



2026/916

28.4.2026

COMMISSION IMPLEMENTING REGULATION (EU) 2026/916

of 27 April 2026

imposing a provisional anti-dumping duty on imports of pea protein 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 29 August 2025, the European Commission (‘the Commission’) initiated an anti-dumping investigation with regard to imports of pea protein originating in the People’s Republic of China (‘the country concerned’, ‘China’ or ‘PRC’) 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 15 July 2025 by the Ad Hoc Coalition of Union Pea Protein Producers (‘the complainant’). The complaint was made on behalf of the Union industry of pea protein 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 Implementing Regulation (EU) 2025/2144 (‘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 and the authorities of the People’s Republic of China, known importers and users about the initiation of the investigation and invited them to participate.
- (5) Interested parties had an opportunity to comment on the initiation of the investigation and to request a hearing with the Commission and/or the Hearing Officer in trade proceedings.
- (6) On 22 October 2025, the Commission’s service rejected the request made by NiHTEK Corp Limited (NiHTEK) to register as an interested party since, as per the company’s statement, it did not produce nor sell the product under investigation and it was related to a Chinese exporting producer. NiHTEK requested the Hearing Officer to review the situation. After further clarifications, the Hearing Officer noted that the product scope of the investigation (defined as ‘high protein content pea protein, which contains more than 65 percent protein on a dry weight basis, encompassing all types of pea protein derived from peas (including, but not limited to, yellow field peas and green field peas),

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

⁽²⁾ Notice of initiation of an anti-dumping proceeding concerning imports of pea protein originating in the People’s Republic of China (OJ C, C/2025/4850, 29.8.2025, ELI: <http://data.europa.eu/eli/C/2025/4850/oj>).

⁽³⁾ Commission Implementing Regulation (EU) 2025/2144 of 21 October 2025 making imports of pea protein originating in the People’s Republic of China subject to registration (OJ L, 2025/2144, 22.10.2025, ELI: http://data.europa.eu/eli/reg_impl/2025/2144/oj).

in all physical forms (including solid (e.g. powder) and liquid (solution) forms), whether textured or not') was limited to the pea protein content, not the general protein content (thus, the 65 % protein content threshold does not refer to proteins in general). Blends (mixtures) are excluded from the scope if their original physical, chemical, and other properties had changed. Thus, NiHTEK was not considered an interested party in the proceedings as it did not produce or sell the product under investigation (but a downstream product). The company was advised to channel any comments it may have via the related Chinese exporter.

1.4. Comments on initiation

- (7) The China Chamber of Commerce of Import & Export of Foodstuffs, Native Produce & Animal By-Products ('CFNA'), representing a number of exporting producers⁽⁴⁾, provided comments on the complaint and the initiation of the investigation.
- (8) At the outset, the Commission noted that it carried out its examination of the complaint in accordance with Article 5 of the basic Regulation and came to the conclusion that the requirements for initiation of an investigation were met, i.e. that there was sufficient evidence to initiate the investigation. Without any evidence to the contrary, the allegations from CFNA that the Commission failed to examine the complaint were groundless. Also, since the complaint offered sufficient evidence justifying initiation, there was no need for the Commission to gather additional information, as CFNA implies.
- (9) CFNA took issue with the methodology used in the complaint to estimate imports. The complaint estimated the imports based on available information from the United States investigation on pea protein. It calculated the percentage of imports of pea protein into the US against all imports under the relevant US customs codes and applied this percentage to the corresponding Union customs codes. CFNA claimed that such method was flawed because the complaint did not provide any proof of the comparability of the Union and US markets, because the scope of both investigations was not the same, and because in the US the petitioner estimated the share in the US market directly, not based on a third market.
- (10) CFNA itself admitted in its submission that information on import volumes was not available to the complainant because the Combined Nomenclature ('CN') codes under which pea protein is classified for customs purposes in the Union include other products. Against this background, the Commission considered that the method used by the complainant was valid. According to Article 5(2) of the basic Regulation, a complaint shall contain such information as is reasonably available to the complainant. The legal standard of evidence required for the purpose of initiating an investigation ('sufficient' evidence) is different from that which is necessary for the purpose of a preliminary or final determination of the existence of dumping, injury or of a causal link. Therefore, evidence which is insufficient in quantity or quality to justify a preliminary or final determination of dumping, injury or causation, may nevertheless be sufficient to justify the initiation of an investigation⁽⁵⁾. CFNA did not provide any reason explaining why such method would be invalid because of comparability between the Union and the US market, because of the different product scope or why the way the US petitioner, that faced the same problem as the complainant in the Union, estimated imports, would make the method used in the complaint inaccurate. CFNA itself did not provide an alternative method capable of challenging the one used in the complaint.
- (11) CFNA challenged the Commission's granting of anonymity to the complainants. It claimed that the complainants failed to substantiate their request for anonymity, that they failed to provide sufficient summarised information in the open version of the complaint regarding their exposure in the PRC, and that keeping their identities confidential prevented interested parties from verifying whether they could be considered Union industry according to Article 4(1)(a) of the basic Regulation and whether the complaint was made on behalf of the Union industry according to Article 5(4) of the basic Regulation ('standing analysis').
- (12) All the complainants showed good cause and substantiated why the disclosure of their identities could have adverse consequences and be harmful to them. The open version of the request was enough for interested parties to know the reasons why anonymity was granted; indeed, elaborating on the reasons or providing more detailed information on their exposure in the PRC would risk revealing the identities of the companies.

⁽⁴⁾ Yantai Oriental Protein Tech Co., Ltd., Yantai T.Full Biotech Co., Ltd., Yantai Shuangta Food Co, Ltd., Shandong Hua-Thai Foodproducts Co., Ltd., Shandong Jindu Talin Foods Co., Ltd., Zhaoyuan Xiriben Food Stuff Co., Ltd, Shandong Furun Biotechnology Co., Ltd, Yosin Biotechnology (Yantai) Co., Ltd., Linyi Yuwang Vegetable Protein Co., Ltd., Hengyuan Biotechnology Co., Ltd. And Its Related Companies Shandong Jianyuan Bioengineering Co.,Ltd And Jianyuan International Co.Ltd.

⁽⁵⁾ Judgment of the General Court of 11 July 2017, Viraj Profiles Ltd v Council of the European Union, Case T-67/14, ECLI:EU:T:2017:481, paragraph. 98.

- (13) The granting of confidential treatment of identity did not affect the possibility of interested parties to verify whether they are part of the Union industry or the standing analysis. Indeed, the full list of Union producers is included in the complaint ⁽⁶⁾, allowing interested parties to verify the activities of these companies.
- (14) The Commission carried out its standing analysis by contacting all known producers of pea protein in the Union before initiation and asking them to express their position regarding the initiation of the investigation and report their production for the investigation period (1 July 2024 to 30 June 2025). The result, the companies contacted, the non-confidential replies, and the methodology were made available in the non-confidential file of the investigation ('note on standing'). Over 50 % of the total Union production expressed support and no producer expressed opposition or a neutral position regarding the initiation of the investigation. Therefore, the threshold of Article 5(4) of the basic Regulation were met. The threshold for initiation would be met even using the lower end of the ranges for production from the 3 non-confidential, anonymous replies from respondents. Finally, the note on standing disclosed all companies contacted, allowing interested parties to verify the activities of these companies.
- (15) CFNA claimed that the amount of data withheld was unreasonable and it prevented them from verifying the information and exercising their rights of defence. Concretely, it claimed that (i) the complaint failed to disclose several key data regarding the situation of the Union industry on the premise that it may threaten to reveal individual complainants; (ii) there was no reason not to disclose the data from the complainants because it was aggregated data from multiple companies; (iii) the complaint failed to disclose key data such as price quotations, the dumping, undercutting or injury margin calculations; and (iv) the complaint relied on copyrighted information for defining the product under investigation ('PUT'), information not disclosed and that prevents interested parties from requesting product exclusions, which according to them is problematic given the unusually extensive scope that goes beyond that of the United States and Canada investigations on pea protein from China.
- (16) All data for the whole Union industry were disclosed in full ⁽⁷⁾. What the complaint did not reveal was the share of the complainants within the whole Union industry, as indeed it might allow interested parties to know who the complainants were. Regarding data related only to the complainants, the complaint provided non-confidential summaries ⁽⁸⁾ in the form of both ranges and indexes. The complaint also provided non-confidential summaries of the dumping, undercutting and injury margin calculations ⁽⁹⁾. Regarding the product scope, the Commission notes that Article 19 of the basic Regulation expressly recognizes that certain information may be confidential by nature or otherwise not suitable for full disclosure, and such is the case of copyrighted information. All data based on copyrighted information were summarised in the complaint and the section on the product scope allowed interested parties to know the scope of the investigation so that they might request product exclusions. The product definition did not rely on any copyrighted information at all. The fact that the scope was different to that of the US and Canada investigations is irrelevant in this regard, as this complaint's scope was based on products that cause injury to the Union industry, not to the US or Canadian producers. In sum, the open version of the complaint allowed interested parties to exercise their rights of defence and comment on the complaint, as in fact they did, including requests for product exclusions.
- (17) CFNA also commented on the allegations of injury and causation in the complaint. It claimed that the import volumes and values in the complaint were unreliable, that imports from China only gained negligible presence in the Union, and that Union sales increased between 2021 and 2024 while prices increased between 2021 and 2023 and remained substantially above Chinese import prices. It also claimed that the complaint failed to attribute the injurious situation of the Union industry to factors other than the Chinese imports, such as increasing costs due to the Union measures on imports of peas from the Russian Federation and Belarus or the increase in the cost of energy, the poor export performance of the Union industry or imports from third countries.
- (18) At complaint stage, the assessment of sufficiency of evidence of injury requires an examination, inter alia, of the relevant factors as described in Article 5(2)(d) of the basic Regulation. Article 5(2) of the basic Regulation does not require that all injury factors mentioned in Article 3(5) of the basic Regulation show deterioration in order for material injury to be established. Indeed, the wording of Article 5(2) of the basic Regulation states that the complaint shall contain the information on changes in the volume of the allegedly dumped imports, the effect of

⁽⁶⁾ Complaint, exhibit 2.1.

⁽⁷⁾ Complaint, Section 5.3.1.

⁽⁸⁾ Complaint, Section 5.3.2.

⁽⁹⁾ Complaint, Sections 4 and 5.3.3.

those imports on prices of the like product on the Union market and the consequent impact of the imports on the Union industry, as demonstrated by relevant (not necessarily all) factors and indices having a bearing on the state of the Union industry, such as those listed in Articles 3(3) and 3(5) of the basic Regulation. Therefore, not all factors must show deterioration in order for sufficient evidence of injury to be established, nor did the complaint need to necessarily examine all of them.

- (19) Regarding injury, the specific analysis of the complaint showed that there was sufficient evidence pointing to increased penetration of the Union market (both in absolute and relative terms) by imports of pea protein from China, and that this resulted in injury to the Union industry.
- (20) The claim on the determination of volumes and values at complaint stage has already been addressed in recital (10). Specifically on imports from China and the evolution of the state of the Union industry, according to evidence provided in the complaint, from 2021 to 2024, imports in volumes increased by 29 %, resulting in a market share of 59 % in 2024 (from 58 % in 2020). Also, according to the evidence provided in the complaint, these imports were made at dumped prices which substantially undercut the Union industry's prices by 22 % during 2024 and the injury margins calculated in the complaint were around 80 %. This appeared to have had an injurious impact on the state of the Union industry, shown for example by decreases in production volumes or utilization rate or by a deterioration of financial results; indeed, the profit margin of the complainants fell by 23 percentage points over the period considered, resulting in losses in 2024.
- (21) Regarding causality, the complaint provided sufficient evidence in Section 7 that Chinese imports of pea protein had an impact on the performance of the Union industry as described in recital (20). The simultaneity of the deterioration of the situation of the Union industry and the increased penetration of dumped imports sold at prices which significantly undercut those of the Union industry and were below its cost of production throughout the period considered in the complaint strongly indicated the existence of a causal link.
- (22) The complaint analysed other factors in Section 7, including the export performance of the Union industry, its rising costs or imports from other third countries. The complaint provided sufficient evidence that none of them, individually or collectively, were sufficient to explain the deterioration of the economic situation of the Union industry. Indeed, according to the evidence in the complaint, the massive presence of imports from China in the Union market, with market shares above 50 % and at prices below the Union industry's cost of production over the period considered, led to the decrease in profitability as the Union industry was not able to pass on the increasing costs to its customers. The volume of imports from other third countries was negligible when compared to Chinese imports. As for the export performance, the complaint acknowledged that it may have contributed to injury but not to a degree that could have attenuated the causal link between Chinese imports and the injury suffered by the Union industry.
- (23) The Commission consequently concluded that there was sufficient evidence in the complaint on dumping and resulting injury which merited the initiation of an investigation according to Article 5 of the basic Regulation.

1.5. **Sampling**

- (24) 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

- (25) 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 production and sales volume. This sample consisted of three Union producers.
- (26) The sampled Union producers accounted for more than 60 % of estimated total volume of production and sales of the like product in the Union. The Commission invited interested parties to comment on the provisional sample. No comments were received on the sample. The sample was deemed representative of the Union industry.

Sampling of unrelated importers

- (27) 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.
- (28) No unrelated importers provided the requested information and agreed to be included in the sample. In view of this, there was no sample of unrelated importers.

Sampling of exporting producers

- (29) To decide whether sampling is necessary and, if so, to select a sample, the Commission asked all exporting producers in China to provide the information specified in the Notice of Initiation. In addition, the Commission asked the Mission of the People's Republic of China to the European Union to identify and/or contact other exporting producers, if any, that could be interested in participating in the investigation.
- (30) Thirteen exporting producers in the country concerned 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' groups 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.
- (31) Two exporting producers, namely Yantai T.Full Biotech Co. Ltd. ('T.Full') and Hengyuan Biotechnology Co., Ltd. and its related companies Shandong Jianyuan Bioengineering Co.,Ltd and Jianyuan International Co. Ltd. ('Jianyuan Group') submitted comments on the proposed sample claiming that the sampled exporting producers were mainly manufacturing feed grade pea protein, while T.Full and Jianyuan Group produced food grade pea protein. Both producers requested to be included in the sample to ensure that these product types would be included in the dumping calculation.
- (32) The complainant supported the sample selected by the Commission.
- (33) The Commission assessed the claims of the exporting producers and considered that the companies selected for the sample represented a significant share of all Chinese exports of pea protein of the 13 Chinese exporting producers mentioned above in recital (30) to the Union, i.e. about 70 %. Moreover, based on the publicly available information at the time of the selection of the sample, the selected exporting producers produced and sold the full range of the product under investigation during the investigation period. The inclusion of two additional companies in the sample would therefore not have increased its representativity and therefore, the Commission rejected the claims made in this regard.

1.6. Individual examination

- (34) Jianyuan Group noted its intention to request the Commission to establish its individual dumping margin under Article 17(3) of the basic Regulation ('individual examination'). However, it did not provide a questionnaire reply within the deadline set by the Commission in the Notice of Initiation. As a result, none of the non-sampled exporting producers requested individual examination.

1.7. Request for confidentiality by the Union producers

- (35) As mentioned in recital (11), the complainants requested that their names be kept confidential in line with Article 19(1) of the basic Regulation. These companies asked for confidential treatment to be granted at the pre-initiation stage and during the investigation on the grounds that there was a risk of retaliation by the local authorities and by their customers in the People's Republic of China, as the three companies have business links with that country.
- (36) The Commission examined the requests and concluded that the risk of retaliation existed. On this basis, the Commission granted confidential treatment to these companies throughout the proceeding.

1.8. Questionnaire replies and verification visits

- (37) 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').
- (38) No questionnaire reply was received from the GOC. Consequently, the Commission informed the GOC that it intends to apply Article 18 of the basic Regulation and use the facts available as regards the existence of significant distortions in the PRC within the meaning of Article 2(6a)(b) of the basic Regulation. No further comments were received from the GOC.
- (39) The Commission sent questionnaires to the sampled Union producers, sampled exporting producers in China, the Ad Hoc Coalition of Union Pea Protein Producers ('macro-questionnaire'), known importers and users. The same questionnaires were made available online ⁽¹⁰⁾ on the day of initiation.
- (40) 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 and the complainant

- Three sampled Union producers, which were granted confidential treatment as explained in Section 1.7.
- The Ad Hoc Coalition of Union Pea Protein Producers

Exporting producers in China

- (a) Sanjia Group:
- Jiujiang Tiantai Food Co., Ltd., Jiujiang City, Jiangxi, China,
 - Yantai Oriental Protein Tech Co., Zhaoyuan City, Shandong, China, together with their related trading company, Yantai Zhongzhen Trading Co. Ltd.
- (b) Shuangta Group:
- Yantai Shuangta Food Co., Ltd, Zhaoyuan City, Shandong, China, together with its related trading company, Zhaoyuan Junbang Trading Co., Ltd.

1.9. Investigation period and period considered

- (41) The investigation of dumping and injury covered the period from 1 July 2024 to 30 June 2025 ('the investigation period'). The examination of trends relevant for the assessment of injury covered the period from 1 January 2022 to the end of the investigation period ('the period considered').

2. PRODUCT UNDER INVESTIGATION, PRODUCT CONCERNED AND LIKE PRODUCT

2.1. Product under investigation

- (42) The product under investigation is high protein content pea protein, which contains more than 65 percent protein on a dry weight basis, encompassing all types of pea protein derived from peas (including, but not limited to, yellow field peas and green field peas), in all physical forms (including solid (e.g. powder) and liquid (solution) forms), whether textured or not ('pea protein').

⁽¹⁰⁾ <https://tron.trade.ec.europa.eu/investigations/case-view?caseId=2810>.

- (43) Pea protein is obtained by isolating and purifying the protein from peas ⁽¹¹⁾. The main raw material for the production of pea protein are peas that meet established specifications for pea protein. The peas are cleaned, dehulled and then are subject to grinding and milling operations that create pea flour. Then the protein in that flour is isolated through the wet milling process, where the main components of the peas – starch, protein and fibre – are separated. The protein fraction then undergoes extraction, purification, concentration and drying steps. These stages – isolation, extraction, purification, concentration and drying of the protein – are the decisive production steps that creates a protein that can be used for consumption.
- (44) Pea protein is used as an alternative to animal protein both for human consumption and for animal feed. It can be consumed directly or serve as an ingredient for the manufacture of food and drink for humans, and in pet food, feed specialties and aquafeed applications.

2.2. Product concerned

- (45) The product concerned is the product under investigation originating in the People's Republic of China, currently falling under the following CN and TARIC codes:

ex 3504 00 90 (TARIC code 3504 00 90 91),

ex 2106 10 20 (TARIC code 2106 10 20 40),

ex 2106 10 80 (TARIC codes 2106 10 80 31, 2106 10 80 39 and 2106 10 80 71),

ex 2106 90 92 (TARIC code 2106 90 92 75),

ex 2303 10 90 (TARIC code 2303 10 90 10),

ex 2309 10 11, ex 2309 10 13, ex 2309 10 15, ex 2309 10 19, ex 2309 10 31, ex 2309 10 33, ex 2309 10 39, ex 2309 10 51, ex 2309 10 53, ex 2309 10 59, ex 2309 10 70, ex 2309 10 90, ex 2309 90 10, and ex 2309 90 20,

ex 2309 90 31 (TARIC codes 2309 90 31 12, 2309 90 31 14, 2309 90 31 17, 2309 90 31 19, 2309 90 31 30, 2309 90 31 81 and 2309 90 31 91),

ex 2309 90 33, ex 2309 90 35, ex 2309 90 39, ex 2309 90 41, ex 2309 90 43, ex 2309 90 49, ex 2309 90 51, ex 2309 90 53, ex 2309 90 59, ex 2309 90 70, and ex 2309 90 91,

ex 2309 90 96 (TARIC codes 2309 90 96 31, 2309 90 96 39, 2309 90 96 91 and 2309 90 96 95)

('the product concerned').

