



COMMISSION IMPLEMENTING REGULATION (EU) 2025/698

of 10 April 2025

extending the definitive anti-dumping duty imposed by Implementing Regulation (EU) 2021/633 on imports of monosodium glutamate originating in the People's Republic of China to imports of monosodium glutamate consigned from Malaysia, whether declared as originating in Malaysia or not

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 13 thereof,

Whereas:

1. PROCEDURE

1.1. Existing measures

- (1) In December 2008, the Council of the European Union imposed a definitive anti-dumping duty on imports of monosodium glutamate ('MSG') originating in the People's Republic of China ('the PRC' or 'China') by Council Regulation (EC) No 1187/2008 ⁽²⁾. The anti-dumping duties in force range between 36,5 % and 39,7 % for imports originating in the PRC. The investigation that led to these duties was initiated in September 2007 ('the original investigation') ⁽³⁾.
- (2) In January 2015, following an expiry review in accordance with Article 11(2) of the basic Regulation, the European Commission ('the Commission') extended the existing measures by Commission Implementing Regulation (EU) 2015/83 ⁽⁴⁾.
- (3) In October 2020, following an anti-circumvention investigation, the existing measures were extended to imports into the Union of monosodium glutamate in mixture or in solution, containing by dry weight 50 % or more of monosodium glutamate, originating in the PRC, by Commission Implementing Regulation (EU) 2020/1427 ⁽⁵⁾.
- (4) In April 2021, following an expiry review, the Commission again extended the existing measures by Commission Implementing Regulation (EU) 2021/633 ⁽⁶⁾.

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

⁽²⁾ Council Regulation (EC) No 1187/2008 of 27 November 2008 imposing a definitive anti-dumping duty and collecting definitively the provisional duty imposed on imports of monosodium glutamate originating in the People's Republic of China (OJ L 322, 2.12.2008, p. 1. ELI: <http://data.europa.eu/eli/reg/2008/1187/oj>).

⁽³⁾ Notice of initiation of an anti-dumping proceeding concerning imports of monosodium glutamate originating in the People's Republic of China (OJ C 206, 5.9.2007, p. 20).

⁽⁴⁾ Commission Implementing Regulation (EU) 2015/83 of 21 January 2015 imposing a definitive anti-dumping duty on imports of monosodium glutamate originating in the People's Republic of China following an expiry review pursuant to Article 11(2) of Council Regulation (EC) No 1225/2009 (OJ L 15, 22.1.2015, p. 31. ELI: http://data.europa.eu/eli/reg_impl/2015/83/oj).

⁽⁵⁾ Commission Implementing Regulation (EU) 2020/1427 of 12 October 2020 extending the definitive anti-dumping duty imposed by Implementing Regulation (EU) 2015/83 on imports of monosodium glutamate originating in the People's Republic of China to imports of monosodium glutamate in mixture or in solution originating in the People's Republic of China (OJ L 336, 13.10.2020, p. 1. ELI: http://data.europa.eu/eli/reg_impl/2020/1427/oj).

⁽⁶⁾ Commission Implementing Regulation (EU) 2021/633 of 14 April 2021 imposing a definitive anti-dumping duty on imports of monosodium glutamate originating in the People's Republic of China and in Indonesia following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council (OJ L 132, 19.4.2021, p. 63. ELI: http://data.europa.eu/eli/reg_impl/2021/633/oj).

1.2. Request

- (5) On 6 June 2024, the Commission received a request pursuant to Articles 13(3) and 14(5) of the basic Regulation to investigate the possible circumvention of the anti-dumping measures imposed on imports of MSG originating in China by imports of MSG consigned from Malaysia, whether declared as originating in Malaysia or not, and to make such imports subject to registration ('the request').
- (6) The request was lodged by Ajinomoto Foods Europe, the sole producer of MSG in the Union ('the applicant').
- (7) The request contained sufficient evidence of a change in the pattern of trade involving exports from China and Malaysia to the Union that had taken place following the imposition of measures on MSG originating in China.
- (8) Moreover, the request provided evidence showing that this change appeared to stem from a practice, process or work for which there was insufficient due cause or economic justification other than the extension of the duty, namely the transshipment of the product concerned via Malaysia to the Union. To the extent that there is any processing of input materials into MSG in Malaysia, the request alleged that such processing would amount to a mere assembly/completion operation that should be considered to circumvent the measures in force within the meaning of Article 13(2) of the basic Regulation.
- (9) Furthermore, the request contained sufficient evidence showing that the practice, process or work was undermining the remedial effects of the existing anti-dumping measures in terms of quantities and prices. Significant volumes of imports of the product under investigation appeared to have entered the Union market. In addition, there was sufficient evidence that such imports of MSG were made at injurious prices.
- (10) Finally, the request contained sufficient evidence that MSG consigned from Malaysia was exported at dumped prices in relation to the normal value previously established for MSG originating in China.

