



2025/1711

5.8.2025

COMMISSION IMPLEMENTING REGULATION (EU) 2025/1711

of 4 August 2025

**imposing a provisional anti-dumping duty on imports of high-pressure seamless steel cylinders
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 6 December 2024, the European Commission ('the Commission') initiated an anti-dumping investigation with regard to imports of high-pressure seamless steel cylinders originating in the People's Republic of China ('the country concerned') 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 24 October 2024 by five companies, Cylinders Holding a.s., Dalmine S.p.A. (Tenaris), Eurocylinder Systems AG, Faber Industrie S.p.A., and Worthington Cylinders GmbH ('the complainants'). The complaint was made by the Union industry of high-pressure seamless steel cylinders 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) 2025/531 ('the registration Regulation') ⁽³⁾.

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 complainants, other known Union producers, the known exporting producers, 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 the Hearing Officer in trade proceedings.

⁽¹⁾ OJ L 176, 30.6.2016, p. 21.

⁽²⁾ Notice of initiation of an anti-dumping proceeding concerning imports of high-pressure seamless steel cylinders originating in the People's Republic of China (OJ C/2024/7403 of 6.12.2024).

⁽³⁾ Commission Implementing Regulation (EU) 2025/531 of 24 March 2025 making imports of high-pressure seamless steel cylinders originating in the People's Republic of China subject to registration (OJ L, 2025/531, 25.3.2025, ELI: http://data.europa.eu/eli/reg_impl/2025/531/oj).

1.4. Sampling

- (6) 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

- (7) 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 representativity in terms of volume of production and sales of the like product in the EU in the investigation period. This sample consisted of two Union producers. The sampled Union producers accounted for 47 % of estimated total EU production and 42 % of estimated total EU sales quantity of the like product. 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

- (8) To decide whether sampling is necessary and, if so, to select a sample, the Commission asked unrelated importers to provide the information specified in the Notice of Initiation.
- (9) No unrelated importers provided the requested information and agreed to be included in the sample.

Sampling of exporting producers

- (10) To decide whether sampling was necessary and, if so, to select a sample, the Commission asked all exporting producers in the People's Republic of 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.
- (11) Twenty exporting producers in the country concerned accounting for 54,4 % of the estimated total exports to the Union 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 two 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 the country concerned were consulted on the selection of the sample.
- (12) While agreeing with the selection of the first exporting producer having the largest production out of the two selected company groups, the complainants commented that the second one should be replaced insofar as it mostly produced firefighting equipment such as fire extinguishers. The complainants therefore put forward two alternative cooperating companies on the following grounds:
- Wider product scope
 - Large production capacity
 - High presence in the Union of the product concerned manufactured by these two exporting producers
- (13) In addition, the complainants highlighted the risks inherent to select two companies in the sample in case of non-cooperation by one of them.
- (14) However, according to the information available, the second company group selected produced a wider range of products and not only firefighting equipment. The comments made regarding available production capacity and presence in the EU market of the two alternative companies proposed could either not be verified at this stage or were not supported with underlying evidence. Furthermore, the two provisionally selected exporting producers confirmed their firm intention to cooperate in the investigation.

- (15) Based on the information available, there was no need to amend the proposed sample. The definitive sample accounted for 37,5 % of the estimated total export quantity of high-pressure seamless cylinders to the Union from the People's Republic of China in the investigation period.

1.5. Questionnaire replies and verification visits

- (16) The Commission sent a questionnaire concerning the existence of significant distortions in the PRC within the meaning of Article 2(6a)(b) of the basic Regulation to the Government of the People's Republic of China ('GOC').
- (17) Furthermore, the complainant provided in the complaint sufficient prima facie evidence of raw material distortions in China regarding the product concerned. Therefore, as announced in the Notice of Initiation, the investigation covered those raw material distortions to determine whether to apply the provisions of Article 7(2a) and 7(2b) of the basic Regulation with regard to China. For this reason, the Commission sent additional questionnaires in this regard to the GOC.
- (18) The Commission sent questionnaires to Union producers, importers, users and exporting producers in the People's Republic of China. The Commission also sent a questionnaire to an unrelated trader through which one of the sampled exporting producers was selling the product concerned for export to the EU. These questionnaires were made available online ⁽⁴⁾ on the day of initiation.
- (19) 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

- Cylinders Holding: Vítkovice Cylinders a.s., Ostrava, Czech Republic and Vítkovice Milmet, Katowice, Poland
- Worthington Cylinders GmbH, Gaming, Austria

Exporting producers in the People's Republic of China

- Tianjin Tianhai High Pressure Container Corp., Ltd., Tianjin, People's Republic of China
- Zhejiang Winner Fire Fighting Equipment Co., Ltd., Jiaxing, People's Republic of China

Related traders in the People's Republic of China

- Beijing Tianhai Industry Co., Ltd., Beijing, People's Republic of China
- Jiaxing Fuxin Fire Industrial Co., Ltd., Jiaxing, People's Republic of China
- Chengdu CMEC Machinery Import and Export Co., Ltd., Chengdu, People's Republic of China

Unrelated trader in the People's Republic of China

- Leebucc (Tianjin) Hydraulics Equipment Co., Ltd., Tianjin, People's Republic of China

1.6. Investigation period and period considered

- (20) The investigation of dumping and injury covered the period from 1 October 2023 to 30 September 2024 ('the investigation period' or 'IP'). 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').

⁽⁴⁾ <https://tron.trade.ec.europa.eu/investigations/case-view?caseId=2766>.

2. PRODUCT UNDER INVESTIGATION, PRODUCT CONCERNED AND LIKE PRODUCT

2.1. Product under investigation

- (21) The product under investigation is empty high-pressure seamless steel cylinders ('HPSC'), including fire extinguishers, for compressed or liquefied gas, of steel, of all diameters and volume capacities, whether or not threaded, regardless of internal coating or plating, regardless of external finishing and shape, whether or not with a gas bladder inserted, regardless of the cylinders' fitting with a valve, neck ring, foot ring or piping, whether or not fastened together to form a bundle ('the product under investigation').
- (22) Non-refillable cylinders of capacities up to and including 120 ml, covered by European standard EN 16509:2014 and/or UN-number 2037 assigned by the United Nations Committee of Experts on the Transport of Dangerous Goods, are excluded from the product scope.
- (23) High-pressure seamless cylinders are used in a wide range of applications: for fire extinguishers, industrial gases (e.g. welding and cutting, food & beverage), medical gases for hospitals and healthcare, electronic and specialty gases, breathing air for firefighting, fire suppression, scuba-diving and alternative fuels including compressed natural gas (CNG) and hydrogen.

2.2. Product concerned

- (24) The product concerned is high-pressure seamless cylinders for compressed or liquefied gas, of steel, of all diameters and volume capacities, whether or not threaded, regardless of internal coating or plating, regardless of external finishing and shape, whether or not with a gas bladder inserted, regardless of the cylinders' fitting with a valve, neck ring, foot ring or piping, whether or not fastened together to form a bundle, currently classified under CN codes ex 7311 00 11, ex 7311 00 13, ex 7311 00 19 and ex 7311 00 30 (TARIC codes 7311 00 11 15, 7311 00 11 80, 7311 00 13 15, 7311 00 13 80, 7311 00 19 15, 7311 00 19 80, 7311 00 30 15 and 7311 00 30 80) ('the product concerned').

2.3. Like product

- (25) The investigation showed that the following products have the same basic physical chemical and technical characteristics as well as the same basic uses:
- the product concerned when exported to the Union;
 - the product under investigation produced and sold on the domestic market of the PRC; and
 - the product under investigation produced and sold in the Union by the Union industry.
- (26) 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. Request of exclusion of fire-extinguishers and filled cylinders

- (27) According to the above-mentioned product definition, the product subject to this investigation is high-pressure seamless cylinders for compressed or liquefied gas.
- (28) Following the initiation of the investigation, one exporting producer, Zhejiang Winner Fire Fighting Equipment Co., Ltd., argued that fire extinguishers, classified under CN code 8424 10 00, did not fall within the product scope of the investigation. The Commission reminded that the CN and TARIC codes were given for information only. The scope of this investigation was therefore subject to the definition of the product under investigation as contained in Section 2 of the Notice of Initiation. Consequently, fire extinguishers that shared the same physical and chemical characteristics as high-pressure seamless cylinders were considered to fall within the scope of the product under investigation.

- (29) Zhejiang Winner Fire Fighting Equipment Co., Ltd., further claimed that charged fire- extinguishers, i.e. filled with various dry and wet chemicals, should not be considered as falling under the product scope of the investigation.
- (30) The Commission published on 6 March 2025 an information note ⁽³⁾ clarifying that
- Empty fillable or refillable HPSCs, that meet the specifications set out in the product definition of the Notice of Initiation, are part of the product scope of this investigation;
 - Filled HPSC's are not part of the product scope of this investigation;
 - Filled / charged fire-extinguishers are not part of the product scope of this investigation;
 - Empty fire-extinguishers that meet the specifications set out in the product definition of the Notice of Initiation are part of the product scope of the investigation, regardless of whether or not they are classified under CN code 8424 10 00 (Taric codes 8424 10 00 11 and 8424 10 00 21).
- (31) The complainants submitted that filled or charged fire extinguishers were most likely composed predominantly of welded cylinders or other non-steel cylinders and were therefore outside the scope of the investigation. While acknowledging that there are no differences between high-pressure seamless cylinders used for fire-extinguishing applications and those used for other purposes (such as CO₂ cylinders for the food and beverage industry), and that the same technical standards apply to both, the complainants nevertheless argued that filled high-pressure seamless cylinders should be included within the product scope. They maintained that excluding these cylinders would unduly narrow the scope of the product concerned in the current investigation and create a risk of circumvention
- (32) The complainants specifically noted that cylinder bundles are covered by the product definition, although the frame used to assemble the cylinders into a bundle is not. By the same token, acetylene cylinders were covered under the product definition although they contain a porous material to retain an acetone filling as the product fitted all criteria of the product as defined in the definition of the product concerned as set out in the Notice of Initiation.
- (33) In conclusion, the complainants considered that the product clarification by the Commission as referred to above should be re-examined.
- (34) The Commission first noted that neither the complaint, nor the subsequent Notice of Initiation specified that the product under investigation made reference to filled cylinders.
- (35) Also, the investigation revealed that the customers of high-pressure seamless cylinders often carried out the assembly and filling operation to make the product concerned fit for its final use, whether as a fire-extinguisher or a container for chemical products.
- (36) Moreover, considering the particularly costly and cumbersome safety and security requirements applicable to the intercontinental transport of highly hazardous goods such as filled high-pressure seamless cylinders, the alleged risks of circumvention were found to be limited.
- (37) In view of the above, the claims put forward by the complainants were rejected.

2.4.2. *Request of exclusion of the accumulator shells from the scope of the investigation.*

- (38) One non-sampled exporting producer, Leebucc (Tianjin) Hydraulics Equipment Co., Ltd, requested the exclusion of the accumulator shells from the scope of the investigation. This party put forward the following arguments:

⁽³⁾ AD724_HPSC_Note to the file - t25.003143.

- The Notice of Initiation did not define clearly and appropriately HPSC. The term HPSC was a rather general term that did not distinguish a product such as accumulator shells from general HPSC;
- Accumulator shells have their unique features, technical specifications, perceived with unique structure and as final products, they are subject to different legal requirements;
- Producers must have a certificate for producing such product by notifying bodies responsible for assessing the conformity of certain products;
- Accumulator shells cannot be used for commercial application as they are first required to go through further assembling in the EU to be used with specially designed function and application;
- Accumulator shells contain a bladder and some components are also different than general HPSC;

(39) The complainants argued that:

- The exporting producer did not respect the deadline set out in the Notice of Initiation whereby any interested party wishing to *'submit information on the product scope must do so within 10 days of the date of publication of the "NOI"'*;
- The exporting producer did not provide comments following the publication of the note clarifying the product scope mentioned in recital (30) above.
- As stated in paragraph 26 of the complaint, accumulator shells are within the scope of the product concerned as *'when a gas bladder is inserted in the cylinder and used for systems working with hydraulic pressure or energy storage, these type 1 [high-pressure seamless] cylinders are referred to as "accumulator shells"'*.
- The definition of product scope set out in the Notice of Initiation and subsequently confirmed in the Registration regulation clearly stated that *"The product subject to this investigation is high-pressure seamless cylinders for compressed or liquefied gas, of steel, of all diameters and volume capacities, whether or not threaded, regardless of internal coating or plating, regardless of external finishing and shape, whether or not with a gas bladder inserted, regardless of the cylinders' fitting with a valve, neck ring, foot ring or piping, whether or not fastened together to form a bundle."*
- The defining element in determining the scope of the product concerned is that the products covered must share the same basic physical, chemical and technical characteristics;
- An accumulator shell is one kind of HPSC, with some distinctions as to the final product sold to the customer, as is the case for other kinds that are equally covered such as acetylene cylinders or cylinder bundles;
- The presence or absence of any added specifications or accessories to the cylinder has no bearing on its inclusion in the product scope;
- The perception of consumers or the manner in which the end-product would be put on the market does not affect the product's basic characteristics.
- The application of HPSC in the form of accumulator shells for the hydraulic industry does not preclude them from being within the product scope;
- The applicability of different regulations depending on uses and specifications of a given cylinder, does not mean that all products included under the definition of the product concerned, including among other accumulator shells, do not share the same basic characteristics.

- (40) Leebucc (Tianjin) Hydraulics Equipment Co., Ltd argued that it raised the issue of excluding accumulator shells from the scope of the investigation in the wake of on-site verification and that the deadlines for commenting on the product scope should be seen as a 'soft' deadline contrary to a stricter statutory deadline as specified in the basic Regulation.
- (41) Leebucc (Tianjin) Hydraulics Equipment Co., Ltd insisted on the differences between a semi-finished product (accumulator shell) and a finished product (accumulator), which was a critical factor to determine the likeness of an accumulator shell with an accumulator and a cylinder for the gas industry. Furthermore, it claimed that a semi-finished product should not be compared with a finished product for the purpose of a dumping calculation. Finally, this company claimed that an accumulator shell is designed specifically to fit with a designed accumulator, both requiring specific certificates respectively and concluded that an accumulator shell cannot be substituted with HPSC for gas industry and cannot be used as a commercial product released into circulation in the EU market.
- (42) The Commission analysed the request for exclusion on the basis of the elements presented by the party at stake and provisionally concluded that accumulator shells fall within the product definition under recital (21) and have the same basic physical, technical and chemical characteristics as the other cylinders. Furthermore, they were covered by the definition of the product concerned and were identified in the product control numbers used by the Commission for the calculation of dumping and injury margins, which properly identifies accumulators shells and adequately enables the Commission to conduct a fair price comparison between Union and Chinese producers. Therefore, the claim was rejected.