- (46) After the initiation of the investigation, Member States and interested parties claimed that the product concerned can be classified under certain CN codes that were not mentioned in the Notice of Initiation. The Commission analysed these claims and concluded they were accurate. Consequently, on 19 December 2025, it published a Notice amending the Notice of Initiation ⁽¹²⁾ to assign these CN codes to the product definition. The product definition did not change, and therefore the scope of the investigation remained the same as that of the date of initiation. All interested parties were invited to provide comments concerning the inclusion of the CN codes referred above. No comments were received within the deadline.
- (47) The investigation then revealed that the product concerned could not be classified under some of the TARIC codes given in the Notice amending the Notice of Initiation, concretely under TARIC codes 2309 90 31 51, 2309 90 31 59, 2309 90 31 61, 2309 90 31 69, 2309 90 96 51, 2309 90 96 59, 2309 90 96 61 and 2309 90 96 69. These codes therefore are not assigned to the product definition.

⁽¹¹⁾ Complaint, paragraphs 28 and 29.

⁽¹²⁾ Notice amending the notice of initiation of an anti-dumping proceeding concerning imports of pea protein originating in the People's Republic of China (OJ C, C/2025/6699, 19.12.2025, ELI: <http://data.europa.eu/eli/C/2025/6699/oj>).

- (48) On 19 December 2025, the Commission amended the registration Regulation to include certain CN codes for the reasons explained in recital (46) ⁽¹³⁾. For the reasons explained in recital (47), imports under the codes mentioned in that recital were not subject to registration.

2.3. Like product

- (49) 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 People's Republic of China; and
 - the product under investigation produced and sold in the Union by the Union industry.
- (50) 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

- (51) Yantai Oriental Protein Tech Co., Ltd. and Jiujiang Tiantai Food Co., Ltd requested that texturized pea protein be excluded from the product scope of the investigation. Those companies argued that texturized and non-texturized pea protein (i) have significant differences in terms of physical characteristics, production process, production cost, and pricing; (ii) are not substitutable in the market; and (iii) were not part of the product scope in the Canadian and United States trade defence investigations against the PRC.
- (52) Texturized pea protein is obtained by subjecting pea protein to texturization, which alters the form of the final product. The Commission acknowledges that this additional step may lead to differences in costs and prices.
- (53) However, regardless of this additional operation and the difference in form, texturized and non-texturized pea protein are manufactured with the same raw materials and using the same production process up to the obtention of pea protein, and both have the same function: to be a source of plant-based protein used for human consumption and for animal feed. Therefore, texturized and non-texturized pea protein share the same basic physical, technical and chemical characteristics. Since texturized pea protein shares the same basic physical, technical and chemical characteristics as non-texturized pea protein, differences in costs and prices cannot per se justify a product exclusion.
- (54) Regarding the argument that they are not substitutable in the market, Yantai Oriental Protein Tech Co., Ltd. and Jiujiang Tiantai Food Co., Ltd based their claim on the fact that texturized pea protein is primarily used as a raw material for plant-based or vegetarian finished products by vegetarian product manufacturers, whereas non-textured pea protein is mainly used as a food ingredient or in pet food formulations for markets such as dietary supplements, food and beverages and sports nutrition. Consequently, they are directed at different segments.
- (55) The fact that the final form of the product may make it a better fit for the production of different downstream products does not change the fact that the two types of pea protein have the same characteristics as explained in recital (53). To the contrary, the argumentation of Yantai Oriental Protein Tech Co., Ltd. and Jiujiang Tiantai Food Co. in fact makes clear that texturized and non-texturized pea protein have the same function, namely to be a source of plant-based protein used for human consumption and animal feed, regardless of the form these food preparations take, and that both can serve this function because they have the same characteristics.

⁽¹³⁾ Commission Implementing Regulation (EU) 2025/2581 of 18 December 2025 amending Implementing Regulation (EU) 2025/2144 making imports of pea protein originating in the People's Republic of China subject to registration (OJ L, 2025/2581, 19.12.2025, ELI: http://data.europa.eu/eli/reg_impl/2025/2581/oj).

- (56) Finally, the fact that texturized pea protein was not part of the product scope in the Canadian and United States trade defence investigations against the PRC is irrelevant for the purpose of determining the product scope in the current investigation.
- (57) For these reasons, the Commission rejected this claim at this stage of the investigation.
- (58) Yantai Oriental Protein Tech Co., Ltd. and Jiujiang Tiantai Food Co., Ltd also requested that pea protein with protein content of less than 80 % be excluded from the product scope of the investigation. These companies argued that pea protein with content of less than 80 % and pea protein with content of 80 % or more (i) have different forms; (ii) have different production processes; and (iii) have different end uses and are directed at different market segments.
- (59) Regarding the form, Yantai Oriental Protein Tech Co., Ltd. and Jiujiang Tiantai Food Co., Ltd Pea argued that pea protein with a protein content of 80 % or higher is typically produced in the form of a fine powder while pea protein with a protein content of less than 80 % generally appears in a less fine powder or granules, and that this would allow customs authorities to differentiate them.
- (60) Both types of pea protein share the same characteristics, basic manufacturing process and have the same functions, already explained in recital (53). A difference in form does not change that. The argument is also technically wrong because the particle size of pea protein, whether a fine powder or granules, is not linked to the protein content; indeed, the particle size can be adjusted for all protein grades by grinding. Finally, the fact that customs administrations may be able to distinguish one form from the other is irrelevant to determine whether the products share the same basic characteristics.
- (61) Regarding the production process, Yantai Oriental Protein Tech Co., Ltd. and Jiujiang Tiantai Food Co., Ltd Pea argued that protein with a protein content of 80 % or higher has a more complex manufacturing process as it requires some additional steps.
- (62) The investigation has shown, however, that those differences in the manufacturing process are minor and limited to certain adjustments to reach different protein concentration levels. Those differences would in any case not change the fact that the final product in both cases is still pea protein with high protein content and therefore serves the same basic function.
- (63) Regarding the end-use and segments, Yantai Oriental Protein Tech Co., Ltd. and Jiujiang Tiantai Food Pea argued that protein with a protein content of 80 % or higher is primarily used as a food ingredient, including in applications such as nutritional and health products, dietary supplements, and plant-based foods. By contrast, pea protein with a protein content of less than 80 % is generally limited to use in aquaculture feed and pet food formulations.
- (64) The same reasons given in recital (55) on the same argument for texturized pea protein apply for pea protein with protein content less than 80 %, i.e. that the final form of the product making it a better fit for the production of different downstream products does not change the fact that the two types of pea protein have the same characteristics and the same function.
- (65) For these reasons, the Commission rejected this claim at this stage of the investigation.

3. DUMPING

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

- (66) In view of the sufficient evidence available at the initiation of the investigation pointing to the existence of significant distortions within the meaning of point (b) of Article 2(6a) of the basic Regulation with regard to the PRC, 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.
- (67) 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 pea protein. Four exporting producers submitted the relevant information.

- (68) In order to obtain information it deemed necessary for its investigation with regard to the alleged significant distortions, the Commission sent a questionnaire to the GOC. In addition, in point 5.3.2 of the Notice of Initiation, the Commission invited all interested parties to make their views known, submit information and provide supporting evidence regarding the application of Article 2(6a) of the basic Regulation within 37 days of the date of publication of the Notice of Initiation in the *Official Journal of the European Union*. No questionnaire reply was received from the GOC and no submission on the application of Article 2(6a) of the basic Regulation was received within the deadline. Subsequently, on 11 February 2026, 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. No comments on the application of Article 18 of the basic Regulation were received from the GOC.
- (69) 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)(a) first indent of the basic Regulation.
- (70) On 12 September 2025, Sanjia Group submitted comments on the potential appropriate representative countries proposed by the complainant and requested not to exclude Argentina from the list of potential representative countries under the claim that export tax on raw materials does not affect their import price, but mostly the domestic prices, therefore holding no influence over a country's suitability to be a representative country. Additionally, Sanjia Group suggested to also analyse other countries as possible representative countries if countries with production of other plant proteins were to be considered. Sanjia Group specifically identified Türkiye and Malaysia as countries where there could be production of goods within the same category without further substantiating their claim.
- (71) In response to Sanjia Group's submission, the complainant disagreed with considering Argentina as a representative country due to the export restrictions in force on the main raw material pea. As regards other potential representative countries proposed by Sanjia Group, the complainant stressed that Sanjia Group did not provide any evidence that could justify their selection as a representative country.
- (72) On 9 February 2026, the Commission informed by a note ('the 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 and following the reasoning explained in detail in Section 3.2.2, the Commission identified possible representative countries, and considered Brazil as an appropriate representative country. The Commission received comments on the Note from the two sampled exporting producers and the complainant.
- (73) All parties who submitted comments supported the selection of Brazil as an appropriate representative country. Additionally, Sanjia Group and Shuangta Group claimed that import prices of yellow pea as reported in their questionnaire replies, are not distorted. All parties submitted comments on particular benchmarks, and both Sanjia Group and Shuangta Group submitted comments on the calculation of the margin for selling, general and administrative expenses ('SG&A margin'). After the deadline set on the Notice of Initiation, the complainant submitted comments on the international prices of yellow pea. All comments have been described in detail and addressed in Section 3.2.2.
- (74) After having analysed the comments and information received, the Commission concluded that Brazil was an appropriate representative country from which undistorted prices and costs would be sourced for the determination of the normal value.

3.2. Normal value

- (75) 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'.

- (76) 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 to hereinafter as ‘SG&A costs’).
- (77) 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.

3.2.1. Existence of significant distortions

- (78) Article 2(6a)(b) of the basic Regulation states that ‘significant distortions are those distortions which occur when reported prices or costs, including the costs of raw materials and energy, are not the result of free market forces as they are affected by substantial government intervention. In assessing the existence of significant distortions regard shall be had, inter alia, to the potential impact of one or more of the following elements:
- the market in question being served to a significant extent by enterprises which operate under the ownership, control or policy supervision or guidance of the authorities of the exporting country;
 - state presence in firms allowing the state to interfere with respect to prices or costs;
 - public policies or measures discriminating in favour of domestic suppliers or otherwise influencing free market forces;
 - the lack, discriminatory application or inadequate enforcement of bankruptcy, corporate or property laws;
 - wage costs being distorted;
 - access to finance granted by institutions which implement public policy objectives or otherwise not acting independently of the state.’
- (79) As the list in Article 2(6a)(b) of the basic Regulation is non-cumulative, not all the elements need to be given for a finding of significant distortions. Moreover, the same factual circumstances may be used to demonstrate the existence of one or more of the elements of the list.
- (80) However, any conclusion on significant distortions within the meaning of Article 2(6a)(a) of the basic Regulation must be made on the basis of all the evidence at hand. The overall assessment on the existence of distortions may also take into account the general context and situation in the exporting country, in particular where the fundamental elements of the exporting country’s economic and administrative set-up provide the government with substantial powers to intervene in the economy in such a way that prices and costs are not the result of the free development of market forces.
- (81) Article 2(6a)(c) of the basic Regulation provides that ‘[w]here the Commission has well-founded indications of the possible existence of significant distortions as referred to in point (b) in a certain country or a certain sector in that country, and where appropriate for the effective application of this Regulation, the Commission shall produce, make public and regularly update a report describing the market circumstances referred to in point (b) in that country or sector’.
- (82) Pursuant to this provision, the Commission issued a country report concerning China (*the Report*)⁽¹⁴⁾, which contains evidence of the existence of substantial government intervention at many levels of the economy, including specific distortions in many key factors of production (such as land, energy, capital, raw materials and labour) as well as selected sectors. Interested parties were invited to rebut, comment or supplement the evidence contained in the investigation file at the time of initiation. The Report was placed on the investigation file at initiation.

⁽¹⁴⁾ Commission Staff Working Document on Significant Distortions in the Economy of the People’s Republic of China for the purposes of Trade Defence Investigations, 20 December 2017, SWD(2017) 483 final/2.

- (83) The complainant argued 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 and that, as a result, it is not appropriate to use domestic prices and costs to establish normal value.
- (84) To support this position, the complainant referred to the evidence contained in the Report ⁽¹⁵⁾. The complainant also recalled the following elements pointing to the existence of sector significant distortions affecting the production of pea protein in China.
- (85) First, the sector, including the pea protein subsector, is being served to a significant extent by enterprises that operate under the ownership, control or policy supervision or guidance of state authorities:
- China represents 60 % of the global pea protein production. The Complainant understands that 80 % of the Chinese pea protein production is located in the city of Zhaoyuan in the Shandong Province. Such a geographical concentration makes the Chinese pea protein industry easy to control for the Chinese authorities, which can guide the pea protein industry's behaviour, notably through policies of the Zhaoyuan local government.
 - The complainant also relies on the Zhaoyuan People's Government release of the 'Reply on the proposal of "Strengthening the Protein Health Industry"' establishing the Zhaoyuan City Food Industry Chain Work Promotion Group under the leadership of the municipal government. The goal of this document is notably to 'continue to expand and strengthen the pea protein industry'.
 - The complainant also mentions the Zhaoyuan local government 'Reply to the Proposal on "Recommendations for Strengthening the Protein Health Industry"'. The document set out the planning of an industrial park centred around leading enterprises to 'develop plant-based extraction through strong horizontal chains, focus on high-quality health foods and functional products, and accelerate the development of high-end proteins and other products in the general health field'.
- (86) Second, the state presence in pea protein companies also allows the authorities to interfere with prices and/or costs:
- The complaint provides that the chairman of Shuangta Food, which accounts for 20 % of the worldwide pea protein capacity, is also a member of the CCP and a member of the 16th Standing Committee of the Zhaoyuan Municipal People's Congress. As of 2021, the President of Shandong Sanjia Investment Holding Group, the parent company of Yantai Oriental Protein technology, was a member of the standing committee of the Zhaoyuan Chinese People's Political Consultative Conference. Lastly, the Chairman of Shandong Jianyuan Biotechnology Wang Cheng is the president of the Sixth Branch of the Jiusan Society of Tai'an Municipal Committee. Jiusan Society is a 'close friendly party that accepts the leadership of the Communist Party of China and works closely with the Communist Party of China'. In view of the above, prima facie evidence suggests that the CCP is firmly established within all the three leading producers of the product concerned, allowing the State to exercise a significant level of control over these entities, and to interfere with prices and costs.
 - The close links between Chinese pea protein producers and the CCP may, inter alia, allow the Chinese pea protein producers to benefit from the provision of whole peas at less than adequate remuneration. Information available to the Complainant suggest that the Chinese government is involved in the supply chain of whole peas consumed by Chinese the pea protein producers. For instance, Shuangta Food procures raw materials from a related company, Zhaoyuan Junyuan Agricultural Machinery Service Professional Cooperative, ultimately controlled by the People's government of Jinling Town, Zhaoyuan City.
 - The Complainant understands that Chinese pea protein producers receive peas from Russia. Under the leadership of the State-owned enterprises Qingdao Kaitou Supply Chain Management CO. Ltd, China and Russia struck a deal allowing Russian peas to be exported to China. On 17 March 2023, the International Railway platform reported that '[t]he transportation time from Russia's main pea producing areas to China

⁽¹⁵⁾ Referring also to the updated version of the Report, published in 2024 (see below).

is only about 20 days. The shortening of distance and time not only reduces the cost of imported peas, but also greatly reduces the risk of trade fluctuations caused by the long trade cycle, which greatly enhances the competitiveness of Russian peas in the Chinese market'. The deal exemplifies the high degree of intervention exercised by public bodies (SOEs) for the procurement of feedstock in the pea protein sector.

(87) Third, the GOC pursues public policies or measures discriminating in favour of domestic suppliers or otherwise influencing free market forces:

- Chinese pea protein producers benefit from a 70 % refund of the Value Added Tax (VAT). Already in 2015, the Chinese Ministry of Finance and the State Administration for Taxation released the 'Catalogue of Value-Added Tax Incentives for Products and Services for Comprehensive Utilization of Resources' (Cai Shui [2015] No 78). The VAT refund policy was further reinforced on 30 December 2021. The updated catalogue of value added tax incentives provides those businesses producing, inter alia, plant protein derived from starch or vermicelli may benefit from a 70 % VAT refund, provided that certain conditions are met. Shuangta Food reported having benefited from this refund in its 2023 financial statements.
- The Chinese government also influences free market forces through planning documents. In this regard, the Catalogue for Guiding Industry Restructuring ('the Catalogue') is a planning document which is periodically updated by the National Development and Reform Commission (NDRC). The Catalogue is a governmental document that provides guidance and direction for the restructuring of industries. It serves as a reference for directing social investments, managing government investment projects, and formulating policies related to finance, taxation, credit, land, imports, and exports. The catalogue consists of three categories: the Encouraged, the Restricted, and the Obsolete categories.
- The 2019 edition of the catalogue included under heading '19 Light Industry' of the encouraged category, item 24 'New technology development and production of natural food additives and natural flavors', item 25 'R&D and manufacturing of advanced food production equipment; R&D and production of food quality and safety monitoring (testing) instruments and equipment' and item 26 the 'development, production and processing of raw materials for high value-added ... plant protein beverages'. The Catalogue was updated in 2023. Although not mentioning expressly plant protein beverages, it nevertheless included, under heading '19 Light Industry' item '19 Development and production of new technologies for natural food additives and natural flavors', and item '20 R&D and manufacturing of advanced food production equipment, R&D and production of food quality and safety monitoring (testing) instruments and equipment'.

(88) Fifth, wage costs are distorted in the sector as well:

- In a 2021 investigation on imports of optical fibre cables originating in China, the Commission stressed that '[a] system of market-based wages cannot fully develop in the PRC as workers and employers are impeded in their rights to collective organization' and that 'the mobility of the Chinese workforce is restricted by the household registration system'. The Commission concluded in this 2021 investigation that there was 'no evidence to the effect that companies producing OFC or related inputs would not be subject to the Chinese labour law system described'. In the present case, there is no reason to believe that wage costs are not distorted in the pea protein sector as well.

(89) Sixth, pea protein producers have access to finance granted by institutions which implement public policy objectives or otherwise are not acting independently from the state:

- The available evidence suggests that China has established policy directives for SOE banks to offer preferential lending and loan guarantees to Chinese producers, and that pea protein producers have benefited from preferential lending. For instance, the 2022 Shuangta Food's annual report makes it clear that the company received preferential loans. It reported that '[g]overnment grants received in relation to policy preferential loan subsidies are offset against the related borrowing costs; where loans with policy preferential interest rates are obtained from lending banks, the actual amount of borrowings received is taken as the recorded value of the borrowings, and the related borrowing costs are calculated on the basis of the principal amount of the borrowings and the interest rate of such policy preferential rates'.

- Oriental Protein reported in proceedings before the U.S. Department of Commerce that it has received loans or funding for industrial transformation and upgrading from the Agricultural Bank of China, a majority stated owned bank. It is likely that other producers of pea protein have benefited from similar preferential loans.
- The Government of China owns 83,8 % of the shares of Agricultural Bank of China which is one of the Big Four banks in China. Furthermore, as the Commission noted in its Report on significant distortions, the Chinese Government is able to influence the domestic and export prices of agricultural commodities through the State Trading Enterprises (STEs), oftentimes ‘seeking to maintain stable prices of “strategic” agricultural commodities’. According to the Commission, this mechanism operates de facto as an implicit subsidy. Other mechanisms are used by China to control for prices and costs such as stockpiling.

- (90) In conclusion, the complainant argued that significant distortions pursuant to Article 2(6a) of the basic Regulation are present in the pea protein sector.
- (91) The Commission examined whether it was appropriate or not to use domestic prices and costs in China, due to the existence of significant distortions within the meaning of point (b) of Article 2(6a) of the basic Regulation. The Commission did so on the basis of the evidence available on the file. The evidence on the file included the evidence contained in the Report, as well as in its updated version (*‘updated Report’*)⁽¹⁶⁾, which relies on publicly available sources.
- (92) That analysis covered the examination of the substantial government interventions in China’s economy in general, but also the specific market situation in the relevant sector including the product concerned. The Commission further supplemented these evidentiary elements with its own research on the various criteria relevant to confirm the existence of significant distortions in China.