1.3. Product concerned and product under investigation

- (11) The product concerned by the possible circumvention is monosodium glutamate, currently classified under CN code ex 2922 42 00 (TARIC code 2922 42 00 20) and originating in the PRC ('the product concerned'). This is the product to which the measures that are currently in force apply.
- (12) The product under investigation is the same as the product concerned, currently falling under CN code ex 2922 42 00 but consigned from Malaysia, whether declared as originating in Malaysia or not (TARIC code 2922 42 00 15) ('the product under investigation').
- (13) The investigation showed that MSG exported from China to the Union and MSG consigned from Malaysia, whether originating in Malaysia or not, have the same basic physical and chemical characteristics and have the same uses, and are therefore considered as like products within the meaning of Article 1(4) of the basic Regulation.

1.4. Initiation

- (14) Having determined, after having informed the Member States, that sufficient evidence existed for the initiation of an investigation pursuant to Article 13(3) of the basic Regulation, the Commission initiated the investigation and made imports of MSG consigned from Malaysia, whether declared as originating in Malaysia or not, subject to registration, by Commission Implementing Regulation (EU) 2024/1976 ⁽⁷⁾ ('the initiating Regulation').

⁽⁷⁾ Commission Implementing Regulation (EU) 2024/1976 of 19 July 2024 initiating an investigation concerning possible circumvention of the anti-dumping measures imposed by Implementing Regulation (EU) 2021/633 on imports of monosodium glutamate originating in the People's Republic of China by imports of monosodium glutamate consigned from Malaysia, whether declared as originating in Malaysia or not, and making such imports subject to registration (OJ L, 2024/1976, 22.7.2024, p. 36, ELI: http://data.europa.eu/eli/reg_impl/2024/1976/oj).

- (15) The initiating Regulation stated that, should circumvention practices covered by Article 13 of the basic Regulation, other than the one mentioned in recital (12) thereof, be identified in the course of the investigation, the investigation may also cover these practices.

1.5. Investigation period and reporting period

- (16) The investigation period covered the period from 1 January 2020 to 30 June 2024 ('the investigation period' or 'IP'). Data were collected for the investigation period to investigate, inter alia, the alleged change in the pattern of trade following the imposition of measures on the product concerned, and the existence of a practice, process or work for which there was insufficient due cause or economic justification other than the imposition of the duty. More detailed data were collected for the period from 1 July 2023 to 30 June 2024 ('the reporting period' or 'RP') in order to examine if imports were undermining the remedial effect of the measures in force in terms of prices and/or quantities and the existence of dumping.

