 despite demand in the Union remaining low during the IP.

(213) Considering the decreasing Union consumption by 13 % during the period considered, the Chinese imports market share in the Union rose steadily between 2021 and the IP. From 51 % in 2021 they rose to 61 % in the IP, thus taking over 10 percentage points of market share from the Union industry and other third countries.

4.4. Prices of the imports from the country concerned: price undercutting and price suppression

(214) The Commission established the prices of imports on the basis of Eurostat data. Price undercutting of the imports was established on the basis of questionnaire replies provided by the sampled exporting producers and sampled Union producers.

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

Table 4

Import prices (EUR/tonnes)

	2021	2022	2023	Investigation period
China	1 307	1 676	1 303	1 213
<i>Index</i>	100	128	100	93

Source: Eurostat.

(216) The Chinese import prices first increased by 28 % in 2022 and then decreased by the same amount in 2023 to further decrease by 7 % in the IP. Overall, during the period considered the Chinese import prices were overall reduced by 7 % falling from 1 307 EUR per tonne in 2021 to 1 213 EUR per tonne in the IP.

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

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

- (b) the corresponding weighted average prices per product type of the imports from the sampled cooperating country name producers to the first independent customer on the Union market, established on a Cost, insurance, freight (CIF) basis, with appropriate adjustments for customs duties and post-importation costs.
- (218) 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 sampled Union producers' theoretical turnover during the investigation period. It showed a weighted average undercutting margin of between 59 % and 64 % by the imports from the country concerned in the Union market for a large majority of the imported product (between 75 % and 90 %).
- (219) In addition to price undercutting, there was also significant price suppression within the meaning of Article 3(3) of the basic Regulation. Due to the significant price pressure caused by the low-priced dumped imports from Chinese exporting producers, the Union industry was unable to raise the prices throughout the IP in line with the development of costs of production and in order to achieve a reasonable level of profit, as set out in Table 8 below. The significant price suppression is confirmed by the price underselling found on the basis of the data provided by the sampled exporting producers.

4.5. Economic situation of the Union industry

4.5.1. General remarks

- (220) 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.
- (221) As mentioned in recital (8), sampling was used for the determination of possible injury suffered by the Union industry.
- (222) For the injury determination, the Commission distinguished between macroeconomic and microeconomic injury indicators. The Commission evaluated the macroeconomic indicators on the basis of the verified data contained in the reply to the macro-questionnaire submitted by the complainant. The Commission evaluated the microeconomic indicators on the basis of the verified data contained in the questionnaire replies from the sampled Union producers. Both sets of data were found to be representative of the economic situation of the Union industry.
- (223) 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.
- (224) The microeconomic indicators are: average unit prices, unit cost, labour costs, inventories, profitability, cash flow, investments, return on investments, and ability to raise capital.

4.5.2. Macroeconomic indicators

4.5.2.1. Production, production capacity and capacity utilisation

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

Table 5

Production, production capacity and capacity utilisation

	2021	2022	2023	Investigation period
Production quantity (tonnes)	69 289	66 333	56 736	50 446
Index	100	96	82	73

	2021	2022	2023	Investigation period
Production capacity (tonnes)	343 386	343 846	344 003	340 837
<i>Index</i>	100	100	100	99
Capacity utilisation (%)	20	19	16	15
<i>Index</i>	100	96	82	73

Source: verified macro questionnaire reply.

(226) During the period considered, the production volume decreased steadily and overall by 27 %.

(227) The production capacity remained overall generally stable and only slightly decreased by 1 % during the investigation period.

(228) Capacity utilisation, being already very low at the start of the period considered, decreased further over the period, namely from 20 % in 2021 to 15 % in the IP. This was due to the reduction of the production volumes at equivalent levels of production capacity.

4.5.2.2. Sales quantity and market share

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

Table 6

Sales quantity and market share

	2021	2022	2023	Investigation period
Total sales quantity on the Union market (tonnes)	65 038	59 722	53 581	46 614
<i>Index</i>	100	92	82	72
Market share (%)	31	27	29	25
<i>Index</i>	100	89	95	82

Source: verified macro questionnaire reply.

(230) The Union industry sales volume decreased by 28 % over the period considered, significantly faster than the decrease of consumption that decreased by 13 % during the same period (i.e. more than a double score). At the same time, the Union industry market share fell from 31 % in 2021 to 25 % during the IP, i.e. a decrease of 6 percentage points.

4.5.2.3. Growth

(231) In a context of decreasing consumption, the Union industry not only lost sales volumes in the Union but also market share, contrary to Chinese imports which gained absolute sales volume and market share in the Union.

4.5.2.4. Employment and productivity

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

Table 7

Employment and productivity

	2021	2022	2023	Investigation period
Number of employees	526	535	523	494
<i>Index</i>	100	102	99	94
Productivity (tonnes/ employee)	132	124	109	102
<i>Index</i>	100	94	82	77

Source: verified macro questionnaire reply.

(233) The Union industry employment has been recovering to the levels before COVID-19 pandemic from 2021 to 2022, however, overall it decreased over the period considered, due to the reduction in production and sales. During the IP the reduction reached 6 % compared to the beginning of the period considered, without taking into consideration any indirect employment.