3.2.1.1. Significant distortions affecting the domestic prices and costs in China

- (93) The Chinese economic system is based on the concept of a ‘socialist market economy’. That concept is enshrined in the Chinese Constitution and determines the economic governance of China. The core principle is the ‘*socialist public ownership of the means of production, namely, ownership by the whole people and collective ownership by the working people*’⁽¹⁷⁾.
- (94) The state-owned economy is the ‘leading force in the national economy’ and the state has the mandate to ensure its ‘consolidation and growth’⁽¹⁸⁾. Furthermore, the GOC seeks to ‘promote the concentration of state-owned capital in important industries [...] and in forward-looking strategic emerging industries⁽¹⁹⁾’ and ‘strengthen capital injections to support the high-quality development of state-owned enterprises⁽²⁰⁾’. Consequently, the overall setup of the Chinese economy not only allows for substantial government interventions into the economy, but such interventions are expressly mandated. The notion of supremacy of public ownership over the private one permeates the entire legal system and is emphasized as a general principle in all central pieces of legislation.
- (95) The Chinese property law is a prime example: it refers to the primary stage of socialism and entrusts the state with upholding the basic economic system under which the public ownership plays a dominant role. Other forms of ownership are tolerated, with the law permitting them to develop side by side with the state ownership⁽²¹⁾.

⁽¹⁶⁾ Commission Staff Working Document on Significant Distortions in the Economy of the People’s Republic of China for the purposes of Trade Defence Investigations, 10 April 2024, SWD(2024) 91 final.

⁽¹⁷⁾ Updated Report – Chapter 2, p. 7.

⁽¹⁸⁾ Updated Report – Chapter 2, p. 7-8.

⁽¹⁹⁾ See CCP Central Committee Decision on Comprehensively Deepen Reform and Promote Chinese-style Modernization, Section II.5, available at: https://www.gov.cn/zhengce/202407/content_6963770.htm (accessed on 14 January 2026).

⁽²⁰⁾ See Opinions of the State Council on Further Improving the Budget System for State-owned Capital Operations, available at: https://www.gov.cn/zhengce/content/202401/content_6924612.htm (accessed on 14 January 2026).

⁽²¹⁾ Updated Report – Chapter 2, p. 10, 18.

- (96) In addition, under Chinese law, the socialist market economy is developed under the leadership of the CCP. The structures of the Chinese state and of the CCP are intertwined at every level (legal, institutional, personal), forming a superstructure in which the roles of CCP and the state are indistinguishable.
- (97) Following an amendment of the Chinese Constitution in March 2018, the leading role of the CCP was given an even greater prominence by being reaffirmed in the text of Article 1 of the Constitution.
- (98) Following the already existing first sentence of the provision: '[t]he socialist system is the basic system of the People's Republic of China' a new second sentence was inserted which reads: '[t]he defining feature of socialism with Chinese characteristics is the leadership of the Communist Party of China' ⁽²²⁾. This illustrates the unquestioned and ever growing control of the CCP over the economic system of China.
- (99) This leadership and control is inherent to the Chinese system and goes well beyond the situation customary in other countries where the governments exercise general macroeconomic control within the boundaries of which free market forces are at play.
- (100) The Chinese state engages in an interventionist economic policy in pursuance of goals, which coincide with the political agenda set by the CCP rather than reflecting the prevailing economic conditions in a free market ⁽²³⁾. The interventionist economic tools deployed by the Chinese authorities are manifold, including the system of industrial planning, the financial system, as well as the level of the regulatory environment.
- (101) First, on the level of overall administrative control, the direction of the Chinese economy is governed by a complex system of industrial planning which affects all economic activities within the country. In 2025, the CCP Central Committee published an analysis affirming the binding nature of the plans: *'The scientific formulation and effective implementation of national development plans are important means for our Party to effectively lead economic and social development. In the practice of modernization, China has explored and established an institutional arrangement in which, under the centralized and unified leadership of the Party Central Committee, a plenary session of the Party Central Committee submits a plan proposal, the State Council prepares a draft plan outline, and the National People's Congress reviews and approves it before it is publicly announced and implemented. This effectively transforms the Party's propositions into the will of the State and the people. Through this process, major strategic deployments of the Party Central Committee are transformed into legally binding plans for nationwide implementation'* ⁽²⁴⁾. The totality of these plans forms a comprehensive and complex matrix of sectoral and crosscutting policies which is present on all levels of government.
- (102) Plans at provincial level are detailed while national plans set broader targets. Plans also specify the means in order to support the relevant industries/sectors as well as the timeframes in which the objectives need to be achieved. Some plans still contain explicit output targets.
- (103) Under the plans, individual industrial sectors and/or projects are being singled out as (positive or negative) priorities in line with the government priorities and specific development goals are attributed to them (industrial upgrade, international expansion etc.).
- (104) The economic operators, private and state-owned alike, must effectively adjust their business activities according to the realities imposed by the planning system. This is not only because of the binding nature of the plans, but also because the relevant Chinese authorities at all levels of government adhere to the system of plans and use their vested powers accordingly, thereby inducing the economic operators to comply with the priorities set out in the plans ⁽²⁵⁾.

⁽²²⁾ See at: http://www.npc.gov.cn/zgrdw/englishnpc/Constitution/node_2825.html (accessed on 21 October 2024).

⁽²³⁾ Updated Report – Chapter 2, p. 29-30.

⁽²⁴⁾ See: <https://www.qstheory.cn/20250428/e7943a2c8fef49efb520aa336197849c/c.html>, (accessed on 14 January 2026).

⁽²⁵⁾ Updated Report – Chapter 4, p. 57, 92.

- (105) Second, on the level of allocation of financial resources, with Several Measures to Further Promote the Development of Private Investment ⁽²⁶⁾, the GOC seeks to ‘*increase central budget resources to support qualified private investment projects and to actively play a guiding and leading role.*’ The GOC also intends to ‘*make good use of new policy financial instruments [and] support a number of qualified private investment projects in important industries and key areas*’ ⁽²⁷⁾.
- (106) Also, the financial system of China is dominated by the state-owned commercial and policy banks described by the GOC as ‘the main force serving the real economy and providing strong support for the stability and the long-term development of the national economy’ ⁽²⁸⁾. Those banks, when setting up and implementing their lending policy need to align themselves with the government’s industrial policy objectives rather than primarily assessing the economic merits of a given project ⁽²⁹⁾.
- (107) The same applies to the other components of the Chinese financial system, such as the stock markets, bond markets, private equity markets etc. Also, these parts of the financial sector are institutionally and operationally set up in a manner not geared towards maximizing the efficient functioning of the financial markets but towards ensuring control and allowing intervention by the state and the CCP ⁽³⁰⁾.
- (108) Third, on the level of regulatory environment, the interventions by the state into the economy take a number of forms. For instance, the public procurement rules are regularly used in pursuit of policy goals other than economic efficiency, thereby undermining market-based principles in the area. The applicable legislation specifically provides that public procurement shall be conducted so as to ‘*achieve national economic and social development policy objectives*’ ⁽³¹⁾. However, the nature of these goals remains undefined, thereby leaving broad margin of appreciation to the decision-making bodies ⁽³²⁾.
- (109) Similarly, in the area of investment, the GOC maintains significant control and influence over destination and magnitude of both state and private investment. Investment screening as well as various incentives, restrictions, and prohibitions related to investment are used by authorities as an important tool for supporting industrial policy goals, such as maintaining state control over key sectors or bolstering domestic industry ⁽³³⁾. For instance, the GOC seeks to ‘*optimize the operation and supervision mechanism of major industrial funds to ensure that the investment direction of funds meets the requirements of national strategies*’ ⁽³⁴⁾.
- (110) The GOC’s interventions in the economy are shaped as ‘coordinated efforts of fiscal, monetary, industry, price, employment and other policies around the implementation of national development plans and major strategies’ ⁽³⁵⁾.
- (111) In sum, the Chinese economic model is based on certain basic axioms, which provide for and encourage manifold government interventions. Such substantial government interventions are at odds with the free play of market forces, resulting in distorting the effective allocation of resources in line with market principles ⁽³⁶⁾.

⁽²⁶⁾ See at: https://www.gov.cn/zhengce/content/202511/content_7047643.htm (accessed on 15 January 2026).

⁽²⁷⁾ Ibid, Section 11.

⁽²⁸⁾ See at: https://www.mof.gov.cn/zhengwuxinxi/caizhengxinwen/202503/t20250329_3961036.htm (accessed on 15 January 2026).

⁽²⁹⁾ Report – Chapter 6, p. 149-150.

⁽³⁰⁾ Updated Report – Chapter 6, p. 153-171.

⁽³¹⁾ See NDRC Guidelines for the Fulfillment of the Main Responsibilities of Procurement Entities, Article 4, available at: https://www.ndrc.gov.cn/xxgk/zcfb/tz/202511/t20251111_1401536.html (accessed on 15 January 2026).

⁽³²⁾ Updated Report – Chapter 7, p. 204-205.

⁽³³⁾ Updated Report – Chapter 8, p. 207-208, 242-243.

⁽³⁴⁾ See CCP Central Committee Decision on Comprehensively Deepen Reform and Promote Chinese-style Modernization, Section III.9, available at: https://www.gov.cn/zhengce/202407/content_6963770.htm (accessed on 15 January 2026).

⁽³⁵⁾ Ibid, Section V.16 (accessed on 15 January 2026).

⁽³⁶⁾ Updated Report – Chapter 2, p. 19-24, Chapter 4, p. 69, p. 99-100, Chapter 5, p. 130-131.

- 3.2.1.2. Significant distortions according to Article 2(6a)(b), first indent of the basic Regulation: the market in question being served to a significant extent by enterprises which operate under the ownership, control or policy supervision or guidance of the authorities of the exporting country
- (112) In China, enterprises operating under the ownership, control and/or policy supervision or guidance by the state represent an essential part of the economy.
- (113) The sector of the product concerned is mainly served by private companies, such as Yantai Oriental Protein Tech Co., Ltd ⁽³⁷⁾, Shandong Jianyuan Group ⁽³⁸⁾, Yantai T-Full ⁽³⁹⁾ or Shandong Jiahua (Sinoglory) Biotechnology Co. Ltd ⁽⁴⁰⁾. Yantai Shuangta Food Co. Ltd ⁽⁴¹⁾ is also a company with a majority private ownership and a 32,69 % state-ownership. This company is also ultimately controlled by a local state-owned holding entity ⁽⁴²⁾.
- (114) CCP interventions into operational decision making have become the norm not only in State-owned enterprises ('SOEs'), but also in private companies ⁽⁴³⁾, with the CCP claiming leadership over virtually every aspect of the country's economy. Indeed, the state's influence by means of CCP structures within companies effectively results in economic operators being under the government's control and policy supervision, given how far the state and Party structures have grown together in China.
- (115) The Law on Promoting the Development of the Private Economy ⁽⁴⁴⁾ formally recognizes private enterprises as '*an important component of the socialist market economy*' and mandates in parallel that '*private economic organisations and their operators shall support the leadership of the CCP, adhere to the socialist system with Chinese characteristics and actively participate in the construction of a socialist modern power*' ⁽⁴⁵⁾.
- (116) Consequently, economic operators are subject – directly or indirectly – to policy guidance, administrative steering, and ideological alignment requirements from Party–State institutions, perpetuating structural distortions within the competitive environment.
- (117) Moreover, the pea protein sector is subject to several government policies, such as the 2022 key policies announced by the Ministry of Finance and the Ministry of Agriculture and rural affairs: '*[i]ntegrated development of agricultural industry. Coordinate the layout and construction of a number of national modern agricultural industrial parks, advantageous and characteristic industrial clusters, and agricultural industrial strong municipalities. [...] build a modern rural industrial system based on strong industrial towns, industrial parks as the engine, and industrial clusters as the backbone, provincial, county and township layouts, and coordinated promotion of points, lines, and areas, so as to improve the quality and efficiency of industrial development as a whole*' ⁽⁴⁶⁾. Similarly, the 14th FYP on Promoting the Modernization of Agriculture and Rural Areas sets the following objectives: '*[s]trengthen the development of advantageous areas for specialty agricultural products. [...] Strengthen technological support, quality control, brand building, and product marketing; construct a number of standardized production, processing, storage, and logistics bases for specialty agricultural products*' ⁽⁴⁷⁾.
- (118) More specifically, '*high-efficiency protein separation and purification equipment*' are listed as an encouraged industry in the 2024 Guiding Catalogue for the Structural Adjustment of the Industry ⁽⁴⁸⁾.

⁽³⁷⁾ See at: <http://en.dongfang-protein.cn/> (accessed on 23 January 2026).

⁽³⁸⁾ See at: <http://www.jianyuan.com/> (accessed on 23 January 2026).

⁽³⁹⁾ See at: <http://www.tfull.com/native/50.html> (accessed on 23 January 2026).

⁽⁴⁰⁾ See at: <https://www.sinoglorygroup.com/about/2672.html> (accessed on 23 January 2026).

⁽⁴¹⁾ See Yantai Shuangta Food Co. Ltd annual report 2024, available at: https://file.finance.sina.com.cn/211.154.219.97:9494/MRGG/CNSESZ_STOCK/2025/2025-4/2025-04-29/11023246.PDF (accessed on 23 January 2026).

⁽⁴²⁾ Ibid. p.57-58.

⁽⁴³⁾ See Art. 33 of the CCP Constitution, Article 19 of the Chinese Company Law. See updated Report – Chapter 3, p. 47-50.

⁽⁴⁴⁾ See at: https://www.gov.cn/yaowen/liebiao/202504/content_7022018.htm (accessed on 15 January 2026).

⁽⁴⁵⁾ Ibid. Article 5.

⁽⁴⁶⁾ See at: http://www.moa.gov.cn/gk/cwgk_1/nybt/202206/t20220610_6402146.htm, paragraph 20 (accessed on 23 January 2026).

⁽⁴⁷⁾ See at: https://www.gov.cn/zhengce/content/2022-02/11/content_5673082.htm, Section II.1, (accessed on 23 January 2026).

⁽⁴⁸⁾ See at: <https://www.ndrc.gov.cn/xxgk/zcfb/fzggwl/202312/P020231229700886191069.pdf>, p.31, (accessed on 23 January 2026).

- (119) Also, the ‘*production and processing of plant-based protein beverages*’ are listed in the 2025 Catalogue of Encouraged Industries in the Western Regions ⁽⁴⁹⁾.
- (120) Government control and policy supervision can be also observed at the level of the relevant industry associations ⁽⁵⁰⁾.
- (121) For instance, the China Food Additives and Ingredients Association (‘CFAA’) ⁽⁵¹⁾ states in Article 3 of its Articles of Association ⁽⁵²⁾ that ‘*the Association accepts the leadership of the Party. In accordance with the Party’s Constitution, it sets up Party organisations to carry out Party activities. [...]*’.
- (122) The CFAA has set up a ‘*Functional protein and peptide ingredients special committee*’ ⁽⁵³⁾ covering the sector of pea protein.
- (123) Yantai Oriental Protein Tech Co., Ltd is a member of CFAA ⁽⁵⁴⁾.
- (124) Furthermore, the China National Food Industry Association ⁽⁵⁵⁾ (‘CNFIA’) is also relevant for the sector of pea protein. According to Article 3 of its Articles of Association ⁽⁵⁶⁾, CNFIA pursues the goal to ‘*thoroughly implement Xi Jinping’s Thought on Socialism with Chinese Characteristics for a New Era, [and to] promote the healthy development of China’s food industry.*’ In addition, Article 4 of its Articles of Association states that CNFIA ‘*accepts the business guidance and supervision of the Ministry of Civil Affairs of the People’s Republic of China, the Party building leadership organ, the State-owned Assets Supervision and Administration Commission of the State Council, and relevant industry management departments*’ ⁽⁵⁷⁾.
- (125) Yantai Shuangta Food Co. Ltd. is a member of CNFIA ⁽⁵⁸⁾. Furthermore, Shandong Jianyuan Group acknowledges to be under CNFIA’s oversight ⁽⁵⁹⁾.
- (126) Consequently, even privately owned producers in the sector of the product concerned are prevented from operating under market conditions. Indeed, both public and privately owned enterprises in the sector are subject to policy supervision and guidance.

3.2.1.3. Significant distortions according to Article 2(6a)(b), second indent of the basic Regulation: State presence in firms allowing the state to interfere with respect to prices or costs

- (127) The GOC is in position to interfere with prices and costs through state presence in firms. Indeed, CCP cells in enterprises, state-owned and private alike, represent an important channel through which the state can interfere with business decisions.
- (128) According to Article 17 of China’s company law, a CCP organisation is to be established in every company with at least three CCP members, as specified in the Article 30 of the CCP Constitution ⁽⁶⁰⁾ and the company shall provide the necessary conditions for the activities of the Party organisation.

⁽⁴⁹⁾ See at: <https://www.ndrc.gov.cn/xxgk/zcfb/fzggwl/202411/P020241129575948108198.pdf>, p.13 (accessed on 23 January 2026).

⁽⁵⁰⁾ Updated Report – Chapter 2, p. 24-27.

⁽⁵¹⁾ See at: https://www.cfaa.cn/lxweb/toIndex.action?type=en¶m.paramCode=UTI_ENGLISH_1 (accessed on 23 January 2026).

⁽⁵²⁾ See at: https://www.cfaa.cn/lxweb/showSecondaryPage.action?subLanmuVo.paramRoot=UTI_FIC_INTRODUCTION&chapter.param.paramCode=UTI_FIC_INTRODUCTION_2, (accessed on 23 January 2026).

⁽⁵³⁾ See at: https://www.cfaa.cn/lxweb/showSecondaryPage.action?subLanmuVo.paramRoot=UTI_FIC_INTRODUCTION&chapter.param.paramCode=UTI_FIC_INTRODUCTION_1, (accessed on 23 January 2026).

⁽⁵⁴⁾ See at: <https://www.cfaa.cn/lxweb/queryCompanyAllDetail.action?companyInfo.id=13474> (accessed on 23 January 2023).

⁽⁵⁵⁾ See at: <https://www.cnfia.cn/> (accessed on 23 January 2026).

⁽⁵⁶⁾ See at: <https://www.cnfia.cn/archives/917> (accessed on 23 January 2026).

⁽⁵⁷⁾ Ibid.

⁽⁵⁸⁾ See at: <http://www.shuangtafood.com/about.html> (accessed on 23 January 2026).

⁽⁵⁹⁾ See Public Offering Disclosure, available at: https://pdf.dfcfw.com/pdf/H2_AN201608310017428789_1.pdf, p.54 (accessed on 23 January 2026).

⁽⁶⁰⁾ Updated Report – Chapter 3, p. 40.

- (129) In the past, this requirement appeared not to have always been followed or strictly enforced. However, since at least 2016 the CCP has been reinforcing its claims to control business decisions in companies as a matter of political principle⁽⁶¹⁾, including exercising pressure on private companies to put ‘patriotism’ first and to follow Party discipline⁽⁶²⁾.
- (130) Already in 2018, it was reported that Party cells existed in 73 % of some 2,57 million privately owned companies, with growing pressure for the CCP organisations to have a final say over the business decisions within their respective companies⁽⁶³⁾. These rules are of general application throughout the Chinese economy, across all sectors, including to the producers of the product concerned and the suppliers of their inputs.
- (131) In addition, on 15 September 2020 a document titled General Office of CCP Central Committee’s Guidelines on stepping up the United Front work in the private sector for the new era (*the Guidelines*)⁽⁶⁴⁾ was released, which further expanded the role of the Party committees in private enterprises.
- (132) Section II.4 of the Guidelines states: ‘[w]e must raise the Party’s overall capacity to lead private-sector United Front work and effectively step up the work in this area’; and Section III.6 states: ‘[w]e must further step up Party building in private enterprises and enable the Party cells to play their role effectively as a fortress and enable Party members to play their parts as vanguards and pioneers’. The Guidelines thus emphasise and seek to increase the role of the CCP in companies and other private sector entities⁽⁶⁵⁾.
- (133) The investigation confirmed that overlaps between managerial positions and CCP membership / functions exist also in the pea protein sector. To provide an example, the Chairman of Yantai Shuangta Food Co. Ltd. is a member of the Party⁽⁶⁶⁾. He also considered CCP membership as a recruitment criteria for management staff⁽⁶⁷⁾.
- (134) The state’s presence and intervention in the financial markets as well as in the provision of raw materials and inputs further have an additional distorting effect on the market⁽⁶⁸⁾. Thus, the state presence in firms, in the pea protein and other sectors (such as the financial and input sectors) allows the GOC to interfere with respect to prices and costs.

3.2.1.4. Significant distortions according to Article 2(6a)(b), third indent of the basic Regulation: public policies or measures discriminating in favour of domestic suppliers or otherwise influencing free market forces

- (135) The legislation applicable to public procurement explicitly discriminates against non-domestic products and stipulates that ‘a 20 % price deduction will be given to the quotation of a domestic product, and the reduced price will be taken in account during the evaluation process’⁽⁶⁹⁾. As a result, procurement decisions favour domestic products and are not made on the basis of free market forces.