1.6. Investigation

- (17) The Commission officially informed the authorities of China and Malaysia, the known exporting producer in Malaysia (Ajinoriki MSG (M) Sdn Bhd ('Ajinoriki')), the Union industry and the known importers in the Union of the initiation of the investigation.
- (18) In addition, the Commission asked the Mission of Malaysia to the European Union to provide it with the names and addresses of exporting producers and/or representative associations that could be interested in cooperating in the investigation in addition to the Malaysian exporting producers which had been identified in the request by the applicant. The Malaysian mission confirmed to the Commission that Ajinoriki is the only company in Malaysia known to be involved in the production of MSG.
- (19) Exemption claim forms and questionnaires for producers/exporters in Malaysia, and for importers in the Union were made available on DG TRADE's website.
- (20) Only Ajinoriki submitted an exemption claim form and a questionnaire reply.
- (21) Moreover, questionnaire replies were submitted by four Union importers. One of those companies did not import MSG from Malaysia so its reply was not analysed further. The Commission used the questionnaire replies of the other importers to cross check the trade flows and names of suppliers from Malaysia.
- (22) In the process of verification of information and statistics provided by the applicant and the cooperating Malaysian companies, the Commission held on spot consultations with Malaysian Authorities, namely with Ministry of Investment, Trade and Industry, Malaysian Investment Development Agency, Suruhanjaya Syarikat Malaysia (public company register), Inland Revenue Board, Royal Malaysian Customs Department and Port Klang Port Authority.
- (23) Furthermore, pursuant to Article 16 of the basic Regulation, the Commission carried out verification visits at the premises of Ajinoriki.
- (24) Interested parties were given the opportunity to make their views known in writing and to request a hearing within the time limit set in the initiating Regulation. All parties were informed that the non-submission of all relevant information or the submission of incomplete, false or misleading information might lead to the application of Article 18 of the basic Regulation and to findings being based on the facts available.

2. RESULTS OF THE INVESTIGATION

2.1. General considerations

- (25) The request alleged transshipment of the product concerned originating in the PRC via Malaysia and that, if there was any processing in Malaysia, this would amount to an assembly/completion operation that would circumvent the measures within the meaning of Article 13(2) of the basic Regulation (see recital (7)).

(26) In accordance with Article 13(1) of the basic Regulation, the following elements should be analysed in order to assess possible circumvention:

- whether there was a change in the pattern of trade between the PRC/Malaysia and the Union,
- if this change stemmed from a practice, process or work for which there was insufficient due cause or economic justification other than the imposition of the anti-dumping measures in force,
- if there is evidence of injury or the remedial effects of the anti-dumping measures in force were being undermined in terms of the prices and/or quantities of the product under investigation, and
- whether there is evidence of dumping in relation to the normal values previously established for the product concerned.

(27) The investigation concerned all practices covered by Article 13 of the basic Regulation (see recital (15)), therefore the Commission also analysed whether the operations of Ajinoriki in Malaysia constituted assembly/completion operation within the meaning of Article 13(2). In this regard, the Commission specifically analysed the criteria set out in Article 13(2), in particular:

- whether the assembly/completion operation started or substantially increased since, or just prior to, the initiation of the anti-dumping investigation and whether the parts concerned are from the country subject to measures, and
- whether the parts constitute 60 % or more of the total value of the parts of the assembled product and whether the value added to the parts brought in, during the assembly or completion operation, was greater than 25 % of the manufacturing costs.

2.2. Cooperation

(28) As stated in recital (25), Ajinoriki, the sole known exporting producer of MSG in Malaysia, requested to be exempted from the measures, if extended to Malaysia. It cooperated during the entire proceeding by submitting an exemption claim form and a questionnaire reply, and by agreeing to an on-spot verification. As the aggregated sales volumes of MSG to the Union Ajinoriki reported in its exemption claim form represented almost the totality of the Malaysian import volumes recorded in the Eurostat import statistics during the reporting period, the level of cooperation was considered to be high ⁽⁸⁾.

2.3. Change in the pattern of trade between third countries and the Union

(29) Table 1 shows the evolution of imports of MSG from Malaysia into the Union in terms of volume. From 2020 to the end of the RIP, the volume increased by more than eighteen times, namely since initiation of the last expiry review of the current measures in 2020 ⁽⁹⁾ and also coinciding in time with the extension of the measures to imports into the Union of monosodium glutamate in mixture or in solution originating in China ⁽¹⁰⁾.

⁽⁸⁾ For this reason, so as not to disclose company-specific information, figures for Ajinoriki as well as the imports of MSG from Malaysia into the Union from Eurostat are given in ranges in this Regulation.

⁽⁹⁾ Notice of initiation of an expiry review of the anti-dumping measures applicable to imports of monosodium glutamate originating in the People's Republic of China and in Indonesia (OJ C 20, 21.1.2020, p. 18).