3. DUMPING

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

- (43) In view of the sufficient evidence available at the initiation of the investigation tending to show, with regard to the People's Republic of China ('PRC'), the existence of significant distortions within the meaning of point (b) of Article 2(6a) of the basic Regulation, 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.
- (44) 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 the PRC to provide information regarding the inputs used for producing product. Nine exporting producers submitted the relevant information.
- (45) In order to obtain the 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 5.3.2 of the Notice of Initiation, the Commission invited all interested parties to make their views known, submit information regarding the inputs used for producing high-pressure seamless steel cylinders and provide supporting evidence regarding the application of Article 2(6a) of the basic Regulation within 37 days of the date of publication of the Notice of Initiation in the *Official Journal of the European Union*. No questionnaire reply was received from the GOC and no submission on the application of Article 2(6a) of the basic Regulation was received within the deadline. Subsequently, the Commission informed the GOC that it would use facts available within the meaning of Article 18 of the basic Regulation for the determination of the existence of the significant distortions in the PRC.
- (46) In point 5.3.2 of the Notice of Initiation the Commission also specified that, in view of the evidence available, it had provisionally selected Brazil as 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. The Commission further stated that it would examine other possibly appropriate representative countries in accordance with the criteria set out in 2(6a) first indent of the basic Regulation.

- (47) On 13 February 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 the product concerned. In addition, based on the criteria guiding the choice of undistorted prices or benchmarks, the Commission identified possible representative countries, namely Brazil, Argentina and Türkiye as an appropriate representative country. The Commission received comments on the First Note as mentioned in recitals (116) to (131)
- (48) On 7 March 2025, the Commission informed by a second note ('the Second Note') interested parties on the relevant sources it intended to use for the determination of the normal value, with Türkiye as the representative country. It also informed interested parties that it would establish selling, general and administrative costs ('SG&A costs') and profits based on available information for the sector. The Commission received comments on the Second Note as mentioned in recitals (132) to (145).

3.2. Normal value

- (49) 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'*.
- (50) 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 costs').
- (51) As further explained below, the Commission concluded in the present investigation that, based on the evidence available, and in view of the lack of cooperation of the GOC, the application of Article 2(6a) of the basic Regulation was appropriate.

3.3. Existence of significant distortions

- (52) In recent investigations concerning the steel sector in the People's Republic of China ('PRC') ⁽⁶⁾, the Commission found that significant distortions in the sense of Article 2(6a)(b) of the basic Regulation were present.

⁽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, 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, 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, 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, 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, http://data.europa.eu/eli/reg_impl/2022/191/oj.

- (53) 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 Government of China ('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 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⁾.
- (54) 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 based on 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.
- (55) 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.

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

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

⁽⁹⁾ See Commission Implementing Regulation (EU) 2024/1666, recitals 66-68; Commission Implementing Regulation (EU) 2023/1444, recital 58; Commission Implementing Regulation (EU) 2023/100, recital 40; Commission Implementing Regulation (EU) 2022/2068, recital 66; Commission 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 Commission Implementing Regulation (EU) 2024/1666 recitals 61-65; Commission Implementing Regulation (EU) 2023/1444, recital 59; Commission Implementing Regulation (EU) 2023/100, recital 43; Commission Implementing Regulation (EU) 2022/2068, recital 68; Commission Implementing Regulation (EU) 2022/191, recitals 195-201.

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

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

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

- (56) The complaint also provided references to the relevant parts of the Report, and pointed out the following:
- (57) The steel sector, including the market of the product concerned are served to a significant extent by enterprises operating under the ownership, control or policy supervision or guidance of the authorities of the exporting country. Regarding this, the complainants noted the influence exercised by the State through both the overall presence of the Chinese Communist Party ('CCP') in Chinese enterprises and through their prominent role in associations.
- (58) First, in the complaint it was mentioned that the Chinese economy mainly operates through SOEs, which contribute to 25 % of China's GDP ⁽¹⁵⁾. To reinforce this, the complainants noted that SOEs are also the main vehicles allowing the state to directly implement its policies on the market. Moreover, regarding the steel sector, which produces the main raw material for the manufacturing of the product concerned, it was mentioned that SOEs account for 40 % of the sector's production. In fact, four of the ten largest producers of steel are SOEs, among which Baowu Steel Group, HBIS Group, Ansteel Group and Shougang ⁽¹⁶⁾. The complainants also noted other smaller SOEs, such as Maanshan Iron & Steel Company Limited, Batou Steel Group and CITIC Pacific Special Steel, which are also very important, as direct source of steel to HPSC producers in China.
- (59) Second, the complainants mentioned the key role of GOC interventionism, through associations. This was noted to be particularly true for the steel sector and consequently also for the HPSC market. This is because in the steel sector, associations are known to *'play the role of a bridge and link between the government and members'* ⁽¹⁷⁾. Regarding this, it was mentioned by the complainants that even though there is no specific HSPC industry trade association implementing industrial policies, there are other actors, such as the National Technical Committee for Standardization of Gas Cylinders ('TC31') and the China Association of Special Equipment Inspection ('CASEI') which directly execute national standards and regulations applicable to HPSC producers ⁽¹⁸⁾.
- (60) The influence of the GOC in the steel sector is reflected in the production of the product concerned, allowing it to exercise influence and control across the entire value chain.
- (61) Concerning the State presence in firms allowing the state to interfere with prices and costs, the complainants noted that both public and private companies involved in the production of steel in general and HPSC in particular, are under the wide-ranging control of the GOC, resulting in the State distorting prices and costs in such sectors. The complainants claimed an overall presence of CCP members in both SOEs and privately owned companies, which specifically results in the CCP's involvement not only in the choice of executives but also of human resources.
- (62) Furthermore, the complainants noted that in SOEs, party level organisations have the obligations to implement the party's principles and policies. This is ensured by the existence of party cells within companies, which are required to create a disciplinary section to ensure the application of the GOC's instructions. In addition to this, the complaint noted a similar situation for privately owned companies. In fact, it was noted that in 2017, 70 % of the 1,86 million privately-owned companies featured CCP cells, within which there was a *'growing pressure for the CCP organisations to have a final say over the business decisions within their respective companies'* ⁽¹⁹⁾.
- (63) In addition to that, it was noted that the CCP requests the implementation of units known as 'United Fronts' to further advance the CCP's influence and ideology in private companies through the establishment of a *'modern enterprise system with Chinese characteristics'*. In particular, the complainants cited the Vice Chairman of the All-China Federation of Industry and Commerce, who explained that such system shall *'integrate the leadership of the Party into all aspects of the public and embeds the party organisation in the corporate governance structure'*. It also noted that on the side of the private economy system, it *'must adhere and strengthen the Party's overall leadership'*. In 2023, the complainants reported that 92 % of China's top 500 private enterprises host party units.
- (64) The complainants also mentioned that the GOC influences also the appointment of key executives and HR employees both in SOEs and in privately owned companies.

⁽¹⁵⁾ Commission staff working document SWD (2024)91, 10 April 2024, p. 103, 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).

⁽¹⁶⁾ Report – Chapter 14, p. 399.

⁽¹⁷⁾ 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).

⁽¹⁸⁾ TC31, Standardization Technical Committee, available at: http://www.china-cylinder.org/committee_introduction.

⁽¹⁹⁾ All-China Federation of Industry and Commerce, Ye Qing: Promote the organic integration of the party's leadership system of private enterprises, available at: https://www.acfic.org.cn/bhjj/ldzc/hzfhz/yq/yqgzhd/202009/t20200917_60940.html.

- (65) In SOEs for example, the CCP extends its control through the appointment procedure of key management executives. Precisely, the complainants stated that in accordance with the Regulations on the Work of Grassroots Organisations of State-owned Enterprises of the Chinese Communist Party, '[t]he positions of party committee (party group) secretary and chairman are generally held by one person, and the party member general manager serves as the deputy secretary' ⁽²⁰⁾. The regulations require similarly that in a company 'with no board of directors and only executive directors,' the Party committee secretary shall be the executive director and in 'non-independent corporate enterprises' it shall be deputy general manager.
- (66) Regarding private companies, the complaint noted that those are also advised to establish a supervision mechanism led by the Party cell with disciplinary powers to ensure 'the implementation of corporate compliance and corporate management system, warning and education of leadership management and staff, supervision and management of staff.' The supervision mechanism should also have power over leading cadres and employees to 'regulate [...] the use of power' ⁽²¹⁾.
- (67) The complainants disclosed that such distortions are not only present in companies producing the product under investigation but also in its upstream industry, namely in the steel sector. This is not only due to State's ownership and presence but also to different consolidation policies which resulted in mega-mergers such as the one which took place in 2016 involving Baosteel Group Corp and Wuhan Iron and Steel Group Corp which merged into Baowu Steel Group. In this case, the chairman of the board of managers is not only CCP's secretary but also the chairman of the company's trade union.
- (68) As a result, the complainants concluded that companies active in the HPSC and steel sectors are strongly tight to the GOC. Such interventionism disrupts market dynamics, affecting the settings of prices and costs.
- (69) The complainants also claimed that public policies or measures discriminate in favour of domestic suppliers or otherwise influencing free market forces. The complainants alleged that the GOC has put in place a planning system which directly incentivises the industry of the product concerned and the upstream sectors, among which the steel one, resulting in a strong influence on market forces. The complainants highlighted the binding nature of such plans, as implementation is mandated by law, including on the constitutional level. The complainants noted that such system of planning results in 'resources being driven to sectors designated as strategic or otherwise politically important by the government, rather than being allocated according to market forces' ⁽²²⁾.
- (70) Regarding the steel sector, the complainants restated several Commission's regulations acknowledging distortions, especially regarding key components of HPSC. In particular, the complainants referred to the Report regarding the strategic importance of the raw materials development plan and the 14th FYP ('14FYP') for social and economic development.
- (71) The complainants also alleged that there is a lack of application or a discriminatory and inadequate enforcement of bankruptcy, corporate or property laws. The complainants stated that bankruptcy laws in China are under-enforced. This was claimed to be the result of the close relation between insolvency administrators and the local government, and of the government overall influence in corporate affairs. It was noted that it also favoured the creation of 'economically unavailable businesses, usually in industries with severe overcapacity'. ⁽²³⁾ This is particularly evident for HPSC producers (i.e. Bohai Iron and Steel Group), in a context in which excess of production capacities are maintained by the state.
- (72) In addition to that, the complainants noted previous findings of the Commission regarding upstream sectors of the product concerned (i.e. the steel sector and the HPSC market in particular), which benefited from a selective allocation of land. They noted that land is solely owned by the state and that its allocation is within the state's exclusive purview ⁽²⁴⁾. This results in the State leveraging its property laws in favour of domestic HPSC producers and in the steel sector.
- (73) The complainants noted also significant interventions of the PRC on wages, which affect the whole value chain and become more severe as the value chain lengthen. Such distortions are claimed to be twofold, first they occur when producing HPSC or their main inputs, and second indirectly when accessing inputs from companies operating under the same Chinese labour system.

⁽²⁰⁾ East Asia Forum, CCP branches out into private businesses, available at: CCP branches out into private businesses | East Asia Forum.

⁽²¹⁾ All-China Federation of Industry and Commerce, Ye Qing: Promote the organic integration of the party's leadership system of private enterprises, available at: https://www.acfic.org.cn/bhjj/ldzc/hzfhz/yq/yqgzhd/202009/t20200917_60940.html.

⁽²²⁾ Commission Implementing Regulation (EU) 2024/1475 of 30 May 2024 imposing a definitive anti-dumping duty on imports of certain seamless pipes and tubes of stainless-steel originating in the People's Republic of China following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council, rec. 46, http://data.europa.eu/eli/reg_impl/2024/1475/oj.

⁽²³⁾ People's Daily, China to unveil detailed plan on zombie companies, available at; China to unveil detailed plan on 'zombie companies' – People's Daily Online.

⁽²⁴⁾ Report – Chapter 9, p. 248.

- (74) Lastly, the complainants claimed that financial markets in China operate towards *'ensuring control and allowing intervention by the State and the CCP'* ⁽²⁵⁾. They noted that the State controls four of the biggest banks, providing preferential financings to SOEs for policy reasons. They also claimed the distortions of bonds and credit ratings, as many companies would internationally receive a lower rating compared to the Chinese one. This is because a lot of rating agencies allow borrowers to choose the most beneficial rating, and rarely result in defaults. Considering the dominance of SOEs in the industry, this is of particular relevance for the steel sector and the resulting production of HPSC.
- (75) Furthermore, in the complaint it was noted that the State's presence on the market leads to substantial under pricings in IPOs. This is caused by the State's attempt to pursue policy goals through the IPOs. Through such preferential access to finance the assets held by the SASAC-controlled SOEs increased five-fold between 2005 and 2017 reaching EUR 7,1 trillion ⁽²⁶⁾. Lastly, the complainants disclosed that, being the steel sector among the encouraged industries, it benefits from more accessible finance, indirectly benefitting also the market of the product concerned.
- (76) In conclusion, the complainants 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.
- (77) 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, Tianjin Tianhai High Pressure Container Corp., Ltd. ⁽²⁷⁾, a producer and exporter of the product under investigation is ultimately controlled by Beijing Jingcheng Machinery Electric Company Ltd. ⁽²⁸⁾, an SOE ultimately controlled by the Beijing Municipality Government ⁽²⁹⁾. Another example is Sinoma Science & Technology Co., Ltd. ⁽³⁰⁾ which is controlled by the China National Building Materials Group Co., Ltd. ⁽³¹⁾, an SOE under SASAC ⁽³²⁾. While the Commission did not identify extensive information on State ownership among producers of HPSC, a substantial degree of ownership by the GOC persists in the Chinese steel sector, which produces the main raw material to produce HPSC. Many of the largest steel producers are owned by the State. Examples of SOEs active in the steel sector include: the Ansteel Group ⁽³³⁾ and the Baowu Steel Group ⁽³⁴⁾, 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 ⁽³⁵⁾; as well as the Shougang Group ⁽³⁶⁾, an SOE wholly owned by the Beijing State-Owned Asset Management Ltd ⁽³⁷⁾.
- (78) 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 ⁽³⁸⁾, 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, seamless steel pipes, (...).'* 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'* ⁽³⁹⁾.