⁽⁶¹⁾ See for example: Blanchette, J. – Xi’s Gamble: *The Race to Consolidate Power and Stave off Disaster*; Foreign Affairs, Vol. 100, No 4, July/August 2021, pp. 10-19.

⁽⁶²⁾ Updated Report – Chapter 3, p. 41.

⁽⁶³⁾ See at: <https://merics.org/en/comment/who-ccp-chinas-communist-party-infographics> (accessed on 15 January 2026).

⁽⁶⁴⁾ General Office of CCP Central Committee’s Guidelines on stepping up the United Front work in the private sector for the new era, see at: www.gov.cn/zhengce/2020-09/15/content_5543685.htm (accessed on 23 January 2026).

⁽⁶⁵⁾ Financial Times (2020) – Chinese Communist Party asserts greater control over private enterprise, see at: <https://on.ft.com/3mYxP4j> (accessed on 21 October 2024).

⁽⁶⁶⁾ See at: <https://www.maigoo.com/mingren/12771.html> (accessed on 23 January 2026).

⁽⁶⁷⁾ See at: https://www.shm.com.cn/szb/ytrb/paper/pc/content/202509/08/content_243471.html (accessed on 27 January 2026).

⁽⁶⁸⁾ Updated Report – Chapter 14, Sections 14.1 to 14.3.

⁽⁶⁹⁾ See State Council Notice on the implementation of national product standards for public procurement and other related policies, Section III, available at: https://www.gov.cn/zhengce/content/202509/content_7042999.htm (accessed on 15 January 2026).

- (136) Moreover, the direction of the Chinese economy is to a significant degree determined by an elaborate system of planning which sets out priorities and prescribes the goals the central, provincial and local governments must focus on. Relevant plans exist at all levels of government and cover virtually all economic sectors. The objectives set by the planning instruments are of a binding nature and the authorities at each administrative level monitor the implementation of the plans by the corresponding lower level of government.
- (137) Overall, the system of planning in China results in resources being driven to sectors designated as strategic or otherwise politically important by the government, rather than being allocated in line with market forces ⁽⁷⁰⁾.
- (138) The Chinese authorities have enacted a number of policies guiding the functioning of the sector of the product concerned.
- (139) The 2022 key policies of the Ministry of Finance and the Ministry of Agriculture and rural affairs mentioned above (see recital (117)) contain also the following provisions influencing the functioning of the sector: *'[t]he state will continue to implement policies such as subsidies for corn and soybean producers, subsidies for rice, and incentives for large grain-producing counties, so as to consolidate the effectiveness of supply-side structural reform in agriculture and ensure national food security' or '[r]ewards for major seed production counties. Expand the scope of support for major seed production counties of rice, wheat, corn [...], and promote the transformation and upgrading of the seed industry'* ⁽⁷¹⁾.
- (140) The 14th FYP on Promoting the Modernization of Agriculture and Rural Areas ⁽⁷²⁾ aims to *'[i]mprove grain production support policies. Stabilize grain farmers' subsidies, improve the minimum purchase price policy for rice and wheat, and the subsidy policy for corn and soybean producers. Improve the compensation mechanism for the interests of major grain-producing areas and improve the support policy system for major grain-producing counties'* ⁽⁷³⁾. The plan also seeks to *'[p]romote the agglomeration of industries at the county and town levels, support the relocation of agricultural product processing industries to counties, and guide agricultural product processing and distribution enterprises to build processing parks and logistics hubs in towns (townships) with suitable conditions [and to] support eligible counties (cities, districts) in constructing modern agricultural industrial parks, promoting the concentration of market entities such as scientific research and development, processing logistics, and marketing services in the parks'* ⁽⁷⁴⁾.
- (141) The 14th FYP on Developing Bioeconomy directly addresses the sector of the product concerned, by aiming to *'[s]trengthen the main position of enterprise innovation. Give play to the leading and supporting role of leading enterprises in the biological field, guide large enterprises to open resources such as technological innovation, supply chain, and financial services to the upstream and downstream of the industrial chain, and promote integration and innovation in small and medium-sized enterprises. Focusing on key fields with large scale and wide influence such as biomedicine, bio-agriculture, and bio-manufacturing, bio-innovative enterprises are encouraged to deepen their cultivation in subdivided fields, cultivate their development advantages, and cultivate them into individual champions with global competitiveness'* ⁽⁷⁵⁾.
- (142) On the province level, according to the Hebei 14th FYP on Strategic and Emerging Industries ⁽⁷⁶⁾ the government authorities are set to shape the sector's industrial layout as follows: *'Develop plant extract products such as natural spices, essential oils, natural nutrients, plant proteins, and oils'* ⁽⁷⁷⁾.

⁽⁷⁰⁾ Updated Report – Chapter 4, p. 56-57, 99-100.

⁽⁷¹⁾ See at: http://www.moa.gov.cn/gk/cwggk_1/nybt/202206/t20220610_6402146.htm, paragraphs 6 and 15 (accessed on 18 October 2024).

⁽⁷²⁾ See at: https://www.gov.cn/zhengce/content/2022-02/11/content_5673082.htm (accessed on 23 January 2026).

⁽⁷³⁾ Ibid., Section II.1.

⁽⁷⁴⁾ Ibid. Section IV.1-2.

⁽⁷⁵⁾ See at: <https://www.ndrc.gov.cn/xxgk/zcfb/ghwb/202205/P020220510324220702505.pdf>, Section III.6, (accessed on 23 January 2026).

⁽⁷⁶⁾ See at: https://www.acfic.org.cn/ztzlhz/145gh/145gh_03/202201/t20220117_312114.html (accessed on 23 January 2026).

⁽⁷⁷⁾ Ibid., Section IV.3.

- (143) Furthermore, Shandong issued in 2025 an Implementation Opinion on Further Deepening the Rural Reform and Strengthening Efforts to Comprehensively Promote Rural Revitalisation ⁽⁷⁸⁾ requiring to *'actively develop the agricultural product processing industry; (...) Vigorously develop the intensive processing of agricultural products; Build agricultural product processing and logistics parks'*.
- (144) Additionally, in 2025, Shandong issued an Action Plan for Science and Technological Innovation to Modernize the Food Industry (2026-2028) ⁽⁷⁹⁾ seeking to *'develop core processing base materials such as high-performance specialty starches, [and] plant protein powders [...] and build a multi-level production system for raw materials of healthy food'* under the leadership of the Shandong Provincial Department of Science and Technology.
- (145) Yantai Municipality, located in Shandong, is the world's largest pea protein production area ⁽⁸⁰⁾.
- (146) Yantai Oriental Protein Tech Co., Ltd , Shandong Jianyuan Group , Yantai T Full, Shandong Jiahua (Sinoglory) Biotechnology Co. Ltd and Yantai Shuangta Food Co. Ltd are all located in Shandong.
- (147) More specifically, Yantai Shuangta Food Co. Ltd is directly supported by the Shandong Provincial Government as a 'One Company – One Technology' Research and Development Centre ⁽⁸¹⁾ to further develop *'1. key technologies in the vermicelli industry chain, 2. Nutritional value analysis of pea protein and fiber and its innovative application in meat processing 3. Research and industrialization of improving pea starch separation efficiency using indigenous lactic acid bacteria 4. Research and industrialization of low-Sodium, high-calcium, zero-soy allergen pea protein isolate'* ⁽⁸²⁾.
- (148) Through these and other means, the GOC therefore directs and controls virtually every aspect in the development and functioning of the sector, as well as the upstream inputs.
- (149) In sum, the GOC has measures in place to induce operators to comply with the public policy objectives concerning the sector. Such measures impede market forces from operating freely.

3.2.1.5. Significant distortions according to Article 2(6a)(b), fourth indent of the basic Regulation: the lack, discriminatory application or inadequate enforcement of bankruptcy, corporate or property laws

- (150) According to the information on file, the Chinese bankruptcy system delivers inadequately on its own main objectives such as to fairly settle claims and debts and to safeguard the lawful rights and interests of creditors and debtors. This appears to be rooted in the fact that while the Chinese bankruptcy law formally rests on principles that are similar to those applied in corresponding laws in countries other than China, the Chinese system is characterised by systematic under-enforcement.
- (151) The number of bankruptcies remains notoriously low in relation to the size of the country's economy, not least because the insolvency proceedings suffer from a number of shortcomings, which effectively function as a disincentive for bankruptcy filings. Moreover, the role of the state in the insolvency proceedings remains strong and active, often having direct influence on the outcome of the proceedings ⁽⁸³⁾.

⁽⁷⁸⁾ See at : <https://www.sdnxs.com/sdnxs/374213/2025040210493138973/index.html> (accessed on 27 January 2026).

⁽⁷⁹⁾ See at: http://gb.shandong.gov.cn/art/2025/11/5/art_307620_10358479.html (accessed on 27 January 2026).

⁽⁸⁰⁾ See at: https://www.yantai.gov.cn/art/2023/8/17/art_41950_3143573.html (accessed on 27 January 2026).

⁽⁸¹⁾ See at: http://gxt.shandong.gov.cn/art/2025/8/20/art_15203_10351851.html (accessed on 27 January 2026).

⁽⁸²⁾ See Company number 23, in the 2025 Shandong List of 'One Company – One Technology' Research and Development centers, available at: <http://gxt.shandong.gov.cn/module/download/downloadfile.jsp?classid=0&filename=957001dbc2294a87bd1e85cb3217d62e.pdf> (accessed on 27 January 2026).

⁽⁸³⁾ Updated Report – Chapter 6, p. 171-179.

- (152) Furthermore, in the cases where the bankruptcy law is implemented, proceedings lack transparency and result in discriminatory practices ⁽⁸⁴⁾.
- (153) In addition, the shortcomings of the system of property rights are particularly obvious in relation to ownership of land and land-use rights in China ⁽⁸⁵⁾. All land is owned by the state (collectively owned rural land and State-owned urban land) and its allocation remains solely dependent on the state. There are legal provisions that aim at allocating land use rights in a transparent manner and at market prices, for instance by introducing bidding procedures. However, these provisions are regularly not respected, with certain buyers obtaining their land for free or below market rates ⁽⁸⁶⁾. Moreover, the GOC seeks to *'improve the land management system to make sure it is efficiently connected with macro-policies and regional development and gives priority to the reasonable use of land for leading industries and major projects'* ⁽⁸⁷⁾ and as a result authorities authorities often pursue specific political goals including the implementation of the economic plans when allocating land ⁽⁸⁸⁾.
- (154) Much like other sectors in the Chinese economy, the producers of the product concerned are subject to the ordinary rules on Chinese bankruptcy, corporate, and property laws. That has the effect that these companies, too, are subject to the top-down distortions arising from the discriminatory application or inadequate enforcement of bankruptcy and property laws. Those considerations, on the basis of the evidence available, appear to be fully applicable also in the, and therefore pea protein, sector. The present investigation revealed nothing that would call those findings into question.
- (155) In light of the above, the Commission concluded that there was discriminatory application or inadequate enforcement of bankruptcy and property laws in the sector of the product concerned.

3.2.1.6. Significant distortions according to Article 2(6a)(b), fifth indent of the basic Regulation: wage costs being distorted

- (156) A system of market-based wages cannot fully develop in China as workers and employers are impeded in their rights to collective organisation. China has not ratified a number of fundamental ILO conventions, in particular those on freedom of association and on collective bargaining ⁽⁸⁹⁾.
- (157) Under national law, only one trade union organisation is active. However, this organisation lacks independence from the state authorities and its engagement in collective bargaining and protection of workers' rights remains rudimentary ⁽⁹⁰⁾. Moreover, the mobility of the Chinese workforce is restricted by the household registration system, which limits access to the full range of social security and other benefits to local residents of a given administrative area.
- (158) This typically results in workers who are not in possession of the local residence registration finding themselves in a vulnerable employment position and receiving lower income than the holders of the residence registration ⁽⁹¹⁾. Those findings lead to the distortion of wage costs in China.
- (159) No evidence was submitted to the effect that the pea protein sector would not be subject to the Chinese labour law system described. The sector is thus affected by the distortions of wage costs both directly (when making the product concerned or the main raw material for its production) as well as indirectly (when having access to capital or inputs from companies subject to the same labour system in China).

⁽⁸⁴⁾ See at: <https://www.reuters.com/world/china/chinas-murky-bankruptcies-expose-hazards-foreign-investors-2025-04-15/> (accessed on 15 January 2026).

⁽⁸⁵⁾ Updated Report – Chapter 9, p. 260-261.

⁽⁸⁶⁾ Updated Report – Chapter 9, p. 257-260.

⁽⁸⁷⁾ See Section IV.2.3, available at: https://www.gov.cn/zhengce/202407/content_6963770.htm (accessed on 15 January 2026).

⁽⁸⁸⁾ Updated Report – Chapter 9, p. 252-254.

⁽⁸⁹⁾ Updated Report – Chapter 13, p. 360-361, 364-370.

⁽⁹⁰⁾ Updated Report – Chapter 13, p. 366.

⁽⁹¹⁾ Updated Report – Chapter 13, p. 370-373.

3.2.1.7. Significant distortions according to Article 2(6a)(b), sixth indent of the basic Regulation: access to finance granted by institutions which implement public policy objectives or otherwise not acting independently of the state

- (160) Access to capital for corporate actors in China is subject to various distortions.
- (161) First, the Chinese financial system is characterised by the strong position of state-owned banks ⁽⁹²⁾, which, when granting access to finance, take into consideration criteria other than the economic viability of a project. Similar to non-financial SOEs, the banks remain connected to the state not only through ownership but also via personal relations (the top executives of large state-owned financial institutions are ultimately appointed by the CCP) ⁽⁹³⁾ and they regularly implement public policies designed by the GOC.
- (162) In doing so, the banks comply with an explicit legal obligation to conduct their business in accordance with the needs of the national economic and social development and under the guidance of the industrial policies of the state ⁽⁹⁴⁾. While it is acknowledged that various legal provisions refer to the need to respect normal banking behaviour and prudential rules such as the need to examine the creditworthiness of the borrower, the overwhelming evidence, including findings made in trade defence investigations, suggests that these provisions play only a secondary role in the application of the various legal instruments.
- (163) For example, the GOC has clarified that even private commercial banking decisions must be overseen by the CCP and remain in line with national policies. One of the state's three overarching goals in relation to banking governance is now to strengthen the Party's leadership in the banking and insurance sector, including in relation to operational and management issues ⁽⁹⁵⁾. Also, the performance evaluation criteria of commercial banks notably have now to take into account how entities '*serve the national development objectives and the real economy*', and in particular how they '*serve strategic and emerging industries*' ⁽⁹⁶⁾.
- (164) More specifically, the GOC also seeks to '*guide financial institutions to use diversified tools such as loans, bonds, equity, and insurance to provide comprehensive financial services for the major enterprises and important supporting enterprises operating within key industry chains, provide financial solutions for the stable operation of enterprises affected by external influences, and support private enterprises to actively participate in the independent and controllable construction of industrial chains*' ⁽⁹⁷⁾.
- (165) Furthermore, bond and credit ratings are often distorted for a variety of reasons including the fact that the risk assessment is influenced by the firm's strategic importance to the GOC and the strength of any implicit guarantee by the government ⁽⁹⁸⁾. This is compounded by additional existing rules, which direct finances into sectors designated by the government as encouraged or otherwise important ⁽⁹⁹⁾. This results in a bias in favour of lending to SOEs, large well-connected private firms and firms in key industrial sectors, which implies that the availability and cost of capital is not equal for all players on the market.

⁽⁹²⁾ Updated Report – Chapter 6, p. 137-140.

⁽⁹³⁾ Updated Report – Chapter 6, p. 146-149.

⁽⁹⁴⁾ Updated Report – Chapter 6, p. 149.

⁽⁹⁵⁾ See the *Three-year action plan for improving corporate governance of the banking and insurance sectors (2020-2022)* issued by the China Banking and Insurance Regulatory Commission ("CBIRC") on 28 August 2020; available at: <http://www.cbirc.gov.cn/cn/view/pages/ItemDetail.html?docId=925393&itemId=928> (accessed on 21 October 2024). The Plan instructs to '*further implement the spirit embodied in General Secretary Xi Jinping's keynote speech on advancing the reform of corporate governance of the financial sector*'. Moreover, the Plan's Section II aims at promoting the organic integration of the Party's leadership into corporate governance: '*we shall make the integration of the Party's leadership into corporate governance more systematic, standardised and procedure-based [...] Major operational and management issues must have been discussed by the Party Committee before being decided upon by the Board of Directors or the senior management*'.

⁽⁹⁶⁾ See the *Notice on the Commercial banks performance evaluation method* issued by the CBIRC on 15 December 2020, available at: http://jrs.mof.gov.cn/gongzuotongzhi/202101/t20210104_3638904.htm (accessed on 21 October 2024).

⁽⁹⁷⁾ See at: https://www.gov.cn/lianbo/bumen/202508/content_7035298.htm (Accessed on 15 January 2025).

⁽⁹⁸⁾ Updated Report – Chapter 6, p. 157-158.

⁽⁹⁹⁾ Updated Report – Chapter 6, p. 150-152, 156-160, 165-171.

- (166) Furthermore, borrowing costs have been kept artificially low to stimulate investment growth. This has led to the excessive use of capital investment with ever lower returns on investment. This is illustrated by the growth in corporate leverage in the state sector despite a sharp fall in profitability, which suggests that the mechanisms at work in the banking system do not follow normal commercial responses.
- (167) Moreover, although nominal interest rate liberalization was achieved in October 2015, price signals are still not the result of free market forces but are influenced by government-induced distortions. For instance, SOEs but also entire industry sectors considered as strategic by the GOC do benefit from below market interest rates⁽¹⁰⁰⁾. Artificially low interest rates result in under-pricing, and consequently, the excessive utilization of capital.
- (168) Overall credit growth in the China indicates a worsening efficiency of capital allocation without any signs of credit tightening that would be expected in an undistorted market environment. As a result, non-performing loans have increased rapidly, with the GOC a number of times opting to either avoid defaults, thus creating so called 'zombie' companies, whose number is increasing⁽¹⁰¹⁾, or to transfer the ownership of the debt (e.g. via mergers or debt-to-equity swaps), without necessarily removing the overall debt problem or addressing its root causes.
- (169) In essence, despite the steps that have been taken to liberalize the market, the corporate credit system in China is affected by significant distortions resulting from the continuing pervasive role of the state in the capital markets. Therefore, the substantial government intervention in the financial system leads to the market conditions being severely affected at all levels.
- (170) No evidence was submitted in the present investigation demonstrating that the sector of the product concerned is not affected by the government intervention in the financial system in the sense of Article 2(6a)(b), sixth indent of the basic Regulation. Therefore, the substantial government intervention in the financial system leads to the market conditions being severely affected at all levels.

3.2.1.8. Systemic nature of the distortions described

- (171) The Commission noted that the distortions described in the updated Report are characteristic for the Chinese economy. The evidence available shows that the facts and features of the Chinese system as described above as well as in Part I of the updated Report apply throughout the country and across the sectors of the economy. The same holds true for the description of the factors of production as set out above and in Part II of the updated Report.
- (172) The Commission recalls that in order to produce the product concerned, certain inputs are needed. When the producers of the product concerned 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. These distortions were described in detail above, in particular in recitals (112) - (170). The Commission pointed out that the regulatory setup underpinning those distortions is generally applicable, pea protein producers being subject to those rules as any other economic operator in China. The distortions have therefore a direct bearing on the cost structure of the product concerned.
- (173) As a consequence, not only the domestic sales prices of the product concerned 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 updated Report.

⁽¹⁰⁰⁾ See Rhodium Group Report, Augmented Assessment of China's State Support, p.22, available at: <https://rhg.com/research/far-from-normal-an-augmented-assessment-of-chinas-state-support/> (accessed on 15 January 2026).

⁽¹⁰¹⁾ See at: https://www.bloomberg.com/graphics/2025-china-deflation-cost/?utm_campaign=202511_BATC_subs_eng_china_inflation_subs_eng_chinainflation_nov2025&utm_term=20383998&utm_source=subs-email&utm_medium=email&utm_content=15664976 (accessed on 15 January 2026).

