



2025/325

19.2.2025

COMMISSION IMPLEMENTING REGULATION (EU) 2025/325

of 18 February 2025

amending Implementing Regulation (EU) 2023/1776 imposing a definitive anti-dumping duty on imports of melamine originating in the People's Republic of China, following a partial interim review pursuant to Article 11(3) of Regulation (EU) 2016/1036 of the European Parliament and of the Council

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 11(3) thereof,

Whereas:

1. PROCEDURE

1.1. Previous investigations and measures in force

- (1) Following an investigation ('the original investigation'), the Council imposed, by Council Implementing Regulation (EU) No 457/2011 ⁽²⁾ ('the original Regulation'), definitive anti-dumping measures on imports of melamine originating in the People's Republic of China ('the PRC' or 'China'). The measures were imposed in the form of a fixed duty of 415 EUR/tonne on all imports from the PRC with the exception of the three cooperating Chinese exporting producers, Sichuan Golden-Elephant Sincerity Chemical Co. Ltd ('Sichuan'), Shandong Holitech Chemical Industry Co. Ltd ('Shandong') and Henan Junhua Development Company Ltd ('Henan') whose exports were made subject to a minimum import price ('MIP') of 1 153 EUR/tonne.
- (2) By Commission Implementing Regulation (EU) 2017/1171 ⁽³⁾, the Commission re-imposed these measures following an expiry review ('the first expiry review'). Following a second expiry review ('the second expiry review'), the Commission again re-imposed these measures by Commission Implementing Regulation (EU) 2023/1776 ⁽⁴⁾.
- (3) By Commission Implementing Regulation (EU) 2023/2653 ⁽⁵⁾ and following a 'new exporter' review pursuant to Article 11(4) of the basic Regulation, the Commission amended the measures referred to in recital (2) above by imposing a minimum import price of 1 346 EUR/tonne on imports of melamine manufactured by Xinjiang Xinlianxin Energy Chemical Co. Ltd. ('Xinjiang') and originating in the People's Republic of China.

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

⁽²⁾ Council Implementing Regulation (EU) No 457/2011 of 10 May 2011 imposing a definitive anti-dumping duty and collecting definitively the provisional duty imposed on imports of melamine originating in the People's Republic of China (OJ L 124, 13.5.2011, p. 2, ELI: http://data.europa.eu/eli/reg_impl/2011/457/oj).

⁽³⁾ Commission Implementing Regulation (EU) 2017/1171 of 30 June 2017 imposing definitive anti-dumping duties on imports of melamine, originating in the People's Republic of China (OJ L 170, 1.7.2017, p. 62, ELI: http://data.europa.eu/eli/reg_impl/2017/1171/oj).

⁽⁴⁾ Commission Implementing Regulation (EU) 2023/1776 of 15 September 2023 imposing definitive anti-dumping duties on imports of melamine, originating in the People's Republic of China (OJ L 228, 15.9.2023, p. 199, ELI: http://data.europa.eu/eli/reg_impl/2023/1776/oj).

⁽⁵⁾ Commission Implementing Regulation (EU) 2023/2653 of 27 November 2023 amending Implementing Regulation (EU) 2023/1776 imposing definitive anti-dumping duties on imports of melamine, originating in the People's Republic of China following a new exporter review pursuant to Article 11(4) of Regulation (EU) 2016/1036 of the European Parliament and of the Council (OJ L, 2023/2653, 28.11.2023, ELI: http://data.europa.eu/eli/reg_impl/2023/2653/oj).

1.2. Request for a partial interim review

- (4) On 13 November 2023, LAT Nitrogen Linz GmbH and LAT Nitrogen Piesteritz GmbH (together, LAT Nitrogen ⁽⁶⁾), OCI Nitrogen BV and Grupa Azoty Zakłady Azotowe Pulawy SA (‘the applicants’), acting on behalf of the Union industry of melamine, within the meaning of Article 5(4) of the basic Regulation, lodged a request for initiating a partial interim review of the anti-dumping measures on imports of melamine originating in the PRC, limited to the form of the measures.
- (5) In particular, the applicants requested that the form of the current measures be changed from a fixed duty and MIP to *ad valorem* duties on the grounds that the circumstances justifying the form of the original duties have changed in a significant and lasting manner; that other lasting changes in circumstances mean that the fixed duty and MIP are no longer fit for purpose; and finally, that the application of a fixed duty and MIP is causing the applicants serious injury.

1.3. Initiation of an interim review

- (6) On 20 December 2023, the Commission announced, by a notice in the *Official Journal of the European Union* (‘Notice of initiation’) ⁽⁷⁾, the initiation of a partial interim review of the anti-dumping measures applicable to imports of melamine originating in the People’s Republic of China, pursuant to Article 11(3) of the basic Regulation.
- (7) The partial interim review was limited to the form of the measures, in particular whether or not it is in the Union interest to maintain measures currently in force in the form of MIP and fixed duties.

1.4. Review investigation period and period considered

- (8) The review investigation covered the period from 1 October 2022 until 30 September 2023 (‘the review investigation period’ or ‘RIP’). The period considered lasted from 1 January 2020 until the end of the review investigation period.

1.5. Interested parties

- (9) In the Notice of Initiation, interested parties were invited to contact the Commission in order to participate in the investigation. In addition, the Commission specifically informed the applicants, other known Union producers, the known exporting producers in the PRC, the PRC authorities, known importers, users, traders, as well as associations known to be concerned about the initiation and invited them to participate.
- (10) Interested parties had an opportunity to comment on the initiation of the partial interim review and to request a hearing with the Commission and/or the Hearing Officer in trade proceedings.
- (11) Several parties requested hearings and provided comments upon initiation. The Commission held hearings with the European Panel Federation (‘EPF’), the European Producers of Laminate Flooring (‘EPLF’) and the China Chamber of Commerce for Metals, Minerals and Chemicals Importers & Exporters (‘CCC MC’). The hearing submissions mirrored the written submissions by these parties further to initiation and are dealt with in Section 3 of this Regulation.

1.6. Sampling

- (12) In the Notice of Initiation, the Commission stated that it might sample Union producers and unrelated importers in accordance with Article 17 of the basic Regulation.

⁽⁶⁾ LAT Nitrogen was created through the acquisition of Borealis Fertilizer, Technical Nitrogen and Melamine business by AGROFERT in 2023. Source: Company (lat-nitrogen.com).

⁽⁷⁾ Notice of initiation of a partial interim review of the anti-dumping measures applicable to imports of melamine originating in the People’s Republic of China (OJ C, C/2023/1595, 20.12.2023).

1.6.1. *Sampling of Union producers*

- (13) In the Notice of Initiation, the Commission stated that it had provisionally selected a sample of three Union producers, located in three different Member States. The Commission selected the sample based on the largest volume of production in the Union during the period from 1 October 2022 to 30 September 2023 reported by the Union producers in the context of the pre-initiation standing assessment analysis. The sample accounted for 83 % of the estimated production in the Union of the like product. The Commission invited interested parties to comment on its provisional sample. No comments were received, and the sample was considered representative of the Union industry.

1.6.2. *Sampling of unrelated importers*

- (14) To decide whether sampling was necessary and, if so, to select a sample, the Commission asked unrelated importers to provide the information specified in the Notice of Initiation. Only one unrelated importer, namely Borghi SpA, Grandate/Italy, came forward. Consequently, the Commission decided that sampling was not necessary and requested Borghi SpA to complete the questionnaire for unrelated importers.

1.7. **Replies to the questionnaire**

- (15) The Commission sent questionnaires to the sampled Union producers, to one unrelated importer that came forward during the sampling procedure, and to all known users of melamine. In addition, all applicable questionnaires were also made available on DG Trade's website⁽⁸⁾ on the day of initiation. During the investigation, the Commission sent a questionnaire to the applicants requesting macroeconomic data of the Union industry.
- (16) Questionnaire replies were received from the three sampled Union producers, one unrelated importer and five users, two of which are related to each other.

1.8. **Verification**

- (17) The Commission sought and verified all the information deemed necessary for the determination of whether or not it was in the Union interest to change the form of the existing anti-dumping measures.
- (18) Verification visits pursuant to Article 16 of the basic Regulation were carried out at the premises of the following companies:

Union producers:

- LAT Nitrogen Linz GmbH, Linz, Austria,
- Grupa Azoty Zakłady Azotowe, Pulawy, Poland,
- OCI Nitrogen B.V., Sittard, The Netherlands.

Users:

- Unilin B.V. and Unilin Resins B.V. ('the Unilin Group'), Wielsbeke, Belgium.

1.9. **Subsequent procedure**

- (19) On 19 December 2024, the Commission disclosed the essential facts and considerations based on which it intended to change the form of the anti-dumping duties in force. All parties were set a deadline within which they could make comments on the disclosure and request a hearing.
- (20) Comments were received from the applicants, Sichuan Golden-Elephant Sincerity Chemical Co., Ltd. ('SGE'), Kronospan Polska Sp.z.o.o. ('KRP'), the Unilin Group, CCCMC and EPF. SGE, the Unilin Group and EPF requested a hearing.

⁽⁸⁾ <https://tron.trade.ec.europa.eu/investigations/case-view?caseId=2609>.