⁽²⁵⁾ Commission Implementing Regulation (EU) 2020/508 of 7 April 2020, imposing a provisional antidumping duty on imports of certain hot rolled stainless steel sheets and coils originating in Indonesia, the People's Republic of China and Taiwan, rec. 119, http://data.europa.eu/eli/reg_impl/2020/508/oj.

⁽²⁶⁾ R. Garnaut, L. Song, C. Fang, (Eds.), *China's 40 Years of Reform and Development*, Australian National University Press, 2018, p. 337.

⁽²⁷⁾ See: <https://www.btic.cn/about.html> (accessed on 16 June 2025).

⁽²⁸⁾ See: <https://www.jcmeh.com/> (accessed on 16 June 2025).

⁽²⁹⁾ See: Beijing Jingcheng Machinery Electric Company Ltd. 2024 annual report, p.98, available at: http://file.finance.sina.com.cn/211.154.219.97:9494/MRGG/CNSESH_STOCK/2025/2025-3/2025-03-29/10831510.PDF (accessed on 16 June 2025).

⁽³⁰⁾ See: <http://www.sinoma-jj.com/> (accessed on 16 June 2025).

⁽³¹⁾ See: <https://www.cnbm.com.cn/> (accessed on 16 June 2025).

⁽³²⁾ See: <http://www.sasac.gov.cn/n2588045/n27271785/n27271792/c14159097/content.html> (accessed on 16 June 2025).

⁽³³⁾ See: <http://wap.sasac.gov.cn/n2588045/n27271785/n27271792/c14159097/content.html> (accessed on 16 June 2025).

⁽³⁴⁾ See: <http://wap.sasac.gov.cn/n2588045/n27271785/n27271792/c14159097/content.html> (accessed on 16 June 2025).

⁽³⁵⁾ See: <https://www.baoganggf.com/gsjj> (accessed on 16 June 2025).

⁽³⁶⁾ See: Shougang Group Co., Ltd. Corporate Bond Annual Report (2024), p.7, available at https://static.sse.com.cn/disclosure/bond/announcement/company/c/new/2025-04-30/115684_20250430_CTMM.pdf (accessed on 16 June 2025).

⁽³⁷⁾ See: <https://www.shougang.com.cn/sgweb/html/index.html> (accessed on 16 June 2025).

⁽³⁸⁾ See: https://www.gov.cn/zhengce/zhengceku/2022-02/08/content_5672513.htm (accessed on 16 June 2025).

⁽³⁹⁾ Ibid.

- (79) Another example of the GOC's intention to intervene in the steel sector can be found in the 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' ⁽⁴⁰⁾.
- (80) Additionally, the MIIT 2023 Work Plan on the Stable Growth of the Steel Industry ⁽⁴¹⁾ 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 %', and 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.'
- (81) 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.'⁽⁴²⁾ Moreover, Hebei's plan in the steel sector states: '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' ⁽⁴³⁾.
- (82) 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.'⁽⁴⁴⁾
- (83) 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.'⁽⁴⁵⁾

⁽⁴⁰⁾ See Section IV, Subsection 3 of the 14th FYP on Developing the Raw Materials Industry.

⁽⁴¹⁾ See: https://www.miit.gov.cn/zwgk/zcwj/wjfb/tz/art/2023/art_2a4233d696984ab59610e7498e333920.html (accessed on 16 June 2025).

⁽⁴²⁾ 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).

⁽⁴³⁾ Ibid, Chapter I, Section 2.

⁽⁴⁴⁾ Ibid, Chapter I, Section 3.2.

⁽⁴⁵⁾ 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).

- (84) More specifically, in Zhejiang, where Zhejiang Winner Fire Fighting Equipment Co., Ltd. is located, the GOC seeks to 'explore and set up an innovative integration of upstream and downstream enterprises in the field of key steel for equipment' ⁽⁴⁶⁾.
- (85) Similar industrial policy objectives can also be found in the planning documents of other provinces, such as Jiangsu ⁽⁴⁷⁾, Shandong ⁽⁴⁸⁾, or Shanxi ⁽⁴⁹⁾.
- (86) Also, the GOC also intervenes at the local level in the steel industry. For instance, 'the five cities in southern Jiangsu, including Nanjing, Wuxi, Suzhou, Changzhou and Zhenjiang, have gradually established a special steel and high-end alloy industry system with leading scale, high-end varieties and complete supporting facilities, forming five advantageous industrial chains including Nanjing high-performance special steel plates, Wuxi high-end special steel bars, Suzhou high-quality special steel wires, Changzhou high-quality stainless steel, and Zhenjiang high-end alloys. The industrial scale and comprehensive competitiveness rank first in the country' ⁽⁵⁰⁾.
- (87) Furthermore, 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, publicizing and implementing the spirit of the Party's 20th National Congress ⁽⁵¹⁾. 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.
- (88) 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 Beijing Jingcheng Machinery Electric Company Ltd. also serves as the Secretary of the Party Committee ⁽⁵²⁾ and ensures that its subsidiary Tianjin Tianhai High Pressure Container Corp., Ltd. 'promotes the implementation of the strategy (...), and go all out to win the final battle of the "14th Five-Year Plan"' ⁽⁵³⁾. Moreover, the Chairman of China National Building Materials Group Co., Ltd also serves as the Secretary of the Party Committee ⁽⁵⁴⁾.
- (89) Furthermore, China National Building Materials Group Co., Ltd 'takes it as [its] responsibility to (...) serve the major national projects, serve the battlefield of the national economy' and together with its subsidiaries 'has made unremitting efforts to promote the high-quality development of the gas storage and transportation industry' ⁽⁵⁵⁾.
- (90) 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.

⁽⁴⁶⁾ 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 16 June 2025).

⁽⁴⁷⁾ 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 16 June 2025).

⁽⁴⁸⁾ Shandong Province's 14 FYP on the Steel Industry Development; available at: https://m.mysteel.com/21/1119/11/DFD9D26D73D90F7D_abc.html (accessed on 16 June 2025).

⁽⁴⁹⁾ 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 16 June 2025).

⁽⁵⁰⁾ See: https://www.nanjing.gov.cn/zgnjsjb/jrtt/202501/t20250123_5063880.html (accessed on 16 June 2025).

⁽⁵¹⁾ See: <http://www.ansteel.cn/dangdejianshe/dangjiandongtai/2023-03-17/12429.html> (accessed on 16 June 2025).

⁽⁵²⁾ See: <https://www.btic.cn/news/show-368.html> (accessed on 16 June 2025).

⁽⁵³⁾ Ibid.

⁽⁵⁴⁾ See: <https://www.cnbm.com.cn/CNBM/0000000100020006/index.html> (accessed on 17 June 2025).

⁽⁵⁵⁾ See: <https://www.cnbm.com.cn/CNBM/0000000700020006/64023.html> (accessed on 17 June 2025).

- (91) 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 ⁽⁵⁶⁾. 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 ⁽⁵⁷⁾. 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'* ⁽⁵⁸⁾.
- (92) 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 ⁽⁵⁹⁾. Additionally, 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 ⁽⁶⁰⁾. Finally, at CITIC Pacific Special Steel, the Chairman of the Board of Directors and the Chairman of the Supervisory Board are respectively Secretary and Deputy Secretary of the Party Committee ⁽⁶¹⁾.
- (93) The China Industrial Gases Industry Association ⁽⁶²⁾ ('CIGIA') is relevant for the product under investigation as it has set up a section dedicated to pressure equipment ⁽⁶³⁾. CIGIA is a member of the China Petroleum and Chemical Industry Federation ('CPCIF') and occupies the CPCIF's executive Vice-Presidency ⁽⁶⁴⁾. The CPCIF adheres to the overall leadership of the CCP, carries out Party activities, and provides necessary conditions for the activities of party organizations ⁽⁶⁵⁾. Moreover, the *'registration and management authority of the Association is the Ministry of Civil Affairs'* ⁽⁶⁶⁾ and the conditions to be eligible as a representative of the CPCIF include to *'adhere to the leadership of the CCP, support socialism with Chinese characteristics, resolutely implement the Party's line, principles, and policies, and possess good political qualities'* ⁽⁶⁷⁾.
- (94) Beijing Jingcheng Machinery Electric Company Ltd. is a member of CIGIA ⁽⁶⁸⁾.
- (95) Similarly, Article 2 of the Articles of Association of the China Iron and Steel Association ⁽⁶⁹⁾ ('CISA'), of which major iron and steel producers are members, stipulates that *'[t]he purpose of the Association is to be guided by the Party's line, principles and policies'* and Article 3 states that the Association *'adheres to the overall leadership of the Communist Party of China, establishes the organization of the Communist Party of China in accordance with the provisions of the Constitution of the Communist Party of China, carries out Party activities, and provides necessary conditions for the activities of Party organizations'* ⁽⁷⁰⁾.

⁽⁵⁶⁾ 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 17 June 2025).

⁽⁵⁷⁾ See: <https://www.wuganggroup.cn/people/3143> (accessed on 17 June 2025).

⁽⁵⁸⁾ 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 June 2025).

⁽⁵⁹⁾ See: <https://www.baoganggf.com/ggry> (accessed on 17 June 2025).

⁽⁶⁰⁾ See: <https://www.shougang.com.cn/p1/gslid.html> (accessed on 17 June 2025).

⁽⁶¹⁾ See CITIC Pacific Special Steel, 2021 annual report available at: <https://www.citicsteel.com/uploadfile/2023/0923/20230923120145927.pdf> (accessed on 18 June 2025).

⁽⁶²⁾ See: <http://www.cigia.org.cn/index.php?m=home&c=View&a=index&aid=1669> (accessed on 17 June 2025).

⁽⁶³⁾ See: <http://www.cigia.org.cn/?m=home&c=Lists&a=index&tid=233> (accessed on 17 June 2025).

⁽⁶⁴⁾ See: <http://www.cpcif.org.cn/detail/40288043661fd28501661fd4ed380000?e=1> (accessed on 17 June 2025).

⁽⁶⁵⁾ See CPCIF Articles of Association, Article 3, available at: <http://www.cpcif.org.cn/detail/40288043661e27fb01661e386a3f0001?e=1> (accessed on 17 June 2025).

⁽⁶⁶⁾ Ibid.

⁽⁶⁷⁾ See CPCIF Articles of Association, Article 36, available at: <http://www.cpcif.org.cn/detail/40288043661e27fb01661e386a3f0001?e=1> (accessed on 17 June 2025).

⁽⁶⁸⁾ See: http://www.cigia.org.cn/v/h2zywyh/h2zywyh_ldcy/ (accessed on 17 June 2025).

⁽⁶⁹⁾ See: <https://www.chinaisa.org.cn/gxportal/xfgl/portal/content.html?articleId=5b2ddec5eba936fba45d7bd801b09f6ff30d867762906011672eaeda213c54ac&columnId=0227750914a0f2a722c5b71b220e0aa19ceb0ee2cd7a7e325a35f6591cdbf66a> (accessed on 18 June 2025).

⁽⁷⁰⁾ Ibid.

- (96) 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 HPSC industry is a sub-sector of the steel sector.
- (97) The steel industry is consistently considered as a key industry by the GOC ⁽⁷¹⁾. 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 ⁽⁷²⁾. Similarly, the 14th FYP on Developing the Raw Materials Industry, applicable also to the steel industry, lists the sector as the ‘*bedrock of the real economy*’ and ‘*a key field that shapes China’s international competitive edge*’ and sets a number of objectives and working methods which would drive the development of the 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 ⁽⁷³⁾.
- (98) Moreover, the abovementioned Work Plan on the Stable Growth of the Steel Industry (see recital (80)) 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’ ⁽⁷⁴⁾.
- (99) At local level, the Shandong 14th FYP for Iron and Steel Industry Development ⁽⁷⁵⁾ requires the following: ‘Steel for petroleum and chemical equipment: In accordance with the needs of the petroleum and chemical sector development, raise the performance of steel used for pressure equipment’ ⁽⁷⁶⁾ (...).
- (100) Also at local level, in Jiangsu seeks to ‘[f]ocus on developing steel for automobiles, high-speed rail, ships, electricity, oil and gas transportation [...] By 2025, the industry scale will reach about 90 billion yuan ⁽⁷⁷⁾’ and a number of municipalities have set up the ‘Special Steel Material Cluster [...] striving to reach RMB 1 trillion output value of cluster-led industries by 2027’ ⁽⁷⁸⁾.
- (101) In addition to the above, Sinoma Science & Technology Co., Ltd was listed as a ‘little giant’ ⁽⁷⁹⁾. The GOC defines ‘little giant’ companies as ‘the novel elites of China’s small and medium-sized enterprises that are engaged in manufacturing, specialize in a niche market and boast cutting-edge technologies’ and intends to ‘scale up support for “little giants” during the 2024-2026 period, with a focus on key industrial chains, strategic emerging industries and other sectors. These funds will be used to encourage these firms to tackle technological challenges, develop new products, build up the supporting capacities of the industrial chain, and support local governments in nurturing “little giants”’ ⁽⁸⁰⁾.
- (102) 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.
- (103) 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.

⁽⁷¹⁾ Report – Chapter 14, p. 346 ff.

⁽⁷²⁾ 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 June 2025).

⁽⁷³⁾ See in particular Sections I and II of the 14th FYP on Developing the Raw Materials Industry.

⁽⁷⁴⁾ See: https://www.miit.gov.cn/zwgk/zcwj/wjfb/tz/art/2023/art_2a4233d696984ab59610e7498e333920.html (accessed on 17 June 2025).

⁽⁷⁵⁾ See at: <http://gxt.shandong.gov.cn/module/download/downloadfile.jsp?classid=0&filename=1f79d908601e479f83707e67b133e347.pdf> (accessed on 18 June 2025).

⁽⁷⁶⁾ Ibid, see p.14.

⁽⁷⁷⁾ See Nanjing Municipality 14th FYP on Economic and Social Development and 2035 Perspectives, Section XV.2, available at: https://www.nanjing.gov.cn/xxgkn/zt/ghxxgk_70036/ssw/fzgh_70038/202111/t20211110_3185195.html (accessed on 18 June 2025).

⁽⁷⁸⁾ See: https://www.nanjing.gov.cn/zgnjsjb/jrtt/202501/t20250123_5063880.html (accessed on 18 June 2025).

⁽⁷⁹⁾ See: <https://www.cnbm.com.cn/CNBM/0000000700020006/64023.html> (accessed on 17 June 2025).