⁽¹⁰⁾ Commission Implementing Regulation (EU) 2020/1427 of 12 October 2020 extending the definitive anti-dumping duty imposed by Implementing Regulation (EU) 2015/83 on imports of monosodium glutamate originating in the People's Republic of China to imports of monosodium glutamate in mixture or in solution originating in the People's Republic of China (OJ L 336, 13.10.2020, p. 1. ELI: http://data.europa.eu/eli/reg_impl/2020/1427/oj).

Table 1

Union imports of MSG from Malaysia (metric tonnes)

	2020	2021	2022	2023	RP
Malaysia	0 - 500	500 - 1 000	500 - 1 000	9 500 - 10 000	8 500 - 9 000
<i>Index (base = 2020)</i>	100	133	152	2 109	1 875

Source: Eurostat (TARIC level)

- (30) A similar increasing trend can be observed between 2020 and 2023 in table 2 with regard to imports of MSG from China into Malaysia from 11 188 tonnes in 2020 to 23 923 tonnes in 2023.

Table 2

Malaysian imports of MSG from China (metric tonnes)

	2020	2021	2022	2023
China	11 188	17 807	19 294	23 923
<i>Index (base = 2020)</i>	100	159	172	214

Source: Department of Statistics Malaysia – Malaysian customs tariff code 2922 42 20 00

- (31) Table 3 shows the development of Malaysian imports of glutamic acid ('GA') from China. GA is a direct precursor for MSG ⁽¹⁾. There were no imports of GA until 2021, while in 2023 they amounted to 18 286 tonnes.

Table 3

Malaysian imports of GA from China (metric tonnes)

	2020	2021	2022	2023
China	n/a	14 367	18 444	18 286
<i>Index (base = 2021)</i>	n/a	100	128	127

Source: Department of Statistics Malaysia – Malaysian customs tariff code 2922 42 10 00

- (32) The increase of exports of MSG from China to Malaysia and from Malaysia to the Union, as well as the increase of exports of GA from China to Malaysia, constitute a change in the pattern of trade between China, Malaysia and the Union within the meaning of Article 13(1) of the basic Regulation.

⁽¹⁾ The MSG production process comprises three steps: (i) a sugar source is fermented to produce glutamic acid GA (ii) the GA is extracted and refined; and (iii) the refined GA is converted into MSG through salification, purified, crystallized, and packaged (see section 24 of the request).

2.4. Practice, process or work

2.4.1. Assembly operation

- (33) Ajinoriki requested an exemption on the grounds that it produces MSG in its own plant and therefore, in its view, does not circumvent the Chinese measures. In accordance with Article 13(2) of the basic anti-dumping Regulation, the processing operation carried out must in any case be examined to exclude an assembly operation in a third country which is circumventing the measures in force. In order to consider such an assembly operation, the criteria mentioned in recital (27) have to be met cumulatively.

2.4.1.1. Start of operations and scope of activities

- (34) Ajinoriki was incorporated in 2016. Initial investment concerned the purchase of land, erection of the factory and the acquisition of mainly Chinese production equipment. The factory became operational during 2019, with first exports of produced MSG during the fourth quarter 2019, i.e. long after the initiation of the original investigation leading to the current measures.
- (35) The evolution of the producer's exports to the Union developed as follows during the IP:

Table 4

Ajinoriki's exports of MSG to the Union (metric tonnes)

Malaysia	2020	2021	2022	2023	RP
Exports	0 - 500	1 500 - 2 000	1 500 - 2 000	8 000 - 8 500	8 000 - 8 500
Index (base = 2020)	100	554	493	2 794	2 732

Source: Producer's verified data, metric tonnes

- (36) The transition from initial trials to regular operation is also reflected in the GA quantities (the immediate precursor of MSG) purchased by the producer from Chinese suppliers. Ajinoriki purchased GA only from China. A comparison with the official statistics (see Table 3) shows that Ajinoriki is the only producer of MSG in Malaysia and accounted for virtually all imports of GA from China into Malaysia:

Table 5

Ajinoriki's purchases of GA from China

China	2020	2021	2022	2023
Producer's verified purchases	7 000 - 7 500	15 500 - 16 000	18 500 - 19 000	17 500 - 18 000
Index (base = 2020)	100	211	252	241

Source: Producer's verified data, metric tonnes

- (37) Therefore, the Commission concluded that the operation started since the initiation of the original anti-dumping investigation, and the parts concerned are from the country subject to measures.