(174) Indeed, the government interventions described in relation to the allocation of capital, land, labour, energy and raw materials are present throughout China. This means, for instance, that an input that in itself was produced in China 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.

(175) No evidence or argument to the contrary has been adduced by the GOC or the exporting producers in the present investigation.

3.2.2. *Representative country*

3.2.2.1. *General remarks*

(176) The choice of the representative country was based on the following criteria pursuant to Article 2(6a)(a) 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 ⁽¹⁰²⁾;
- 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.

(177) As explained in recitals (72) to (73) the Commission issued a note for the file on the sources for the determination of the normal value. The note described the facts and evidence underlying the relevant criteria, informed interested parties of the countries that could be considered as appropriate representative countries in the present case if the existence of significant distortions pursuant to Article 2(6a)(a) of the basic Regulation would be confirmed.

A level of economic development similar to the PRC

(178) In the Note, the Commission initially identified 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.

(179) However, as detailed in recitals (181) to (187), the Commission found that Türkiye and Argentina were not considered as appropriate representative countries. For this reason, and as it was not possible to find production of the product under investigation in any other country with similar level of development as China, the Commission looked for an appropriate representative country among countries with similar level of development as China with production of a product in the same general category/sector as the product under investigation which, as explained in recital (188), is soy protein.

(180) On this basis three additional possible representative countries were analysed – Colombia, Brazil and Malaysia, all of which were classified by the World Bank as 'upper-middle income' countries on a gross national income basis.

Existence of relevant readily available data in the representative country

(181) In the note, the Commission indicated that for the countries identified as countries where the product under investigation is being produced, i.e. Türkiye and Argentina, as well as for those identified after a preliminary assessment, as indicated in recital (180), i.e. Malaysia, Colombia and Brazil, the availability of data needed to be further verified in particular with regard to the readily available financial data from producers of the PUI or products of the same category.

⁽¹⁰²⁾ World Bank Open Data – Upper Middle Income, <https://data.worldbank.org/income-level/upper-middle-income>.

- (182) The overall analysis of imports in the Note concluded that Argentina imported a considerably smaller quantity of yellow pea, the main factor of production, than all other countries. Moreover, significant volumes of two other factors of production – defoaming agent and liquid caustic soda – originating in China were imported into Argentina during the investigation period at below market prices, challenging the appropriateness of Argentina as a representative country.
- (183) Moreover, the Commission noted the existence in Argentina of export taxes on the main raw material – yellow pea⁽¹⁰³⁾. The existence of an export tax on yellow peas in Argentina distorted the prices of yellow peas and ultimately the prices of all downstream products in the pea value chain, preventing the use of costs and prices of pea protein in Argentina. Therefore, the Commission considered that prices of yellow pea in Argentina may not be considered as reliable due to existence of the market distortion.
- (184) With regard to the availability of financial information in Argentina, the Commission identified one company that produced the product concerned. However, there was no readily available financial data for year 2024 or 2023 for this company. In the absence of other information on file on the presence of other companies producing pea protein in Argentina with readily available financial data and following the existence of trade barriers as described in recital (183), the Commission concluded that Argentina could no longer be considered an appropriate representative country.
- (185) In Türkiye, imports of yellow pea originating in Russia – which accounted for over 70 % of all imports of this main raw material – were found to be sold at a significantly lower prices than imports from all other origins during the investigation period. Peas and other crops are currently subject to 50 % ad-valorem custom duties in the EU⁽¹⁰⁴⁾ following Russia's war of aggression against Ukraine. These duty increases were imposed on July 2024 to prevent the entry of significant quantities of peas originating in Russia into the Union. The imposition of the duties resulted in an immediate drop of exports of Russian pea into the Union, from a monthly average of 161 000 tonnes in the year before to 29 tonnes since the duty increase. The decrease of imports into the Union, previously the biggest export market of Russian pea, to 0,02 % of the previous volumes, coincided with a significant increase of exports of Russian pea into Türkiye, at price discount of over 10 %⁽¹⁰⁵⁾. Regarding Türkiye imports of yellow pea, during the investigation period, the import price of yellow pea from Russia was, on average, 12 % lower than the import prices from the rest of the world into Türkiye, and moreover, 70 % lower than the average import price of yellow pea from the rest of the world into Argentina. The same applied to imports of bituminous coal from Russia, which accounted for almost 70 % of all imports of bituminous coal into Türkiye during the investigation period. Coal and other fossil fuels are currently under EU sanctions against Russia⁽¹⁰⁶⁾. The import price of bituminous coal from Russia was 30 % lower in Türkiye than the import price from the rest of the world. Moreover, the import price of bituminous coal into Türkiye from the rest of the world (1,02 CNY/kg) was consistently below the import price from the rest of the world into Argentina, but also all other countries (with the exception of Colombia), suggesting that artificially low Russian prices are depressing the overall import prices in Türkiye. Accordingly, the Commission concluded that the price of bituminous coal originating from Russia is distorted and considered that benchmark prices for bituminous coal from Türkiye were not representative. Moreover, there was not enough information available to identify a representative benchmark for defoaming agents.
- (186) With regard to readily available financial data in Türkiye, information for Eaynı Tüm Hakları Saklıdır, the only company producing the product under investigation that could be identified, was not readily available. Therefore, and following the finding on the disruptive effect of the Russian exports of pea in recital (185) the Commission concluded that Türkiye was not suitable to be considered as an appropriate representative country for this investigation.
- (187) In line with these findings, the Commission concluded in the Note that at this stage Argentina's and Türkiye's could not be considered as an appropriate representative country and as a consequence decided to extend the analysis to a similar product and to other countries, where it was possible to identify producers of this similar product.

⁽¹⁰³⁾ <https://www.argentina.gob.ar/normativa/nacional/decreto-230-2020-335065/texto>.

⁽¹⁰⁴⁾ OJ L, 2024/1652, 10.6.2024, ELI: <http://data.europa.eu/eli/reg/2024/1652/oj>.

⁽¹⁰⁵⁾ Average monthly prices per kilogram on the six months before the duty increase compared to average monthly price per kilogram on the six months after the duty increase.

⁽¹⁰⁶⁾ See Annex XXI of Council Regulation (EU) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine (OJ L 229, 31.7.2014, p. 1, ELI: <http://data.europa.eu/eli/reg/2014/833/oj>).

- (188) According to the information on file and the Commission analysis all other vegetable proteins with a similar production process were considered to be a product similar to the product under investigation. In this respect, the complainant noted the similarities between the different segments of the plant-protein sector given that all types of proteins have similar production processes and respond to similar market dynamics including usages, i.e. growing markets for meat alternatives or for changes of dietary habits. Among plant proteins, the complainant identified soy protein as the largest plant protein produced worldwide and noted that soy protein is used for similar uses as pea protein. To this end, the Commission identified Malaysia, Colombia and Brazil as producing soy protein. Their imports of the main inputs were examined.
- (189) This analysis found that 28 % of all imports of defoaming agent into Malaysia originated in China, as did 15 % of imports of liquid caustic soda. Moreover, 27 % of imports of bituminous coal into Malaysia originated in Russia and were found to be sold at a significant discount.
- (190) With regard to financial information, the Commission analysed numerous companies producing soy protein but did not find any producers in Malaysia for which there was readily available financial information. Since there was no readily available financial data and having regard the unreliability of some import prices for some of the main factors of production in Malaysia, as explained in recital 189, the Commission concluded that Malaysia was not an appropriate representative country.
- (191) In the case of Colombia, 28 % of total imports of defoaming agent originated in China. The Commission identified one company producing soy protein with readily available financial information. The Commission noted, however, that the available information dated from 2024, only partially covering the investigation period and, as a consequence, was considered less suitable, because more recent data was available as set out in recital (194).
- (192) Regarding Brazil, 35 % of total imports of defoaming agent originated in China.
- (193) The Commission was not able to identify any producers of the product under investigation in Brazil, however it noted that one company producing plant-based goods, Milhão Ingredients, announced in 2019 that it would invest in the pea protein isolate production. The Commission also noticed that since the initiation of this investigation, there have been imports into the Union of the product under investigation from Brazil, suggesting that there may be production of the product under investigation in this country.
- (194) Nevertheless, the Commission could not find readily available financial data of this or other possible producers of the product under investigation in Brazil. Therefore, the Commission resorted to producers of soy protein. Caramuru Alimentos S.A., a producer of soy protein with readily available detailed financial data covering the whole investigation period, was identified, and the Commission informed parties in the Note that it intended to use this data for SG&A costs and profit and invited them to comment.
- (195) In its comments on the Note, Shuangta Group agreed that there are certain elements that would render the selection of Türkiye and Argentina inappropriate, and Sania Group and the complainant expressed their support for the choice of Brazil as a representative country. None of them provided any comments regarding the use of financial data of Caramuru Alimentos S.A in Brazil.

Level of social and environmental protection

- (196) Having established that Brazil was the most 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.

3.2.2.2. Conclusion

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

3.2.3. Sources used to establish undistorted costs

- (198) In the 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 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 prices of most of the factors of production, notably the raw materials. In addition, the Commission stated that it would use information from the Instituto Brasileiro de Geografia e Estatística, the Ministério de Minas e Energia, and the Companhia de Saneamento Básico do Estado de São Paulo S.A for establishing undistorted costs of labour ⁽¹⁰⁷⁾, energy ⁽¹⁰⁸⁾ and water ⁽¹⁰⁹⁾ respectively.

3.2.3.1. Factors of production

- (199) 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 pea protein

Factor of Production	Commodity Code	Source	Undistorted value (CNY)	Unit of measurement
Raw materials				
Yellow Pea (<i>Pisum sativum</i>)	0713 10 90	GTA	4,73	kg
Organic Yellow Pea ⁽¹¹⁰⁾	n/a	n/a	7,42	kg
Clean Pea	n/a	Calculation on the basis of the respective benchmark for yellow pea	per exp. producer (confidential ⁽¹¹¹⁾)	kg
Clean Organic Pea	n/a	Calculation on the basis of the respective benchmark for organic pea	per exp. producer (confidential ⁽¹¹²⁾)	kg
Hydrochloric acid	2806 10	GTA	1,65	kg
Liquid Caustic Soda	2815 12	GTA	2,20	kg
Defoaming Agent	3906 90	GTA	20,59	kg
Labour				
Labour	n/a	Instituto Brasileiro de Geografia e Estatística	42,35	hours
Energy				
Coal (Bituminous)	2701 12	GTA	1,23	kg

⁽¹⁰⁷⁾ IBGE | Portal do IBGE | IBGE.

⁽¹⁰⁸⁾ Ministério de Minas e Energia.

⁽¹⁰⁹⁾ <https://sabesp.com.br/>.

⁽¹¹⁰⁾ As explained in recitals (203) to (208), the benchmark for organic yellow pea was constructed by adding a price premium of 57 % to the import benchmark price of yellow pea.

⁽¹¹¹⁾ This information will be disclosed to the concerned producer in its individual disclosure.

⁽¹¹²⁾ This information will be disclosed to the concerned producer in its individual disclosure.

Factor of Production	Commodity Code	Source	Undistorted value (CNY)	Unit of measurement
Electricity	n/a	Ministério de Minas e Energia	1,11	kWh
Natural Gas	n/a	Ministério de Minas e Energia	4,80	m ³
Water	n/a	Companhia de Saneamento Básico do Estado de São Paulo	39,19	m ³
Steam	n/a	Ministério de Minas e Energia / US Department of Energy	0,73	kg
By-Products				
Pea Residue	2302 50	GTA	1,05	kg

- (200) The Commission included a value for manufacturing overhead costs in order to cover costs not included in the factors of production referred to above. To establish this amount, the Commission used the data provided by the sampled exporting producers on costs of manufacturing that had not been included in the individual FOP above. The methodology is duly explained in recital (240).

3.2.3.2. Raw materials

- (201) 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 database 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 I to Regulation (EU) 2015/755 of the European Parliament and the Council⁽¹¹³⁾. The Commission decided to exclude imports from the PRC into the representative country as it concluded in Section 3.2.1 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.
- (202) When there were imports of the main raw materials from the PRC or any of the countries listed in Annex I to Regulation (EU) 2015/755 of the European Parliament and of the Council into the representative country, these imports needed to be disregarded when considering the benchmark price for these factors of production to ensure that they are not materially affected by imports from the PRC or any of the countries listed in Annex I to Regulation (EU) 2015/755.

Yellow Pea and Organic Yellow Pea

- (203) In the Note, the Commission informed parties that given that for the production of organic pea protein, only organic pea is used and since there is no separate HS code for this type of the pea, the benchmark of the conventional yellow pea should be used adjusted to reflect the price difference between conventional yellow pea and organic pea. The Commission informed all parties that according to the information provided by the interested parties and publicly available information, organic pea prices are 57 - 67 % higher than conventional pea⁽¹¹⁴⁾, and that it would construct the benchmark by applying an upward adjustment to the benchmark for yellow pea corresponding to the price premium for organic pea, as per the sources on the file .

⁽¹¹³⁾ Regulation (EU) 2015/755 of the European Parliament and of the Council of 29 April 2015 on common rules for imports from certain third countries (OJ L 123, 19.5.2015, p. 33, ELI: <http://data.europa.eu/eli/reg/2015/755/oj>). Article 2(7) of the basic Regulation considers that domestic prices in those countries cannot be used for the purpose of determining normal value.

⁽¹¹⁴⁾ Organic producers looking at slim profits – TFO Canada.

- (204) On its comments to the Note, Shuangta Group claimed that its actual purchase prices for imported yellow peas (based on several hundreds of millions of kgs) much better reflected the conditions of large purchasers such as the Shuangta Group than the limited import volumes for Brazil and Colombia. For the same reason, the Shuangta Group requested the Commission to establish the benchmark price of organic yellow peas on the basis of the Shuangta Group's own purchase prices for organic yellow peas.
- (205) Sanjia Group claimed that the purchase price of imported yellow pea should not be replaced by benchmarks, as these peas were sourced from other markets, with prices were set under normal market conditions, not affected in any way from the Chinese market situation, and free from any alleged market distortions.
- (206) Moreover, Sanjia Group noted that the source identified by the Commission to justify the markup of organic pea in comparison to regular pea dated from before the investigation period and therefore hold limited reference value. Sanjia Group submitted a price comparison of company-internal prices, where the price premium of organic peas was lower than the one proposed by the Commission and argued that alleged 57–67 % price premium of organic peas was unreasonable and needed to be adjusted.
- (207) The complainant submitted comments regarding the proposed price premium for organic peas, noting that publicly available prices confirmed that the price difference between organic and conventional peas is substantial and well above the 57-67 % markup proposed by the Commission, reaching 100 % in the evidence presented. In light of the above, the complainant requested that the Commission adjusted the mark-up for the benchmark price for organic peas to at least 100 %.
- (208) For the benchmark for organic pea, and in light of the evidence presented by Sanjia and the complainant, pointing to both higher and lower price premiums for organic pea, for which no conclusive evidence was provided, and in the absence of any comparable import data, the Commission considered that a price premium of 57 % to the benchmark for organic pea was the most appropriate. Since Sanjia Group did not provide more recent and readily available evidence of premium for organic pea than the one mentioned in recital (203), the claim of limited reference value was rejected.
- (209) The complainant submitted a reply to the comments made by Shuangta Group and Sanjia Group on the selection of the benchmark for yellow peas and claimed that the Chinese exporting producers were able to source yellow pea from Russia at distorted prices, the effect of which had also depressed Canadian import prices into China and urged the Commission to rely on import prices into Brazil, rather than the import prices reported by the sampled exporting producers.
- (210) Regarding both groups' claims on undistorted international prices – that is Shuangta Group's suggestion that its prices of direct imports of yellow pea could be used as the appropriate benchmark for all purchases of yellow pea through a local importer, and Sanjia Group's claim that the price of its direct imports of yellow pea are undistorted – Article 2(6)(a) of the basic Regulation explicitly states that domestic costs may be considered for the construction of the normal value, only to the extent that they are positively established not to be distorted.
- (211) As explained in Sections 3.2.1.3 and 3.2.1.8 of this Regulation, the Commission found that yellow peas purchased via importers in China were subject to price distortions, and as such, may not be considered as a basis for the determination of the normal value.
- (212) Moreover, peas and other crops are currently subject to 50 % ad-valorem custom duties in the EU ⁽¹¹⁵⁾ which were imposed in July 2024 as a reaction to the Russian Federation's full-scale invasion of Ukraine on 24 February 2022 in order to prevent the entry of significant quantities of dry peas originating in Russia into the Union. The imposition of the duties resulted in an immediate drop of exports of Russian pea into the Union, previously its biggest market, from a monthly average of 161 000 tonnes in the year before to 29 tonnes since the duty increase ⁽¹¹⁶⁾, representing only 0,02 % of the previous volumes. This coincided with a significant increase of the volume of exports of Russian yellow pea into China, which increased by 55 % in the same period ⁽¹¹⁷⁾, at price significantly lower than that of international prices of pea, such as the price of Canadian exports of pea into China, effectively replacing the latter.

⁽¹¹⁵⁾ OJ L, 2024/1652, 10.6.2024, ELI: <http://data.europa.eu/eli/reg/2024/1652/oj>.

⁽¹¹⁶⁾ Average monthly prices per kilogram on the six months before the duty increase compared to average monthly price per kilogram on the six months after the duty increase.

⁽¹¹⁷⁾ Average monthly import volumes on the six months before the duty increase compared to average monthly import volumes on the six months after the duty increase.

- (213) Following the rapid penetration of Russian imports of yellow pea into the Chinese market at depressed prices, at the expense of imports of Canadian pea, which saw their market share halved between 2022 and 2025, from 86 % to only 28 %, the price of imports of Canadian peas into China decreased considerably, as the price pressure exerted by the imports from Russia depressed the price level of yellow pea in China and forced Canadian exporters to align their prices downwards.
- (214) In addition, in March 2025, during the investigation period, China implemented a 100 % tariff against imports of yellow peas from Canada, resulting in a drop of 25 % in the monthly volume of imports from Canada for the rest of the year, which was mirrored by a 54 % increase in the monthly volume of imports of yellow pea from Russia, and further strengthening the distorting effect of Russian pea on Canadian prices.
- (215) In fact, prices of imports of yellow pea in the Chinese market dropped from 3 582 CNY/tonne before the penetration of Russian yellow pea, in line with international prices in other markets where marginal or no presence of Russian imports, to 2 890 in 2025, a price reduction of almost 20 %.
- (216) In markets with marginal or no presence of Russian imports, average import prices have increased steadily between 2022 and the IP, contrary to the trend observed in the import price of Canadian pea into China. This disparity can be observed across international markets; wherever imports of Russian yellow pea are significant, the import price of yellow pea from other origins, and notably from Canada, is significantly lower than in those markets with marginal or no presence of Russian exports.
- (217) A comparison between the import price of Canadian yellow pea in China, where the presence of Russian imports at depressed prices has become predominant, representing 60 % in 2025 from 0 % in 2022, against prices of Canadian imports in markets with marginal or no presence of Russian imports, shows that, between 2022 and the investigation period, Canadian yellow pea has been imported at a stable price, contrasting with the aforementioned price depression observed in the Chinese market.
- (218) In the light of the above findings the Commission considered that given the specific situation of the Chinese pea market caused by the Russian exports at below normal market prices having depressing effect on the overall market price, the import prices of yellow pea into China cannot be considered as not distorted. Therefore, in accordance with Article 2(6)(a) of the basic Regulation, it was not appropriate to use the purchase price of yellow peas reported by the sampled exporting producers when constructing the normal value. The claims to use actual purchase prices for imported peas were therefore rejected.

Defoaming agents

- (219) In the Note, the Commission set out that there were significant proportions of imports of defoaming agents from China into all possible representative countries.
- (220) Sanjia Group argued that the import price of defoaming agents into Brazil was anomalously higher than import prices of that factor of production into the other possible reference countries, as a result of a comparison at 6-digit HS code. The group claimed that relying solely on this broad 6-digit HS code to establish import prices would conflate prices of non-comparable products, fail to align with the specific type of defoaming agent used in the production of the product concerned, and thus generate unrepresentative and misleading price data.
- (221) Moreover, the Sanjia Group claimed that, as there was only one producer of soy protein in Brazil, Brazil's imports of defoaming agents for production of pea protein are relatively limited. Consequently, within the import data for products under the 6-digit HS code, only a small portion involves defoaming agents specifically for pea protein. Under such circumstances, Brazil's import prices for defoaming agents would be distorted and unrepresentative due to the inclusion of numerous other products.
- (222) Building on the above, Sanjia Group proposed Malaysia as the source of the benchmark for defoaming agents, claiming that given that the Commission identified several producers of soy protein in the country, the import price of imports of defoaming agents into Malaysia, defined at 6-digit level, is likely to be more representative.