2. PRODUCT UNDER REVIEW AND LIKE PRODUCT

2.1. Product under review

- (21) The product subject to this review is melamine ('the product under review'), currently falling under CN code 2933 61 00.
- (22) Melamine is a white crystalline powder produced predominantly from urea and is used mainly for producing laminates, resins, wood adhesives, moulding compounds and paper/textile treatments.

2.2. Product concerned

- (23) The product concerned by this investigation is the product under review originating in China.

2.3. Like product

- (24) As shown in the original investigation leading to the imposition of the measures in force ⁽⁹⁾, the following products have the same basic physical and technical characteristics as well as the same basic uses:
- the product concerned when exported to the Union,
 - the product under review produced and sold on the domestic market of the country concerned (China), and
 - the product under review produced and sold in the Union by the Union industry.
- (25) These products are therefore considered to be like products within the meaning of Article 1(4) of the basic Regulation.

3. UNION INTEREST

3.1. Introduction

- (26) In accordance with Article 21 of the basic Regulation, the Commission examined whether changing the form of the measures would be against the Union interest as a whole. The determination of the Union interest was based on an appreciation of the various interests involved, namely those of the Union industry, of unrelated importers and users.
- (27) In particular, the Commission examined whether the circumstances underlying the application of a fixed duty and MIP have changed in a significant lasting manner, and whether the fixed duty and MIP are causing the Union industry serious and sustained injury.
- (28) All interested parties were given the opportunity to make their views known pursuant to Article 21(2) of the basic Regulation.

3.2. Change of circumstances and lasting nature

3.2.1. Background

- (29) As mentioned in recitals (1) and (3) above, the form of the anti-dumping measures subject to this review is a minimum import price of EUR 1 153 per tonne for three Chinese exporting producers, a minimum import price of EUR 1 346 per tonne for a fourth Chinese exporting producer and a fixed duty of EUR 415 per tonne for all other Chinese exporting producers. These duties were based on normal value data assessed for the then applicable investigation period (1 January 2009 to 31 December 2009) in the then used analogue country, i.e. Indonesia (see recitals (78) and (79) of the original Regulation).

⁽⁹⁾ See footnote 2.

- (30) The reasons underlying this form of the measures were explained in Section 3.3 of the original Regulation. In particular, it was found that sales prices of melamine after the investigation period were varying between EUR 1 200 and EUR 1 500 per tonne, which was between EUR 300 and EUR 600 above the average sales price in the investigation period of that investigation. A specific duty based on prices prevailing in that investigation period would 'limit any further price increase of melamine which would seriously affect the overall users' business' ⁽¹⁰⁾.
- (31) In line with the grounds for the review as mentioned under point 4 of the Notice of initiation, the Commission thus investigated whether the circumstances justifying the imposition of the anti-dumping measure in its current form (MIP and specific duty) are still present. The Commission also investigated whether that form of the anti-dumping measure continues to offset the effects of the dumping found in in previous investigations thereby preventing injury to the Union industry.

3.2.2. *Change of circumstances*

3.2.2.1. Significant upward changes in cost of production

3.2.2.1.1. Strong increase of gas prices

- (32) The cost of melamine is to a large extent set by the price of gas. Melamine can be produced either from urea or ammonia. In the original investigation, from which the current measures are a result, gas was reported to represent close to 50 % of melamine production cost ⁽¹¹⁾.
- (33) In the current investigation, the Commission found that, since the imposition of the original Regulation, structural changes in the European gas markets have occurred. In view of the share of gas in the cost of melamine, these changes had a severe impact on the cost of production of melamine.
- (34) Up to 2021, Russia accounted for a significant part of the gas supplies to the Union. Indeed, the share of Russia's pipeline gas in EU imports dropped from over 40 % in 2021 to about 8 % in 2023 ⁽¹²⁾. In the long preceding period between 2010 and 2021, the share of Russian gas in EU gas imports was in a range of 30 % to 45,5 % ⁽¹³⁾. As a consequence, EU users of gas were guaranteed relatively stable prices. The Commission found that in the 9-month period lasting from April 2010 to December 2010, prior to the conclusion of the original investigation, gas traded on average at 19,08 EUR/MWh at the Dutch TTF exchange ('the TTF') ⁽¹⁴⁾. Between 2011 and 2020, gas prices fluctuated between 6 EUR/MWh and 28 EUR/MWh. As from the second half of 2021, EU gas prices started to climb to much higher levels, never seen before. This trend was exacerbated following the unprovoked military aggression by the Russian Federation against Ukraine as from March 2022. Since then, imports of natural gas from Russia, shipped via pipelines, have to a large extent been replaced by imports of gas in the form of LNG from other countries of origin, or by imports of natural gas from Norway in particular ⁽¹⁵⁾. This change in the gas supply infrastructure was a further factor contributing to gas prices rapidly increasing. On 22 August 2022, gas prices skyrocketed to a high of 339,20 EUR/MWh for gas traded at the TTF ⁽¹⁶⁾. Moreover, the investments made in LNG infrastructure are, in view of their size, deemed to be irreversible. Therefore, it is reasonable to assume that, even when the said military aggression ends, most Member States are unlikely to resume buying gas at prices as low as they were when the original investigation was conducted, and the MIP was set up to and including in 2020.

⁽¹⁰⁾ Recitals (63) and (65) of the original Regulation.

⁽¹¹⁾ Recital (22) of Commission Regulation (EU) No 1035/2010 of 15 November 2010 imposing a provisional anti-dumping duty on imports of melamine originating in the People's Republic of China (OJ L 298, 16.11.2010, p. 10, ELI: <http://data.europa.eu/eli/reg/2010/1035/oj>).

⁽¹²⁾ <https://www.consilium.europa.eu/en/infographics/eu-gas-supply/>.

⁽¹³⁾ <https://www.statista.com/statistics/1021735/share-russian-gas-imports-eu/>.

⁽¹⁴⁾ See <https://tradingeconomics.com/commodity/eu-natural-gas> The Commission used the period from April to December 2010 as a reference point as it is the earliest visible in the publicly available chart of that website.

⁽¹⁵⁾ <https://www.consilium.europa.eu/en/infographics/eu-gas-supply/>.

⁽¹⁶⁾ <https://tradingeconomics.com/commodity/eu-natural-gas>.

- (35) Moreover, even after the gas prices started stabilising as of early 2023, the average gas price remained higher than it had consistently been before 2021. During the review investigation period, gas traded on average at [50-60] EUR/MWh⁽¹⁷⁾ which is about three times higher than the average price of the period April to December 2010. On 29 September 2023, the last trading day of the review investigation period, natural gas was traded at EUR 41,86/MWh at the TTF⁽¹⁸⁾. This is significantly less than the high observed in August 2022 but still considerably above the levels seen up to (and including) the first half of 2021.
- (36) In the period considered used in the original investigation, i.e. from 1 January 2006 to 31 December 2009, cost of production incurred by the Union industry ranged from EUR 1 054 to EUR 1 229 per tonne⁽¹⁹⁾. From 1 January 016 to 31 March 2016, the period considered used in the first expiry review, it ranged between EUR 1 036 and EUR 1 144 per tonne⁽²⁰⁾. In 2019, the Union industry's cost of production stood at EUR 980 per tonne⁽²¹⁾. Therefore, in all periods investigated by the Commission between 2006 and 2019, the Union industry's cost of production per tonne of melamine remained remarkably stable, the difference between the lowest (EUR 980) and the highest (EUR 1 229), being a mere 25,4 %.
- (37) By contrast, during the largest part of the period considered, from 1 January 2021 until 30 September 2023, the cost of production incurred by the Union industry ranged between EUR 1 611 and EUR 3 132 per tonne. This perspective omits the year 2020, the first year of the period considered because the rather low cost in that year was realised under the influence of the COVID pandemic related economic downturn. This illustrates to what significant extent the rapidly increasing gas costs (see recital (34)) affected the total cost of production of the Union industry.
- (38) The applicants submitted that natural gas, natural gas-based key input materials and steam together, taking account of the currently prevailing gas prices, amounted to 80 % – 90 % of the Union producers' total estimated production costs. CCCMC did not dispute that⁽²²⁾.
- (39) Based on the above, the Commission concluded that since the original investigation gas costs have increased significantly, in absolute and consequently in relative terms, which is considered a relevant change in circumstances within the meaning of Article 11(3) of the basic Regulation.

3.2.2.1.2. Other factors significantly increasing cost of production

- (40) The applicants claimed that since the original investigation, costs of compliance with the European environmental framework have increased. The single most important environmental scheme the Union industry is subject to is the EU Emissions Trading System (ETS). The ETS was initially established in 2005. This means that the ETS already existed at the time of the original investigation. Yet, significant changes to the ETS have occurred since then, which directly translated into significantly higher production costs to be borne by the Union producers.
- (41) CCCMC noted that the share of any such environmental compliance costs in the total cost of production was not evident from the request and generally questioned the significance of such costs. In this context, CCCMC hinted at the availability of free allowances under the ETS scheme. CCCMC also claimed that any costs emerging from complying with the ETS should be offset by the newly introduced Carbon Border Adjustment Mechanism (CBAM)⁽²³⁾.