(234) The productivity per employee also dropped significantly following a similar trend with the drop of the production. It took an adverse turn in 2022. The situation significantly worsened in 2023 and during the investigation period. The overall reduction was 23 % in relation to 2021.

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

(235) 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 country concerned.

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

4.5.3. Microeconomic indicators

4.5.3.1. Prices and factors affecting prices

(237) The weighted average unit sales prices of the sampled Union producers to unrelated customers in the Union developed over the period considered as follows:

Table 8

Sales prices in the Union

	2021	2022	2023	Investigation period
Average unit sales price in the Union on the total market (EUR/tonne)	1 372	1 934	1 933	1 833

	2021	2022	2023	Investigation period
<i>Index</i>	100	141	141	134
Unit cost of production (EUR/tonne)	1 431	1 888	2 138	2 083
<i>Index</i>	100	132	149	146

Source: verified questionnaire reply of the sampled Union producers.

- (238) The unit cost of production in the Union has increased significantly since 2021. It rose by 32 % from 2021 to 2022, it further rose in 2023 and slightly declined during the IP. The overall increase was by 46 % in relation to 2021. This followed the sharp increase in labour ⁽⁸⁰⁾ and raw material pricing ⁽⁸¹⁾ and was due to the outbreak of the Russian war against Ukraine, which caused a large increase in inflation in the Union, supply chain disruptions, significantly increased raw material costs in the Union.
- (239) The average unit sales price showed a similar trend. By 2022-2023, the rise in sales price had reached 41 %. However, during the IP the unit price dropped in comparison with the year 2023 even though it overall remained 34 % higher than 2021.
- (240) The fact that the average unit sales price had an overall increase by 34 % while the unit cost of production increased by 46 % during the same period indicates that the Union industry was not able to fully absorb the rising production costs. In other words, the increasing volumes of dumped Chinese imports into the Union market prevented the Union producers to raise their prices to sustainable levels to cover the increased cost of production. This situation severely impacted the Union industry's financial performance.

4.5.3.2. Labour costs

- (241) The average labour costs of the sampled Union producers developed over the period considered as follows:

Table 9

Average labour costs per employee

	2021	2022	2023	Investigation period
Average labour costs per employee (EUR)	45 881	48 256	47 581	50 119
<i>Index</i>	100	105	104	109

Source: verified questionnaire reply of the sampled Union producers.

- (242) Average labour cost per employee increased by + 9 % over the period considered.

⁽⁸⁰⁾ Labour representing on average 16 % of the cost of production over the period considered.

⁽⁸¹⁾ Raw materials representing on average 48 % of the cost of production over the period considered.

4.5.3.3. Inventories

(243) Stock levels of the sampled Union producers developed over the period considered as follows:

Table 10

Stocks

	2021	2022	2023	Investigation period
Closing stock (tonnes)	2 136	2 486	2 142	1 591
<i>Index</i>	100	116	100	75
Closing stock as a percentage of production (%)	17	27	31	22

Source: verified questionnaire reply of the sampled Union producers.

(244) The level of closing stocks increased by 16 % in 2022 in relation to the year before, following the decrease in sales. By 2023 and throughout the investigation period, Union producers visibly undertook efforts to adjust stock levels in response to declining sales and production. In 2023, stock levels reverted to baseline figures, and further reductions were observed during the investigation period. Overall closing stock was reduced by 25 % during the period concerned.

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

(245) Profitability, cash flow, investments and return on investments of the sampled Union producers developed over the period considered as follows:

Table 11

Profitability, cash flow, investments and return on investments

	2021	2022	2023	Investigation period
Profitability of sales in the Union to unrelated customers (% of sales turnover)	1	1	– 5	– 10
<i>Index</i>	100	96	– 380	– 734
Cash flow (EUR)	– 660 656	– 438 442	38 874	– 2 023 839
<i>Index</i>	– 100	– 66	6	– 306
Investments (EUR)	408 232	611 544	685 591	281 829
<i>Index</i>	100	150	168	69

	2021	2022	2023	Investigation period
Return on investments (%)	6	5	– 17	– 27
Index	100	84	– 291	– 460

Source: verified questionnaire reply of the sampled Union producers.

- (246) The Commission established the profitability of the sampled Union producers by expressing the pre-tax net profit of the sales of the like product to unrelated customers in the Union as a percentage of the turnover of those sales. The profitability was positive at the start of the period considered in 2021 ⁽⁸²⁾ and 2022. Over the period considered, the Union industry's profitability decreased significantly, from around 1 % in 2021-2022 to – 5 % in 2023 and further to – 10 % in the IP. The fact that the Union industry had to perform with – 10 % losses in the IP can be explained by the increased competition of Chinese exports at dumped prices, which forced the Union industry to decrease its prices to loss-making levels in a period of increasing cost of production, as explained in Section 4.5.3.1
- (247) The net cash flow is the ability of the Union producers to self-finance their activities. The unsustainable profit levels of the Union industry, as explained above, were also reflected in a negative cash flow for nearly the entire period, which deteriorated further in the IP, surpassing – 2 million EUR, equivalent to approximately 15 % of the sales value during the IP.
- (248) While investments in maintenance and replacement increased in the period 2021-2023, they fell dramatically during the IP, similar to other main injury indicators. Overall investments declined by one-third from the beginning to the end of the period considered.
- (249) The return on investments is the profit in percentage of the net book value of investments. The Union industry's return on investment fell from 6 % in 2021 to – 27 % in the IP.
- (250) Given the dramatic drop in profitability, net cash flow and return on investment, the sampled Union producers' ability to raise capital was severely affected.