⁽⁸⁰⁾ See at: https://english.www.gov.cn/news/202406/19/content_WS6672c84ac6d0868f4e8e8531.html#:~:text=China%20will%20scale%20up%20support,of%20Industry%20and%20Information%20Technology (accessed on 18 June 2025).

- (104) 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 (53). 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) ⁽⁸¹⁾.
- (105) 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 (53). The abovementioned (see recital (78) Work Plan on the Stable Growth 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.
- (106) Finally, the Commission recalls 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.
- (107) 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.
- (108) 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.
- (109) 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 complainants, 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.
- (110) The Commission did not receive any comments from interested parties in relation to the existence of significant distortions in the PRC.
- (111) 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.

⁽⁸¹⁾ See Commission Implementing Regulation (EU) 2023/1444, recital 63; Commission Implementing Regulation (EU) 2023/100, recital 33.

3.4. Representative country

3.4.1. General remarks

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

- A level of economic development similar to the PRC. For this purpose, the Commission used countries with a gross national income per capita similar to the PRC on the basis of the database of the World Bank ⁽⁸²⁾;
- 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.

(113) As explained in recitals (47) to (48), the Commission issued two notes for the file on the sources for the determination of the normal value: a first note on the sources for the determination of the normal value of 13 February 2025 (hereinafter the 'First Note') and a second note of 7 March 2025 on the factors of production ('FOP') such as main raw materials, energy, water, steam, consumables and labour used in the production of high-pressure seamless steel cylinders (hereinafter the 'Second Note'). These notes on the determination of the normal value and factors of production described the facts and evidence underlying the relevant criteria mentioned in recital (112), and also addressed the comments submitted by the interested parties on these factors and on the intended relevant sources for the determination of the normal value.

3.4.2. A level of economic development similar to the PRC

(114) In the First Note on production factors, the Commission identified Brazil, Argentina and Türkiye as countries with a similar level of economic development as the PRC 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.

(115) In the Second Note, the Commission informed interested parties of its intention to finally consider Türkiye as an appropriate representative country in the present case, if the existence of significant distortions pursuant to Article 2(6a) of the basic Regulation would be confirmed.

3.4.3. Existence of relevant readily available data in the representative country

(a) The First Note

(116) In the First Note, the Commission provided a list of all factors of production such as raw materials, energy, water and labour used in the production of high-pressure seamless steel cylinders.

(117) The Commission received comments on the First Note from the two sampled producers Tianjin Tianhai High Pressure Container Corp., Ltd., Zhejiang Winner Fire Fighting Equipment Co., Ltd as well as from the complainants.

(118) The complainants considered Brazil as the most adequate choice as there was readily available financial information for a widely recognised producer of steel products (e.g. Arcelor Mittal S.A. (Brazil)), followed by Türkiye, which it also considered a potential representative country. The complainants considered that Argentina did not qualify as a representative country.

(119) Tianjin Tianhai High Pressure Container Corp., Ltd. ('Tianjin Tianhai') also considered that in absence of relevant readily available financial data concerning the identified local producer, Argentina should be discarded. It also expressed a preference for Türkiye as the most appropriate choice. Tianjin Tianhai also noted that, following the examination of the financial data of Arcelor Mittal S.A., this company operated in a related but different sector (NACE 24) from the product under investigation (NACE 25). Moreover, this company considered the calculated profit margin not reasonable and that such profit margin improperly included some elements that should be excluded from the calculation of the dumping margin.

⁽⁸²⁾ World Bank Open Data – Upper Middle Income, <https://data.worldbank.org/income-level/upper-middle-income>.

- (120) With regard to Brazil, the Commission found that, based on the NACE 24 sector code, this company was indeed, not active in the sector of the product under investigation. In addition, the Commission found that the financial statements available for the Brazilian producer of the product under investigation, Mat Equipamentos Para Gases Ltda, were outdated as they pertained to the year 2016, i.e. long before the investigation period of this proceeding.
- (121) Zhejiang Winner Fire Fighting Equipment Co., Ltd. ('Winner') considered that neither Brazil, Argentina nor Türkiye could qualify as potential representative countries for this investigation. Alternatively, Winner proposed Colombia as a representative country in both its comment to the First and Second Notes.
- (122) As far as Türkiye is concerned, while recognising that there were no readily information concerning specific companies producing the product under investigation available, the Commission could, however, identify suitable financial information available for the sector producing the product under investigation for the year 2023 (C-Manufacturing > 25.2-Manufacture of tanks, reservoirs and containers of metal) ⁽⁸³⁾. Such information overlapped partially with the investigation period and could be pertinent to the one company producing the product under investigation, namely CMV Cylinders Endustri Sanayi Ve Ticaret A.S ('CMV') ⁽⁸⁴⁾, which belongs to this specific sector.
- (123) Winner also argued against the choice of Türkiye on the ground that it also put in place anti-dumping measures on imports of certain seamless steel pipes (including product under HS code 730439 and 730459) since 2016.
- (124) The complainants also claimed that that inflation in Türkiye had been high resulting in high price volatility and triggering repeated government interventions. The complainants argued that the inflation rate in Brazil was only 4,6 % in 2023.
- (125) Winner argued that high inflation rate in Türkiye and continuous depreciation of the Turkish Lira against the US dollar, could increase domestic prices through imports of goods such as energy and raw materials, while import prices continued to increase despite monetary policies put in place to curb inflation by the Government.
- (126) The Commission noted that, both Brazil and Türkiye, experienced significant inflationary pressures in 2022, with Türkiye's rate peaking much higher than Brazil's, which was still as high as 9,2 % in 2022. Furthermore, the Commission noted that both nations have seen a gradual decline in inflation rates in subsequent years, with Türkiye's rate decreasing more sharply than Brazil's.
- (127) The Commission also noted that while inflation may affect the cost of labour or energy, import prices which were the basis for setting benchmarks for most FOPs, were based on cross-border transactions which were usually made in other currencies than that of the importing country and hence were unaffected by inflation. Furthermore, benchmarks would be converted to the currency of the country concerned, whereby the impact of inflation, which is often related to currency devaluation, would not be significant.
- (128) With regard to Colombia, which was proposed as a possible representative country by Winner, the Commission noted that, similarly to the PRC, this country falls under the category of 'upper middle income' countries according to the classification of World Bank.
- (129) Winner also identified Ternium S.A. ⁽⁸⁵⁾, a listed company manufacturing steel products in Colombia. However, there was no evidence available demonstrating that the output of this company was close to the product under investigation. Furthermore, similarly to Arcelor Mittal S.A., the Commission noted that this company operated in a related but different sector (NACE 24) from the product under investigation. Finally, Winner provided financial statements covering the whole Ternium group and not specifically Ternium Colombia S.A.S.

⁽⁸³⁾ <https://www3.tcmb.gov.tr/sektor/#/en/C/252/manufacture-of-tanks-reservoirs-and-containers-of-metal>.

⁽⁸⁴⁾ <https://cmvcylinders.com/en/> (CMV is a company specialized in the production of seamless steel gas cylinders, founded in 2006 after the acquisition of a plant manufacturing special cylinders for military use located in northern Italy. Thanks to major investments, all production facilities have been moved to Türkiye and more specifically to the Manisa industrial hub a few kilometers from Izmir. The new production layout has been built with the latest technologies to increase flexibility and product quality to the highest market standards for cylinders).

⁽⁸⁵⁾ <https://www.ternium.com/es/hecho-con-acero>.

(130) In addition, the Commission noted that Colombia had specific trade restrictions and regulations in the form of anti-dumping measures on imports of certain FOPs reported by the sampled exporting producers originating in the People's Republic of China; i.e.:

- certain alloy steel seamless tubes HS code 730459 ⁽⁸⁶⁾; and
- seamless tubes, pipes, and hollow profiles of iron or non-alloy steel classified under HS code 730439. ⁽⁸⁷⁾

(131) The Commission therefore considered that neither Colombia in this case, nor the company presented by Winner could be considered in the choice of appropriate representative country.

(b) The Second Note

(132) All the comments on the First Note were addressed in this Second Note and the relevant sources the Commission intended to use for the determination of the normal value were confirmed. The Second Note informed the interested parties about the choice of Türkiye as the representative country. Annex II of the Second Note provided an overview of the import statistics in Türkiye based on Global Trade Atlas ('GTA') for all factors of production listed in Annex I (see recital (149)). It also informed interested parties that it would establish selling, general and administrative ('SG&A costs') and profits based on the data from the Türkiye Cumhuriyet Merkez Bankası (TCMB) ⁽⁸⁸⁾ database for Sector 25.2 (manufacture of tanks, reservoirs and containers of metal) to construct normal value. However, since manufacturing overheads were not separately identified in the available profit and loss account figures and were deemed to be included in the cost of goods sold, the value for manufacturing overheads was based on the sampled exporting producer's specific data and applied on the 're-calculated' cost of manufacturing.

(133) In this Second Note, the Commission stated its intention to use the statistics published by the Turkish Statistical Institute ⁽⁸⁹⁾ with regards to labour, as the most reliable statistical source for this factor. Indeed, this institute published detailed information on labour costs in different economic sectors in Türkiye. The Commission stated that it intends to establish the benchmark based on hourly average labour costs for 2022 for the economic activity 'Manufacture of basic metals' NACE code 24 according to NACE Rev.2 classification. The values would be further adjusted for inflation using the domestic consumer price index ⁽⁹⁰⁾ to reflect the costs for the investigation period.

(134) The complainants argued the Commission should therefore use labour costs that were representative of the full amount of the labour cost in the representative country, particularly by using figures that were demonstrably reliable, such as Eurostat. Thereby, the Complainants maintained that the Commission should rely on Eurostat figures, which were deemed to be more reliable than statistics published by the Turkish Statistical Institute.

(135) However, the complainants stated that should this approach be maintained nevertheless, the Commission should consider the latest available information regarding actual weekly working hours and monthly average labour cost by economic activity and not the 2022 'Monthly average paid hours, gross wages and earnings by economic activity' as outlined in the Second Note ⁽⁹¹⁾. The Complainants also noted that the employers' costs for social security and unemployment fund contributions were underestimated in Türkiye, as the total employers' insurance liability out of total labour costs stood at 22,75 % only.

⁽⁸⁶⁾ <https://globaltradealert.org/state-act/956> and <https://www.tariffnumber.com/2023/73043983>.

⁽⁸⁷⁾ <https://www.mincit.gov.co/mincomercioexterior/defensa-comercial/dumping/investigaciones-antidumping-en-curso/perfiles-de-acero-aleado-y-sin-alea-en-lamina-gal>.

⁽⁸⁸⁾ <https://www3.tcmb.gov.tr/sektor/#/en/C/252/manufacture-of-tanks-reservoirs-and-containers-of-metal>.

⁽⁸⁹⁾ <https://data.tuik.gov.tr/Bulten/Index?p=Structure-of-Earnings-Statistics-2022-49750&dil=2>.

⁽⁹⁰⁾ TurkStat, Labour cost indices, 2009-2024 [2021=100] / <https://data.tuik.gov.tr/Bulten/Index?p=Labour-Input-Indices-Quarter-I-January-March,-2024-53682&dil=2>.

⁽⁹¹⁾ AD724_HPSC_2nd Note on sources for the determination of the normal value (t25.003184).

- (136) The Commission maintained that using the statistics published by the Turkish Statistical Institute with regards to labour, as adjusted for inflation using the domestic consumer price index to reflect the costs for the investigation period remained the most reliable statistical source for this factor of production.
- (137) The complainants reiterated that Brazil had a lower level of imports of the main factors of production from China than Türkiye and Argentina. Therefore, they argued that the overall FOP prices would be least affected by any distortion of the price of inputs.
- (138) With regard to Brazil and the company that was identified in the First Note as a producer, namely Arcelor Mittal S.A., the Commission noted that it had not been producing the product under investigation and was therefore not a suitable candidate for the determination of manufacturing overhead, SG&A costs and profit.
- (139) In the absence of other information on file available to the Commission on the presence of other companies producing the product under investigation in Brazil with publicly available financial data, the Commission concluded that that country could no longer be considered an appropriate representative country.
- (140) With regards to inflation, while agreeing with the Commission's assertion that both Türkiye and Brazil experienced significant inflation decline in 2023, the complainants argued that the inflation rate in Brazil was only 4,6 % in 2023. Furthermore, the complainants considered that transaction prices denominated in a currency other than that of the importing country could still be affected by inflationary tendencies.
- (141) In the absence of supplementary units in import statistics related to parts of the cylinders' fitting such as valves allowing the calculation of meaningful benchmarks on a per piece basis, the Commission intended to re-examine the situation in the course of the investigation. Noting that no straightforwardly verifiable information was available on the conversion methodology, the Complainants expressed concerns as regards the proposed approach to the determination of the price of valves. The Complainants recalled that unit-weight conversions were among those elements that could be easily used in order to distort figures reported with a view on seeking to obtain lower dumping margins.
- (142) The Commission could verify during the on-spot verification visits held at the premises of the sampled exporting producers that the conversion tables of the valves in kg matched with the certification requirements. In any case, as explained in recital (155), valves were moved to 'consumables' so that no benchmark was calculated for this particular factor of production.
- (143) With regard to Argentina, in the absence of other information on file available to the Commission on the presence of other companies producing the product under investigation in that country with publicly available financial data, the Commission concluded that that country could no longer be considered an appropriate representative country.
- (144) In its comments to the Second Note, Winner reiterated that Colombia remained the optimal representative country as it provided more stable economic conditions and reliable trade data. The Commission also analysed the imports of the main factors of production in Colombia. The analysis of import data showed that the imports into this country of the major factors of production were affected by imports from the PRC, and therefore could not be considered as a suitable representative country. Furthermore, the Commission found that the company identified by Winner: Ternium Colombia S.A.S. operated in a related but different sector (NACE 24) from the product under investigation as explained in recital (129). Therefore, the claims against selecting Türkiye as the representative country were rejected.
- (145) In light of the above considerations, as mentioned in recital (150), the Commission informed the interested parties with the second note that it intends to use Türkiye as an appropriate representative country and the TCMB database for Sector 25.2(manufacture of tanks, reservoirs and containers of metal), 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 the normal value.

3.4.4. *Level of social and environmental protection*

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

3.4.5. *Conclusion*

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

3.5. **Sources used to establish undistorted costs**

- (148) 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.