⁽¹⁷⁾ Range given to protect data subject to copyright.

⁽¹⁸⁾ <https://tradingeconomics.com/commodity/eu-natural-gas>.

⁽¹⁹⁾ See Table 7 (b) of Regulation (EU) No 1035/2010.

⁽²⁰⁾ See Table 11 of Implementing Regulation (EU) 2017/1171.

⁽²¹⁾ See Table 8 of Implementing Regulation (EU) 2023/1776.

⁽²²⁾ t24.001030, page 9, para. 22 and 23.

⁽²³⁾ Regulation (EU) 2023/956 of the European Parliament and of the Council of 10 May 2023 establishing a carbon border adjustment mechanism (OJ L 130, 16.5.2023, p. 52, ELI: <http://data.europa.eu/eli/reg/2023/956/oj>).

- (42) According to the evidence and projections filed by the applicants, the costs incurred for the rights to emitting CO₂ will until 2026 exceed the benefit from available free allowances on the emissions caused by producing the inputs needed to produce melamine. Data reported in the Request showed that the price projections on total company pollutant emission will increase between [55 % and 135 %] ⁽²⁴⁾ between 2021 and 2026.
- (43) Related to environmental costs, CCCMC claimed that the Commission's disclosure solely of a percentage change without providing a relevant baseline value or cost context was meaningless.
- (44) The Commission reiterated that the provided range included the lowest and the highest estimated increase of environmental costs among the sampled Union producers. It is not unusual that the increase rates vary significantly between companies with different emission purchasing policies. Moreover, the precise figures per company were considered business confidential information.
- (45) As to any offsetting of costs borne by the Union industry under the CBAM, the Commission agreed with the applicants and confirmed that indeed melamine is not eligible for protection under the CBAM.
- (46) The applicants also pointed out that since the original investigation, overall price inflation has been noticed. Factors leading to inflation included foremost the structural changes in gas markets explained under recital (34) but also bottlenecks in supply chains and surging demand. Had the minimum import price of EUR 1 153 per tonne imposed in the original investigation been adjusted by the yearly inflation rates published by Eurostat, a minimum import price of at least EUR 1 474 would be the result for the year 2022. The Commission noted that melamine sales prices of the Union industry went as high as EUR 3 196 per tonne (average of 2022, see Table 7) and Chinese import prices as high as EUR 1 990 per tonne (average of 2022, see Table 3). Even though prices subsequently fell in the review investigation period, it is noted that cost of production incurred by the Union industry still stood at EUR 3 069 in the review investigation period (see Table 7).
- (47) CCCMC considered that the Union inflation rate peaked in 2022 but subsequently declined because the underlying inflation causes, such as the surge in gas prices and the melamine demand following the COVID pandemic, had disappeared. The Commission agreed on the fact that overall price inflation peaked in 2022 and that since then inflation rates have lowered. However, prices and, thus, costs are still at a level that is significantly above the level of 2009, the investigation period of the original investigation. There are no indications that that the overall impact of inflation on prices since 2009 is likely to reverse.

3.2.2.2. Supply situation on the Union market

- (48) In the original investigation, concerns were raised by users with regard to the security of sufficient melamine supply at affordable prices ⁽²⁵⁾.

3.2.2.2.1. Production capacity of the Union industry

- (49) In the request, the applicants submitted that the production capacity of the Union industry is around 60 % higher than Union consumption and that it has significantly increased since 2009. They also submitted to prioritize sales to the Union market over export markets and therefore, they would be able to supply the entire EU market if need be.
- (50) Indeed, the investigation found that the production capacity of the Union industry increased by over 20 % between the year between 2009, i.e. the investigation period of the original investigation, and the present review investigation period. In the review investigation period, the Union industry's production capacity amounted to 476 874 tonnes, as shown in Table 5, whereas consumption was 339 676 tonnes (see Table 1). The Union industry is therefore capable of supplying the entire Union market if need be.

⁽²⁴⁾ A wider range is given to protect sensitive data.

⁽²⁵⁾ Recitals (62) to (67) of the original Regulation.

- (51) CCCMC argued that since 2006 the Union industry's production capacity has continuously exceeded the Union consumption and therefore saw no change of circumstances related to the Union industry ability to supply the Union market ⁽²⁶⁾.
- (52) The Commission rejected the argument made by CCCMC and the approach to consider the total spare capacity of the Union industry since 2009 in isolation from other relevant factors. As pointed out in recital (57) below, the supply situation on the Union market has overall improved in view of the increased Union industry capacity in combination with larger and fairly priced imports from third countries.

3.2.2.2.2. Market share of the Union industry

- (53) From 2006 to 2009, i.e. the reference period of the original investigation, the market share held by the Union industry stood on average at 80 % and never fell below 74 %. Similarly, between 1 January 2012 and 31 March 2016, this market share stood on average at 77 % (see Table 6 of Implementing Regulation (EU) 2017/1171), whereas in the year 2019, i.e. the year ending before the reference period of the present investigation began, it stood at 73 % (see Table 7 of Implementing Regulation (EU) 2023/2653).
- (54) In the request, the applicants submitted that the Union industry's market share had plummeted as a result of the aggressive pricing by Chinese exporting producers. Indeed, as the Union industry's market share had been between 73 % and 80 % for a long period of time, as explained in above recital (53), in the present review investigation period it stood only at 48,6 % (see Table 6), which represents a significant changed circumstance. The Commission noted that, by contrast, the Chinese imports' market share rose from only 6,5 % in 2009 to 29,2 % in the present review investigation period. As mentioned in below recital (56), imports from other third countries also increased and thus contributed to the loss of the Union industry's market share but to a lesser extent than the Chinese imports did.

3.2.2.2.3. Imports from third countries

- (55) The applicants submitted in the request that in the event of supply shortage, imports from third countries could fill any gap due to any increasing consumption.
- (56) The Commission noted that the total market share of imports from third countries other than China was 6,2 % in 2009 (see Table 12 of Regulation (EU) No 1035/2010) and that the level of this market share, in combination with the then 85 % market share of the Union industry, had been one of the main reasons underlying the change of the form of the duty to a fixed duty ⁽²⁷⁾. The market share of imports from third countries has increased significantly since then and it amounted to 22,3 % in the review investigation period, which shows that third country producers have built up capacities that can contribute to satisfying the consumption in the Union market and ensuring a healthy competitive situation on a level playing field.

3.2.2.2.4. Conclusion on supply situation

- (57) Based on the above, the Commission concluded that the supply situation on the Union market has significantly changed since the original investigation. Whereas in 2009 the only significant source of imports was China and where upon the imposition of provisional measures a shortage of melamine in the Union market could have led to significant price increases (see recital (63) of the original Regulation), this situation was clearly different during the review investigation period with multiple important sources of imports (providing a fair competitive pressure) and, in addition, a much larger production capacity in the Union industry.

⁽²⁶⁾ t24.001039, paragraph 10.

⁽²⁷⁾ See footnote 25.

3.2.2.3. Conclusion

- (58) In the current investigation, the Commission established that several circumstances have changed since the original investigation, notably with regard to the cost of production incurred by the Union industry but also on the supply side. Since 2021 there has been a strong increase in production cost in the Union, as a result of which the injury caused to the Union industry by the dumped Chinese imports could no longer be effectively prevented by the minimum import prices and the specific duty applicable to all other companies, based on 2009 costs and prices. Consequently, the Union industry suffered injury as concluded in recital (134). At the same time, whereas concerns with regard to the availability of sufficient melamine supply to users had been the main reason for imposing the measures in their current form in the original investigation, the security of supply to the user industry has vastly improved since 2009.

3.2.3. Lasting nature

3.2.3.1. Introduction

- (59) In accordance with Article 11(3) of the basic Regulation, the Commission also examined whether the changed circumstances observed under Section 3.5.2. could reasonably be considered being of a lasting nature.
- (60) Several parties questioned in their submissions if changes of circumstances could be considered being of a lasting nature. Some of the submissions were filed prior to disclosure of the essential facts. All these claims are summarised in this Section.

3.2.3.2. Assessment of lasting nature

3.2.3.2.1. Significant upward changes in cost of production

- (61) As to the strong increase of gas prices, CCCMC claimed that towards the end of the review investigation period, natural gas prices had significantly declined from previous peaks. This development, according to CCCMC, showed that any changes in circumstances, in this case the drastically increased gas prices, were only of a temporary nature. Furthermore, CCCMC submitted that prices of natural gas, the major input to produce melamine had decreased to almost the same levels as observed before mid-2021.
- (62) Similarly, the European Panel Federation ('EPF') recalled that the main driver impacting the cost of production of melamine producers was the cost of natural gas. Since 2023, natural gas prices had eased rapidly and substantially according to EPF. It noted that spot prices of natural gas in Europe were at levels between EUR 28 and 32/MWh in January 2024 whereas in 2018, the average spot prices of natural gas in Europe were around EUR 22 to 23/MWh. According to EPF, financial markets projected gas prices to be very close to historical levels between 2024 and 2026. EPF claimed that gas prices returned to historic normal levels and that the applicants could compete again under the current form of the measures.
- (63) The European Producers of Laminate Flooring ('EPLF') provided a similar projection on the gas price development. EPLF added that when gas prices stabilise as expected, inflation rates would subsequently lower. In turn, if inflation rates lowered, the main central banks were expected to start cutting interest rates. Lower interest rates would make mortgage loans cheaper. As a result, real estate would become more affordable, leading to an expected rebound of the construction sector, which is a key user of melamine products.
- (64) The Commission disagreed with all of the above claims. The Commission considered that natural gas prices are very unlikely to fall back into the price ranges observed up to 2020.