4.5.3.5. Conclusion on injury

- (251) All main injury indicators showed a negative trend during the period considered. The production volume of the Union industry decreased by 27 % and its sales volume decreased by 28 %. The Union industry also lost market share, which fell from 31 % in 2021 to 25 % in the IP. On the contrary, the market share of Chinese imports to the Union during the same period increased by 10 percentage points; it was 51 % in 2021 and in the IP it rose to 61 %. This was achieved despite the drop in Union consumption by 13 % during the period considered.
- (252) The profitability of the Union industry declined over the period considered, decreasing from around 1 % in 2021-2022 to – 5 % in 2023 and further to – 10 % in the IP, which is clearly not sustainable. A similar decreasing trend was observed for the productivity of the Union industry (decreased by 23 %), its employment (decreased by 6 %), investments (decreased by 31 %), return on investment and cash flow, which all decreased over the period considered.
- (253) The Union industry was unable to compensate for the lost sales volumes in the Union market through increased exports, as exports accounted for only approximately 8 % of the industry's total production and were gradually declining, as set out in Section 5.4 below.

⁽⁸²⁾ As long as the selling price per tonne was higher than the variable cost per tonne, while fixed cost covered, each additional sale brought in some profit (a positive contribution margin). Since Union producers sold a high volume that year, it helped them to gain some profit even though the average production cost per tonne was higher.

- (254) 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

- (255) In accordance with Article 3(6) of the basic Regulation, the Commission examined whether the dumped imports from the country 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 country concerned was not attributed to the dumped imports. These factors are: the imports from countries other than China, the export performance of the Union industry, consumption decline and increase in cost.

5.1. Effects of the dumped imports

- (256) The Commission examined whether there was a casual link between the dumped imports and the injury suffered by the Union industry. During the period considered the imports of the dumped like product from China increased by 5 % despite the declining Union consumption.
- (257) The reduced prices of the Chinese imports by 7 % in the period considered in combination with the significantly increased cost of production by the Union industry by 46 % in the same period, helped Chinese imports to the Union increase their market share by 21 %. This was at the expense of the Union industry, which had significant losses in sales volume by 28 % and a decrease in its market share by 18 %. At the same time the profitability of the Union industry was significantly reduced to non-sustainable levels (it operated with – 10 % losses in the IP).
- (258) The fact that there was such a significant gap between the average price of the dumped imported product from China and the average price of the Union industry like product (1 213 EUR/tonne v 1 833 EUR/tonne) prevented the Union industry to increase its prices to reflect the increased cost of production and, thus, sustain its profitability.

5.2. Effects of other factors

- (259) The Commission examined whether other factors of injury other than the dumped imports from China had an impact on the state of the Union industry, but did not find any other factors that could have had a substantial impact on the injurious situation of the Union industry.

5.3. Imports from third countries

- (260) The quantity of imports from other third countries developed over the period considered as follows:

Table 12

Imports from third countries

Country		2021	2022	2023	Investigation period
United Kingdom	Quantity (tonnes)	11 051	9 429	7 797	6 739
	Index	100	85	71	61
	Market share (%)	5	4	4	4
	Average price (EUR/tonne)	3 108	3 593	4 304	4 505

Country		2021	2022	2023	Investigation period
	<i>Index</i>	100	116	138	145
Taiwan	Quantity (tonnes)	4 023	4 935	4 055	3 376
	<i>Index</i>	100	123	101	84
	Market share (%)	2	2	2	2
	Average price (EUR/tonne)	3 761	4 526	5 057	5 006
	<i>Index</i>	100	120	134	133
Türkiye	Quantity (tonnes)	9 046	9 741	4 977	5 052
	<i>Index</i>	100	108	55	56
	Market share (%)	4	4	3	3
	Average price (EUR/tonne)	1 541	2 018	2 269	2 326
	<i>Index</i>	100	131	147	151
Other third countries	Quantity (tonnes)	15 253	14 122	10 243	9 242
	<i>Index</i>	100	93	67	61
	Market share (%)	7	6	6	5
	Average price (EUR/tonne)	2 953	3 720	4 554	5 152
	<i>Index</i>	100	126	154	174
Total of all third countries except China	Quantity (tonnes)	39 374	38 228	27 072	24 410
	<i>Index</i>	100	97	69	62
	Market share (%)	19	18	15	13
	Average price (EUR/tonne)	2 755	3 359	4 137	4 368
	<i>Index</i>	100	122	150	159

Source: Eurostat.

- (261) Imports from other third countries originated mainly from the United Kingdom, Taiwan and Turkey. Total imports volume from all third countries except China decreased by 38 %, between 2021 and the IP, going from 39 374 tonnes to around 24 410 tonnes.
- (262) The market share of all third countries apart from China was reduced from 19 % in 2021 to 13 % in the IP.
- (263) Overall, the average import prices of other third countries increased by 59 % during the period considered and were on average considerably higher than the prices of imports from China, which decreased by 7 % during the period considered. In the IP, the average import price of other third countries excluding China was 4 368 EUR/tonne, while the average import price from China was 1 213 EUR/tonne.
- (264) On the basis of the above, the Commission concluded that imports from other third countries were not the source of the material injury suffered by the Union industry.