- (149) 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 Turkish Statistical Institute⁽⁹²⁾ for establishing undistorted costs of labour and the electricity tariff tables based on electricity bills published by the Energy Market Regulatory Authority (EMRA)⁽⁹³⁾ as well as the price of gas for industrial users in Türkiye as published by the Turkish Statistical Institute⁽⁹⁴⁾.

- (150) In the Second Note, the Commission also informed the interested parties that due to the large number of factors of production of the sampled exporting producers that provided complete information and the negligible weight of some of the raw materials in the total cost of production, these negligible items were grouped under 'consumables'. Further, the Commission informed that it would calculate the percentage of the consumables on the total cost of raw materials and apply this percentage to the recalculated cost of raw materials when using the established undistorted benchmarks in the appropriate representative country. The Commission also intended to use the water tariff charged by Directorate General of İzmir Metropolitan Municipality (CMV is located in this city) that is responsible for water supply, sewage collection and treatment in İzmir Metropolitan Municipality.

3.6. **Undistorted costs and benchmarks**

- (151) 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 high-pressure seamless cylinders

Factor of Production	Commodity Code	Undistorted value	Unit of measurement
Raw materials			
Seamless steel tube	7304 59	12,68 CNY	kg

⁽⁹²⁾ <https://data.tuik.gov.tr/Bulten/Index?p=Structure-of-Earnings-Statistics-2022-49750&dil=2>.

⁽⁹³⁾ <https://www.epdk.gov.tr/Detay/Icerik/3-0-39/kurul-kararlari> => Press releases => select Electricity electricity market board decisions.

⁽⁹⁴⁾ <http://www.turkstat.gov.tr> => Press releases => select Natural Gas prices.

Factor of Production	Commodity Code	Undistorted value	Unit of measurement
Cylinder tube Outside Diameter ≤ 168,3 mm	7304 39	14,13 CNY	kg
Cylinder tube 168,3 mm < Outside Diameter ≤ 406,4 mm	7304 39	23,48 CNY	kg
Consumables			
Labour			
Labour	N/A	43,9 CNY	Hour
Energy			
Electricity	N/A	0,72 CNY	kWh
Gas	N/A	2,61 CNY	kWh

(152) The Commission calculated a ratio for manufacturing overheads based on the company-specific data and applied it on the 're-calculated' cost of manufacturing.

3.6.1.1. Raw materials and input

(153) 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 the PRC and countries which are not members of the WTO, listed in Annex 1 of Regulation (EU) 2015/755 of the European Parliament and the Council⁽⁹⁵⁾. The Commission decided to exclude imports from the PRC into the representative country as it concluded in recital (108) that it is not appropriate to use domestic prices and costs in the PRC due to the existence of significant distortions in accordance with Article 2(6a)(b) of the basic Regulation. Given that there is no evidence showing that the same distortions do not equally affect products intended for export, the Commission considered that the same distortions affected export prices.

(154) 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 review investigation period. As the value used for these had no appreciable impact on the dumping margin calculations, regardless of the source used, the Commission decided to include those costs into consumables as explained in the recital (150).

(155) In the absence of import volume statistics for valves, neck rings and caps reported in pieces and considering the diversity of such factors of production for elements such as shape, size and unit weight, the Commission was not in a position to calculate a meaningful benchmark for these factors of production. Hence, also considering their limited share in the total cost of manufacturing the Commission decided to move these factors of production to consumables.

⁽⁹⁵⁾ Regulation (EU) 2015/755 of the European Parliament and of the Council of 29 April 2015 on common rules for imports from certain third countries (OJ L 123, 19.5.2015, p. 33). Article 2(7) of the basic Regulation considers that domestic prices in those countries cannot be used for the purpose of determining normal value.

(156) 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 added the relevant import duties to the CIF value recorded in the import statistics of the representative country, as available in GTA.

(157) The Commission expressed the transport cost incurred by the cooperating exporting producers 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.

3.6.1.2. Water

(158) The Investment and Finance office publishes detailed information on the cost of water for industrial use for companies located in the industrial zone of Izmir, where CMV a producer of the product under investigation in the representative country is located. The Commission used the latest available statistics as published by this organisation. The benchmark is based on the cost of water and waste water on a per m³ basis ⁽⁹⁶⁾.

3.6.1.3. Labour

(159) The Turkish Statistical Institute publishes detailed information on wages in different economic sectors in Türkiye. The Commission used the latest available statistics covering 2022 for average labour cost in economic activity 'Manufacture of basic metals' CODE NACE 2.0 Rev.2 classification ⁽⁹⁷⁾.

3.6.1.4. Electricity

(160) The price of electricity for companies (industrial users) in Türkiye is published by the Energy Market Regulatory Authority (EMRA) in Türkiye. The Commission used the data on the industrial electricity prices in the corresponding consumption band in currency/kWh as published by the EMRA.

3.6.1.5. Natural gas

(161) The price of natural gas for companies in the steel sector, like industrial users in Türkiye is published by the Investment and Finance office ⁽⁹⁸⁾. The Commission used the available statistics based on the March 2024 Natural Gas Wholesales Price overlapping with the investigation period.

3.6.1.6. Manufacturing overhead costs, SG&A costs and profits

(162) 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.

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

⁽⁹⁶⁾ <https://www.invest.gov.tr/en/investmentguide/pages/cost-of-doing-business.aspx#> consulted on 4 July 2025.

⁽⁹⁷⁾ TurkStat, Labour cost indices, 2009-2024 [2021=100] / <https://data.tuik.gov.tr/Bulten/Index?p=Labour-Input-Indices-Quarter-I-January-March,-2024-53682&dil=2>.

⁽⁹⁸⁾ <https://www.invest.gov.tr/en/investmentguide/pages/cost-of-doing-business.aspx> consulted on 3 March 2025.

(164) For establishing an undistorted and reasonable amount for SG&A costs and profit, the Commission relied on the financial information available for the sector producing the product under investigation for the year 2023 (C-Manufacturing > 25.2-Manufacture of tanks, reservoirs and containers of metal) ⁽⁹⁹⁾, as explained in recital (122).

3.7. Calculation

3.7.1. Normal value

(165) 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.

(166) 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, as described in Section 3.6.1.1.

(167) To this cost, the Commission added the manufacturing overheads as explained in recital (163).

(168) The SG&A costs and profit determined on the basis of the financial information available for the sector producing the product under investigation for the year 2023 (C-Manufacturing > 25.2-Manufacture of tanks, reservoirs and containers of metal) as explained in recital (122) were applied to the sum of undistorted manufacturing cost and manufacturing overheads; i.e. the costs of production.

(169) The SG&A costs expressed as a percentage of the Costs of Goods Sold ('COGS') and applied to the undistorted costs of production, amounted to 19,4 %. The profit expressed as a percentage of the COGS and applied to the undistorted costs of production, amounted to 12,6 %.

(170) 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.

3.7.2. Export price

(171) The sampled exporting producers exported to the Union either directly to independent customers or through domestic related companies acting as traders.

(172) In both cases, 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.

3.7.3. Comparison

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

⁽⁹⁹⁾ <https://www3.tcmb.gov.tr/sektor/#/en/C/252/manufacture-of-tanks-reservoirs-and-containers-of-metal>.

3.7.3.1. Adjustments made to the normal value

- (174) As explained in recitals (165) to (170) the normal value was established at the ex-works level of trade by using costs of production together with amounts for SG&A costs 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.
- (175) The Commission found no reasons for making any allowances to the normal value, nor were such allowances claimed by any of the sampled exporting producers.

3.7.3.2. Adjustments made to the export price

- (176) In order to net the export price back to the ex-works level of trade, adjustments were made on the account of customs duty, other import charges, freight, insurance, handling loading and ancillary expenses.
- (177) An adjustment was also made for commissions under Article 2(10)(i) of the basic Regulation for the related trader of Winner and Tianjin Tianhai by deducting the SG&A costs of the related traders and a notional profit of 5 %. Such adjustment were found to be warranted by a contract between the exporting producer and its related trader showing the existence of arbitration clause in case of conflict between the two. The 5 % notional profit, was in line with the profit deducted in other recent steel cases concerning products integrating steel inputs in the absence of cooperation of unrelated importers.

3.7.4. Dumping margins

- (178) 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.
- (179) 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
Winner Group.	63,2 %
BTIC Group	90,3 %

- (180) 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 weighted average margins of the sampled exporting producers, disregarding the margins of the exporting producers with zero and *de minimis* dumping margins, as well as margins established in the circumstances referred to in Article 18 of the basic Regulation.
- (181) On this basis, the provisional dumping margin of the cooperating exporting producers outside the sample is 74,5 %.
- (182) For all other exporting producers in the PRC, 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 statistics as explained in Section 4.3.1.

(183) The level of cooperation in this case is low because the imports of the cooperating exporting producers constituted around 54 % of the total exports to the Union during the IP.

(184) The Commission recalled that Section 10 of the Notice of Initiation ⁽¹⁰⁰⁾ had informed interested parties that failure to cooperate, or only partial cooperation, could lead to findings based on facts available under Article 18 of the basic Regulation, potentially resulting in less favourable outcomes for those parties. Given that the interested parties were clearly warned of the consequences of non-cooperation, and that the level of cooperation in this case was particularly low, the Commission deemed it appropriate to determine the residual dumping duty based on a representative subset of sales by BTIC Group which, itself, represented over 50 % of the total export volume of all sampled companies to the Union during the investigation period. These sales were considered a reasonable and representative proxy for the dumping behaviour of the non-cooperating exporters.

(185) The residual dumping margin was therefore set at 119 %.

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

Company	Provisional dumping margin
Other cooperating companies	74,5 %
All other imports originating in country concerned	119,0 %

4. INJURY

4.1. Definition of the Union industry and Union production

(187) The like product was manufactured by eight producers in the Union during the investigation period. They constitute the 'Union industry' within the meaning of Article 4(1) of the basic Regulation.

(188) The total Union production during the investigation period was established at around 6 782 k units/pieces. The Commission established the figure on the basis of all the available information concerning the Union industry, such as the reply to the macro questionnaire, information gathered during verification visits to sampled producers, questionnaires submitted by other cooperating producers and Eurostat official statistics. As indicated in recital (7), the two sampled Union producers represented 47 % of the estimated total Union production and 42 % of the estimated total Union sales quantity of the like product.

4.2. Union consumption

(189) The Commission established the Union consumption on the basis of the macro questionnaire reply received from the complainant, cross-checked, where possible, with the verified questionnaire replies of the sampled Union producers, and the imports into the Union of the product concerned from third countries based on Eurostat statistics.

⁽¹⁰⁰⁾ See recital (1) above.

(190) Union consumption developed as follows:

Table 2

Union consumption (unit/pieces)

	2021	2022	2023	Investigation period
Total Union consumption	5 996 208	7 101 909	6 088 334	6 882 216
Index	100	118	102	115

Source: macro questionnaire, Union producers, Eurostat.

(191) On this basis, following strong growth in 2021 and a subsequent drop which may have been caused by stockpiling due to feared supply shortages in the context of COVID-19 or unexpected consumer behaviour, Union consumption increased by 15 % over the period considered.

4.3. Imports from the country concerned

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

(192) The Commission established the volume of imports on the basis of Eurostat data.

(193) In assessing the accuracy of import statistics, it was identified that small, non-refillable gas receptacles – which fall outside the scope of the product concerned – typically have a unit weight well below 1 kg. In contrast, the product concerned has a minimum unit weight of 1 kg. For reference, the smallest cylinder produced by the Union industry, with a volume of 0,8 litres, weighs approximately 1,5 kg. Therefore, a filtering method was used that excluded all import entries with a unit weight below 1 kg to avoid including out-of-scope products.

(194) To improve accuracy, the Commission applied the weight-based filtering method to Eurostat import data for CN codes 7311 00 11 and 7311 00 30, for which daily reporting was available. For CN codes 7311 00 13 and 7311 00 19, it relied on monthly Eurostat data and applied the same exclusion threshold based on unit weight.

(195) The resulting dataset, filtered at the highest level of granularity possible using weight thresholds, provided the most accurate estimate of imports of the product concerned, showing clear and significant import trends, particularly regarding China.

(196) For empty fire-extinguishers classified under TARIC codes 8424 10 00 11 and 8424 10 00 21, import data was only available for three months (March to May 2025), outside the investigation period and was expressed in kilograms rather than in pieces. Given this limited and inconsistent data, as well as the very low representativity of this product type, accounting for only around 2 % of the total volume under the relevant CN code, this product type was not considered at provisional stage, but will be included at the definitive stage of the investigation, once more complete and reliable information will be available.

(197) The market share of the imports was established by comparing import volumes with Union market consumption:

Table 3

Import quantity (units/pieces) and market share

	2021	2022	2023	Investigation period
Quantity of imports from the PRC (unit/pieces)	3 592 569	4 586 186	3 971 953	4 786 861
Index	100	128	111	133
Market share %	60 %	65 %	65 %	70 %

Source: Eurostat.

(198) The imports from the PRC between 2021 and the investigation period showed a clear and significant upward trend in both volume and market share, especially when viewed alongside overall Union consumption. Similar to consumption, Chinese imports showed strong growth in 2021 followed by a drop, which may have been caused by stockpiling due to fears of supply shortages during the COVID-19 pandemic or unexpected changes in consumer behaviour. Imports then bounced back during the investigation period, reaching a level 33 % higher than in 2021.

(199) This strong growth was reflected in China's steadily increasing market share in the Union. Starting at 60 % in 2021, China's market share grew to 65 % in 2022 and held steady through 2023, before climbing further to 70 % during the investigation period. Even when Chinese import volumes temporarily dipped, China maintained a dominant market position, dominating the market at the expense of in particular the Union industry.

(200) Imports from China grew much faster than the overall market consumption, expanding at more than twice the rate during the period considered.

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

(201) The Commission established the prices of imports on the basis of Eurostat data. Price undercutting of the imports was established on the basis of CIF prices obtained from the sampled exporting producers.

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

Table 4

Import prices (EUR/ piece)

	2021	2022	2023	Investigation period
China	14,16	13,64	12,81	9,83
Index	100	96	90	69

Source: Eurostat.