- (223) The Commission noted that direct comparison between Brazil and China is only possible at the HS 6-digit level. In fact, despite Sanjia Group's claims that the 6-digit level is a broad statistical category, they proposed to use Malaysian import prices at the same 6-digit level. In addition, Sanjia Group failed to provide any evidence supporting their claim that the import price of defoaming agents in Brazil reflected the prices of defoaming agents not susceptible of being used in the production of pea protein.
- (224) Moreover, as per the data presented in Annex II to the Note, Brazil imported the largest volumes of defoaming agents from the rest of the world, second only to Türkiye. In fact, the price of imports from the rest of the world into Brazil was in line with that reported in Argentina and Colombia, contradicting Sanjia Group's claims that it is anomalously high and not representative. Therefore, the claim was rejected.

Pea Fiber

- (225) In the Note, the Commission indicated that it intended to use the import price of HS6 code 210690 'Other food preparations not elsewhere specified or included' in order to establish the benchmark for pea fibre.
- (226) The complainant noted that in accordance with the production process of pea protein, pea fibre is a co-product of pea protein and cannot be treated as a by-product when determining the factors of production used in the calculation of the normal value, as it would not reflect the economic reality of the joint production process.
- (227) The information contained in the Note is based on the information provided by the exporting producers in the questionnaire reply. The by-products reported do not always have consistent technical names or descriptions that are widely used across the board. In this case, the exporting producers had named this by-product 'pea fiber' in their reply, and the Commission included it under this name in the Note. The investigation revealed, however, that regardless of the name given to this specific by-product by the exporting producers, the most appropriate HS 6-digit code was 230250 'Bran, sharps and other residues, whether or not in the form of pellets, derived from the sifting, milling or other working of leguminous plants'. Moreover, as explained in recital (229), the Commission has decided to classify all by-products as 'Pea residue'. As a consequence, any mentions to 'Pea Fiber' were removed from the list of by-products.

By-Products

- (228) On its comments to the Note, the Complainant noted that it was unable to identify the by-products listed and their precise nature and asked the Commission for further clarifications. In particular the complainant referred to the following factors classified as by-products in the Note 'Half pea', 'Pea fiber residue', 'pea protein residue', 'pea residue', 'broken peas', and 'powdery broken peas'.
- (229) During the on-spot verifications at the premises of the exporting producers it was established that the by-products reported in fact corresponded to residue resulting from the screening process. These by-products were of a low quality and low value. Therefore, the Commission decided to classify all by products as Pea Residue and apply its benchmark to all by-products reported by the exporting producers.
- (230) In case of negligible quantities and values of a specific by-product, the Commission decided to include them in the consumables.

Labour

- (231) The Instituto Brasileiro de Geografia e Estatística publishes detailed information on wages in different economic sectors in Brazil. The Commission used the latest available statistics covering 2023 for average labour cost in the corresponding activity sector (manufacture of products of vegetable origin) ⁽¹¹⁸⁾ adjusted for inflation ⁽¹¹⁹⁾ and number of hours worked ⁽¹²⁰⁾.

⁽¹¹⁸⁾ Instituto Brasileiro de Geografia e Estatística: <https://www.ibge.gov.br/en/statistics/economic/industry-and-construction/16906-pia-enterprise-pia1.html?=&t=downloads>, see 10.69 – Moagem e fabricação de produtos de origem vegetal não especificados anteriormente.

⁽¹¹⁹⁾ World Bank Inflation Database: <https://www.worldbank.org/en/research/brief/inflation-database>.

⁽¹²⁰⁾ ILOStat: https://ilostat.ilo.org/data/?cat_mode=subject.

Electricity

- (232) The price of electricity for companies (industrial users) in Brazil is published by the Ministry of mining and energy of the country. The Commission used the data on the industrial electricity prices for 2024 as published on the ministry's website⁽¹²¹⁾. At the current stage of the investigation, information on electricity prices for 2025 is not yet available. If the prices are available for 2025, the Commission will update the data at the definitive stage.

Natural gas

- (233) The price of natural gas for industrial users in Brazil is published by the Ministry of mining and energy in its monthly bulletins on the Natural Gas industry⁽¹²²⁾. The Commission used the prices in the corresponding consumption band⁽¹²³⁾ during the IP.

Steam

- (234) The Commission derived the undistorted cost of steam from the undistorted cost of natural gas based on the price paid by industrial users in the investigation period as published in the monthly bulletins by the Ministry of mining and energy of Brazil⁽¹²⁴⁾.
- (235) The Commission calculated the cost of steam in Brazil using the methodology suggested by the U.S Department for Energy⁽¹²⁵⁾ and used by the Commission in phosphorous acid originating in the PRC investigation⁽¹²⁶⁾. This methodology provides a cost steam based on the heat input required to produce it. The Commission further added operational cost amounting to estimated 10 % of total cost of production of steam and SG&A cost and profit of a Brazilian natural gas producer and distributor, the company Petrobras⁽¹²⁷⁾.

Water

- (236) The Commission used the water tariff charged by Companhia de Saneamento Básico do Estado de São Paulo which is responsible for water supply, sewage collection and treatment in Sao Paolo. The information enables to identify tariffs for water and sewage collection applicable to industrial users in 2024 and is readily available⁽¹²⁸⁾.
- (237) On its comments to the Note, Sanjia Group expressed concern over the level of detail provided regarding the sources of information for the benchmarks on energy and labour and requested the Commission to disclose detailed information on the calculation of the benchmarks proposed.
- (238) The Commission reminded Sanjia Group that it is standard practice for the Commission to indicate the sources intended in the Note on the sources and provide the exact benchmark values only after having assessed the comments made by interested parties to the sources proposed in the Note, usually in a second note or in the provisional Regulation. In the present case, the Commission provided the benchmark for factors of production in recital (199) (Table 1).

⁽¹²¹⁾ Boletins Mensais de Energia – Ministerio de Minas e Energia: <https://www.gov.br/mme/pt-br/assuntos/secretarias/sntep/publicacoes/boletins-mensais-de-energia/boletins%20anos%20anteriores/2024/english>.

⁽¹²²⁾ Boletim Mensal de Acompanhamento da Industria de Gas Natural – Ministerio de Minas e Energia <https://www.gov.br/mme/pt-br/assuntos/secretarias/petroleo-gas-natural-e-biocombustiveis/publicacoes-1/boletim-mensal-de-acompanhamento-da-industria-de-gas-natural/2025>.

⁽¹²³⁾ Consumption range of 20 000 m³/day R\$.

⁽¹²⁴⁾ Boletins Mensais de Energia – Ministerio de Minas e Energia: <https://www.gov.br/mme/pt-br/assuntos/secretarias/sntep/publicacoes/boletins-mensais-de-energia/boletins%20anos%20anteriores/2024/english>.

⁽¹²⁵⁾ https://www.energy.gov/sites/prod/files/2014/05/f16/steam15_benchmark.pdf.

⁽¹²⁶⁾ Recitals 148-151 of the Commission Implementing Regulation (EU) 2025/2314 of 17 November 2025 imposing a provisional anti-dumping duty on imports of phosphorous acid originating in the People's Republic of China (OJ L, 2025/2314, 18.11.2025, ELI: http://data.europa.eu/eli/reg_impl/2025/2314/oj).

⁽¹²⁷⁾ SG&A and profit for Gas and Low Carbon Energies Segment of Petrobras. Financial data available at: <https://www.investidorpetrobras.com.br/en/results-and-announcements/results-center/>.

⁽¹²⁸⁾ <https://www.arsesp.sp.gov.br/LegislacaoArquivos/ldl15142024.pdf>.

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

- (239) 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.
- (240) The manufacturing overheads incurred by the cooperating exporting producers were expressed as a share of the costs of manufacturing actually incurred by the exporting producers. This percentage was applied to the undistorted costs of manufacturing.
- (241) The Commission informed the interested parties that it intended to use the audited financial data for 2024 and 2025 for Caramuru Alimentos S.A. as readily available in its website to establish an undistorted and reasonable amount for SG&A costs and profit. In the Note the Commission provided with the detailed calculation of the SG&A and profit margins during the investigation period from the quarterly reports of the company identified and asked parties to comment.
- (242) Sanjia Group alleged that the profit statement disclosed by the Commission was presented in a broad manner without specific details. As a result, they claimed that the interested parties were unable to understand what exactly is included in figures and asked the Commission to disclose a detailed breakdown of the data.
- (243) Furthermore, Sanjia Group noted that the SG&A margin of Caramuru Alimentos S.A., as reported in the Note, is likely to include transportation costs, and requested that these are deducted to ensure a fair comparison. Shuangta Group noted that the financial statements of Caramuru Alimentos S.A. contain specific information regarding the costs and expenses incurred by the company, allowing the Commission to better approximate the SG&A margin at ex-works level.
- (244) Shuangta Group referring to the Sinopec judgment ⁽¹²⁹⁾, further claimed that the General Court underscored the necessity of establishing normal value and export price at the same level of trade to ensure a fair and comparable analysis and requested the Commission to deduct sales commissions and export expenses from the SG&A costs. To this end, Shuangta alleged that these expenses can only be deducted from the export price if they are also deducted from the normal value; otherwise, there is a violation of the chapeau of Article 2(10) basic Regulation, which mandates making the comparison at the same level of trade.
- (245) Regarding the alleged lack of detailed financial information, as claimed by Sanjia Group, the Commission noted that the source identified in the Note, i.e. the audited financial accounts of Caramuru Alimentos S.A. offer a considerably level of detail, as demonstrated by the comments submitted by Shuangta Group identifying a detailed break-down of the costs included in the profit and loss statement of the company. Therefore, the claim was rejected.
- (246) On the requests to exclude certain expenses from the SG&A margin, the Commission acknowledged the need to adjust the export price and normal value to the same level of trade, and excluded transport, export expenses and sales commissions from the financial accounts used to calculate the SG&A and profit margins, as these expenses do not belong to the ex-works level of trade.
- (247) Moreover, upon further examination, the Commission noticed that in Annex III of the Note, it had erroneously included the account ‘profit/loss from Caramuru Alimentos S.A.’s subsidiaries’ in the calculation of SG&A costs. As the additional expenses breakdown brought up by Shuangta Group made evident, this account was unrelated to actual expenses incurred by Caramuru Alimentos S.A. and therefore it was removed from the calculation.

⁽¹²⁹⁾ Judgment of the Court of 21 February 2024, Sinopec Chongqing SVW Chemical Co. Ltd. and Others, Case T-762/20, paras. 126-127.

Calculation

- (248) 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.
- (249) First, the Commission established the undistorted manufacturing unit costs. The Commission applied the undistorted unit costs to the actual consumption of the individual factors of production of the cooperating exporting producers. These consumption rates were verified during the verification visit. The Commission multiplied the usage factors by the undistorted costs per unit observed in the representative country, as described in Section 3.2.3.1.
- (250) Then the Commission added manufacturing overheads, as explained in recital (240) to the undistorted cost of manufacturing in order to arrive at the undistorted costs of production.
- (251) To the costs of production established as described in the previous recital, the Commission applied SG&A costs and profit of Caramuru Alimentos S.A. SG&A costs expressed as a percentage of the Costs of Goods Sold ('COGS') and applied to the undistorted costs of production, amounted to 7,59 %. The profit expressed as a percentage of the COGS and applied to the undistorted costs of production, amounted to 10,22 %.
- (252) The Commission investigated Shuangta Group's ownership of yellow pea, a main raw material, but found inconsistencies in the company's documentation and accounting records, so that the ownership of the raw material could not be established with a reasonable degree of reliability. Having regard that the consumption reported by the company for the purposes of establishing the normal value relied on the costs of this raw material, the Commission determined that due to the inconsistencies in the documentation and the disproportionate allocation of costs between the main products and the PUI this method was not reliable.
- (253) As a result, the Commission rejected Shuangta Group's consumption of raw material allocation method based on costs reported in their accounting. The Commission relied on the total volume of clean pea purchased from the related company, but not the associated costs, which were deemed unreliable because of the distortion present in China and also due to inconsistencies in the company's documentation.
- (254) By letter of 9 February 2026 the Commission informed the company about the issues encountered related to the traceability and verification of raw material sourcing and the intention to disregard the company's method used to allocate the consumption of raw materials and apply facts available within the meaning of Article 18 of the basic Regulation.
- (255) In the response to this letter, Shuangta Group submitted comments on 17 February 2026. Firstly, the company raised that it has not received the mission report and therefore it was not able to fully respond to the issues described in the letter. The Commission considered that the company was in possession of all necessary information, in particular documents submitted in the course of the investigation to address the concerns of the Commission and provided the full mission report to the company on 19 February 2026.
- (256) Shuangta Group contested that the ownership of the raw materials could not be established reliably, and argued that, according to Chinese tax law, the payment of import duties and VAT by its related company transferred the ownership to them. Additionally, Shuangta Group argued that the cost allocation method was used historically by the company and therefore Commission is not entitled to reject this method. To support this argument, Shuangta Group referred to Article 2(5) of the basic Regulation and the WTO panel report in China – Anti-Dumping and Countervailing Duty Measures on Broiler Products from the United States ⁽¹³⁰⁾.

⁽¹³⁰⁾ China – Anti-Dumping and Countervailing Duty Measures on Broiler Products from the United States – Panel report pursuant to Article 21.5 of the DSU <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:WT/DS/427RW.pdf&Open=True>.

- (257) However, regarding the ownership of raw materials, Shuangta Group did not provide any evidence that would confirm their claim. Therefore, this claim was rejected. Likewise, the reference to the panel and Article 2(5) of the basic Regulation the Commission recalled that the Panel in its report underlined that there may be no single proper allocation of costs. The proper allocation of costs is one that is appropriate to the facts and circumstances of the producer and product in question⁽¹³¹⁾. As the Commission found that the records, even though historically used, do not reasonably reflect the costs associated with the production and sale, since the data on which the records' method relied was not accurate, the Commission could not rely on the accounting values and final costs of the clean pea. Thus, due to the lack of evidence of the yellow peas transferred to the related company their actual sales value could not be reliably established and therefore also the recorded costs of the semi-finished products, namely clean pea was considered unreliable. Therefore, the Commission rejected the cost allocation method using the value of the semi-finished products.
- (258) The Commission used therefore an alternative value-based method, allocating volume of the main raw material purchased by the company, namely clean pea, that could be verified and traceable as explained in recital (253), to the production of the product under investigation proportionally to the turnover of the finished products. To establish the cost of clean pea, the Commission used the benchmark of yellow pea adjusted to reflect the value of clean pea. The Commission therefore constructed the normal value based on the consumption of clean pea.
- (259) On that basis, the Commission constructed the normal value per product type on an ex-works basis in accordance with Article 2(6a)(a) of the basic Regulation.

3.3. Export price

- (260) The sampled exporting producers exported to the Union either directly to independent customers or through related traders in the PRC.
- (261) For exports of the product concerned directly to independent customers in the Union, the export price was the price actually paid or payable for the product concerned when sold for export to the Union, in accordance with Article 2(8) of the basic Regulation.

3.4. Comparison

- (262) 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 compared the normal value and the export price of the sampled exporting producers at the ex-works level. As further explained below, where appropriate, the normal value and the export price were adjusted in order to: (i) net them back to the ex-works level; and (ii) make allowances for differences in factors which were claimed, and demonstrated, to affect prices and price comparability.

3.4.1. Adjustments made to the normal value

- (263) As explained in recitals (248) to (259), 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.

3.4.2. Adjustments made to the export price

- (264) In order to net the export price back to the ex-works level of trade, adjustments were made on the account of: freight, insurance, handling loading and ancillary expenses.
- (265) Allowances were made for the following factors affecting prices and price comparability: credit cost, bank charges and commissions.

⁽¹³¹⁾ Para 7.39 let g. *ibidem*.

- (266) An adjustment was made for commissions under Article 2(10)(i) of the basic Regulation for Shuangta Group and Sanjia Group and their related traders. Both traders were responsible for relationship with clients, in particular maintaining and initiating contacts with the customers. The personnel of the related traders were also responsible for managing orders and transactions, organising transportation, freight, insurance for sales. Indeed, the companies concerned obtained a profit for their services and traded a broad array of goods other than the product concerned. The Commission therefore found that the traders were acting as agents working on commission basis. Considering the relation between the traders and the producers the Commission established the amount for commission based on the SG&A costs of the related traders and a notional profit of 6,89 %. Both groups carried out a significant percentage of direct sales via their own internal sales departments, as such, it was considered that the related traders did not act as an outsourced sales department.
- (267) The Commission relied on the actual SG&A costs reported by the related traders. With regard to profit, in the current proceeding none of the unrelated importers cooperated, therefore, the Commission relied provisionally on the profit considered reasonable in a previous investigation concerning imports of certain polyvinyl alcohols ('PVA') originating in China ⁽¹³²⁾. This profit was set at the level of 6,89 %. The Commission does not have any data from unrelated traders trading the same or similar product to the product under investigation. Therefore, the Commission resorted to the closest possible product to the PUI – lysine – which shares the same CN classification (under CN codes 2309 90 31 and 2309 90 96) and for which there is available data. Since lysine is classified as chemical product, in the investigation related to lysine the profit from unrelated trader used was the one coming from the PVA investigation. In the current situation this profit was considered as the most appropriate.

3.5. Dumping margins

- (268) 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.
- (269) On this basis, the provisional weighted average dumping margins expressed as a percentage of the cost, insurance and freight ('CIF') Union frontier price, duty unpaid, are as follows:

Company	Provisional dumping margins
Sanjia Group	40,5 %
Shuangta Group	67,4 %

- (270) In accordance with Article 9(6) of the basic Regulation, for the cooperating exporting producers outside the sample, the Commission should calculate a weighted average dumping margin based on the dumping margins established for the sampled exporting producers, however disregarding the margin established in the circumstances referred to in Article 18 of the basic Regulation. Therefore, in this case, the margin for the cooperating exporting producers outside the sample was established on the basis of the margin of the sampled exporting producer which dumping margin was established without the circumstances referred to in Article 18 of the basic Regulation.
- (271) On this basis, the provisional dumping margin of the cooperating exporting producers outside the sample is 40,5 %.
- (272) For all other exporting producers in the country concerned, 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 investigation period, that were established on the basis of the verified volumes of the two sampled producers, the submission of CFNA and the replies to the sampling forms from the other cooperating exporting producers as explained in detailed in recitals (278) to (284).

⁽¹³²⁾ Commission Implementing Regulation (EU) 2020/1336 of 25 September 2020 imposing definitive anti-dumping duties on imports of certain polyvinyl alcohols originating in the People's Republic of China (OJ L 315, 29.9.2020, ELI: http://data.europa.eu/eli/reg_impl/2020/1336/oj), rec. (352).

- (273) The level of cooperation in this case is high because the exports of the cooperating exporting producers constituted nearly the entire imports from the country concerned during the IP. On this basis, the Commission decided to establish the dumping margin for non-cooperating exporting producers at the level of the cooperating sampled individually examined company with the highest dumping margin.
- (274) The provisional dumping margins, expressed as a percentage of the CIF Union frontier price, duty unpaid, are as follows:

Company	Provisional dumping margin
Sanjia Group	40,5 %
Shuangta Group	67,4 %
Other cooperating companies	40,5 %
All other imports originating in country concerned	67,4 %

4. INJURY

4.1. Definition of the Union industry and Union production

- (275) The like product was manufactured by six producers in the Union during the investigation period. They constitute the 'Union industry' within the meaning of Article 4(1) of the basic Regulation.
- (276) The total Union production during the investigation period was established at around 40 800 tonnes. The Commission established the figure on the basis of all the available information concerning the Union industry as provided in the macro-questionnaire reply of the Ad Hoc Coalition of Union Pea Protein Producers, cross-checked against the questionnaire replies of the three sampled Union producers. As indicated in recital (26), the sampled Union producers represented more than 60 % of the total Union production of the like product.