5.4. Export performance of the Union industry

- (265) The volume of exports of the sampled Union producers developed over the period considered as follows:

Table 13

Export performance of the sampled Union producers

	2021	2022	2023	Investigation period
Export volume (tonnes)	5 466	5 309	4 315	4 392
<i>Index</i>	100	97	79	80
Average price (EUR/tonnes)	1 504	1 670	1 514	1 415
<i>Index</i>	100	111	101	94

Source: verified questionnaire replies of the sampled Union producers.

- (266) During the period considered, the Union industry's exports decreased by overall 20 %. This trend is similar to the negative trend of the Union producers' sales within the Union, which dropped even more than their exports, i.e. by 28 %, during the period considered. It is also similar to the negative trend of the reduced market share of the Union producers within the Union, which dropped by 18 % during the period considered.
- (267) The average export price of the Union producers also dropped by 6 % during the period considered. It should be noted that the export sales represent 9 % of the Union industry's overall sales. Therefore the effect of reduced sales to the injury of the Union industry is found to be limited and, while it might have contributed to the injury suffered by the Union industry to a small extent considering the volumes involved, it was not capable of attenuating the causal link between the dumped imports from China and the injury suffered by the Union industry.

5.5. Consumption decline

- (268) The Union market contracted by 13 % during the period considered. The decrease was due to several interconnected factors: the European economy experienced a slower growth in 2023 in comparison to the year before (the Union GDP grew by 0,4 % in 2023 v 3,5 % in 2022), with apparent steel consumption shrinking by 6,3 % ⁽⁸³⁾. This downturn affected various sectors, including construction and manufacturing, which are major consumers of industrial products like screws. High energy prices and uncertainty in the energy market also contributed to reduced industrial output and weakened demand across sectors ⁽⁸⁴⁾. Under normal conditions of competition, in such a shrinking market, sales volumes of all the market participants would have gone down more or less equally. However, in the present case, China gained an additional 10 percentage point market share of the Union market during the period considered to the detriment of the Union industry and the other importing countries (which equally lost 5,4 percentage points of market share). Therefore, the economic contraction of the Union market was not found to cause material injury to the Union industry in this case.

5.6. Increase in cost of production

- (269) As outlined in recital (238) above, the unit cost of production within the Union increased substantially (by 46 %) over the period considered. Nevertheless, in 2022, Union producers were able to raise their sales prices in response to the rising production costs, enabling them to partially offset these increases and achieve a degree of profitability. However, during the investigation period, despite a slight decrease in the cost of production, the profitability of Union producers declined sharply, reaching significantly negative levels. This deterioration clearly demonstrates the material injury sustained by the Union industry. The presence of dumped imports should not prevent the Union producers from adjusting their prices to reflect increased production costs. In circumstances where Union producers' prices were severely suppressed by the growing volume of dumped imports, while production costs remained elevated, the resulting collapse in profitability cannot be attributed to internal inefficiencies or market mismanagement. Rather, it is a direct consequence of the injurious effects of dumped imports.

5.7. Conclusion on causation

- (270) The injury analysis showed that the Chinese imports suppressed the Union market price during the period considered. The significant increase of the dumped imports from China and the price suppression, as explained in recital (219), they exerted during the second half of the IP affected the Union industry's ability to pass on the higher cost of production to the users. This coincided in time with the deterioration of the Union industry's financial performance indicators, like a decrease in profitability, resulting in losses in 2023-IP. The gain of 10 percentage points in market share of the Chinese imports was at the expense of the Union industry, which lost sales volume and market share (by 6 percentage points), especially notable in the second half of the period considered. Therefore, we concluded that the material injury was caused by the dumped imports from China.
- (271) 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. While the export performance of the Union industry might have contributed to the material injury suffered by the Union industry to a small extent, it did not attenuate the causal link between the dumped imports and the material injury found.
- (272) Regarding the effects of imports from other third countries, the Commission concluded that those imports did not cause injury to the Union industry. Similar to the Union industry the imports from third countries other than China also lost market share during the period considered and their cumulative import volumes significantly decreased (by 38 %). Moreover, the average import prices from other third countries increased by 59 % during the period considered. Hence, imports from other third countries did not attenuate the causal link between the imports from China and the injury suffered by the Union industry.

⁽⁸³⁾ <https://www.eurofer.eu/press-releases/persisting-downside-factors-deepen-downturn-in-2023-and-curb-steel-demand-rebound-in-2024>.

⁽⁸⁴⁾ <https://orgalim.eu/wp-content/uploads/orgalim-economics-and-statistics-report-autumn-2024-2.pdf>.