- (65) With regard to the claim reprised under above recital (62), the Commission noted that gas prices between 28 and 32 EUR/MWh, as observed by EPF in January 2024 were still significantly above the prices between EUR 22 and 23 observed by EPF in 2019. The Commission noted that the average TTF gas price in the first half of 2024 was at 29,82 EUR/MWh ⁽²⁸⁾, which is 56 % above the average TTF gas price of 19,08 EUR/MWh, the average of the period April to December 2010 (see footnote 16 of the present Regulation), and also well above the average TTF gas price during the period 2011-2020. Therefore, even if the gas price situation in the review investigation period should be considered exceptional, gas prices are still significantly higher than the average price up to and including 2020.
- (66) The alleged projections of likely gas prices up to the year 2026 were not further substantiated by EPF. Moreover, with regard to the claims summarised in recitals (61) to (63), the Commission considered that it is unlikely, in view of changes in the geopolitical situation, that gas prices will firmly stabilise at the levels seen until June 2021. Since 2021, most Member States sourcing natural gas directly from Russia through pipelines have started to reduce such imports. As a result of Russia's unjustified and unprovoked aggression against Ukraine, the European Union and the Member States reinforced and accelerated measures to become less dependent on Russian gas. As part of that, at least 17 LNG terminals have been planned or are under construction ⁽²⁹⁾. Given the extremely important investments needed to build LNG terminals and the entire supply infrastructure and the Union commitment to end the dependence on Russian gas ⁽³⁰⁾, it is extremely unlikely that the Union will return to purchasing Russian pipeline gas in the volumes and at the prices it did prior to 2021 and therefore the market is likely to continue seeing prices much higher than those observed until the first half of 2021.
- (67) Following disclosure, CCCMC criticised that for comparison purposes, the Commission had relied on the gas price of the last day of the review investigation period, which was noted at 41,86 EUR/MWh at the TTF and on the average price of the review investigation period, which were, in view of CCCMC, not representative, given the exceptionally high prices in that period, including the peak of 339,20 EUR/MWh, reached on 22 August 2022 (see recitals (34) and (35)). CCCMC added that, in view of the correlation between natural gas prices and the Union industry's costs of production, these costs of production have already returned to, or are expected to return soon to the 'pre-crisis levels'.
- (68) The Commission rejected the claims. It recalled that for the sake of assessing the lasting nature of the found change in circumstances, it had also referred to the average TTF gas price in the first half of 2024 (see recital (65)), which was a period when prices had clearly come down from previous and exceptional peaks but were stabilising at levels significantly higher than the one predating the first half of 2021. The Commission also noted that in the second half of 2024, the average TTF gas price stood at 29,82 EUR/MWh, which is well above the average TTF gas price during the period 2011-2020 (see recital (65)). It follows that there are no signs that the cost of production incurred by the Union industry is expected to stabilise at levels similar to those prevailing during the period from the imposition of the measures until the first half of 2021.
- (69) Following disclosure, EPF reiterated that price levels of natural gas predicted for the second half of 2026 would be close to the actual gas prices noted in July 2023 (23-25 EUR/MWh). That would not be far from levels seen in 2021. In this context, EPF referred to the latest European Economic Forecast from 15 November 2024 ⁽³¹⁾.
- (70) The Commission noted that the prices of natural gas predicted for the period from the second quarter of 2025 until the first quarter of 2026 ranged between 43,5 and 47,25 EUR/MWh ⁽³²⁾. These prices are at least 46 % higher than the average TTF gas price noted in the first half of 2024 (see recital (65)).

⁽²⁸⁾ Average of first trading days of each month between January and June 2024.

⁽²⁹⁾ *Financial Times*, 29 April 2024, <https://www.ft.com/content/16031b21-cb2f-40c7-a77d-1ac061196264>.

⁽³⁰⁾ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, COM(2022) 360 final of 20.7.2022.

⁽³¹⁾ https://economy-finance.ec.europa.eu/document/download/3b537fad-ad74-419f-8b54-d73553ca7f7f_en?filename=AF2024%20PPT_final.pdf.

⁽³²⁾ <https://www.ice.com/products/27996665/Dutch-TTF-Natural-Gas-Futures/data?marketId=5786628&span=1>, prices checked on 8 January 2025.

- (71) Based on the above, the Commission confirmed that the change in the purchasing and supply pattern and resulting higher natural gas costs borne by the Union producers are considered to be of a lasting nature.
- (72) As to the environmental compliance costs to be borne by the Union industry (see recital (40)), there is no indication that these environmental regulatory obligations will be reversed any time soon. In fact, the ever-increasing focus on environmental sustainability – most importantly through the European Green Deal – is likely to result in increasingly higher costs of industrial compliance for Union producers. The projections so far made available by the Union producers (see recital (42)) confirm this statement. The observed change in circumstances is therefore expected to be of a lasting nature.
- (73) Following disclosure, CCCMC requested to learn the relative significance of the alleged compliance costs vis-à-vis the total unit production costs of melamine, which remained crucial issue when assessing the actual significance of the percentage increase.
- (74) The Commission noted that the environmental costs the Union industry was confronted with represented a smaller share of total melamine production costs than gas costs did. However, this does not alter the fact that the observed changes were still significant and lasting in nature.
- (75) As to inflation (see recital (46)), the Commission noted that the lasting nature of the increases in cost items (gas and environmental costs) will inevitably result in higher prices of the output product, melamine. Moreover, the Union industry will wish to reflect the increased cost base in its sales prices once a level playing field is reestablished because it cannot sustain the losses it experienced in 2022 and the review investigation period in the long term. A higher melamine price level as compared to the price levels observed in the original investigation is therefore expected to be of a lasting nature.
- (76) Following disclosure, CCCMC contested that the Union industry cost of production was higher in the review investigation period than during the original investigation period and that the higher cost level was expected to be of a lasting nature.
- (77) The Commission referred to the rebuttal concerning the lasting nature of increased gas costs (see recital (70)), which are, given the weight of gas costs in the overall melamine production cost, expected to result in increased total costs being equally lasting.

3.2.3.2.2. Supply situation on the Union market

- (78) As to the increased production capacity of the Union industry, the investigation did not point to any plans of Union producers to reduce capacities in the near future. The increased overall capacity is therefore deemed to be of a lasting nature.
- (79) CCCMC however argued that there has been no significant (or lasting) change of the Union industry's production capacity or ability to supply the EU market.
- (80) The Commission clarified that the Union industry has sufficient capacity to meet Union consumption. In this context, the Commission referred to the data gathered in the present investigation (see Tables 1 and 5). While consumption never went beyond 427 309 tonnes per year (seen in 2021), capacity was at least 476 874 tonnes per year (seen in the review investigation period).
- (81) CCCMC added that the Union industry market share decrease to under 30 % during the period 1 July 2022 – 30 June 2023 was not of a lasting nature because it was caused by exceptional circumstances such as production difficulties at the level of Union producers and increased demand by users at the same time. To compensate for the supply shortages, users had to rely on greater imports, mostly from China.
- (82) The Commission noted that the significant decrease in the Union industry's market share was factual and as such not contested by CCCMC. The Commission considered that the market share decrease was largely due to the exponential increase of Chinese dumped imports undercutting Union industry prices (see recital (102)).
- (83) In view of the foregoing the comments of CCCMC were dismissed.

- (84) Following disclosure, SGE claimed that the circumstances underlying the existing measures in the form of a fixed duty and MIP have not changed in a significant and lasting manner. As to the availability of melamine imports from third countries, SGE commented that at certain times prices from third countries were lower than those from China, and that the supply from third countries was not stable and could not substitute imports from China.
- (85) The Commission noted that import prices from third countries in general followed market trends over the period considered. More importantly, as shown in Table 4, the market share of the total third countries' imports remained in a relatively close range between 19,2 % and 22,3 % over the period considered, in other words, the prices were not to the detriment of market shares of the Union industry to the same extent as Chinese prices were (see Table 2). Market shares between 19,2 % and 22,3 % are also well above the Chinese market shares throughout the period considered in the investigation leading to the measures under review, and the Commission therefore disagreed with SGE. The Commission found that the total imports of third countries constituted a stable alternative factor of supply to the Union market.
- (86) SGE reiterated an allegation made by the user KRP on 30 October 2024 ⁽³³⁾, saying that European production capacity alone could not satisfy demand. Similarly, EPF questioned in their disclosure comments the capacity figures assessed by the Commission and reported in Table 5 below. EPF alleged that two melamine plants of BASF in Ludwigshafen were permanently closed at the end of April 2023 ⁽³⁴⁾. Furthermore, EPF referred to market intelligence from their members, according to which only OCI and LAT Nitrogen produced melamine in 2024 at a reduced capacity. The full production capacity of these manufacturers amounted to a total of 290 000 tonnes yearly according to EPF.
- (87) In order to protect information considered as business confidential, the Commission could not disclose the production capacity figures of individual Union producers. However, it confirmed that the production capacity figures in Table 5 had been properly verified. The Commission also noted that the relevant BASF plants were not permanently closed, as EPF alleged, but offered for sale on the market ⁽³⁵⁾. Moreover, EPF's approach to leave out capacities that were temporarily kept idle or offered for sale is inconsistent with the Commission's constant case practice. The fact that Union producers reduced output because they were not able to cope with unfairly priced imports from China, penetrating the Union market at unprecedentedly high volumes, should not be mistaken for a permanent reduction in production capacity. EPF's claim was therefore rejected. KRP's claim was not further substantiated and, for that reason, likewise rejected.