- (203) The low average import price for China is primarily driven by imports declared under CN code 7311001190, which accounted for more than 80 % of the total Chinese import volume, measured in pieces, during the period considered. This CN code corresponds to smaller, lighter, and hence less expensive, product types. Furthermore, the average price is also influenced by the product mix, which is shaped by demand patterns and may vary over time.
- (204) During the period considered, import prices from China followed a clear downward trend, falling by 31 % overall. Import prices went down by 4 % in 2022, by a further 6 % in 2023, and then in the investigation period dropped by 22 % compared to the previous year.
- (205) This steady and accelerating decrease in prices exerted growing price pressure from Chinese exporters on the Union industry, forcing the latter to decrease their prices significantly. The sharp drop during the investigation period pointed to a strategy of aggressive pricing that likely intensified the competitive pressure on Union producers. The falling prices coincided with a strong increase in the volume and market share of Chinese imports, showing that cheaper imports played a major role in replacing Union industry sales.
- (206) The Commission determined the price undercutting during the investigation period by comparing:
- (1) 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
 - (2) the corresponding weighted average prices per product type of the imports from the sampled cooperating PRC 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.
- (207) 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 29 % and 76 % by the imports from the country concerned on the Union market.

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

4.5.1. *General remarks*

- (208) 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.
- (209) For the injury determination, the Commission distinguished between macroeconomic and microeconomic injury indicators. The Commission evaluated the macroeconomic indicators on the basis of data contained in the questionnaire reply submitted by the complainants, subsequently updated to include the investigation period, containing data related to all Union producers. The data related to all Union producers. The Commission evaluated the microeconomic indicators on the basis of data contained in the questionnaire replies from the sampled Union producers. The data related to the sampled Union producers. Both sets of data were found to be representative of the economic situation of the Union industry.
- (210) 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.
- (211) 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

(212) 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	IP
Production quantity (units/pieces)	2 684 014	2 559 822	2 095 714	2 037 241
<i>Index</i>	100	95	78	76
Production capacity (units/pieces)	4 116 025	4 116 801	4 092 754	4 224 313
<i>Index</i>	100	100	99	103
Capacity utilisation	65 %	62 %	51 %	48 %
<i>Index</i>	100	95	79	74

Source: Macro-questionnaire.

(213) During the period considered, Union production fell by 24 %, and capacity utilisation declined from 65 % to 48 %, despite Union consumption increasing by 15 %. This suggested that the decline in production was not due to falling demand, but rather to increasing competitive pressure from imports.

(214) In particular, imports from the PRC rose by 33 % over the same period, with their market share growing from 60 % in 2021 to 70 % in the investigation period. This significant increase in both volume and market share of Chinese imports indicated that a growing portion of Union demand was being met by imported products rather than domestic production.

4.5.2.2. Sales quantity and market share

(215) 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	IP
Total sales quantity on the Union market (units/pieces)	1 898 697	1 885 912	1 499 858	1 492 685
<i>Index</i>	100	99	79	79
Market share %	32 %	27 %	25 %	22 %

Source: Macro and sampled EU producers questionnaire replies.

- (216) During the period considered, Union producers' sales on the Union market showed a steady and continuous decline, both in absolute quantity and in market share.
- (217) In 2022, sales volumes fell slightly compared to 2021, suggesting an initial stagnation. However, the situation worsened significantly in 2023, when sales dropped sharply by 20 %, a level that remained unchanged in the investigation period. This indicated that the reduction in sales was not a temporary fluctuation but part of a sustained downward trend.
- (218) Market share followed an equally persistent negative trajectory. It decreased from 32 % in 2021 to 27 % in 2022, then further to 25 % in 2023, and finally reached just 22 % in the IP. The year-on-year erosion in market share illustrated the progressive loss of presence of Union producers in their own market.
- (219) It is worth noting that this continuous decline occurred against the backdrop of rising Union consumption, which increased significantly during the period considered. At the same time, imports from China expanded significantly in volume and market share. Accordingly, Union producers were not losing sales due to a shrinking market, but their sales were instead increasingly replaced by imports, particularly from the PRC.

4.5.2.3. Growth

- (220) During the period considered, Union consumption grew by 15 %, reflecting an expanding market with increasing demand. However, Union producers were unable to benefit from this growth. Their sales volume declined by 20 %, and market share dropped from 32 % to 22 %, while production fell by 24 %. Despite a slight increase in capacity, capacity utilisation decreased sharply from 65 % to 48 %. Meanwhile, imports from China rose by 33 %, gaining 10 percentage points of market share, reaching 70 % in the IP. This contrasting trend showed that Union producers lost ground not due to falling demand, but as a result of growing pressure from rapidly increasing, and possibly unfair, Chinese imports.
- (221) The combination of persistent sales decline, falling market share, and stagnant production despite growing demand provides clear evidence of injury, reflecting a structural weakening of the Union industry's position in the market.
- (222) This contrasting trend indicates that Union producers were increasingly pushed out of the market, not because of declining demand, but due to mounting pressure from the rapid growth of Chinese imports.

4.5.2.4. Employment and productivity

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

Table 7

Employment and productivity

	2021	2022	2023	IP
Number of employees (FTE)	2 309	2 241	2 220	2 162
<i>Index</i>	100	97	96	94
Productivity (pieces/FTE)	1 162	1 142	944	942
<i>Index</i>	100	98	81	81

Source: Macro and sampled EU producers questionnaire replies.

- (224) During the period considered, employment in the Union industry showed a gradual but consistent decline, reflecting the deteriorating performance of the sector. The number of full-time equivalent (FTE) employees decreased year by year: down 3 % in 2022, slightly again in 2023, and reaching a total reduction of 6 % in the IP compared to 2021. This steady reduction suggests that producers were adapting incrementally to weakening production activity by reducing labour input.
- (225) At the same time, productivity declined sharply, especially between 2022 and 2023, falling by 19 % after a modest 2 % drop in 2022 and remaining at that low level during the investigation period. It reflects underutilised capacity and operational inefficiencies, as Union producers were unable to adjust their workforce quickly or proportionately to the sustained drop in production caused by declining sales and increasing import pressure.
- (226) In summary, the trend in employment reveals a cautious downward adjustment in workforce, while the steep fall in productivity underscores the broader economic strain on the industry as it operated below optimal efficiency due to shrinking output and intensified market competition.

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

- (227) 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 quantity and prices of imports from the country concerned.
- (228) 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

- (229) 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	IP
Average unit sales price in the Union on the total market (EUR/ piece)	142,1	189,8	194,5	167,5
Index	100	134	137	118
Unit cost of production (EUR/ piece)	136,5	184,0	205,2	174,7
Index	100	135	150	128

Source: Sampled EU producers questionnaire replies.

- (230) During the period considered, average unit sales prices in the Union market initially increased significantly, rising by 34 % in 2022 compared to 2021. This upward trend continued slightly into 2023, with prices peaking at a 37 % increase compared to 2021. However, in the investigation period, prices dropped by 14 % compared to 2023, though they remained 18 % above the 2021 level. This pattern suggested that Union producers initially passed part of the rising costs onto customers, but were later forced to reduce prices, due to growing competitive pressure from low-priced imports, especially from China.

(231) In parallel, unit costs of production followed a similar but even more pronounced trend. Costs surged by 35 % in 2022 and peaked in 2023 with a 50 % increase compared to the base year. Although costs declined somewhat in the IP, they remained 28 % above 2021 levels. The initial increase likely reflected inflationary pressures, rising input prices (e.g., energy, materials), and reduced economies of scale due to falling production volumes.

(232) Notably, for most of the period considered, production costs grew faster than sales prices, particularly in 2023, where the cost–price gap was the widest, which deteriorated the economic situation of the Union producers. In the IP, both prices and costs fell, but the costs still exceeded the sales prices.

(233) The fall in import prices and the growing share of Chinese imports made it harder for Union producers to keep their prices sufficiently high enough to cover rising costs. The increase in cheaper imports, especially during the investigation period, strongly pushed down Union sales prices.

4.5.3.2. Labour costs

(234) 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	IP
Average labour costs per employee (EUR)	32 810	35 825	37 398	38 184
<i>Index</i>	100	109	114	116

Source: Sampled Union producers.

(235) Between 2021 and the IP, average labour costs per employee for the sampled Union producers increased steadily. The most significant rise occurred in the first year of the period, when labour costs grew by 9 %. This strong early increase likely resulted from inflationary pressures that followed the COVID-19 pandemic, during which producers faced rising wage demands and, in some Member States, legally mandated or collectively bargained wage adjustments.

(236) In the following year, labour costs continued to rise, though at a slightly slower pace of around 5 %. This growth pointed to sustained but moderating inflationary effects, along with efforts to retain skilled labour in a competitive market. In the IP, the rate of increase slowed further to approximately 2 %, indicating a potential easing of upward wage pressures or the impact of cost containment and efficiency measures introduced by producers.

4.5.3.3. Inventories

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

Table 10

Stocks

	2021	2022	2023	IP
Closing stock (pieces)	[72 500 – 73 800]	[69 500 – 70 500]	[81 800 – 83 000]	[50 000 – 51 000]
Index	100	96	113	69
Closing stock as a percentage of production	[2,8 % – 3,2 %]	[2,8 % – 3,2 %]	[3,6 % – 4,2 %]	[1,8 % – 2,2 %]

Source: Sampled Union producers.

(238) During the period considered, inventories followed a fluctuating but ultimately downward trend, reflecting changing production levels and market conditions. In 2022, stocks remained relatively stable, with only a slight decline of 4 % compared to 2021. However, in 2023, closing stocks increased by 17 %, reaching their highest point during the period. This increase was likely due to lower sales and a shrinking market share, which led to more unsold products being stored.

(239) By the IP, stocks fell sharply, down by 44 percentage points compared to 2023, returning to a level significantly below that of the starting year. When looking at stocks as a share of production, it was observed inventories remained low throughout the period considered, suggesting that producers were managing stock cautiously.

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

(240) 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	IP
Profitability of sales in the Union to unrelated customers (% of sales turnover)	[3,7 % – 4,2 %]	[2,8 % – 3,1 %]	[- 6,2 % – - 5,3 %]	[- 4,4 % – - 4,1 %]
Cash flow (EUR)	[14 800 000 – 15 200 000]	[14 000 000 – 14 500 000]	[2 300 000 – 2 600 000]	[1 700 000 – 1 850 000]

	2021	2022	2023	IP
<i>Index</i>	100	95	16	12
Investments (EUR)	[2 800 000 – 3 000 000]	[4 900 000 – 5 100 000]	[4 700 000 – 4 900 000]	[4 900 000 – 5 050 000]
<i>Index</i>	100	173	167	172
Return on investments	[15,5 % – 17,2 %]	[11,2 % – 12,4 %]	[- 17,3 % – - 15,8 %]	[- 15,4 % – - 14,6 %]
<i>Index</i>	100	77	- 103	- 94

Source: Sampled Union producers.

- (241) The Commission established the profitability of the sampled Union producers by expressing the pre-tax net profit of sales of the like product to unrelated customers in the Union as a percentage of turnover. The profitability steadily declined over the period, starting positive but gradually decreasing each year. It turned sharply negative in the third year and remained negative during the investigation period. This downward trend reflected rising costs, lower sales volumes, and shrinking market share due to increased import competition, which significantly squeezed profit margins.
- (242) Net cash flow, reflecting the ability of the Union producers to self-finance operations, decreased from approximately EUR 14,8–15,2 million in the first year to around EUR 14,0–14,5 million in the second year, before plunging to about EUR 2,3–2,6 million in the third year and further dropping to roughly EUR 1,7–1,85 million during the investigation period, representing an approximate 88 % decline from the first year. This sharp fall highlighted the financial strain caused by reduced profitability and limited internal funding.
- (243) Despite financial difficulties, investments increased from roughly EUR 2,8–3,0 million in the first year to over EUR 4,9–5,1 million in the second year, and remained close to EUR 4,9–5,05 million through the investigation period. This represented an overall increase of nearly 72 % compared to the first year, suggesting efforts to maintain or upgrade production capacity despite increasingly tight financial conditions.
- (244) Return on investments, defined as the profit in percentage of the net book value of investments, dropped from [15,5 % – 17,2 %] in the first year to [11,2 % – 12,4 %] in the second year, before turning negative at [- 17,3 % – - 15,8 %] in the third year and remaining negative at [- 15,4 % – - 14,6 %] during the investigation period. These negative returns indicated that the investments were no longer generating sufficient profit, likely due to deteriorating operating conditions and increased market pressure.
- (245) Given these trends, profitability falling from [3,7 % – 4,2 %] to [- 4,4 % – - 4,1 %], cash flow declining by more than 85 %, and return on investments turning and remaining negative, the ability of Union producers to raise capital was significantly undermined. Reduced profits and diminished cash reserves would have eroded investor confidence and restricted access to funding, thus constraining the producers' capacity to invest and compete effectively.

4.6. Conclusion on injury

- (246) During the investigation period, imports from China increased significantly, with volumes increasing by approximately 33 % compared to the base year and market share growing from 60 % to 70 %. At the same time, import prices fell sharply by about 31 %. This combination of rising volumes and falling prices put strong downward pressure on the Union market, making it difficult for Union producers to compete both on quantity and price. The increasing presence of lower-priced imports was a key factor influencing market dynamics.

- (247) Most injury factors showed clear negative trends. Production fell by roughly 24 %, capacity utilization dropped from 65 % to 48 % (a decrease of about 26 %), and sales volume declined by 21 %. Profitability turned from a positive from [3,7 % – 4,2 %] margin to losses of around [- 4,4 % – - 4,1 %], while net cash flow plunged by over 85 %, severely limiting financial flexibility. These negative trends outweighed any positive developments, reflecting deep and ongoing injury to the Union industry. The continued loss of market share and downward pressure on prices, driven by increasing import volumes and lower import prices, were dominant factors causing this injury.
- (248) Besides that the Union industry prices increased which was offset by the sharper increase in cost of production, only two injury factors displayed positive trends, namely the production capacity, up by 3 % over the period considered, and the sustained level of investments by Union producers, which increased by nearly 72 % over this period. This suggests ongoing efforts to maintain or upgrade production capacity despite adverse conditions. However, these positive trends were insufficient to offset the negative impacts. For instance, production fell by around 24 %, despite Union consumption growing by about 15 %. Additionally, productivity declined substantially by nearly 19 %, likely due to a reduction in the workforce and operational inefficiencies, indicating that positive investment did not translate into improved output.
- (249) Overall, while Union consumption increased by 15 %, Union production declined by 24 %, sales decreased by 21 %, and producers' profitability dropped sharply from [3,7 % – 4,2 %] to [- 4,4 % – - 4,1 %]. This picture shows that despite a growing market, the Union industry saw its position weaken as imports, mainly from China, captured a larger share of the market.
- (250) 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

- (251) 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: imports from third countries, the export performance of the Union industry, increase in costs of production, the Union demand.