- (273) Regarding the effects of export performance of the Union industry, even though the trend was negative with reduced sales, it should be noted that the export sales represent a small part of the Union overall sales. This means that the effect to the injury of the Union industry was found to be limited.
- (274) With respect to the consumption decline and the increase in cost of production, it is undisputable that the Union industry was faced with challenges over the period considered. In the absence of price pressure from dumped imports, the industry would have been able to adjust prices to reflect higher costs and better respond to shifting market conditions. As previously noted, dumped imports should not hinder Union producers from passing on cost increases. Therefore, despite the impact of the increase in cost and reduced demand, consumption decline and increase in cost of production were found not to have caused material injury to the Union industry.
- (275) On the basis of the above, the Commission concluded at this stage that the dumped imports from the country concerned caused material injury to the Union industry and that the other factor (the export performance of the Union industry) did not attenuate the causal link between the dumped imports and the material injury. The injury consists of reduced market share, production, production capacity utilisation, productivity, profitability, closing stocks, cash flow and return on investments. Furthermore, as explained above in recital (219), the Union industry suffered price suppression caused by imports from China.

6. LEVEL OF MEASURES

- (276) 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

- (277) 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.
- (278) 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 country under investigation, 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 %.
- (279) The Commission could not establish a basic profit covering full costs under normal conditions of competition before increase of imports from China, since Chinese imports accounted for over 50 % of market share during the whole period considered, while market shares before the start of the period considered could not be calculated due to insufficient data. The Commission, thus, established the target profit to determine the non-injurious price at 6 %, in accordance with Article 7(2c) of the basic Regulation.
- (280) No claims were made that the Union industry's level of investments, R&D and innovation during the period considered would have been higher under normal conditions of competition.
- (281) Likewise, no claims were made concerning the future costs resulting from Multilateral Environmental Agreements, and protocols thereunder, to which the Union is a party and that the Union industry will incur during the period of the application of the measure pursuant to Article 11(2), in accordance with Article 7(2d) of the basic Regulation.
- (282) On this basis, the Commission calculated a non-injurious price for the like product of the Union industry by applying the above-mentioned 6 % target profit margin to the cost of production of the sampled Union producers during the investigation period and then adding the adjustments under Article 7(2d) on a type-by-type basis.

- (283) The Commission then determined the injury margin level on the basis of a comparison of the weighted average import price of the sampled cooperating exporting producers in country concerned, as established for the price undercutting calculations, with the weighted average non-injurious price of the like product sold by the sampled Union producers 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.
- (284) The injury elimination level for 'other cooperating companies' and for 'all other imports originating in country concerned' is defined in the same manner as the dumping margin for these companies and imports.

Company	Dumping margin (%)	Injury margin (%)
Zhejiang Junyue Standard Part Co., Ltd.	62,3	196
Brother Group:	63,9	211
— Jiaxing High-enter Fasteners Co., Ltd.		
— Zhejiang Morgan Brother Technology Co., Ltd.		
— Jiaxing Brother Standard Part Co., Ltd.		
Chinafar Group:	80,7	237
— Jiaxing Chinafar Standard Parts Co., Ltd.		
— Jiangsu Zhe Fasteners Co., Ltd.		
Other cooperating companies	67,4	212
All other imports originating in country concerned	80,7	237

6.2. Conclusion on the level of measures

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

Company	Provisional anti-dumping duty (%)
Zhejiang Junyue Standard Part Co., Ltd.	62,3
Brother Group:	63,9
— Jiaxing High-enter Fasteners Co., Ltd.	
— Zhejiang Morgan Brother Technology Co., Ltd.	
— Jiaxing Brother Standard Part Co., Ltd.	
Chinafar Group:	80,7
— Jiaxing Chinafar Standard Parts Co., Ltd.	
— Jiangsu Zhe Fasteners Co., Ltd.	
Other cooperating companies	67,4
All other imports originating in country concerned	80,7

7. UNION INTEREST

- (286) 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, wholesalers, retailers, users, consumers.

7.1. Interest of the Union industry

- (287) According to information available to the Commission, there were forty-two known producers of screws without heads in the Union during the period considered. The complaint was submitted by the European Industrial Fasteners Institute ('EIFI'), on behalf of eight Union producers, all of which were SMEs, and supported by another seven Union producers.
- (288) The imposition of measures will improve the market conditions for Union producers, thereby allowing them to enhance their competitive position in the market, regain lost sales volume and market share, increase capacity utilisation, and raise their prices to sustainable levels. This, in turn, would assist them in improving their profitability to the levels that are anticipated under normal competition conditions.
- (289) The absence of measures would have significant negative effects for the Union industry, as the latter would continue to endure economic injury due to sustained price pressure from dumped Chinese imports. Market share losses would accelerate, leading to further declines in sales and production. As a result, capacity utilisation, already at an unsustainable 15 % during the investigation period, will continue to drop, making operations increasingly unviable. The already loss-making situation would be further exacerbated, with severe consequences for investments and employment in the Union. The Commission therefore concluded that the imposition of provisional measures is in the interest of the Union industry.

7.2. Interest of unrelated importers

- (290) Twenty-six importers came forward following the initiation of the investigation. Three were selected for sampling, and of those two submitted questionnaire responses. The cooperating importers that responded to the sampling exercise imported over 90 % of their total imports of screws without heads from China. Among the sampled cooperating importers, Chinese imports accounted for more than 80 % of their total imports of the product concerned. The sampled importers were found to be profitable, and the turnover generated from the product concerned represented only 0,5 % to 2,5 % of their total business turnover.
- (291) Given the limited share of the product in their overall business activities, the imposition of anti-dumping measures is unlikely to have a material impact on the financial stability of importers. Furthermore, importers can mitigate potential cost increases by diversifying their sourcing strategies, including exploring alternative suppliers within the Union or other third countries. The data suggested that any potential impact on importers would be minimal.