3.2.4. Conclusion

- (88) Based on the above, the Commission concluded in accordance with Article 11(3) of the basic Regulation, that the circumstances referred to in Section 3.2.2 have changed since the original investigation and that these changes are of a lasting nature.

3.3. Injury

3.3.1. Definition of the Union industry and Union production

- (89) Based on the information available in the request, the like product was manufactured, during the review investigation period, by the three applicants and two other producers. They constitute the 'Union industry' within the meaning of Article 4(1) of the basic Regulation. The two non-sampled producers identified in the request are BASF AG, Ludwigshafen (Germany) and S.C. Azomures, Targu Mures (Romania). Only BASF registered as an interested party. None of the two producers in question submitted comments or made representation during the investigation.

⁽³³⁾ t24.009914.

⁽³⁴⁾ <https://mcgroup.co.uk/news/20230426/melamine-market-challenges-dynamics.html>.

⁽³⁵⁾ BASF Sells Ammonia, Methanol and Melamine Plants – ChemistryViews.

- (90) The total Union production during the review investigation period was established at 175 786 tonnes. The figure was computed based on the questionnaire replies from the three sampled Union producers and the macro-indicators questionnaire reply submitted by the applicants.
- (91) As mentioned in recital (13), the Commission selected a definitive sample of the Union producers representing approximately 83 % of the total estimated Union production of the like product. The three sampled producers are the applicants.

3.3.2. Union consumption

- (92) The Commission established the Union consumption based on: (a) the applicants' data concerning Union industry's sales of the like product, partly cross-checked with the sales volumes reported by sampled Union producers; and (b) imports of the product under review into the Union from all third countries as reported in the Comext database (Eurostat).
- (93) Based on this, Union consumption developed as follows:

Table 1

Union consumption (tonnes)

	2020	2021	2022	RIP
Consumption	364 168	427 309	377 704	339 676
<i>Index (2020 = 100)</i>	100	117	104	93

Source: Eurostat.

- (94) The review showed that Union consumption increased by 18 % from 2020 to 2021 following a rebound after the COVID-19 pandemic. Overall, Union consumption fell over the review investigation period by 7 %.

3.3.3. Imports from the country concerned

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

- (95) The Commission established the volume of imports from the country concerned based on Eurostat statistics. The Chinese market share was established by comparing imports to the Union consumption as set out in Table 2.
- (96) Imports from the PRC developed as follows:

Table 2

Import volume and market share

	2020	2021	2022	RIP
Volume of imports from the PRC (tonnes)	1 222	27 270	107 506	99 112
<i>Index (2020 = 100)</i>	100	2 232	8 800	8 113
Market share of imports from the PRC (%)	0,3	6,4	28,5	29,2
<i>Index (2020 = 100)</i>	100	1 902	8 484	8 698

Source: Eurostat.

- (97) The volumes of imports from China rose more than eightyfold from 2020 to the review investigation period. Even if the year 2020 may not be considered representative because of the economic downturn following the COVID-19 pandemic, from 2021 to the review investigation period, imports from China still rose almost fourfold.
- (98) In relative terms (see indices in above Table 2), the market share of imports from China rose even stronger than the volume of those imports to reach almost 30 % in the review investigation period. When compared to 2021, the market share increased more than fourfold.

3.3.3.2. Prices of the imports from China and price undercutting.

3.3.3.2.1. Prices

- (99) The Commission established the average prices of imports from China based on Eurostat statistics.
- (100) The weighted average price of imports from China developed as follows:

Table 3

Import prices (EUR/tonne)

	2020	2021	2022	RIP
China	958	1 627	1 990	1 361
<i>Index (2020 = 100)</i>	100	170	208	142

Source: Eurostat.

- (101) Average prices of melamine imports from China increased from 2020 to 2022 by 108 %. Prices sharply fell from 2022 to the review investigation period by 32 %.

3.3.3.2.2. Price undercutting

- (102) The Commission assessed the price undercutting by comparing (a) the weighted average statistical prices of imports from the PRC during the review investigation period, established on a CIF basis, with appropriate adjustments for the conventional rate of customs duty, anti-dumping duty ⁽³⁶⁾ and post-importation costs; and (b) the weighted average sales prices of the three Union producers charged to unrelated customers in the Union market. The thus calculated undercutting margin amounted to 8,5 %.
- (103) The Commission further considered other price effects, in particular the existence of significant price depression. The Commission observed that price depression occurred insofar as the Union industry had to lower its sales prices by around 53 % from 2022 to the review investigation period (see Table 7), significantly below its costs of production and thus leading to a loss of – 100,1 % in the review investigation period (see Table 10).

3.3.4. Volumes and prices of imports from third countries

- (104) The Commission established the volumes and prices of imports from third countries applying the same methodology as for the PRC (see section 3.3.3.1).

⁽³⁶⁾ With regard to the anti-dumping duty added, during the review investigation period the measures consisted of minimum import prices for three exporting producers and a fixed specific duty for all other exporting producers. The imports by the three parties with minimum import prices were, if above the minimum price, free of anti-dumping duty whereas the applicable anti-dumping duties on imports from these parties below the minimum import prices varied depending on the net invoice value before importation. There were also imports from other exporting producers to which the residual specific duty of EUR 415 per tonne applied. In view of this mixed picture, the amount of anti-dumping duties added was based on the melamine imports data reported by Member States pursuant to Article 14(6) of the basic Regulation, as that dataset included the amounts paid.

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

Table 4

Imports from third countries

Country		2020	2021	2022	RIP
Qatar	Import volume (tonnes)	26 256	35 622	37 809	40 360
	<i>Index (2020 = 100)</i>	100	136	144	154
	Market share (%)	7,2	8,3	10,0	11,9
	<i>Index (2020 = 100)</i>	100	115	139	165
	Average price (EUR/tonne)	824	1 548	2 459	1 644
	<i>Index (2020 = 100)</i>	100	188	298	200
Trinidad and Tobago	Import volume (tonnes)	8 370	14 112	11 400	16 320
	<i>Index (2020 = 100)</i>	100	169	136	195
	Market share (%)	2,3	3,3	3,0	4,8
	<i>Index (2020 = 100)</i>	100	144	131	209
	Average price (EUR/tonne)	850	1 572	2 504	1 379
	<i>Index (2019 = 100)</i>	100	185	295	162
India	Import volume (tonnes)	2 122	5 520	12 848	9 768
	<i>Index (2020 = 100)</i>	100	260	605	460
	Market share (%)	0,6	1,3	3,4	2,9
	<i>Index (2020 = 100)</i>	100	222	584	493
	Average price (EUR/tonne)	677	1 446	2 219	1 450
	<i>Index (2020 = 100)</i>	100	214	328	214

Country		2020	2021	2022	RIP
Other third countries	Import volume (tonnes)	35 311	26 652	15 110	9 180
	<i>Index (2020 = 100)</i>	100	75	43	26
	Market share (%)	9,7	6,2	4,0	2,7
	<i>Index (2020 = 100)</i>	100	64	41	28
	Average price (EUR/tonne)	800	1 570	2 262	1 502
	<i>Index (2020 = 100)</i>	100	196	283	188
Total imports excluding China	Import volume (tonnes)	72 059	81 907	77 167	75 629
	<i>Index (2020 = 100)</i>	100	114	107	105
	Market share (%)	19,8	19,2	20,4	22,3
	<i>Index (2020 = 100)</i>	100	97	103	113
	Average price (EUR/tonne)	835	1 557	2 387	1 544
	<i>Index (2020 = 100)</i>	100	186	286	185

Source: Eurostat.

- (106) The most important sources of imports outside China included Qatar, Trinidad and Tobago and India. Imports from each of these countries increased during the period considered, by at least 54 % (Qatar) and up to 360 % (India). India though started from a much lower level than the two other countries in 2020. The market share of the total imports from all third countries, excluding China, increased by only 5 % over the period considered.
- (107) In the review investigation period, the average import prices of the three most important sources other than China were all above the average import prices from the PRC. Only import prices from Trinidad and Tobago were relatively close albeit still above import prices from China (EUR 1 379/tonne versus EUR 1 361/tonne). However, the import volume coming from Trinidad and Tobago was less than 20 % of the volume coming from China in the review investigation period.
- (108) The market share increase of the third countries by 2,5 percentage points over the period considered is clearly dwarfed by the market share increase of the Chinese imports, which amounted to 28,9 percentage points. The average price of the third countries imports was in the review investigation period significantly higher than both the Union industry sales price (see Table 7) and the average import price from China (see Table 3).