4.2. Union consumption

- (277) The Commission established the Union consumption on the basis of (i) the verified sales volumes of the Union industry in the Union market reported in the reply to the macro questionnaire by the complainant, cross-checked with the verified sales volumes of the sampled Union producers; and (ii) imports of the product under investigation from all third countries established as described in recitals (283) and (284).
- (278) All the CN codes under which pea protein is classified for customs purposes in the Union include also other products so there are no available import statistics pertaining specifically to the product under investigation. In view of this, the Commission asked the complainant to provide an estimation for the period considered as part of the macro-questionnaire. For the same reason, the Commission sent requests for assistance under Article 6(3) of the basic Regulation to those Member States with the highest volume of imports for the CN codes under which the product under investigation can be classified.
- (279) CFNA claimed that the method used in the complaint to estimate the volume of imports from China into the Union was unreliable and the Commission should base its findings on the actual export data submitted by Chinese exporting producers. It provided export volumes for the exporting producers it represents.
- (280) Regarding the estimation of the volume of imports from China into the Union by the complainant, which used the same method as the complaint, there was no evidence why the volumes of imports into the Union can be equated with those in the US, either for pea protein or for other products included in the customs codes of the US product definition.

- (281) Regarding the request for assistance, the Commission asked Member States to provide the volume, value, origin, date of import and the declarant's description, in the customs declaration, of imports under HS headings and CN codes 2106 10 20, 2106 10 80, 2303 10 90, 2309 and 3504 00 90. However, the descriptions of the products provided did not allow the Commission to establish whether those imports were product under investigation or not for a majority of the imports under those codes.
- (282) The data submitted by CFNA included only its members' data and there might be other exporting producers. In any event, the Commission cross-checked CFNA's data against the sampling forms submitted by Chinese exporting producers and the verified data from the two sampled Chinese producers and the quantities were similar. The Commission therefore concluded that, absent any better information, and though there might be other exporting producers in China, the data could be used at this stage as the most accurate data available for the determination of the volume of imports from China into the Union.
- (283) Consequently, the Commission established the volume of imports from China into the Union on the basis of the verified volumes of the two sampled producers, the submission of CFNA and the sampling forms for other cooperating exporting producers.
- (284) The volume of imports from other third countries into the Union, absent any other information, was determined on the basis of the figures provided by the complainant, based on their knowledge of the market applied to official statistics.
- (285) Union consumption developed as follows:

Table 2

Union consumption (tonnes)

	2022	2023	2024	Investigation period
Total Union consumption	30 443	42 605	40 937	38 810
Index	100	140	134	127

Source: Verified reply to the macro questionnaire, verified replies to the sampled exporting producers' questionnaire and CFNA.

- (286) During the period considered, the Union consumption of pea protein increased overall by 27 %. The consumption increased by 40 % year-on-year from 2022 to 2023, decreased by 4 % in 2024 and further decreased by 5 % during the investigation period. The overall increase was driven by consumer preferences for plant-based diets and sustainable food options, as compared to other options like animal protein, across both human food and animal care sectors.

4.3. Imports from the country concerned

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

- (287) The Commission established the volume of imports and market shares at this stage on the basis of the verified volumes of the two sampled producers, the data submitted by CFNA and the sampling forms for other cooperating exporting producers as explained in recitals (277) to (283).

(288) Imports of pea protein from China into the Union developed as follows:

Table 3

Import quantity (tonnes) and market share

	2022	2023	2024	Investigation period
Quantity of imports from the PRC (tonnes)	9 291	20 558	16 440	11 454
<i>Index</i>	100	221	177	123
Market share %	31 %	48 %	40 %	30 %
<i>Index</i>	100	158	132	97

Source: Verified replies to the sampled exporting producers' questionnaires, sampling forms and CFNA.

(289) During the period considered, imports of pea protein from the PRC increased overall by 23 %. The imports surged by 121 % from 2022 to 2023 and then decreased by 20 % in 2024 and by 30 % during the investigation period on an annual basis.

(290) The market share of imports from the PRC developed accordingly, ranging from 31 % in 2022 to a peak of 48 % in 2023, and then declining to 40 % in 2024 and 30 % during the investigation period.

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

(291) Absent any other information on import prices from China, the Commission established them on the basis of the verified questionnaire replies of the two sampled Chinese exporting producers for the investigation period. For the years before the investigation period, the Commission established their prices at CIF level by applying to those years the difference between the export price reported by those producers in their questionnaire replies for the investigation period and the CIF price in the investigation period. These two exporting producers made up for over 70 % of the volume of Chinese exports to the Union for all years of the period considered. Consequently, their import prices were considered representative of the average import price of all imports from China.

(292) The weighted average price of imports into the Union from the country concerned developed as shown in Table 4 ⁽¹³³⁾.

Table 4

Import prices (EUR/tonne)

	2022	2023	2024	Investigation period
PRC	[2 654 - 3 015]	[1 985 - 2 372]	[1 749 - 2 112]	[2 237 - 2 699]
<i>Index</i>	100	70	66	83

Source: Verified replies of the sampled exporting producers.

⁽¹³³⁾ The import prices in this regulation are presented in ranges given that they come from only the two sampled Chinese exporting producers so that neither can reverse-engineer its competitor's data.

- (293) The price of imports from the PRC decreased between 2022 and 2023 from [2 654 – 3 015] EUR/tonne to [1 985 – 2 372] EUR/tonne. In 2024, the average import price further dropped to [1 749 – 2 112] EUR/tonne, followed by a rebound to [2 237 – 2 699] EUR/tonne. Overall, import prices from China decreased by 17 % in the period considered. These prices were significantly lower than the sales prices in the Union and the cost of production of the sampled Union producers throughout the period considered (see Table 8).
- (294) 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 exporting producers from China to the first independent customer on the Union market, established on a CIF basis, with appropriate adjustments for customs duties and post-importation costs.
- (295) 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 over 35 % by the imports from China on the Union market. Undercutting was found for 83 % of the imported volumes of the sampled companies.
- (296) In addition to price undercutting, there were also significant price depression and price suppression within the meaning of Article 3(3) of the basic Regulation. The average price of imports from China was below both, the selling price and the cost of production of the sampled Union producers throughout the period considered (see Table 4 in recital (292) and Table 8 in recital (316)). With the exception of 2022, when the Union industry was barely profitable, their sales prices remained below their cost of production (see Table 8 in recital (316)). Because of the price pressure caused by the volumes and low prices of imports from China, the Union industry had to lower its prices to a level that prevented it from obtaining reasonable profits.
- (297) These price effects found at macro level were further confirmed by findings at company level. The injury elimination levels were determined per product type, thus taking into account any potential differences between the product mix of Chinese imports and domestic sales of the Union industry. In the investigation period, the imports from the Chinese sampled exporting producers were underselling the domestic sales prices of the sampled Union producers by over 70 % to over 130 % depending on the product type (see Section 6.1).

4.5. Economic situation of the Union industry

4.5.1. General remarks

- (298) 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.
- (299) As mentioned in recital (25), sampling was used for the determination of possible injury suffered by the Union industry.
- (300) 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 macro questionnaire reply submitted by the complainant covering 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. Both sets of data were found to be representative of the economic situation of the Union industry.
- (301) 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.

- (302) 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

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

Table 5

Production, production capacity and capacity utilisation

	2022	2023	2024	Investigation period
Production quantity (tonnes)	50 152	41 738	41 740	40 802
<i>Index</i>	100	83	83	81
Production capacity (tonnes)	55 688	52 745	56 152	55 194
<i>Index</i>	100	95	101	99
Capacity utilisation	90 %	79 %	74 %	74 %
<i>Index</i>	100	88	83	82

Source: Verified reply to the macro questionnaire.

- (304) The production volume of the Union industry reduced significantly throughout the period considered. After an important decrease from about 50 100 tonnes in 2022 to about 41 700 tonnes in 2023, due partly to the closure of one production site, the production remained stable in 2024 to then decrease again by 2 % during the investigation period, resulting in an overall decrease of 19 % throughout the period considered. During the IP the production was around 40 800 tonnes.
- (305) During the period considered, the production capacity of the Union industry remained overall stable.
- (306) Capacity utilisation followed similar trends to production volume, first dropping from 90 % in 2022 to 79 % in 2023, then falling again in 2024 to 74 % of total capacity, and remaining stable during the investigation period at 74 %.

4.5.2.2. Sales quantity and market share

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

Table 6

Sales quantity and market share

	2022	2023	2024	Investigation period
Total sales quantity on the Union market (tonnes)	17 817	18 660	20 070	21 867
<i>Index</i>	100	105	113	123

	2022	2023	2024	Investigation period
Market share %	59 %	44 %	49 %	56 %
<i>Index</i>	100	75	84	96

Source: Verified reply to the macro questionnaire.

- (308) The Union industry's sales volume increased by 5 % between 2022 and 2023, then increased by 8 % in 2024 and finally increased by 9 % during the investigation period, resulting in an overall increase of 23 % throughout the period considered.
- (309) This growth is not reflected in the development of the market share, that overall decreased during the period considered while the Union consumption increased during the same period. Thus, market share of the Union industry fluctuated, from 59 % in 2022 to 44 % in 2023 and then increasing to 49 % in 2024 and 56 % during the investigation period. Overall, the market share of the Union industry decreased by 4 %.

4.5.2.3. Growth

- (310) Considering the decrease in market share of Union sales volumes, the Union industry was not able to fully benefit from the growing consumption on the Union market over the period considered.

4.5.2.4. Employment and productivity

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

Table 7

Employment and productivity

	2022	2023	2024	Investigation period
Number of employees	258	240	251	259
<i>Index</i>	100	93	97	100
Productivity (tonnes/ employee)	194	174	166	158
<i>Index</i>	100	89	86	81

Source: Verified reply to the macro questionnaire.

- (312) Employment remained overall stable during the period considered. It decreased by 7 % in 2023 and then increased by 5 % in 2024 and by 3 % during the investigation period.
- (313) The significant reduction of production volume combined with a stable number of employees resulted in a decrease of the productivity by 19 %, from 194 tonnes per employee in 2022 to 158 tonnes per employee during the investigation period.

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

- (314) All dumping margins were significantly above the de minimis level. The impact of the magnitude of the actual margins of dumping on the Union industry was substantial, given the volume and prices of imports from China.
- (315) 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

- (316) 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

	2022	2023	2024	Investigation period
Average unit sales price in the Union on the total market (EUR/ tonne)	4 432	4 607	3 896	3 818
<i>Index</i>	100	104	88	86
Unit cost of production (EUR/ tonne)	4 359	4 895	4 000	4 138
<i>Index</i>	100	112	92	95

Source: Verified replies to the sampled Union producers' questionnaire.

- (317) Sales prices first increased in 2023, by 4 % when compared to 2022. However, the sales price then decreased considerably, from 4 607 EUR/tonne in 2023 to 3 896 EUR/tonne in 2024, and to 3 818 EUR/tonne during the investigation period. Overall, sales prices of the Union producers dropped by 14 % throughout the period considered.
- (318) The unit cost of production increased by 12 % between 2022 and 2023, decreased by 18 % in 2024 and increased again by 3 % during the investigation period, resulting in an overall decrease of 5 %. The fluctuations were driven by the cost of raw materials (peas and chemicals) and energy prices. In 2023, the sampled Union producers faced significant cost increases, with raw material prices rising by 11 % and energy prices soaring by 72 %. These costs then dropped by 17 % and 31 % in 2024, respectively, before raw materials rebounded by 3 % while energy prices remained stable during the investigation period.

4.5.3.2. Labour costs

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

Table 9

Average labour costs per employee

	2022	2023	2024	Investigation period
Average labour costs per employee (EUR)	78 223	80 546	81 707	82 094
<i>Index</i>	100	103	104	105

Source: Verified replies to the sampled Union producers' questionnaire.

- (320) The average labour cost per employee increased by 5 % over the period considered.

4.5.3.3. Inventories

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

Table 10

Stocks

	2022	2023	2024	Investigation period
Closing stock (tonnes)	13 543	16 179	16 749	16 834
<i>Index</i>	100	119	124	124
Closing stock as a percentage of production	40 %	59 %	59 %	61 %
<i>Index</i>	100	148	148	154

Source: Verified replies to the sampled Union producers' questionnaire.

(322) The level of closing stocks of the Union industry overall increased by 24 % during the period considered, from about 13 500 tonnes in 2022 to about 16 800 tonnes during the investigation period. The closing stock grew by 19 % year-on-year from 2022 to 2023, further increased by 4 % in 2024 and remained stable during the investigation period. Overall, closing stock increased over the period considered when compared to production volumes, increasing from 40 % in 2022 to 59 % in 2023 and 2024, and then reaching 61 % during the investigation period.

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

(323) 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

	2022	2023	2024	Investigation period
Profitability of sales in the Union to unrelated customers (% of sales turnover)	1,6 %	- 6,3 %	- 2,7 %	- 8,4 %
Cash flow (EUR)	- 16 640 780	- 13 605 214	- 612 662	5 832 321
<i>Index</i>	- 100	- 82	- 4	35
Investments (EUR)	15 356 822	8 889 579	4 174 759	3 401 773
<i>Index</i>	100	58	27	22
Return on investments	- 10 %	- 17 %	- 12 %	- 12 %

Source: Verified replies to the sampled Union producers' questionnaire.

- (324) The Commission established the profitability of the sampled Union producers as the difference between the sales turnover on the Union market to unrelated parties and the cost of production, expressed as a percentage of the sales turnover. Except in 2022, when it barely broke even, the Union industry was loss-making throughout the period considered. Profitability was 1,6 % in 2022, dropped to - 6,3 % in 2023, it slightly improved in 2024 to - 2,7 %, before declining to - 8,4 % during the investigation period.
- (325) The net cash flow is the ability of the Union producers to self-finance their activities. The trend in net cash flow improved throughout the period considered, with the Union industry's cash flow increasing from EUR - 16 640 780 in 2022 to a smaller deficit of EUR 13 605 214 in 2023, and then narrowing further to EUR - 612 662 in 2024, before turning positive and reaching EUR 5 832 321 during the investigation period.
- (326) Investments declined overall by 78 % throughout the period considered. Investments first decreased by 42 % between 2022 and 2023, then dropped by 53 % in 2024 and finally decreased by an additional 18 % during the investigation period.
- (327) The return on investments is the profit in percentage of the net book value of investments. The return on investments decreased between 2022 and 2023, improved in 2024 and remained stable during the investigation period but lower than in 2022.
- (328) The sampled Union producers' ability to raise capital was affected by the negative profitability. One sampled Union producer reported that over the period considered, several capital expenditure projects were put on hold. Another sampled Union producer explained that while its overall ability to raise capital has not been fully impacted, this was due to diversification of its activities beyond the product under investigation.

4.6. Conclusion on injury

- (329) In terms of volumes, the Union industry could not fully benefit from an expanding market in the period considered. During this period production decreased by 19 %, with a similar drop in capacity utilisation. Employment and capacity remained constant despite the increase in demand. Union sales in volume increased but at a slower pace than consumption. Consequently, the market share of the Union industry decreased from 59 % in 2022 to 56 % in the investigation period.
- (330) Despite the increase in sales volume, the sales price of the Union industry decreased by 14 % during the period considered. The Union industry could not achieve sustainable levels of profitability in any year of the period considered. It was barely breaking even in 2022, and from 2023 onwards it could not raise prices in the Union to levels high enough to even recover its costs. As a result, the Union industry, which was slightly profitable in 2022 (1,6 %) became loss making (- 6,3 % in 2023, - 2,7 % in 2024 and - 8,4 % in the investigation period).
- (331) Throughout the entire period considered, the Union industry could not sell pea protein in the Union at prices that would ensure viable profitability levels necessary to cover its costs of production and exploit the growth in the Union market, for example by making new investments for expansion. Indeed, in this situation, investments decreased, steadily, by 78 % throughout the period considered, capacity and employment remained constant, and the stocks of the Union industry increased by 24 %, showing that the Union industry could not grow with the growing market.
- (332) 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

- (333) 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 were: the imports from other third countries, the export performance of the Union industry, the evolution of the Union consumption and the evolution of the cost of production due to increases in raw material and energy costs.

5.1. Effects of the dumped imports

- (334) The volume of dumped imports from China increased by 23 % during the period considered, from 9 291 tonnes in 2022 to 11 454 tonnes in the investigation period. This increase was not steady: imports more than doubled from 2022 to 2023, surging from 9 291 tonnes to 20 500 tonnes, a year-on-year increase of 121 %, to then decrease by 20 % year-on-year to 16 440 tonnes in 2024 and by 30 % year-on-year to 11 454 tonnes in the investigation period. The market share of imports from China decreased from 31 % in 2022 to 30 % in the investigation period. In 2023 and 2024, the market shares of Chinese imports were 48,3 % and 40,2 %.
- (335) The increase in Chinese imports into the Union was due to the fact that they were dumped, low priced imports that undercut the prices of the Union industry by 35 % in the investigation period as established in recital (295). In addition to the findings of undercutting during the investigation period, the average import prices from China decreased by 17 % over the period considered and were lower than those of the Union industry in all years of the period considered.
- (336) In terms of volumes, up until the investigation period, the Union industry could not benefit from the increasing consumption. On the other hand, from 2022 to 2024 Chinese imports increased by 77 %, significantly outpacing both the 34 % increase in consumption and the 13 % increase of Union sales. In this period, the gains in market share by the dumped imports were at the expense of the Union industry. This was also evidenced by the 24 % increase in the stocks of the Union industry from 2022 to the investigation period. Although the Union industry recovered market share in the investigation period compared to 2024 due a drop in Chinese imports, this was at the expense of its profitability as explained in recital (337).
- (337) In terms of prices, the deterioration of the financial situation of the Union industry was due to the price pressure from the dumped imports, which forced the Union industry to decrease its prices by 14 % during the period considered. The prices of Chinese imports into the Union were also consistently below the cost of production of the Union industry throughout the period considered, with a peak in the difference between both in 2023, the year in which Chinese imports became the dominant force in the Union market, with a market share of 48 %. Faced with such low, dumped prices, the Union industry was never in a position to make reasonable profits throughout the period considered and, to avoid further losing market shares, had to decrease its prices below its cost of production and sell at a loss from 2023 until the end of the investigation period.
- (338) It follows from the above that the dumped imports from China led to lost sales by the Union industry and prevented the Union industry from reaching reasonable levels of profit throughout the period considered. The significant share of imports from the People's Republic of China at such low, dumped prices caused injury to the Union industry in all years of the period considered, and its financial situation deteriorated significantly. The Commission therefore concluded that there is a causal link between the dumped imports from the PRC and the injury suffered by the Union industry.

5.2. Effects of other factors

5.2.1. Imports from third countries

- (339) The imports from third countries were established following the methodology described in recital (284).
- (340) The quantity and prices of imports from other third countries developed over the period considered as follows:

Table 12

Imports from third countries

Country		2022	2023	2024	Investigation period
United States of America	Quantity (tonnes)	1 873	1 675	2 713	3 402
	<i>Index</i>	100	89	145	182
	Market share	6 %	4 %	7 %	9 %
	Average price (EUR/tonne)	12 369	19 497	13 206	13 837
	<i>Index</i>	100	158	107	112

Country		2022	2023	2024	Investigation period
India	Quantity (tonne)	738	1 323	1 370	1 045
	<i>Index</i>	100	179	186	142
	Market share	2 %	3 %	3 %	3 %
	Average price (EUR/tonne)	3 792	4 123	3 778	5 249
	<i>Index</i>	100	109	100	138
Australia	Quantity (tonne)	42	115	39	786
	<i>Index</i>	100	276	94	1 883
	Market share	0,1 %	0,2 %	0,1 %	2 %
	Average price (EUR/tonne)	6 533	5 868	12 395	9 360
	<i>Index</i>	100	90	190	143
Canada	Quantity (tonne)	682	275	304	256
	<i>Index</i>	100	40	45	38
	Market share	2 %	1 %	1 %	1 %
	Average price (EUR/tonne)	3 566	8 386	11 188	11 383
	<i>Index</i>	100	235	314	319
Total of all third countries except the PRC	Quantity (tonne)	3 334	3 388	4 426	5 489
	<i>Index</i>	100	102	133	165
	Market share	11 %	8 %	11 %	14 %
	Average price	8 598	12 129	10 142	11 446
	<i>Index</i>	100	141	118	133

Source: Verified reply to the macro questionnaire.