7.3. Interest of users

- (292) In the absence of cooperation of users the Commission was not able to assess the actual impact of the anti-dumping duties for users. However, taking into account the existence of alternative suppliers in other third countries, together with the large production capacities of the Union industry, the Commission considered that the users could continue to source screws from multiple sources of adequate quality and quantity. The Commission thus considered that in case the anti-dumping measures are imposed, the impact on the users was limited.

7.4. Conclusion on Union interest

- (293) 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 screws originating in China at this stage of the investigation.

8. PROVISIONAL ANTI-DUMPING MEASURES

- (294) 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.

- (295) Provisional anti-dumping measures should be imposed on imports of product originating in countries concerned, 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 in recital (284) above. The amount of the duties was set at the level of dumping margins for all the exporting producers, which was found to be the lower of the dumping and the injury margins.
- (296) 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:

Company	Provisional anti-dumping duty (%)
Zhejiang Junyue Standard Part Co., Ltd.	62,3
Brother Group: — Jiaxing High-enter Fasteners Co., Ltd. — Zhejiang Morgan Brother Technology Co., Ltd. — Jiaxing Brother Standard Part Co., Ltd.	63,9
Chinafar Group: — Jiaxing Chinafar Standard Parts Co., Ltd. — Jiangsu Zhe Fasteners Co., Ltd.	80,7
Other cooperating companies	67,4
All other imports originating in country concerned	80,7

- (297) The individual company anti-dumping duty rates specified in this Regulation were established on the basis of the findings of this investigation. Therefore, they reflect the situation found during this investigation with respect to these companies. These duty rates are exclusively applicable to imports of the product concerned originating in China and produced by the named legal entities. Imports of the product concerned produced by any other company not specifically mentioned in the operative part of this Regulation, including entities related to those specifically mentioned, should be subject to the duty rate applicable to 'all other imports originating in country concerned'. They should not be subject to any of the individual anti-dumping duty rates.
- (298) To minimise the risks of circumvention due to the difference in duty rates, special measures are needed to ensure the application of the individual anti-dumping duties. The application of individual anti-dumping duties is only applicable upon presentation of a valid commercial invoice to the customs authorities of the Member States. The invoice must conform to the requirements set out in Article 1(3) of this Regulation. Until such invoice is presented, imports should be subject to the anti-dumping duty applicable to 'all other imports originating in country concerned'.
- (299) While presentation of this invoice is necessary for the customs authorities of the Member States to apply the individual rates of anti-dumping duty to imports, it is not the only element to be taken into account by the customs authorities. Indeed, even if presented with an invoice meeting all the requirements set out in Article 1(3) of this Regulation, the customs authorities of Member States must carry out their usual checks and may, like in all other cases, require additional documents (shipping documents, etc.) for the purpose of verifying the accuracy of the particulars contained in the declaration and ensure that the subsequent application of the lower rate of duty is justified, in compliance with customs law.
- (300) Should the exports by one of the companies benefiting from lower individual duty rates increase significantly in volume after the imposition of the measures concerned, such an increase in volume could be considered as constituting in itself a change in the pattern of trade due to the imposition of measures within the meaning of Article 13(1) of the basic Regulation. In such circumstances and provided the conditions are met an anti-circumvention investigation may be initiated. This investigation may, inter alia, examine the need for the removal of individual duty rate(s) and the consequent imposition of a country-wide duty.

9. REGISTRATION

- (301) As mentioned in recital (3), the Commission made imports of the product concerned subject to registration. Registration took place with a view to possibly collecting duties retroactively under Article 10(4) of the basic Regulation.
- (302) In view of the findings at provisional stage, the registration of imports should be discontinued.
- (303) No decision on a possible retroactive application of anti-dumping measures has been taken at this stage of the proceeding.

10. INFORMATION AT PROVISIONAL STAGE

- (304) 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.
- (305) No comments on the accuracy of the calculations were received.

11. FINAL PROVISIONS

- (306) 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.
- (307) 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 screws and bolts, whether or not with their nuts and washers, without heads, of iron or steel other than stainless steel, regardless of tensile strength, excluding coach screws and other wood screws, screw hooks and screw rings, self-tapping screws, and screws and bolts for fixing railway track construction material, currently falling under CN codes 7318 15 42 and 7318 15 48 and originating in the People's Republic of China.