3.3.5. Economic situation of the Union industry

3.3.5.1. General remarks

- (109) For the assessment of whether injury was present, the Commission distinguished between macroeconomic and microeconomic injury indicators. The Commission assessed the macroeconomic indicators based on data and information contained in the questionnaire reply of the applicants, duly cross-checked with the information in the request and the questionnaire replies of the sampled Union producers, and Eurostat statistics. The Commission assessed the microeconomic indicators based on data contained in the questionnaire replies from the sampled Union producers.
- (110) The macroeconomic indicators in the present case are: production, production capacity, capacity utilisation, sales volume, market share, growth, employment and productivity.
- (111) The microeconomics indicators are: average unit sales prices, unit cost, labour costs, inventories, profitability, cash flow, investments, return on investments, and ability to raise capital.

3.3.5.2. Production, production capacity and capacity utilisation

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

Table 5

Production, production capacity and capacity utilisation

	2020	2021	2022	RIP
Production volume (tonnes)	401 780	396 575	268 034	175 786
<i>Index (2020 = 100)</i>	100	99	67	44
Production capacity (tonnes)	480 578	477 621	477 379	476 874
<i>Index (2020 = 100)</i>	100	99	99	99
Capacity utilisation (%)	83,6	83,0	56,1	36,9
<i>Index (2020 = 100)</i>	100	99	67	44

Source: Applicants.

- (113) The production of the Union industry decreased by 56 % over the period considered. The production capacity of the Union industry remained almost stable over the period considered, with a minimal decrease of 1 %. As a consequence, the capacity utilisation decreased by 56 %.

3.3.5.3. Sales volume and market share

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

Table 6

Sales volume and market share

	2020	2021	2022	RIP
Total sales volume on the Union market – unrelated customers	290 888	318 133	193 031	164 935
<i>Index (2020 = 100)</i>	100	109	66	57
Market share (%)	79,9	74,5	51,1	48,6
<i>Index (2020 = 100)</i>	100	93	64	61

Source: Eurostat, applicants.

- (115) Sales volumes of the Union industry to unrelated customers increased by 9 % from 2020 to 2021 but fell by 52 percentage points between 2021 and the review investigation period to a level 43 % below the level in 2020.
- (116) Following the same trend, the market share held by the Union industry fell from 79,9 % to 48,6 %.

3.3.5.4. Growth

- (117) During the period considered, the Union consumption decreased by 7 % (see Table 1), and the Union industry's volume of sales to unrelated customers in the Union decreased by 43 % (see Table 6). Consequently, the Union industry lost important market shares (see Table 6) versus Chinese imports (see Table 2).

3.3.5.5. Prices and factors affecting prices

- (118) The weighted average unit sales prices of the Union producers to unrelated customers in the Union and the unit cost of production developed over the period considered as follows:

Table 7

Sales prices in the Union and cost of production

	2020	2021	2022	RIP
Weighted average unit sales price in the Union (EUR/tonne)	928	1 863	3 196	1 498
<i>Index (2020 = 100)</i>	100	201	344	161
Unit cost of production (EUR/tonne)	906	1 611	3 173	3 069
<i>Index (2020 = 100)</i>	100	178	350	339

Source: Sampled Union producers.

- (119) Unit cost of production grew exponentially to a level that in 2022 was 250 %, and in the review investigation period still 239 % above the level recorded in 2020. This sharp increase in cost of production was primarily caused by the very strong rise in gas prices starting as of 2021.

- (120) Sales prices followed a similar trend until 2022, when they reached a level that was 244 % above the level of 2020. In the review investigation period, sales prices fell by more than half, as compared to 2022. In a submission filed 23 August 2024 ⁽³⁷⁾, the applicants stressed that Union industry's volume of sales had dropped to unsustainable levels as opposed to significantly increased cost bases in the review investigation period.

3.3.5.6. Employment and productivity

- (121) Employment, productivity, and average labour costs of the Union producers developed over the period considered as follows:

Table 8

Employment and productivity

	2020	2021	2022	RIP
Number of employees	632	642	613	582
<i>Index (2020 = 100)</i>	100	102	97	92
Labour Productivity (tonne/employee)	524	508	347	231
<i>Index (2020 = 100)</i>	100	97	66	44
Average labour costs per employee	73 491	77 431	86 835	90 642
<i>Index (2020 = 100)</i>	100	105	118	123

Source: Applicants, sampled Union producers.

- (122) The number of employees fell by more than 9 % from 2021 to the review investigation period, as the Union industry started reducing the labour force in an adverse market situation.
- (123) Labour productivity plummeted by 56 % during the period considered, in line with the sharp fall in production (see Table 5).
- (124) The average labour costs increased by 23 % during the period considered, as wages and salaries were adapted in line with inflation and previous growth.

3.3.5.7. Inventories

- (125) Stock levels of the Union producers developed over the period considered as follows:

Table 9

Inventories

	2020	2021	2022	RIP
Closing stocks	12 151	5 372	32 163	13 336
<i>Index (2020 = 100)</i>	100	44	265	110
Closing stocks as a percentage of production	3,1	1,4	15,1	9,9
<i>Index (2020 = 100)</i>	100	45	488	320

Source: Sampled Union producers.

⁽³⁷⁾ t24.007253.

- (126) Stock levels varied significantly over the period considered. In 2021, the level was 56 % below the level in 2020. In 2022, the level was 165 % above the level in 2020. Closing stock as a percentage of production grew almost fivefold from 2020 to 2022 and more than threefold from 2020 to the review investigation period. This is an additional indication that the Union industry had increasing difficulties towards the end of the period considered to sell its output in the face of dramatically increasing imports from China.

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

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

Table 10

Profitability, cash flow, investments and return on investments

	2020	2021	2022	RIP
Profitability of sales in the Union to unrelated customers (%)	- 4,1	12,3	- 5,6	- 100,1
<i>Index (2020 = 100)</i>	- 100	298	- 136	- 2 427
Cash flow	12 158 042	95 868 270	- 10 678 921	- 118 092 691
<i>Index (2020 = 100)</i>	100	789	- 88	- 971
Investments	25 704 881	32 880 347	46 905 512	75 538 271
<i>Index (2020 = 100)</i>	100	128	182	294
Return on investments	- 10,2 %	46,2 %	- 7,4 %	- 94,6 %
<i>Index (2020 = 100)</i>	- 100	455	- 73	- 930

Source: Sampled Union producers.

- (128) The Commission established the profit of the sampled Union producers by expressing the pre-tax net profit of its melamine sales to unrelated customers in the Union as a percentage of the turnover of the underlying sales. The Union industry realised a profit only in 2021, at 12,3 %. In 2020 and 2022, the underlying sales were loss-making, at rates of - 4,1 % and - 5,6 % respectively. In the review investigation period, the loss stood at - 100,1 %.
- (129) The net cash flow is the ability of the Union producers to self-finance their activities. The cash flow development was positive in 2021. In 2022 and the review investigation period, the Union industry generated negative cash flow following the negative profitability trend.
- (130) The Union industry's level of investment grew over the period considered by 194 %. According to the investigation results, the investments concerned almost only replacements of fully depreciated and worn assets. It was rather accidental that these investments were concentrated in the review investigation period. Moreover, the investments were relatively small in proportion to other indicators, such as total sales values. Therefore, the Commission does not consider this indicator very meaningful for this particular case.
- (131) The return on investments is the profit in percentage of the net book value of investments, and the trend followed that of the analysed profitability rates.

3.3.5.9. Conclusion on the situation of the Union industry

- (132) In a context of increasing cost of production and increasing price volatility, the Union industry lost significant market shares to the PRC over the period considered. Chinese import volumes rose exponentially and entered the Union market at prices significantly undercutting the Union industry prices. Against such pressure, the Union industry was not able to pass on the increased cost of production in its sales prices and subsequently suffered heavy losses at unprecedented and unsustainable levels.
- (133) Basically, all injury indicators, such as production, capacity utilisation rates, sales volumes, unit sales prices, market shares, profitability and cash flow showed deeply negative trends over the period considered.
- (134) Based on the above, the Commission concluded that the Union industry suffered material injury within the meaning of Article 3(1) of the basic Regulation during the period considered.