5.1. Effects of the dumped imports

- (252) To assess whether there is a causal link between the dumped imports and the injury suffered by the Union industry, it is necessary to examine whether the volume and price levels of the imports under investigation contributed significantly to the material injury.
- (253) During the period considered, the volume of imports from China increased significantly, both in absolute terms and in market share. Specifically, Chinese imports rose by 53 % and gained 10 percentage points in market share. At the same time, Union consumption grew by 15 %. However, the Union industry's sales volume dropped by 21 %, and its market share declined accordingly.
- (254) This contrasting development – where dumped imports increased sharply while Union producers lost both sales volume and market share – strongly suggested a causal link between the two. The loss in sales volume for Union producers was the result of increased competition from lower-priced dumped imports. This volume effect clearly contributed to the injury suffered by the Union industry.
- (255) In addition, the price effect of the dumped imports from China supported the existence of a causal link to the injury suffered by the Union industry. Throughout the period considered, the average unit price of Chinese imports dropped by 31 %, from EUR 14,16 to EUR 9,83 per piece. In contrast, Union industry prices increased until 2023 but then declined sharply during the investigation period, as a result of pressure from low-priced imports.

(256) This consistent and significant undercutting by Chinese imports had a clear price-depressing effect on the Union market. As a result, Union producers were unable to maintain their price levels in line with rising production costs, leading to a deterioration in their financial situation. Profitability fell from [3,7 % – 4,2 %] to, in 2021 to a loss of [- 4,4 % – - 4,1 %] during the IP. The sustained downward pressure on prices caused by dumped imports from China contributed directly to the material injury suffered by the Union industry.

(257) In view of the above, dumped imports from China significantly contributed to the material injury suffered by the Union industry.

(258) The dumped imports exerted substantial volume and price pressure on the Union industry. This resulted in underutilised capacity, deteriorating financial indicators, and an inability to raise prices sufficiently to cover rising costs. Therefore, even if it may not be the only cause, the dumped imports clearly played a significant role in causing the material injury observed.

5.2. Imports from third countries

(259) 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	IP
Türkiye	Quantity (pieces)	151 342	134 650	164 343	95 931
	Index	100	89	109	63
	Market share	3 %	2 %	3 %	1 %
	Average price	51	92	58	77
	Index	100	180	114	151
United Kingdom	Quantity (pieces)	64 725	102 046	91 317	72 615
	Index	100	158	141	112
	Market share	1 %	1 %	1 %	1 %
	Average price	126	82	94	86
	Index	100	65	74	68
Other third countries	Quantity (pieces)	288 875	393 115	360 862	434 124

Country		2021	2022	2023	IP
	<i>Index</i>	100	136	125	150
	Market share	5 %	6 %	6 %	6 %
	Average price	126	82	94	86
	<i>Index</i>	100	65	74	68
Total of all third countries except the country concerned	Quantity (pieces)	504 942	629 811	616 522	602 670
	<i>Index</i>	100	125	122	119
	Market share	8 %	8 %	10 %	8 %
	Average price	79	77	70	63
	<i>Index</i>	100	98	89	80

Source: Eurostat.

(260) During the period considered, the only other third countries from which significant volumes of HPSC were imported into the Union were Türkiye and the United Kingdom.

(261) Overall, all third countries except the country concerned recorded a volume increase of 19 % between 2021 and the IP, while their market share remained stable, fluctuating between 8 % and 10 % throughout the period. While volumes increased, average import prices declined steadily by 20 % compared to 2021, falling progressively each year. Despite this price decrease, the import trend suggests that operators from these countries focused on preserving existing market share rather than aggressively expanding it. This is supported by a 6 % volume decline during the IP. Prices from these third countries were broadly aligned with those of the sampled Union producers in 2022, but by the IP, import prices had fallen by approximately 34 % relative to 2021 levels, while Union producers' prices decreased by only about 28 %, indicating increasing price pressure on Union producers.

(262) Major exporting producers from other countries not subject to dumping duties like for example U.K. and Türkiye remained either stable or declined in volume and value terms. For instance, imports from the United Kingdom decreased from 102 046 units in 2022 to 72 615 units in the IP, while Türkiye's imports declined from 164 343 units in 2023 to 95 931 units in the IP. Likewise, import values from these countries also declined. This suggested that non-dumped imports did not significantly increase in a manner that could have materially harmed the Union industry.

(263) In light of the above, in particular the fact that the market share of third countries remained relatively stable, the Commission provisionally concluded that these imports did not attenuate the causal link between the injury suffered by the Union industry and the dumped imports from the countries concerned.

5.3. Export performance of the Union industry

(264) 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	IP
Export volume (pieces)	775 383	716 287	602 864	581 666
Index	100	92	78	75
Average price (EUR/piece)	131,36	155,45	154,80	164,43
Index	100	118	118	125

Source: Eurostat and sampled Union producers.

(265) Over the period considered, the export volume of the sampled Union producers fell by 25 %, while the average export price increased by 25 %. This simultaneous drop in volume and rise in price suggested that the Union industry adjusted its export strategy, possibly focusing on higher-value segments.

(266) The price increase helped to partially offset the negative impact of declining volumes, indicating that the export performance did not contribute to the material injury suffered by the Union industry.

5.4. Effects of other factors

(267) Despite the notable rise in dumped imports from China during the period considered that rise from approximately 3,6 million units in 2021 to nearly 4,8 million units in the IP, other potential factors were also assessed.

(268) Technological change, restrictive trade practices, or shifts in consumer patterns have not been recorded as relevant factors during the period. There is no evidence suggesting the Union industry faced internal structural weaknesses due to technological lag or export underperformance that would independently explain the declining production (-24 %), sales (-21 %), or profitability (from [3,7 % – 4,2 %] to [-4,4 % – -4,1 %]). The unit cost of production increased notably over the period considered. Although there was a subsequent decrease in the IP. This upward trend in production costs indicates that the Union industry experienced substantial cost pressures, likely due to higher raw material prices, energy costs, or other overheads, which reduced profit margins and constrained the industry's ability to compete effectively. Moreover, the Union industry was unable to fully pass them on to customers because of the strong price pressure exerted by dumped imports. The unfairly low prices of these imports forced Union producers to absorb increased costs, thereby exacerbating their financial difficulties. The partial reduction in production costs in the final year did not sufficiently alleviate this pressure. This inability to recover higher costs through sales prices is also a critical factor in demonstrating the causal link between dumped imports and the injury suffered by the Union industry.

5.5. Conclusion on causation

(269) The analysis confirmed a clear causal link between the dumped imports from China and the material injury suffered by the Union industry. The volume of Chinese imports rose by 33 % between 2021 and the investigation period, increasing their market share at the expense of Union producers. This increase in low-priced imports coincided with a 24 % drop in production, 21 % fall in sales, and a sharp decline in profitability, from [3,7 % – 4,2 %] to [-4,4 % – -4,1 %], within the Union industry. This parallel timing strongly supported the conclusion that dumped imports played a significant role in the deterioration of the economic situation of the Union industry.

- (270) Other potential contributing factors, such as export performance, consumption shifts, and imports from other countries, were also examined. Exports decreased by 25 %, but this was offset by a 25 % rise in average export prices, limiting its negative impact. The Union market itself grew by 15 %, so contraction in demand could not explain the injury. Imports from other countries remained relatively stable or even declined, and no significant technological or structural shifts were observed.
- (271) Consequently, the Commission provisionally concluded that the dumped imports from China caused material injury to the Union industry, primarily through their volume increase, price depression, and market share gains, while the contribution of other factors did not attenuate the causal link.

6. LEVEL OF MEASURES

- (272) 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. Underselling margin

- (273) 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.
- (274) 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 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 %.
- (275) As a first step, the Commission established a basic profit covering full costs under normal conditions of competition based on the historical average profit (weighted on turnover) of 5 Union producers in years going from 2013 to 2019. Such profit margin was established at 9,6 %.
- (276) The Union industry provided evidence in the form of investment plans and board meeting minutes demonstrating that its level of investments, research and development (R&D) and innovation during the investigation period would have been higher under normal conditions of competition. The Commission verified this information and found that the claims of the Union industry were warranted.
- (277) To reflect this in the target profit, the Commission calculated the difference between investments, R&D and innovation (IRI) expenses under normal conditions of competition as provided by the Union industry and verified by the Commission with actual IRI expenses over the period considered. Such difference, expressed as a percentage of turnover, was established at a level between 1 and 5 % for the sampled Union producers.
- (278) Such percentages were added to the basic profit of 9,6 % mentioned above, leading to a target profit ranging between 11,12 % and 14,47 %, depending on the sampled Union producer.
- (279) In accordance with article 7(2d) of the basic Regulation, as a final step, the Commission assessed the future costs resulting from Multilateral Environmental Agreements, and protocols thereunder, to which the Union is a party, and of ILO Conventions listed in Annex Ia that the Union industry will incur during the period of the application of the measure pursuant to Article 11(2). Based on the evidence available in the questionnaire reply, the Commission established an additional cost of 0,90 EUR/piece which was added to the non-injurious price.
- (280) On this basis, the Commission calculated a non-injurious price for the like product of the Union industry by applying the above-mentioned 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.
- (281) 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.

- (282) 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 (%)	Underselling margin (%)
Winner group	63,2 %	283,6 %
BTIC group	91,3 %	48 %
Other cooperating companies	74,5 %	197,5 %
All other imports originating in country concerned	119 %	322,8 %

- (283) In the present case, the complainants claimed the existence of raw material distortions within the meaning of Article 7(2a) of the basic Regulation. Thus, in order to conduct the assessment on the appropriate level of measures, the Commission first established the amount of duty necessary to eliminate the injury suffered by the Union industry in the absence of distortions under Article 7(2a) of the basic Regulation. Then it examined whether the dumping margin of sampled exporting producers would be higher than their injury margin (see recitals (285) and (286) below).

6.2. Examination of the margin adequate to remove the injury to the Union industry

Margin

- (284) As explained in the Notice of Initiation, the complainant provided the Commission sufficient evidence that there are raw material distortions in the country concerned regarding the product under investigation. Therefore, in accordance with Article 7(2a) of the basic Regulation, this investigation examined the alleged distortions to assess whether, if relevant, a duty lower than the margin of dumping would be sufficient to remove injury.

6.2.1. Comparison between dumping margin and underselling

- (285) In accordance with Article 7(2) of the basic Regulation, the Commission first examined whether the margin of dumping provisionally established would be higher than the margin adequate to remove the injury to the Union industry. To this effect, a comparison between the weighted average import price of the sampled exporting producers, with the target price of the sampled Union producers as explained in Section 6.1 above, was made. The result of these calculations is shown in the above table.

- (286) Since the underselling margin so calculated was lower than the margin of dumping for the BTIC group, the Commission underwent the examination required under Article 7(2a) of the basic Regulation.

6.3. Raw material distortions

- (287) The complainant has provided sufficient evidence in the complaint that there are raw material distortions within the meaning of Article 7(2a) of the basic Regulation in the PRC with regard to the product concerned. According to the evidence in the complaint, carbon and alloy steel tubes and pipes, accounting for 33 % of the cost of production of the product concerned, are subject to partial export VAT refund in the PRC.

- (288) Therefore, as announced in the Notice of Initiation, in accordance with Article 7(2a) of the basic Regulation, the Commission examined the alleged distortions and any other distortions covered by Article 7(2a) of the basic

Regulation in the country concerned.

- (289) The Commission first identified the main raw materials used in the production of the product concerned by each of the sampled exporting producers. As main raw materials were considered those raw materials which are likely to represent at least 17 % of the cost of production of the product concerned. The Commission established that the sampled exporting producers were using alloy and carbon steel tubes and pipes as the main factors of production for the manufacturing the product under investigation.
- (290) The Commission then examined whether any of the main raw materials used in the production of the product concerned is distorted by one of the measures listed in Article 7(2a) of the basic Regulation: dual pricing schemes, export taxes, export surtax, export quota, export prohibition, fiscal tax on exports, licensing requirements, minimum export price, value added tax (VAT) refund reduction or withdrawal, restriction on customs clearance point for exporters, qualified exporters list, domestic market obligation, captive mining. For this purpose the Commission consulted the website of China Customs Solutions ⁽¹⁰¹⁾ and established that the export VAT applicable on exports of carbon and alloy steel tubes and pipes falling under HS code 730439 and 730459 was only partially refunded (10 % out of 13 %).
- (291) The Commission established that there was an incentive not to export these products so that the domestic market mechanisms in terms of price setting were distorted.
- (292) Next the Commission compared the price of carbon and alloy steel tubes and pipes paid by the sampled exporting producers to prices in the representative international market. In this regard, the Commission compared the price paid by the sampled exporting producers with the benchmark calculated for these inputs as reported in Table 1. This comparison revealed that *the prices in the representative international market* are 180 to 439 % higher than in the country concerned. Such difference was also confirmed when comparing the price paid by the sampled exporting producers with the information contained in the complaint ⁽¹⁰²⁾ to support the claim of raw material distortions within the meaning of Article 7(2a) of the basic Regulation. Considering the extent of such difference, domestic prices were considered to be significantly lower than prices in representative international markets.
- (293) Finally, the Commission examined if any of the raw materials affected by the measures as described in recital (284) accounted individually for at least 17 % of the cost of production of the product concerned. For the purpose of this calculation, an undistorted price of the raw material as established in Table 1 was used. The Commission established that carbon and alloy steel tubes and pipes each accounted for at least 17 % of the cost of production of the product under investigation.
- (294) The Commission concluded that carbon and alloy steel tubes and pipes are subject to a distortion within the meaning of Article 7(2a) of the basic Regulation.

6.3.1. *Union interest under Article 7(2b) of the basic Regulation*

- (295) In accordance with Article 7(2b) of the basic Regulation, the Commission examined whether it could clearly conclude that it was in the Union interest to determine the level of provisional duties in accordance with Article 7(2a) of the basic Regulation. The determination of the Union interest was based on an appreciation of all pertinent information to this investigation, including the spare capacities in the exporting country, competition for raw materials and the effect on supply chains for Union companies.

⁽¹⁰¹⁾ www.transcustoms.com.

⁽¹⁰²⁾ Annex 10, source: Preston pipes.