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:

Company	Provisional anti-dumping duty (%)	TARIC additional code
Zhejiang Junyue Standard Part Co., Ltd.	62,3	89ML
Brother Group:	63,9	89MM
— Jiaxing High-enter Fasteners Co., Ltd.		
— Zhejiang Morgan Brother Technology Co., Ltd.		
— Jiaxing Brother Standard Part Co., Ltd.		
Chinafar Group:	80,7	89MN
— Jiaxing Chinafar Standard Parts Co., Ltd.		
— Jiangsu Zhe Fasteners Co., Ltd.		
Other cooperating companies listed in Annex	67,4	See Annex
All other imports originating in country concerned	80,7	8999

3. The application of the individual duty rates specified for the companies mentioned in paragraph 2 shall be conditional upon presentation to the Member States' customs authorities of a valid commercial invoice, on which shall appear a declaration dated and signed by an official of the entity issuing such invoice, identified by his/her name and function, drafted as follows: '*I, the undersigned, certify that the (volume in unit we are using) of (product concerned) sold for export to the European Union covered by this invoice was manufactured by (company name and address) (TARIC additional code) in country concerned. I declare that the information provided in this invoice is complete and correct.*' Until such invoice is presented, the duty applicable to all other imports originating in country concerned shall apply.
4. 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.
5. Unless otherwise specified, the 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 to 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

1. Customs authorities are hereby directed to discontinue the registration of imports established in accordance with Article 1(1) of Implementing Regulation (EU) 2025/141.
2. Data collected regarding products which entered the EU for consumption not more than 90 days prior to the date of the entry into force of this Regulation shall be kept until the entry into force of possible definitive measures, or the termination of this proceeding.

Article 4

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

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

Done at Brussels, 13 June 2025.

For the Commission
The President
Ursula VON DER LEYEN

ANNEX

Chinese cooperating exporting producers not sampled

Name	TARIC additional code
ANHUI GOODLINK FASTENER CO., Ltd.	89MO
CELO Suzhou Precision Fasteners Co., Ltd.	89MP
CHANGZHOU MIKI HARDWARE TECHNOLOGY CO., Ltd.	89MQ
Cixi Jinmao Fastener Co., Ltd.	89MR
CIXI NONGER HARDWARE CO., Ltd.	89MS
Eagle Metalware Co., Ltd.	89MT
EC International (Nantong) Co., Ltd.	89MU
Everbest Hardware Products Co., Ltd.	89MV
EVERGREEN (ZHEJIANG) INTELLIGENT MANUFACTURING CO., Ltd.	89MW
FASTWELL METAL PRODUCTS CO., Ltd.	89MX
Finework (Hunan) New Energy Technology Co., Ltd.	89MY
HAI YAN MACHINERY CO., Ltd.	89MZ
HAINING XINLIAN HARDWARE MACHINERY CO., Ltd.	89NA
Haining Xinxing Fasteners Co., Ltd.	89NB
Haining Zhongheng Metal Products Co., Ltd.	89NC
HAIYAN LONGCHENG STANDARD PARTS CO., Ltd.	89ND
HAIYAN BOLT CO., Ltd.	89NE
Haiyan C&F Fittings Co., Ltd.	89NF
Haiyan Jiamei Hardware Manufacturing and Tech. Co., Ltd.	89NG
HAIYAN JINNIU FASTENERS CO., Ltd.	89NH
HAIYAN LONGSHENG HARDWARE CO., Ltd.	89NI
Haiyan Wancheng Fasteners Co., Ltd.	89NJ
Haiyan Wandefu Precision Hardware Co., Ltd.	89NK
Haiyan Xingang Standard Parts Co., Ltd.	89NL
HAIYAN XINYUAN FASTENER CO., Ltd.	89NM
Haiyan Xinyuan Technology Co., Ltd.	89NN
Haiyan Xinyue Electrical Appliances Co., Ltd.	89NO
HAIYAN YINGJIE FASTENER CO., Ltd.	89NP
HAIYAN YONGJIE TECHNOLOGY CO., Ltd.	89NQ
Haiyan Yuanzhong Hardware Co., Ltd.	89NR
Handan Changfa Fastener Manufacturing Co., Ltd.	89NS
Handan City Daoning Fastener Manufacturing Co., Ltd.	89NT
HANDAN CITY JINGGONG CONSTRUCTION ANCHORING MANUFACTURE CO., Ltd.	89NU