3.3.6. Causation

- (135) Having concluded that the Union industry suffered from material injury and with reference to recital (27), the Commission examined if the applicable MIP and fixed duty were causing serious and sustained injury to the Union industry.
- (136) In a first step, the Commission recalled that the design of the MIP is such that once prices reach levels comfortably above the MIP, exporting producers may export practically unlimited volumes of the product concerned without facing any anti-dumping duties in the Union. This scenario proved true in 2022 and the review investigation period, when market prices were reaching such levels (see Table 2 and recitals (97) and (98)).
- (137) In a second step, the Commission established that imports from China caused material injury to the Union industry. Indeed, these imports increased exponentially, that is by 8013 % over the period considered (see Table 2) which led to a significant increase in market shares, that is from 0,3 % in 2020 to 29,2 % during the review investigation period, at the expense of the Union industry which lost market shares, from 79,9 % to 48,6 % during the same period. Furthermore, the imports from China were made at decreasing (see Table 3, from 2022 to the review investigation period) and undercutting prices (see recital (102)), which caused the Union industry material injury. They also exercised significant price pressure on the Union industry prices. Indeed, since 2021 they have been significantly below Union industry prices and, more importantly, since 2022, below the cost of production of the Union industry. Due to the price suppression observed, the Union industry was unable to increase its prices during the review investigation period in line with the increase in its costs which resulted in significant losses. Other factors, such as gas prices, which were the main cause of a rise of production costs beyond sales prices (see Table 7 data for 2022 and the review investigation period), likewise contributed to that injury but did not attenuate the causal link found. The market share of the total third country imports grew by 13 % over the period considered (see Table 4) which is dwarfed by the more than eightyfold increase of Chinese imports in the same period (see Table 2). Similarly, total other third country imports were on average in the review investigation period almost EUR 200 per tonne more expensive than Chinese imports. Consequently, imports from third countries did not attenuate the causal link found between the imports from China and the material injury of the Union industry.
- (138) Upon disclosure, CCCMC claimed that exceptional internal EU market circumstances occurring in the second half of 2022 and in 2023, not the Chinese imports, were the primary reason why the Union producers could not raise their prices any higher to cover their costs of production and maintain profitability.
- (139) The Commission rejected the claim. The investigation showed that in the year 2021, and to some extent still in 2022, the Union industry was able to increase prices in line with increasing cost of production where Chinese imports entered the market at import prices of EUR 1 627 and EUR 1 990 per tonne. Only in the review investigation period, when import prices fell to EUR 1 361 per tonne, the Union industry was no longer able to sell at cost covering prices. That clearly showed that the measures did not achieve their intended effect as the cheaply priced Chinese imports at increased volumes were the major cause of injury to the Union industry.

- (140) Consequently, the Commission concluded that the design of the MIP essentially allowed Chinese producers to increase export volumes at lowered prices, which in turn caused material injury to the Union industry.

3.4. Interest of unrelated importers and users

- (141) All known unrelated importers and users were informed about the initiation of the review.
- (142) The Commission received a questionnaire reply from one unrelated importer, however, that party refused to provide a non-confidential version of its reply. Therefore, the provided information could not be analysed.
- (143) Three users and the Unilin Group (consisting of two users) provided questionnaire replies. The three users failed to submit meaningful open versions of their questionnaire replies and these submissions could therefore not be analysed. Only the Unilin Group continued to cooperate throughout the investigation, including allowing an on-spot verification at their premises (as explained in recital (18) above).
- (144) The Unilin Group claimed however that it could not file a complete non-confidential version of their submissions because from a competition perspective, it was not comfortable with showing certain information to a wider audience. The Unilin Group therefore invoked 'exceptional circumstances' in the light of Article 19(2) of the basic Regulation. The Commission took note of the Unilin Group's claim. Based on the information provided, it could merely establish that both the Unilin Group's purchases from the Union industry and its imports from China were not representative for the users' sector as a whole, and that changing the form of the measures would not unduly hurt the party concerned.
- (145) Following disclosure, EPF expressed concerns about the Commission assessment of the users' interest, as it seemed to rely only on the two questionnaire responses submitted by the Unilin Group. EPF added that rising costs of melamine between November 2022 and November 2023 led to a huge increase in the differential between raw panels and coated ones, rising from 30-50 % on average to 60-124 %.
- (146) The Commission clarified that it can only rely in its assessment on verifiable data provided by cooperating interested parties. About 80 users were contacted and made aware of the review upon its initiation. Eventually, the data provided by the Unilin Group was the only verifiable user submission available to the Commission. The Commission did not extend the conclusion it reached with regard to Unilin to all users, but, absent of other cooperating users, it had no other available information at its disposal for analysis.
- (147) Moreover, EPF's approach to deduce melamine input costs from a price differential of the output products is considered flawed. Price differentials can be ascribed to various other reasons, such as perception by customers etc., but not necessarily and not solely to an increase of one cost element.
- (148) Further to initiation of the proceeding, EPF submitted that the European woodworking industries accounted for a turnover of more than EUR 500 billion annually and provided 4 million direct jobs in the Union. Representing 9 % of this turnover, the panel industry played a key role by giving value to by-products from harvesting and wood processing, delivering high quality, light and affordable products for the furniture and construction sectors. Consequently, any change of the form of the measures would negatively impact many times more employees (those of EU wood-based panels producers and their downstream user value chain) than it would benefit employees of the Union melamine producers.
- (149) The Commission considered that EPF failed to demonstrate what part of the alleged annual turnover related to sales of products incorporating melamine, how relevant the cost of melamine was in those products, and how many jobs contributed to producing and selling such products. Consequently, the impact of the change of the form of the measure could not be determined and thus, it rejected the claim.

- (150) Following disclosure, EPF calculated that about 650 000 jobs in the wood-based panels industry and related sectors throughout the supply chain were related to the use of melamine and that all these jobs would be significantly threatened if the form of the measures would be changed. The Commission rejected the claim, as EPF did not substantiate why *ad valorem* duties on one raw material from one specific country, as opposed to a fixed duty and MIP, would be detrimental to these economic sectors.
- (151) EPLF claimed that Chinese exporting producers subject to the fixed duty of EUR 415 per tonne could not export to the Union because that duty was prohibitive and that the total capacity of the three Chinese producers subject to a minimum import price was not more than 300 000 tonnes, which was not enough to supply the European market. EPLF further alleged that Union users would not be able to rely solely on European melamine production, especially when the market picked up.
- (152) The Commission rejected these claims made by EPLF. Consumption was never higher than approximately 430 000 tonnes yearly. For instance, in 2021, it stood at 427 185 tonnes. With its capacity of over 476 000 tonnes (noted in the review investigation period, see Table 5), the Union industry would certainly be able to cover this consumption alone.
- (153) EPLF added that their members were facing increasingly stronger competition from Türkiye as Turkish laminate producers could continue importing melamine from China without paying anti-dumping duties and thus shoulder lower costs than the Union laminate producers.
- (154) EPLF did not provide any evidence to support the allegations concerning the stronger competition from Türkiye. Moreover, there were no indications that users in general would be unduly hurt by a change of the form of the measures (see also recital (144)). The Commission therefore rejected the claim.
- (155) SGE claimed that if the form of the anti-dumping measure is changed to *ad valorem* duties, the resulting duty rates would substantially increase the cost of importing the product under review from China. Even worse, such high rates could render Chinese exporters uncompetitive, potentially forcing them to withdraw from the Union market. This would leave the Union importers and users with limited sourcing options, primarily from the applicants, resulting in a less competitive EU market. The supply chain would become imbalanced, and purchase prices for melamine would likely rise significantly.
- (156) The Commission rejected this claim. The Commission acknowledged that market prices of melamine are likely to increase as the prices observed in the review investigation period were unsustainable for the Union industry and the measures in the form of MIP and fixed duty were not sufficiently protecting the Union industry from unfair trade practices of the exporting producers, severely depressing its sales prices (see Table 7). However, the Commission also considered that, with *ad valorem* duties in place ranging from 12 % to 65,2 % depending on the level of dumping established, users will overall be able to purchase Chinese melamine at prices including duties that are at a level playing field with the sales prices of Union producers. Additionally, users can also source from other countries outside the Union, as they have done during the period considered (see Table 4).
- (157) Following disclosure, EPF pointed to limited production capacities in China. According to EPF, China exports to the Union reached a peak in 2022, which means they are unlikely to rise beyond the quantity noted in that year.
- (158) The Commission noted that EPF failed to provide substantiated data on the actual and spare capacities in China. In any event, the quantity of Chinese exports to the Union in 2022 and the review investigation period was already highly detrimental to the Union industry, as best illustrated by the profitability figures in Table 10.
- (159) The Commission received also comments after disclosure from KRP, a user of melamine which registered as an interested party, but did not submit a questionnaire reply.

- (160) KRP claimed that the MIP ensured fair competition by providing a price floor. It allowed Union producers to achieve profits while ensuring that users had access to stable and affordable supplies. Thus, maintaining the MIP was in the Union interest according to KRP. KRP further claimed that if the current measure was replaced with *ad valorem* duties, they would face much higher melamine costs, leading to a significant increase in production costs. This would erode their competitiveness not only in the domestic market but also in international markets, putting their business at risk.
- (161) KPR did not substantiate any of the claims submitted, and therefore both claims were rejected.
- (162) Without further cooperation from users and user associations, the Commission concluded that users would not be unduly hurt by a change of the form of the measures.
- (163) Therefore, the Commission concluded that there were no indications that the proposed change of the form of the measures would have a negative impact on the users and/or importers outweighing the positive impact of the measures.

3.5. Conclusion on Union interest

- (164) Based on the above, the Commission concluded that there were no compelling reasons showing that it was not in the Union interest to change the form of the measures on imports of melamine originating in China.
- (165) As concluded in recital (134), the Union industry was suffering from material injury in the review investigation period. Consequently, the current form of the measures is no longer adequate to protect the Union industry from Chinese imports, which entered the Union market at unprecedentedly high volumes and at undercutting prices.