2.4.1.2. Value of parts and added value

- (38) The producer produces MSG by reacting GA with soda ash in an aqueous solution applying heat (via gas generated water steam). The MSG resulting from the chemical reaction between GA and soda ash is freed from impurities using powdered activated carbon ('PWAC'). Ajinoriki imports PWAC only from China, while the soda ash it uses originates in the USA.

- (39) Based on the verified questionnaire's response figures, the combined value of GA and PWAC represented [85-99] % of the total value of all parts of the assembled product in the RP. Therefore the 60 % criterion set out in Article 13(2)(b) of the basic Regulation was met. In addition, based on the verified information provided in the questionnaire reply in the RP, the value added to the imported parts was [11-17] % of the total manufacturing cost (packaging costs were deducted), hence below the 25 % threshold set out in Article 13(2)(b) of the basic Regulation.

2.4.2. *Transshipment*

- (40) In addition, the verification of the information provided in Ajinoriki's questionnaire reply revealed serious inconsistencies regarding the stocks of own-produced MSG. Taking into account Ajinoriki's cost of production of MSG in its stocks as reported in its questionnaire response and its cost of production in the RP, the value of the stock at the beginning of RP was either undervalued or the volume of the stock was overstated. Consequently, as the Commission could neither establish the volume of stock at the beginning of the RP nor reconcile the total quantity sold with the total quantity produced in the RP, it could not establish that all the quantities of MSG sold were actually produced by the company, as declared in the questionnaire reply. The company could not explain the inconsistencies. Therefore, the Commission informed Ajinoriki that, in accordance with Article 18(1) of the basic Regulation, it intended to rely on facts available in respect of the quantities that they could not explain ('Article 18 letter').
- (41) In its reply to the Article 18 letter, Ajinoriki stated that the information reported in the questionnaire reply was correct. Ajinoriki provided the auditor's stock count records which formed the basis for the stock valuation in the financial statements and which confirmed the quantities reported in the questionnaire. In order to resolve the discrepancy between the value reported in the financial statements and the quantity in stock, Ajinoriki explained that instead of the production cost of MYR [5 – 6] per kilo as stated in an earlier version of the questionnaire response, only MYR [1-2] had been assumed for the purposes of the financial statements for the fiscal year from 1 September 2022 to 31 August 2023. This revision to the cost of production was essentially based on an MSG yield in the range of three to four times the volume input of GA. The average production costs of MYR [1-2] per kilogram thus obtained were included in a revised version of the questionnaire reply and would allow a reconciliation between the value reported in the financial statements and the corresponding quantity of MSG in stock.
- (42) The Commission analysed the information received from Ajinoriki and found it inconclusive. In particular, the information on the quantities of raw materials used to produce MSG was inconsistent with both the verified company data and generally available information. For example, the ratio of GA to MSG according to Ajinoriki's own production records in the RP did not match the one set out in its reply to the Article 18 letter. Given a chemical reaction which is the same for all producers, the ratio obtained from the production records of Ajinoriki is in line with the generally available information for this industry ⁽¹³⁾. Therefore, the Commission concluded that the explanations by Ajinoriki could not resolve the inconsistencies. By providing inconsistent information Ajinoriki did not provide necessary information within the meaning of Article 18(1) of the basic Regulation.
- (43) Using the average cost of production of MYR [5-6] per kilogram (according to Ajinoriki's previous version of the questionnaire response, which is consistent with the volume of necessary input materials as per its own production records) to convert the value of semi-finished MSG (i.e. unpackaged MSG) and finished MSG (i.e. already packaged) as reported in the audited financial statements as of 31 August 2023 into volume, and taking into account the subsequent production and sales volumes up to the end of the RP, leaves a volume of between 3 000 and 4 000 tonnes MSG sold to the EU and other third countries that cannot come from own production.
- (44) On that basis, the Commission concluded that the producer, during a production downtime due to the expansion of the storage and packaging facilities, also exported to the EU MSG that had previously been imported from China by its related trading company.

⁽¹³⁾ See section 70 of the request: 'For the conversion into 1 000 kg of MSG, around 800 kg of GA is needed (conversion factor)'.