Name	TARIC additional code
Handan Haosheng Fastener Co., Ltd.	89NV
HANDAN HUAMING FASTENER CO., Ltd.	89NW
HANDAN MINGXIN METAL PRODUCTS CO., Ltd.	89NX
HANDAN TONGHE FASTENER MANUFACTURE CO., Ltd.	89NY
Handan Xiaojun Fastener Manufacturing Co., Ltd.	89NZ
Handan Xingbang Fastener Co., Ltd.	89OA
Handan Yaofeng Fastener Manufacturing Co., Ltd.	89OB
Handan Yongnian Hongji Machinery Parts Co., Ltd.	89OC
Handan Zhonglong Fastener Manufacturing Co., Ltd.	89OD
Hebei Chengyi Engineering Materials Co., Ltd.	89OE
HEBEI FUAO FASTENER MANUFACTURING CO., Ltd.	89OF
Hebei Goodfix Industrial Co., Ltd.	89OG
Hebei Gude Fastener Manufacturing Co., Ltd.	89OH
HEBEI YUETONG FASTENERS MANUFACTURING CO., Ltd.	89OI
Jiangsu Hengyue Hardware Co., Ltd.	89OJ
JIANGSU LIRUNYOU MACHINERY TECHNOLOGY CO., Ltd.	89OK
Jiashan Donghe Fastener Co., Ltd.	89OL
JIASHAN SANXIN FASTENER Co., Ltd.	89OM
Jiashan Tianyang Fastener Co., Ltd.	89ON
JIASHAN WEIJIE HARDWARE CO., Ltd.	89OO
Jiaxing Aerotec Precision Co., Ltd.	89OP
JIAXING BROTHER UNITED FASTENER CO., Ltd.	89OQ
JIAXING CHUANGLI HARDWARE CO., Ltd.	89OR
JIAXING EXCELLENT FASTENER CO., Ltd.	89OS
JIAXING GOOD METAL TECHNOLOGY CO., Ltd.	89OT
JIAXING HONGJIAN TECHNOLOGY CO., Ltd.	89OU
JIAXING JIAWEI MACHINERY TECHNOLOGY COMPANY, Ltd.	89OV
JIAXING JINYU FASTENER FACTORY, Ltd.	89OW
Jiaxing Jiuli Precision Manufacturing Co., Ltd.	89OX
Jiaxing Julong Hardware Technology Co., Ltd.	89OY
JIAXING KINFAST HARDWARE CO., Ltd.	89OZ
JIAXING LONGFIX FASTENERS CO., Ltd.	89PA
JIAXING PAIYOU METAL PRODUCT CO., Ltd.	89PB
JIAXING RISEN HARDWARE CO., Ltd.	89PC
JIAXING SUNFAST METAL CO., Ltd.	89PD
JIAXING YIDA NEW MATERIAL TECHNOLOGY CO., Ltd.	89PE

Name	TARIC additional code
Jinan Star Fastener Co., Ltd.	89PF
JOYSTART AUTOMOTIVE PARTS CO., Ltd.	89PG
Langxi Longwei Metal Technology Co., Ltd.	89PH
Lianyungang Jinyu Hardware Co., Ltd.	89PI
LIANYUNGANG PINGXIN FASTENER COMPANY LIMITED	89PJ
Lianyungang Xincheng hardware Co., Ltd.	89PK
LYG Dragonscrew Co., Ltd.	89PL
MIANXUAN FASTENERS CO., Ltd.	89PM
NEDSCHROEF FASTENERS (KUNSHAN) CO., Ltd.	89PN
Ningbo Da Zhi Machine Technology CO., Ltd.	89PO
Ningbo Dongxin High-Strength Nut Co., Ltd.	89PP
NINGBO EXACT FASTENERS CO., Ltd.	89PQ
Ningbo Jinding Fastening Piece CO., Ltd.	89PR
NINGBO LEMNA PRODUCT TECHNOLOGY CO., Ltd.	89PS
Ningbo Sardis Hardware Products Co., Ltd.	89PT
NINGBO XINGSHENG OIL PIPE FITTINGS MANUFACTURE CO, Ltd.	89PU
NINGBO YINZHOU HAIYUN METAL PRODUCTS CO., Ltd.	89PV
Ningbo Zhenghai Yongding Fastener Co., Ltd.	89PW
NINGBO ZHENHAI DINGLI FASTENER SCREW CO., Ltd.	89PX
Ningbo Zhongjiang High Strength Bolts Co., Ltd.	89PY
OK TECH CO., Ltd.	89PZ
PINGHU DRAGON FASTENER CO., Ltd.	89QA
PINGHU ZHAPU NUT FACTORY, Ltd.	89QB
QIFENG PRECISION INDUSTRY SCI-TECH CORP.	89QC
Qingdao Super Star Tools Co., Ltd.	89QD
QINGDAO VANKU INDUSTRY GROUP	89QE
QINGDAO XINHUA HARDWARE PRODUCTS CO., Ltd.	89QF
SHANGHAI FIRM METAL CO., Ltd.	89QG
Shanghai Kingpluse Industry Co., Ltd.	89QH
SHANGHAI MOREGOOD HARDWARE CO., Ltd.	89QI
Shanghai Moutain Industries Co., Ltd.	89QJ
SHANGHAI ROMAX HARDWARE CO., Ltd.	89QK
SHANGRAO CITY YIWEN FASTENER CO., LIMITED	89QL
Suzhou YNK Fastener Co., Ltd.	89QM
T&Y Hardware Industry Co., Ltd.	89QN
TAISHAN DONYI HARDWARE CO., Ltd.	89QO
TANDL INDUSTRY CO., Ltd.	89QP

Name	TARIC additional code
Xingtai Mindu Industrial Co. Ltd.	89QQ
Yongnian Country Tianbang Fasteners Co., Ltd.	89QR
Yuyao Alfirste Hardware Co., Ltd.	89QS
Zhejiang Cooper Turner Beck Green Energy Co., Ltd.	89QT
ZHEJIANG DONGHE FASTENER CO., Ltd.	89QU
Zhejiang Donghe Machinery Technology Corporation Limited	89QV
ZHEJIANG EXCELLENT INDUSTRIES CO., Ltd.	89QW
Zhejiang Haixun Precision Technology Co., Ltd.	89QX
ZHEJIANG HYSTRON AUTO PARTS CO., Ltd.	89QY
ZHEJIANG NEW SHENGDA FASTENER CO., Ltd.	89QZ
ZHESHANG DEVELOPMENT HUASENER(ZHEJIANG) HARDWARE TECHNOLOGY CO., Ltd.	89RA