6.3.1.1. Spare capacities in the exporting country

- (296) The complaint indicated that China has significant spare capacity in the production of HPSC, which appears to be structural and mainly driven by state-led industrial policies, overinvestment in heavy industry, and a persistent oversupply in the steel sector, particularly in seamless steel tubes, the key raw material used in HPSC manufacturing. HPSC production involves a specialised steel process with steps like shaping, heating, welding, machining, and coating. Chinese producers benefit from large industrial zones where all parts of production are located close together and supported by local government planning and subsidies.
- (297) Information provided in support to the complaint suggested that China's total HPSC production capacity exceeds 30 million units per year, while domestic consumption remains significantly lower, especially due to recent slowdowns in sectors such as construction, automotive manufacturing, and general industrial demand. As a result, the estimated spare capacity exceeds 10 to 15 million cylinders annually, more than twice the total demand in the Union, which is approximately 6,88 million units, highlighting a strong potential for redirecting volumes to external markets. Chinese exports of HPSC have been steadily rising, especially to markets without trade defence measures. This shift is intentional and well-organised. As domestic demand slows, Chinese producers focus on foreign markets to use up excess capacity. The Union market is attractive due to its size, demand for certified cylinders in sectors like medical, industrial, and hydrogen, and the lack of specific trade defence measures on many HPSC products.
- (298) In light of these factors, the Commission considered that China's significant spare capacity, combined with upstream steel oversupply and state-backed industrial policies, is a key driver behind the increase in export volumes to the Union. This structural oversupply contributed to downward pressure on prices within the Union, threatened the economic viability of the Union HPSC industry, and highlighted the need for the application of measures to restore fair competition in the market.

6.3.1.2. Competition for raw materials

- (299) In China, competition for raw materials used in HPSC production is heavily influenced by government policies and interventions that affect pricing and availability. These measures help keep input costs lower for Chinese HPSC producers compared to their international competitors.
- (300) In contrast, Union producers of HPSC must purchase raw materials like seamless steel tubes and key alloys on the open international market, where prices are determined by global supply and demand, steel market indices, and energy costs. European manufacturers face relatively higher and more volatile raw material prices without access to subsidies or preferential pricing. The Union sources raw materials from a diverse range of global suppliers, including European, Asian, and American providers, making the EU market sensitive to fluctuations in global supply chains, geopolitical events, and raw material availability.
- (301) Moreover, the Commission has imposed definitive anti-dumping duties on imports of certain seamless pipes and tubes from China, with rates ranging from around 29 % to 55 %. These duties aim to counteract unfair pricing and market distortions caused by dumping practices, seeking to protect Union producers from injury. However, such export restrictions and duties can reduce the availability of raw materials on the international market, which in turn drives up their selling price within the Union. This increase in raw material prices in the Union further widens the cost gap, creating an even greater advantage for Chinese HPSC producers who continue to benefit from lower domestic input costs.

6.3.1.3. Effect on supply chains for Union companies

- (302) The imposition of anti-dumping duties on Chinese HPSC imports is expected to have a limited and manageable impact on Union supply chains. HPSC serve vital sectors including healthcare, industrial gases, fire suppression, safety equipment, and the growing hydrogen market.

- (303) The Union industry currently operates at only 48 % capacity due to injurious dumping, but has sufficient spare capacity and expertise to increase production and meet more demand if imports from China decline. Alternative suppliers from Turkey, the UK, Norway, and the US already cover over 9 % of the market, and combined with increased Union production, they could satisfy a significant share of Union needs.
- (304) HPSC represent a small fraction of downstream users' total costs and are often leased or amortized over time, meaning any cost increases from duties are unlikely to significantly affect final product prices. The duties would not block Chinese imports, but ensure they enter at fair, non-dumped prices.
- (305) While the cost impact of the AD measures comes with a cost, it is likely that these costs will be outweighed by the broader favourable effects: the measures will help secure a stable and reliable Union supply of HPSC, restore fair competition on the Union market, and reinforce the Union's industrial resilience. For key sectors such as gas, healthcare, and hydrogen, ensuring secure access to quality cylinders is essential to maintain operational continuity, safeguard public safety, and support the Union's goals of strategic autonomy and industrial resilience.

6.3.2. Conclusion on Union interest under Article 7(2b) of the basic Regulation

- (306) Having assessed all pertinent information to this investigation, the Commission provisionally concluded that it is in the Union interest to determine the amount of provisional duties in accordance with Article 7(2a) of the basic Regulation.
- (307) In particular, China's HPSC industry has substantial spare capacity and the impact of imposing anti-dumping duties on Chinese imports is expected to be manageable for the Union supply chain. The Union industry currently operates below capacity but has the technical expertise and spare production potential to increase output and meet demand. Additionally, alternative suppliers from other countries such as Turkey, the UK, Norway, and the US provide further sourcing options.
- (308) On the basis of the above, the Commission provisionally concluded that a duty lower than the margin of dumping would not be sufficient to remove injury to the Union industry. Union producers are not only harmed by dumping but suffer from additional distortions of trade compared to Chinese's exporting producers. Therefore, in order to adequately protect trade, the level of measures must equate the margin of dumping as provisionally established.

6.4. Conclusion on the level of measures

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

Company	Provisional dumping margin (%)
Winner group	63,2 %
BTIC group	91,3 %
Other cooperating companies	74,5 %
All other imports originating in country concerned	119 %

7. UNION INTEREST

- (310) 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

- (311) The Union industry demonstrated a high degree of participation in the investigation, with producers accounting for a substantial share of total Union production coming forward to cooperate. The cooperating Union producers represented more than 80 % of the total Union production and sales in the IP, which ensures a representative assessment of the situation of the Union industry.
- (312) The investigation revealed that the Union industry suffered material injury during the period under consideration. Indicators such as declining profitability, reduced capacity utilisation, loss of market share, and downward pressure on sales prices due to dumped imports clearly demonstrate deteriorating economic and financial performance. These negative trends undermined the industry's ability to maintain sustainable operations and invest in innovation and efficiency.
- (313) The imposition of anti-dumping measures is expected to restore fair competition in the Union market. This would likely enable the Union industry to increase its sales volumes at sustainable prices, recover lost market share, and improve its profitability. A level playing field would also allow producers to optimise capacity utilisation and invest in necessary upgrades, ensuring long-term viability and competitiveness. Without the unfair pricing pressure exerted by dumped imports, the industry would be in a stronger position to recover and maintain employment levels.
- (314) On the contrary, should measures not be imposed, the Union industry would likely continue to suffer from the effects of unfairly priced imports. The downward trend in prices and profitability would be expected to persist, further eroding the financial health of producers. This could lead to downsizing, closures, and a significant reduction in employment and investment in the Union. The structural weakening of the industry would be difficult to reverse, with some producers potentially exiting the market.
- (315) In light of the above, the imposition of anti-dumping measures is clearly in the interest of the Union industry. It would allow the sector to recover from the injury caused by dumped imports, restore fair competition, and ensure its long-term sustainability.

7.2. Interest of unrelated importers and traders

- (316) No unrelated importers or traders cooperated in the investigation. So, no data were provided regarding the impact of the measures on this group.
- (317) In the absence of cooperation and specific data, the likely effects of the imposition of measures on importers must be assessed based on facts available. It can reasonably be assumed that importers may face some cost increases as a result of the imposition of anti-dumping duties. However, given the availability of alternative sources of supply, including from Union producers, and the possibility of continued imports at non-dumped prices, any negative impact is expected to be limited.
- (318) While importers may experience a narrowing of supply options or increased costs in the short term, these effects are likely to be moderate. Maintaining the status quo, on the other hand, would ultimately threaten the viability of domestic supply and potentially leading to greater dependency on dumped imports in the future. On balance, the benefits to the Union industry outweigh the limited and unsubstantiated potential drawbacks for importers.
- (319) Based on the information available, it is concluded that the imposition of measures would not significantly harm the interest of unrelated importers and is therefore not contrary to their interests.

7.3. Interest of users, consumers or suppliers

- (320) No users, consumers, or suppliers came forward to cooperate in the investigation. As such, no usage data or specific concerns were provided that could suggest significant adverse effects stemming from the possible imposition of measures.
- (321) In the absence of cooperation, the likely effects of measures on users must be assessed on the basis of reasonable assumptions. Seamless cylinders are typically a small cost component within the overall operations of downstream industries, including in the health and energy sectors. As such, any potential price increases following the imposition

of duties are not expected to significantly affect user operations or overall supply chains.

(322) Imposing measures would help secure the viability of the Union industry and maintain a reliable domestic source of a strategic product used in critical sectors such as healthcare and clean energy. While users might face marginal price increases in the short term, these are outweighed by the benefits of maintaining supply security and ensuring fair competition.

(323) In view of the above, the imposition of measures is not expected to harm users' interests significantly and would contribute to safeguarding stable and secure access to strategically important products. It is therefore concluded that the imposition of anti-dumping measures is not contrary to the interest of users.

7.4. Conclusion on Union interest

(324) 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 product concerned originating in country concerned at this stage of the investigation.

8. PROVISIONAL ANTI-DUMPING MEASURES

(325) 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.

(326) Provisional anti-dumping measures should be imposed on imports of high-pressure seamless steel cylinders originating in the PRC, in accordance Article 7(2a) of the basic Regulation. The Commission concluded that the appropriate level to remove injury should be the dumping margin.

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

Country	Company	Provisional anti-dumping duty
People's Republic of China	BTIC Group	90,3 %
People's Republic of China	Winner Group	63,2 %
People's Republic of China	Other cooperating companies	73,8 %
People's Republic of China	All other imports originating in country concerned	118,0 %

- (328) The individual company anti-dumping duty rates specified in this Regulation were established on the basis of the findings of this investigation. Therefore, they reflected 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 the countries concerned 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 companies'. They should not be subject to any of the individual anti-dumping duty rates
- (329) To minimize 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'.
- (330) 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.
- (331) 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.
- (332) Statistics of product concerned are frequently expressed in pieces. However, there is no such supplementary unit for product concerned specified in the Combined Nomenclature laid down in Annex I to Council Regulation (EEC) No 2658/87 ⁽¹⁰³⁾. It is therefore necessary to provide that not only the weight in kg or tonnes but also the pieces for the imports of the product concerned must be entered in the declaration for release for free circulation. Pieces should be indicated for CN and/or TARIC codes.

9. REGISTRATION

- (333) As mentioned in Section 1.2 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.
- (334) In view of the findings at provisional stage, the registration of imports should cease/be discontinued.
- (335) No decision on a possible retroactive application of anti-dumping measures has been taken/can be taken at this stage of the proceeding.

⁽¹⁰³⁾ Council Regulation (EEC) No 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and on the Common Customs Tariff (OJ L 256, 7.9.1987, p. 1, ELI: <http://data.europa.eu/eli/reg/1987/2658/oj>), as amended by Commission Implementing Regulation (EU) 2024/2522 of 23 September 2024 amending Annex I to Council Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff (OJ L, 2024/2522, 31.10.2024, ELI: http://data.europa.eu/eli/reg_impl/2024/2522/oj).

10. INFORMATION AT PROVISIONAL STAGE

- (336) 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.
- (337) BTIC submitted comments relating to the calculation of the export price and CIF values used for the calculation of its dumping margin. After analysis, these comments were accepted and the dumping margin was corrected accordingly. The dumping margin for cooperating non-sampled companies and other companies were adjusted accordingly.

11. FINAL PROVISIONS

- (338) 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.
- (339) 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 high-pressure seamless cylinders for compressed or liquefied gas, of steel, of all diameters and volume capacities, whether or not threaded, regardless of internal coating or plating, regardless of external finishing and shape, whether or not with a gas bladder inserted, regardless of the cylinders' fitting with a valve, neck ring, foot ring or piping, whether or not fastened together to form a bundle, currently classified under CN codes ex 7311 00 11, ex 7311 00 13, ex 7311 00 19, ex 7311 00 30 and ex 8424 10 00 (TARIC codes 7311 00 11 15, 7311 00 11 80, 7311 00 13 15, 7311 00 13 80, 7311 00 19 15, 7311 00 19 80, 7311 00 30 15, 7311 00 30 80, 8424 10 00 11 and 8424 10 00 21) 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:

Country of origin	Company	Provisional anti-dumping duty (%)	TARIC additional code
The People's Republic of China	Zhejiang Winner Fire Fighting Equipment Co.,Ltd.	63,2 %	89TF
The People's Republic of China	Tianjin Tianhai High Pressure Container Corp., Ltd Jiangsu Tianhai Special Equipment Co., Ltd Kuancheng Tianhai Pressure Container Co., Ltd.	90,3 %	89TG
The People's Republic of China	Cooperating non-sampled companies	73,8 %	See annex
The People's Republic of China	Other companies	118,0 %	89YY

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 the People's Republic of China 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. Where a declaration for release for free circulation is presented in respect of the product referred to in paragraph 1, irrespective of its origin, the pieces of the products imported shall be entered in the relevant field of that declaration if another supplementary unit is not already defined for a specific CN code and accordingly for TARIC codes by the provisions of Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff.
6. Member States shall, on a monthly basis, inform the Commission of the number of pieces imported under CN/TARIC codes as in Article 1.1 of this Regulation.
7. 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(2) of Commission Implementing Regulation (EU) 2025/531 of 24 March 2025.
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, 4 August 2025.

For the Commission
The President
Ursula VON DER LEYEN

ANNEX

Cooperating exporting producers originating in the People's Republic of China not sampled

Country	Name	TARIC additional code
PRC	Anhui Clean Energy Co. Ltd.	89TH
PRC	Chasing Technology (Changxing) Co., Ltd	89TI
PRC	Jiangsu Minsheng Heavy Industry Co.,Ltd.	89TJ
PRC	Leebucc (Tianjin) Hydraulics Equipment Co., Ltd.	89TK
PRC	Shandong Hongsheng Pressure Vessel Co., Ltd.	89TL
PRC	Shandong Huachen High Pressure Vessel Group Co., Ltd	89TM
PRC	Shandong Huachen High Pressure Vessel Group Dezhou Co., Ltd.	89TN
PRC	Shandong Yongan Special Equipment Co., Ltd	89TO
PRC	Shaoxing Reach Fire Fighting Equipment Co., Ltd.	89TP
PRC	Sinoma Science & Technology (Chengdu) Co., Ltd.	89TQ
PRC	Sinoma Science & Technology (Jiujiang) Co., Ltd.	89TR
PRC	Sinoma Science & Technology (Suzhou) Co., Ltd.	89TS
PRC	Zhejiang Jindun Pressure Vessel Co., Ltd.	89TT
PRC	Zhejiang Rein Hytec Co.,Ltd.	89TU
PRC	Zhejiang Super Power Fire Fighting Equipment Co., Ltd.	89TV
PRC	Zhuolu High Pressure Vessel Co.,Ltd.	89TW