2.5. Insufficient due cause or economic justification other than the imposition of the duty

- (45) Article 13(1) of the basic Regulation requires that the change in the pattern of trade stems from a practice, process or work for which there is insufficient due cause or economic justification other than the imposition of the duty. The practice, process or work includes the consignment of the product subject to the existing measures via third countries and the assembly of parts/completion operations in a third country in accordance with Article 13(2) of the basic Regulation.
- (46) The investigation found that Ajinoriki, the sole producer in Malaysia, accounting for virtually all imports of MSG from Malaysia, was established after the imposition of the original measures; its assembly operations, that constitute circumvention according to Article 13(2), began in 2019 (see recital (35)).
- (47) In light of all these elements, the Commission concluded that there was insufficient due cause or economic justification other than the imposition of the duty for the initiation of processing operations of Ajinoriki in Malaysia and consequent increase of exports of MSG to the Union. The change in the pattern of trade was a result of the fact that the operation started after the original measures were imposed.

2.6. Evidence of injury or undermining of remedial effect of the measures in terms of quantities and/or prices

- (48) In accordance with Article 13(1) of the basic Regulation, the Commission examined whether the imports of the product under investigation, both in terms of quantities and prices, undermined the remedial effects of the measures currently in force.
- (49) The quantities of MSG imported into the Union increased significantly in absolute volumes during the investigation period and represented around 10 % of the Union consumption during the RP. Consumption in the Union was estimated on the basis of the request ⁽¹³⁾.
- (50) The import prices of MSG from Malaysia in the RP undercut the Union prices provided by the applicant in the request ⁽¹⁴⁾.
- (51) The Commission therefore concluded that the existing measures were undermined in terms of quantities and prices by the imports from Malaysia.

2.7. Evidence of dumping

- (52) In accordance with Article 13(1) of the basic Regulation, the Commission also examined whether there was evidence of dumping in relation to the normal values previously established for the like product.
- (53) The Commission compared the average export prices of MSG from Malaysia in the RP, based on the verified data of Ajinoriki, to the normal values established for China in the last expiry review investigation, adjusted for inflation ⁽¹⁵⁾.
- (54) The comparison of normal values and export prices showed that the MSG exported by Ajinoriki was exported at dumped prices during the reporting period.

⁽¹³⁾ Request, sections 89 to 92, exhibits 15 and 17.

⁽¹⁴⁾ Request, section 95, exhibit 18.

⁽¹⁵⁾ International Monetary Fund: Inflation rate, average consumer prices (annual percent change), <https://www.imf.org/external/datamapper/PCPIPCH@WEO/CHN/EU>.

2.8. Conclusion

- (55) The four conditions of Article 13(1) of the basic Regulation are met. First, the Commission found a change in the pattern of trade between the Union, the PRC and Malaysia. Second, considering that Ajinoriki accounted for virtually all the exports to the Union in the RP, it was established that the change stemmed from a practice, process or work for which there was insufficient due cause or economic justification other than the imposition of the duty. Third, the Commission found that the remedial effects of the anti-dumping duty were being undermined. Fourth, the Commission found evidence of dumping.

3. MEASURES

- (56) Based on the above findings, the Commission concluded that the anti-dumping duties imposed on imports of MSG originating in the PRC were being circumvented by imports of MSG consigned from Malaysia.
- (57) Therefore, in accordance with Article 13(1) of the basic Regulation, the anti-dumping measures in force on imports of MSG originating in China should be extended to imports of the product under investigation.
- (58) Pursuant to Article 13(1), second paragraph of the basic Regulation, it is appropriate to extend the duty established in Article 1(2) of Implementing Regulation (EU) 2021/633, which is a definitive anti-dumping duty of 39,7 % applicable to the net, free-at-Union-frontier price, before customs duty.
- (59) Pursuant to Article 13(3) of the basic Regulation, which provides that any extended measure should apply to imports that entered the Union under registration imposed by the initiating Regulation, duties are to be collected on those registered imports of the product under investigation in accordance with the findings made in this investigation.

4. REQUESTS FOR EXEMPTION

- (60) As described above, Ajinoriki was found to be engaged in circumvention practices. Therefore, an exemption could not be granted to this company pursuant to Article 13(4) of the basic Regulation.