- (341) The volume of imports of pea protein from third countries other than China remained at relatively low levels over the entire period considered. In terms of market share, no third country exceeded 9 %, while collectively all third countries remained consistently at levels below 15 %, which is less than half of the market share of Chinese imports at any point in time during the period considered.
- (342) Moreover, the average price of imports from all third countries other than China was, in aggregate, significantly above the Union sales prices on average. Individually, only the average import price from India was slightly below the Union sales price in 2022, 2023 and 2024 but it was considerably higher than the average import price from China for these years, while the quantities were very small.
- (343) The Commission therefore concluded at this stage that imports from other countries have not contributed to the injury suffered by the Union industry.

5.2.2. *Export performance of the Union industry*

- (344) The Commission assessed the export volume based on the information submitted by the complainant for the whole Union industry. Export prices to unrelated parties were based on the verified questionnaire replies of the sampled Union producers.
- (345) The volume of exports of the Union industry developed over the period considered as follows:

Table 13

Export performance of the Union industry

	2022	2023	2024	Investigation period
Export volume (tonnes)	27 468	18 799	21 314	22 161
<i>Index</i>	100	68	78	81
Average price to unrelated parties (EUR/tonne)	4 271	3 562	3 988	4 039
<i>Index</i>	100	83	93	95

Source: Verified reply to the macro questionnaire (export volume) and verified replies to the sampled Union producers' questionnaire (export prices).

- (346) The export quantity of the Union industry overall decreased by 19 % throughout the period considered. The volumes decreased by 32 % year-on-year from 2022 to 2023, rebounded by 13 % in 2024 and further increased by 4 % during the investigation period. The export prices to unrelated customers of the sampled Union producers overall decreased by 5 % in the period considered. In 2024 and the investigation period, these prices were above their sales prices in the Union.
- (347) The Union industry is to a significant degree export oriented, with exports making up for more than half its sales in the period considered and with the US being its main export market ⁽¹³⁴⁾. In 2023 and 2024, the US authorities conducted anti-dumping and countervailing investigations, which found that pea protein imports from China were being unfairly dumped and subsidised, causing injury to the US domestic industry. This suggests that the initial decline in the export performance of the sampled Union producers may have been caused by Chinese dumped and subsidised imports into the US market with which they competed in that market, and the recovery attributed to the measures imposed by the US authorities.
- (348) On this basis, given their volumes and prices, the Commission provisionally concluded that the export performance of the Union industry contributed to the injury suffered by the Union industry. However, the export prices of the Union industry showed a positive trend as of 2023, while the prices of the Union industry on the Union market showed a negative trend as of 2023. Export prices of the Union industry were also above the average prices in the Union as of 2024. Therefore the Commission concluded that the export performance of the Union industry did not attenuate the causal link between the material injury suffered by the Union industry in the Union market, where the presence of the dumped Chinese imports gained market share at the expense of the Union industry at the beginning of the period considered and forced the Union industry to lower its prices throughout the period considered, leading it to a loss-making situation.

⁽¹³⁴⁾ Complaint, paragraph 280.

5.2.3. *Evolution of consumption*

- (349) As described in recital (286), the Union consumption of pea protein increased overall by 27 % during the period considered. Therefore, it could not have contributed to the material injury suffered by the Union industry. On the contrary, if dumped Chinese exports in significant volumes had not been present on the Union market, this positive development of the Union consumption would have offered an opportunity for growth to the Union industry.

5.2.4. *Evolution of the cost of production due to increases in raw material and energy costs.*

- (350) In its comments on initiation, CFNA claimed that the injury was caused by an increase in costs due to (i) increases in the cost of energy; and (ii) increases in the cost of peas, the main raw material, caused by the ad valorem custom duty of 50 % on imports from Russia and Belarus imposed by the EU in 2024 ⁽¹³⁵⁾ that allegedly drove upwards the prices of peas in the Union.
- (351) Peas represented around 30 % of the sampled Union producers' cost, while energy represented between 11 % and 16 % depending on the year. Regarding energy costs, based on the verified information from the sampled Union producers, there was indeed an increase of 72 % from 2022 to 2023, before it decreased again in 2024 and the investigation period. Overall, energy costs increased by 19 % over the period considered. Regarding peas, their cost fluctuated, but it decreased overall by 5 % in the period considered. Moreover, the cost of peas decreased by 18 % between 2023 and 2024, the year in which the duty of 50 % on imports from Russia and Belarus entered into force. Overall, as described in recital (318), the cost of production of the Union industry decreased by 5 % over the period considered.
- (352) Therefore, the increases in the cost of energy and peas during some years of the period considered could not have contributed to the material injury suffered by the Union industry. Also, absent the significant price pressure from dumped imports throughout the period considered, the Union industry could have passed these cost increases to their customers.

5.3. **Conclusion on causation**

- (353) The Commission established a causal link between the injury suffered by the Union industry and the dumped imports from China. The increase of dumped imports coincided with a decrease of the Union industry's market share in the Union market and most of the growing demand in the Union was taken up by the imports from China, despite a drop of imports in the investigation period with the consequent recovery of market share by the Union industry. The increase of imports from China was possible because of low, dumped prices that were below the cost of production of the Union industry, significantly undercut the Union industry sales prices in the Union market and prevented the Union industry from setting prices at sustainable levels necessary to achieve reasonable profit margins.
- (354) The Commission distinguished and separated the effects of all known factors on the situation of the Union industry from the injurious effects of the dumped imports from China. While the export performance of the Union industry contributed to the material injury suffered by the Union industry, it did not attenuate the causal link between the dumped imports and the material injury found. Regarding imports from other third countries, the evolution of Union consumption and the evolution of the Union industry's cost of production the Commission concluded that these factors did not cause any injury to the Union industry.
- (355) On the basis of the above, the Commission concluded at this stage that the dumped imports from the People's Republic of China caused material injury to the Union industry and that the other factors, considered individually or collectively, did not attenuate the causal link between the dumped imports and the material injury.

⁽¹³⁵⁾ Council Regulation (EU) 2024/1652 of 30 May 2024 amending Annex I to Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff (OJ L, 2024/1652, 10.6.2024. ELI: <http://data.europa.eu/eli/reg/2024/1652/oj>).

6. LEVEL OF MEASURES

- (356) 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.
- (357) In their questionnaire replies, the sampled Union producers and the Ad Hoc Coalition of Union Pea Protein Producers claimed that there were elements in the present case which support the removal of the lesser duty rule under Article 7(2a) of the basic Regulation. Concretely, they claimed that peas, that make up for more than 17 % of the cost of production of pea protein, are subject to a value added tax (VAT) refund reduction or withdrawal in China. However, none of these parties provided any evidence that the Chinese price of peas is lower than the price in representative international markets, as required by the basic Regulation. Therefore, the Commission dismissed the claim.

6.1. Injury margin

- (358) 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.
- (359) In accordance with Article 7(2c) of the basic Regulation, for establishing the target profit, the Commission took into account the following factors: the level of profitability before the increase of imports from China, 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 %.
- (360) As a first step, the Commission established a basic profit covering full costs under normal conditions of competition.
- (361) As shown in Tables 3, 4 and 8, the Union industry was loss-making or barely breaking even throughout the period considered, while the presence of imports from China was already significant in 2022 and its imports prices were constantly below those of the Union industry. None of these years would therefore qualify for providing a target profit in line with Article 7(2c) of the basic Regulation.
- (362) One of the three sampled Union producers did not provide any information regarding the adequate level for the target profit. The other two sampled Union producers provided data covering the seven years prior to the period considered.
- (363) To determine the volume of Chinese imports into the Union during these seven years as opposed to the period considered, and in the absence of precise statistics for the reasons explained in recital (278), the Commission used Chinese export data to the Union for customs code 2106 10 00, 'Protein Concentrates & Textured Protein Substances', from Global Trade Atlas. While this code also includes products other than pea protein, the Commission considered that the evolution of the exports under this code constituted an appropriate indicator of the import penetration of Chinese pea protein in the Union. In addition, according to CFNA, and as confirmed by the information provided in the questionnaire replies of the two sampled exporting producers, during the period considered, Chinese producers exported the product under investigation from China to the Union only under this code. The year with the lowest volume in which both companies that provided data were profitable was 2017. In 2017, Chinese exports to the Union under customs code 2106 10 00 amounted to 12 025 tonnes, much lower than exports under the same code for any year of the period considered and than the annual average of the period considered for exports under the same code, that was 38 617 tonnes per year. The Commission therefore concluded that year 2017 could be used for the determination of the target profit.
- (364) The Commission then established the target profit by averaging the profit figures reported by the two sampled Union producers in year 2017. This resulted in a basic target profit of [9,5 – 10,5] % ⁽¹³⁶⁾.

⁽¹³⁶⁾ The figure is given in ranges as it comes from only two sampled Union producers so that neither can reverse-engineer its competitor's data.

- (365) The Union industry provided evidence that its level of investments, research and development (R&D) and innovation during the period considered would have been higher under normal conditions of competition. The Commission verified this information based on investment plans which were to be implemented in the period considered but were cancelled or postponed and found these claims warranted. 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 1,55 %, which was added to the basic target profit. As a result, the target profit was [11 – 12] %.
- (366) On this basis, the non-injurious price is between around 3 000 and 5 500 EUR per tonne, depending on the product type, resulting from applying the above-mentioned profit margin of [11 – 12] % to the cost of production during the IP of the sampled Union producers.
- (367) 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) of the basic Regulation. Based on the evidence available, the Commission established an additional cost of 300 EUR per tonne, from which it deducted the actual cost of compliance with such conventions during the IP, namely 265 EUR per tonne, leading to a result of 35 EUR per tonne. This difference was added to the non-injurious price mentioned in recital (366).
- (368) On this basis, the Commission calculated a non-injurious price of between 3 035 and 5 535 per tonne, depending on the product type, for the like product of the Union industry by applying the target profit margin of [11 – 12] % to the cost of production of the sampled Union producers during the investigation period and then adding the adjustments under Article 7(2d).
- (369) 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.
- (370) 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 (see recitals (268) to (273)).

Country	Company	Dumping margin (%)	Injury margin (%)
People's Republic of China	Sanjia Group	40,5	81,9
	Shuangta Group	67,4	130,8
	Other cooperating companies	40,5	81,9
	All other imports originating in the People's Republic of China	67,4	130,8

6.2. Conclusion on the level of measures

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

Country	Company	Provisional anti-dumping duty
People's Republic of China	Sanjia Group	40,5 %
	Shuangta Group	67,4 %
	Other cooperating companies	40,5 %
	All other imports originating in the People's Republic of China	67,4 %

7. UNION INTEREST

(372) 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 appreciation of all the various interests involved, including those of the Union industry, upstream suppliers, importers and users.

7.1. Interest of the Union industry

(373) There are six companies producing pea protein in the Union, employing about 259 staff (FTE). The producers are located in Belgium, France, Germany and Spain. None of the producers opposed to the initiation of the investigation.

(374) The investigation has shown that the Union industry is suffering material injury due to the dumped imports from the People's Republic of China. As concluded in Sections 4 and 5, the situation of the whole Union industry deteriorated as a result of the dumped imports from China.

(375) Imposing measures would allow to restore fair trade conditions in the Union market and the Union industry to benefit from it and increase its prices and therefore improve its profitability towards a sustainable level and to recover. The Union industry would also be able to resume its investments in innovations and increase its production and the capacity utilisation which would further positively impact its performance.

(376) The non-imposition of measures would worsen the already materially injured situation of the Union industry in terms of lower production volume and capacity utilisation and further financial deterioration of its economic situation in terms of profitability and investments. These circumstances would threaten the viability of the Union industry.

(377) The Commission therefore concluded at this stage that the imposition of provisional measures would be in the interest of the Union industry.

7.2. Interest of upstream suppliers

(378) Beyond the direct employment, the pea protein industry also relied on a comprehensive network of upstream suppliers of the raw materials necessary for the production of the pea protein, notably peas and chemicals. The complainant explained that the Union pea protein industry provides commercial opportunities to pea growers and farmers ⁽¹³⁷⁾, as all the peas used by the three sampled Union producers are sourced from within the Union.

(379) One chemical distributor located in Spain, Quimidroga S.A., supported the investigation and the imposition of anti-dumping measures on imports of pea protein originating in China. This company claimed that in the last five years it has lost many customers due to Chinese competition and argued that the hypothetical disappearance of the Union production would leave the market undersupplied and unable to cover the growing demand for pea protein. The company further explained that the agricultural sector is strategic and cannot be relocated, both for supply chain and geostrategic reasons.

(380) In the absence of additional information available to the Commission, based on the above, the Commission concluded at this stage that the imposition of provisional anti-dumping duties would also be in the interest of pea protein suppliers in the Union.

7.3. Interest of unrelated importers

(381) On the date of initiation, 27 importers were contacted and invited to cooperate in the investigation. One importer registered as interested party but did not provide any questionnaire reply. Consequently, no unrelated importer cooperated during the investigation.

(382) In the absence of cooperation from unrelated importers, the Commission was not able to determine the precise impact of anti-dumping duties on their business.

⁽¹³⁷⁾ Complaint, paragraph 316.

- (383) While the anti-dumping measures are likely to have a certain negative impact on importers, the Commission considered that importers will be able to absorb and/or pass on some of the cost increase caused by the duty to their customers.
- (384) Therefore, the Commission concluded at this stage that unrelated importers would not be disproportionately affected by the imposition of the measures.

7.4. Interest of users

- (385) As explained in recital (44), pea protein serves as an ingredient for the manufacture of food and drink for humans, and in pet food, feed specialties and aquafeed applications. On the date of initiation, the Commission contacted several companies manufacturing some of those products. No cooperation was obtained.
- (386) Therefore, the Commission has no information regarding the potential impact of the anti-dumping measures on users. However, the investigation has shown that the Union pea protein industry has significant spare capacity. The objective of imposition of measures is to restore fair trade and not to prevent Chinese exports to enter the Union market. In addition, there are also other sources than China of pea protein exports for the Union market. Therefore, supply shortages are unlikely.
- (387) The Commission considered that pea protein represented a very small share of the consumer shopping basket. Any impact from the imposition of anti-dumping duties on the financial situation of an average consumer is likely to be negligible.
- (388) Therefore, on the basis of the information available at this stage, the Commission concluded that users would not be disproportionately affected by the imposition of the measures.

7.5. Conclusion on Union interest

- (389) The imposition of anti-dumping measures would address the price pressure in the Union market caused by dumped imports from China and enable the Union industry to increase its prices to sustainable levels. This would have a positive impact on its profitability and enable the industry to defend its market position and invest in research to develop new product types. By contrast, the non-imposition of measures would lead to a rapid further deterioration of the Union industry's profitability and would ultimately not allow it to develop, which might lead to further losses in market share, bigger financial losses and possible closure of factories.
- (390) At the same time, the investigation did not reveal that measures would have disproportionate negative effects on importers and users, while it would be in the interest of suppliers.
- (391) 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 pea protein originating in China at this stage of the investigation.

8. PROVISIONAL ANTI-DUMPING MEASURES

- (392) 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.
- (393) Provisional anti-dumping measures should be imposed on imports of pea protein originating in China, in accordance with the lesser duty rule in Article 7(2) of the basic Regulation. The Commission compared the injury margins and the dumping margins set in recital (370). The amount of the duties was set at the level of the lower of the dumping and the injury margins.
- (394) 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	Sanjia Group	40,5 %
	Shuangta Group	67,4 %
	Other cooperating companies	40,5 %
	All other imports originating in country concerned	67,4 %

- (395) The individual company anti-dumping duty rates specified in this Regulation were established on the basis of the findings of this investigation. Therefore, they reflect the situation found during this investigation with respect to these companies. These duty rates are exclusively applicable to imports of the product concerned originating in the country 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 imports originating in the People's Republic of China'. They should not be subject to any of the individual anti-dumping duty rates.
- (396) 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 the People's Republic of China'.
- (397) 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.
- (398) Should the exports by one of the companies benefiting from lower individual duty rates increase significantly in volume after the imposition of the measures concerned, such an increase in volume could be considered as constituting in itself a change in the pattern of trade due to the imposition of measures within the meaning of Article 13(1) of the basic Regulation. In such circumstances and provided the conditions are met an anti-circumvention investigation may be initiated. This investigation may, inter alia, examine the need for the removal of individual duty rate(s) and the consequent imposition of a country-wide duty.

9. REGISTRATION

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

10. INFORMATION AT PROVISIONAL STAGE

- (402) 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.
- (403) Shuangta group provided comments on the calculations. In view of these comments, the Commission revised its dumping calculation for Shuangta group. Other comments from Shuangta group referred to the methodology used to calculate the dumping margin. Since these comments did not directly concern the accuracy of the calculations, they will be addressed, where appropriate, at the definitive stage of the investigation. No other interested parties provided comments.

11. FINAL PROVISIONS

- (404) 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.
- (405) 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 protein content pea protein, which contains more than 65 percent protein on a dry weight basis, encompassing all types of pea protein derived from peas (including, but not limited to, yellow field peas and green field peas), in all physical forms (including solid (e.g. powder) and liquid (solution) forms), whether textured or not, currently falling under the following CN and TARIC codes and the TARIC additional codes listed in paragraph 2 and in the Annex to this Regulation:

ex 3504 00 90 (TARIC code 3504 00 90 91),

ex 2106 10 20 (TARIC code 2106 10 20 40),

ex 2106 10 80 (TARIC codes 2106 10 80 31, 2106 10 80 39 and 2106 10 80 71),

ex 2106 90 92 (TARIC code 2106 90 92 75),

ex 2303 10 90 (TARIC code 2303 10 90 10),

ex 2309 10 11, ex 2309 10 13, ex 2309 10 15, ex 2309 10 19, ex 2309 10 31, ex 2309 10 33, ex 2309 10 39, ex 2309 10 51, ex 2309 10 53, ex 2309 10 59, ex 2309 10 70, ex 2309 10 90, ex 2309 90 10, and ex 2309 90 20,

ex 2309 90 31 (TARIC codes 2309 90 31 12, 2309 90 31 14, 2309 90 31 17, 2309 90 31 19, 2309 90 31 30, 2309 90 31 81 and 2309 90 31 91),

ex 2309 90 33, ex 2309 90 35, ex 2309 90 39, ex 2309 90 41, ex 2309 90 43, ex 2309 90 49, ex 2309 90 51, ex 2309 90 53, ex 2309 90 59, ex 2309 90 70, and ex 2309 90 91,

ex 2309 90 96 (TARIC codes 2309 90 96 31, 2309 90 96 39, 2309 90 96 91 and 2309 90 96 95),

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
People's Republic of China	Sanjia Group: — Jiujiang Tiantai Food Co., Ltd. — Yantai Oriental Protein Tech Co., Ltd	40,5 %	88BQ
	Yantai Shuangta Food Co. Ltd.	67,4 %	88BR
	Other cooperating companies listed in Annex	40,5 %	See Annex
	All other imports originating in the People's Republic of China	67,4 %	88ZZ

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 tonnes) of pea protein sold for export to the European Union covered by this invoice was manufactured by (company name and address) (TARIC additional code) in the People's Republic of China. 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. 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 of Implementing Regulation (EU) 2025/2144.
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, 27 April 2026.

For the Commission
The President
Ursula VON DER LEYEN

ANNEX

Other cooperating exporting producers not sampled

Country	Name	TARIC additional code
People's Republic of China	Anhui Wanshen Biotechnology Co., Ltd.	88BS
	Jianyuan Group: — HENGYUAN BIOTECHNOLOGY CO., LTD., — JIANYUAN INTERNATIONAL CO., LTD.	88BT
	Linyi Yuwang Vegetable Protein Co., Ltd.	88BU
	SHANDONG FURUN BIOTECHNOLOGY CO., LTD	88BV
	SHANDONG HUA-THAI FOODPRODUCTS CO., LTD.	88BW
	Shandong Jindu Talin Foods Co.,Ltd.	88BX
	YANTAI T.FULL BIOTECH CO.,LTD.	88BY
	Yasin Biotechnology (Yantai) Co., Ltd.	88BZ
	ZHAOYUAN XIRIBEN FOOD STUFF CO., LTD	88CA