4. ANTI-DUMPING MEASURES

4.1. Connection between injury and changed circumstances

- (166) In view of the assessed changes in circumstances, the present form of the measures, which, with regard to more than 80 % of all imports from China during the RIP, consists of a duty based on a MIP of 1 153 EUR/tonne, i.e. no duty was levied, and for the remaining imports represented a fixed duty of 415 EUR/tonne, can no longer remedy the established material injury suffered by the Union industry and caused by Chinese imports. In particular, the MIP was unable to remedy the significant undercutting (see recital (102)) and price depression found during the review investigation period.
- (167) Both previous expiry reviews concluded that the Union industry was no longer suffering injury in view of the efficient protection provided by the existing measures (see recital (128) of Implementing Regulation (EU) 2017/1171 and recital (277) of Implementing Regulation (EU) 2023/1776). By contrast, under the current partial interim review, the Commission concluded that the measures in their current form were no longer sufficient to counteract the dumping which is causing injury.
- (168) Since 2020, the volatility of melamine prices increased significantly along with the price volatility of gas, the major input to produce melamine. At certain times, melamine prices reached unprecedentedly high levels, not observed at least since the original investigation. After reaching those high levels, prices plummeted rapidly in view of drastically increased import volumes at lower prices from China. This forced the Union industry to sell at prices significantly below its cost.
- (169) Therefore, the form of the measures could no longer provide the protection it did in the periods investigated in previous expiry reviews and that proved to be sufficient to shelter the Union industry from suffering injury. Chinese producers sold exports to the Union at prices that at the same time undercut the Union industry sales prices but that exceeded the applicable MIP and thus were not liable to anti-dumping duties.
- (170) It follows that the changed circumstances had the effect that injury recurred and that they rendered the form of the measures insufficient to protect the Union industry from imports at undercutting prices.

4.2. Change of the form of the measure

- (171) Based on the above conclusions and, in particular, those on the existence of material injury suffered by the Union industry, the changes of circumstances as compared to the original investigation and the lasting nature of these changes, and on Union interest, the Commission considered that the current form of the anti-dumping measures on melamine originating in the People's Republic of China is no longer adequate to remove injury caused by dumped imports.
- (172) Consequently, the Commission decided to reinstate the *ad valorem* duties to all companies.
- (173) Following disclosure, SGE and KRP claimed that the reinstatement of *ad valorem* duties set more than 10 years ago was unfair. They believed that, if the circumstances under which an MIP was originally introduced had changed, those same original circumstances were equally obsolete for imposing the *ad valorem* duties. Furthermore, some of the *ad valorem* duties to be reinstated were calculated based on data from 2009, and only one was based on data from 2022. Therefore, the reinstatement of the *ad valorem* duties was unfair to the Chinese exporting producers whose duty rates were calculated based on data in the original investigation, which is obsolete and out of line with current market conditions.
- (174) The Commission considered the claims unfounded. *Ad valorem* duties constitute the standard antidumping measure form used by the Commission when imposing measures subsequent to an investigation. The imposition of other measure forms typically requires a special justification in the respective implementing regulations, the imposition of *ad valorem* duties does not. In the present Regulation, the Commission has sufficiently reasoned the circumstances that led to the exceptional imposition of duties based on minimum prices under the original regulation are no longer present.
- (175) Likewise, the Commission recalled that Implementing Regulation (EU) 2023/2653, by which an *ad valorem* antidumping duty of 12 % was attributed to Xinjiang, amended the existing measures. Under the scope of the present interim review, the Commission is legally obliged to review the entire existing measures including any amendment such as the one made under Implementing Regulation (EU) 2023/2653. It therefore cannot treat the amended measure imposed under Implementing Regulation (EU) 2023/2653 differently from the original measures.
- (176) SGE and KRP proposed adjusting the MIP from 1 153 EUR/tonne to a range from 1 300 to 1 400 EUR/tonne, based on the latest spot price data collected and published by Independent Commodity Intelligence Services (ICIS ⁽³⁸⁾). This proposed price range is derived from the average melamine price for the period from July 2024 to December 2024, as reported by ICIS. In a hearing following disclosure, SGE specified that under the proposed MIP scheme, prices would be continuously adjusted based on the mentioned ICIS data. In this context, SGE considered Commission Implementing Regulation (EU) 2015/82 ⁽³⁹⁾ a precedent relevant to the present investigation.
- (177) The Commission recalled that the present interim review was limited to the form of the measures. The proposal made by SGE and KRP however entailed an amendment to the level of the measures, notably from an MIP level of 1 153 EUR/tonne to at least 1 300 EUR/tonne. Moreover, the Commission considered SGE's reference to Implementing Regulation (EU) 2015/82 flawed, since that Regulation not only dealt with a partial interim review limited to the examination of the form of the measures (see the third indent of recital (8) of that Regulation) but also with a partial interim review limited to injury (see the fourth indent of recital (8) of that Regulation). As laid down in recital (181) of that Regulation, in the framework of the partial interim review limited to injury, the Commission established a new non-injurious price for the Union industry and on that basis a new MIP (as the measures were based on injury). Since the present partial interim review is limited to the form of the measures, an amendment to the level of the measures is not possible. Therefore, the proposals of SGE and KRP had to be dismissed.

⁽³⁸⁾ According to SGE, ICIS is an independent global commodities market information provider. ICIS is widely used in the global melamine industry and reflects the full picture of the melamine market in real time, including price trends, freight trends, etc. The ICIS website: <https://www.icis.com>.

⁽³⁹⁾ Commission Implementing Regulation (EU) 2015/82 of 21 January 2015 imposing a definitive anti-dumping duty on imports of citric acid originating in the People's Republic of China following an expiry review pursuant to Article 11(2) of Council Regulation (EC) No 1225/2009 and of partial interim reviews pursuant to Article 11(3) of Regulation (EC) No 1225/2009 (OJ L 15, 22.1.2015, p. 8, ELI: http://data.europa.eu/eli/reg_impl/2015/82/oj).

- (178) To minimize the risks of circumvention due to the difference in duty rates, special measures are needed to ensure the application of the individual duty rates. The companies subject to individual duty rates must present 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. Imports not accompanied by that invoice should be subject to the anti-dumping duty applicable to 'all other companies'.
- (179) While presentation of this invoice is necessary for the customs authorities of the Member States to apply the individual duty rates, 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 individual duty rates is justified, in compliance with customs law.
- (180) Should the exports by one of the companies benefiting from 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, or a change of circumstances within the meaning of Article 11(3) of the basic Regulation. In such circumstances and provided the conditions are met, an anti-circumvention investigation or an interim review investigation may be initiated. Such investigation may, inter alia, examine the need for the removal of individual duty rates and the consequent imposition of a country-wide duty.
- (181) The individual duty rates provided in Article 1(2) of this Regulation are exclusively applicable to imports of the product under review originating in China and produced by the named legal entities. Imports of the product under review 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'.
- (182) A company may request the application of these individual duty rates if it changes subsequently the name of its entity. The request must be directed to the Commission ⁽⁴⁰⁾. The request must contain all the relevant information demonstrating that the change does not affect the right of the company to benefit from the duty rate which applies to it. If the change of name of the company does not affect its right to benefit from the duty rate which applies to it, a regulation about the change of name will be published in the *Official Journal of the European Union*.
- (183) All interested parties were informed of the essential facts and considerations based on which it was intended to recommend that the form of the measures be changed. All parties were also granted a period to make representations subsequent to this disclosure and to request a hearing with the Commission and/or the Hearing Officer in trade proceedings. The submissions and comments were duly taken into consideration.
- (184) In view of Article 109 of Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council ⁽⁴¹⁾, when an amount is to be reimbursed following a judgment of the Court of Justice of the European Union, the interest to be paid should be the rate applied by the European Central Bank to its principal refinancing operations, as published in the C series of the *Official Journal of the European Union* on the first calendar day of each month.
- (185) The Committee established by Article 15(1) of Regulation (EU) 2016/1036 delivered a positive opinion,

⁽⁴⁰⁾ European Commission, Directorate-General for Trade, Directorate G, Rue de la Loi 170/Wetstraat 170, 1040 Bruxelles/Brussel, BELGIQUE/BELGIË.

⁽⁴¹⁾ Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (OJ L, 2024/2509, 26.9.2024, ELI: <http://data.europa.eu/eli/reg/2024/2509/oj>).

HAS ADOPTED THIS REGULATION:

Article 1

1. A definitive anti-dumping duty is imposed on imports of melamine currently falling under CN code 2933 61 00 and originating in the People's Republic of China.
2. The rate of the definitive anti-dumping duty applicable to the net, free-at-Union-frontier price, before duty, of the products described in paragraph 1 and produced by the companies listed below, shall be as follows:

Company	Definitive anti-dumping duty (%)	TARIC additional code
Xinjiang Xinlianxin Energy Chemical Co., Ltd	12,0	8 99B
Sichuan Golden-Elephant Sincerity Chemical Co., Ltd	44,9	A 986
Shandong Holitech Chemical Industry Co., Ltd	47,6	A 987
Henan Junhua Development Company Ltd	49,0	A 988
All other imports originating in China	65,2	A 999

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) 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.' If no such invoice is presented, the duty applicable to all other companies shall apply.

Article 2

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

Article 3

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, 18 February 2025.

For the Commission
The President
 Ursula VON DER LEYEN