5. DISCLOSURE

- (61) On 21 February 2025, the Commission disclosed to all interested parties the essential facts and considerations leading to the above conclusions and invited them to comment.
- (62) The Commission found a clerical error in the recital (44) where the word 'probably' was omitted. The recital should be read as: 'that had previously been imported from China probably by its related trading company'.
- (63) Ajinoriki submitted comments claiming that there was no change in the pattern of trade, either at country or company level, which would indicate circumvention. In particular, Ajinoriki had never imported Chinese MSG and its related trading company had imported Chinese MSG at a stable rate, all of which was sold in Malaysia. Furthermore, imports of Malaysian MSG into the Union did not replace Chinese MSG. Instead, both imports increased at the same time, indicating a higher demand for imported MSG irrespective of its origin. As far as the increased export volumes of MSG from Malaysia are concerned, this would be justified by a genuine increase in domestic production. Furthermore, the Chinese customs data relied on by AFE was produced by an unknown company and contradicts official government data. Any change in trend identified by the Commission as regards the increase in import volumes of Chinese MSG into Malaysia in the IP and the start of imports of Chinese GA into Malaysia from 2021 cannot be attributed to Ajinoriki or its related trading company.

- (64) The Commission notes that it based its trend analysis exclusively on Ajinoriki's verified information and official publicly available trade statistics. The Commission does not agree with Ajinoriki's claim that there is no change in the pattern of trade, as this would require an inverse relationship between Chinese and Malaysian exports of MSG to the EU, which would imply replacement of exports from China. Indeed, Article 13(1) of the basic Regulation does not contain any reference to a requirement of substitution of imports originating in countries subject to the anti-dumping duty by imports from circumventing countries as a condition for a finding of circumvention.⁽¹⁶⁾ Rather, the changed pattern is due to increased exports of GA from China to Malaysia, as evidenced by publicly available Malaysian import statistics.
- (65) Ajinoriki also argued that there was no link between the establishment of its own production and the anti-dumping measures imposed by the Union. On the contrary, the founders of the company have been active in the MSG business since 2005, i.e. before the initiation of the anti-dumping proceeding in 2007. Moreover, the production started in 2019, i.e. 11 years after the first imposition of duties in 2008 and 4 years after the second imposition of duties in 2015 (effectively 5 months before the statutory expiry of the measures in January 2020). Given the market gap for the production of MSG in Malaysia, the activities of the company founders to vertically expand their business into the production of MSG by using their accumulated industry knowledge, know-how and trade secrets would be reasonable and natural and in line with common sense. Therefore, there is indeed a due cause and economic justification for the establishment and operation of a production facility.
- (66) With regard to the arguments put forward by Ajinoriki, the Commission would point out that Article 13(2)(a) of the basic Regulation requires that the operation started or substantially increased since, or just prior to, the initiation of the anti-dumping investigation. In this respect, provided that the operation in questions started after the initiation of the investigation, Article 13(2)(a) of the basic Regulation does not impose any requirement as to the proximity in time between the initiation and the start of the assembly operation. The mere fact that Ajinoriki started its operations while measures were in force already meets the legal requirement. It follows that, since the minimum criteria in the form of the 60 % and 25 % tests according to Article 13(2) of the basic Regulation were not met in relation to Ajinoriki's production activities, a mere fact that the assembly operation started years after the imposition of the initial duty does not demonstrate a due cause.
- (67) Ajinoriki also disputed that its production activities involved a slight modification of the product concerned in order to remove it from the scope of the measures. Furthermore, Ajinoriki claimed that it was not involved in the consignment of the product concerned from China via Malaysia, nor in a reorganisation of the distribution channels with the same result. Nor did Ajinoriki's manufacturing activities constitute assembly operations. Regarding the latter, without commenting on the 60 % test, Ajinoriki contested the Commission's finding that the value added to the materials used in the production of MSG did not exceed 25 %.
- (68) The Commission first notes that its disclosure document does not mention circumvention practices involving a slight modification. As far as the circumvention practice of transshipment of Chinese MSG in Malaysia is concerned, the Commission reached this conclusion by comparing, on the one hand, the quantities of MSG exported to the Union, as derived from public trade statistics for Malaysia and the EU, and, on the other hand, the quantities of MSG sold by Ajinoriki, the only known producer in Malaysia, to the extent that they could be verified as originating from its own production. The classification of Ajinoriki's manufacturing activities as assembly/completion operation is based on the use of the verified cost information provided by Ajinoriki in its questionnaire reply in accordance with the relevant provisions of Article 13(2) of the basic Regulation. Since Ajinoriki did not submit any new verifiable information in this respect, the above claim is rejected.

⁽¹⁶⁾ Judgment of 4 September 2014, *Simon, Evers & Co. GmbH v Hauptzollamt Hamburg-Hafen*, C-21/13, ECLI:EU:C:2014:2154, para. 49.

- (69) Ajinoriki further argued that the applicant had not suffered any injury as a result of the imports of MSG from Malaysia, referring to the financial performance of the applicant, which showed increased sales and profits, and the fact that the applicant is wholly owned by a Japanese company, Ajinomoto Co. Inc. Ajinoriki also argued that the Commission's finding of dumping was unreliable due to the inappropriate use of Chinese normal values, which did not reflect costs and market conditions in Malaysia.
- (70) The Commission first notes that it is not necessary to carry out a full injury analysis in the context of an anti-circumvention investigation, since this element has already been established in the original investigation which led to the measures being circumvented. To this end, the investigation has sufficiently shown that the remedial effects of the anti-dumping duties are being undermined in terms of prices and/or quantities. Furthermore, the relevant provision clearly refers to 'the normal value established in the original investigation', thereby precluding a requirement of calculating a new dumping margin for Malaysian MSG exports. Therefore, the Commission dismissed as well above two arguments.
- (71) In its comments, the applicant requested the Commission to make a broader use of the facts available on the grounds that Ajinoriki had provided incorrect information regarding own-produced MSG, which should have led to the use of the facts available for the whole analysis and not only for the transshipment assessment. Ajinoriki's attempt to mislead the Commission by providing false information is evident from its claim that it can produce three or 4 tonnes of MSG from 1 tonne of glutamic acid, which is chemically impossible. The applicant also contested the Commission's finding that Ajinoriki was a producer and that only between 3 000 and 4 000 tonnes of MSG could not come from its own production. On the contrary, the applicant calculated that the conversion process could only cover a small part of Ajinoriki's MSG exports to the EU and concluded that the bulk of its exports were rather the result of transshipment of MSG of Chinese origin.
- (72) The Commission disagrees with the legal assessment of the consequences of providing misleading information regarding the valuation of MSG stocks. The Commission was able to base its calculation of the quantities of MSG resulting from the further processing of GA at Ajinoriki's facilities on verified facts concerning purchases of raw materials and other inputs, production records and sales of finished MSG. The false or misleading information was limited to the volume of opening stocks in the RP, which was consequently excluded from the calculation. The Commission also notes that, according to the production records kept at Ajinoriki, the yield ratio between GA and MSG was in line with scientific facts. The Commission also notes that the applicant's assertion that the vast majority of MSG sold by Ajinoriki to the Union must stem from prior purchases of Chinese MSG rather than from Ajinoriki's processing of GA relies heavily on reasonably available information contained in the application. Contrary to this evidence, which alone was sufficient to justify the initiation of the investigation, the Commission's findings are based exclusively on verified company data, which is more detailed.
- (73) One Union importer cooperating in the investigation argued that imports of MSG from Malaysia did not constitute circumvention of the anti-dumping measures imposed on China, which would justify the extension of the existing measures to imports from Malaysia. The same party, referring to the significantly higher prices of Malaysian MSG compared to Chinese MSG, claimed that the investigation had not shown that Malaysian MSG consignments were dumped and would cause injury to the Union industry. The party further argued that the production process in Malaysia adds significant value to the product, representing more than 25 % of the cost of production. Finally, the party raised that the imposition of anti-dumping measures on imports from Malaysia would negatively impact free competition and lead to market monopolisation by a European producer, potentially harming distributors and consumers.
- (74) The Commission has examined these comments and arguments and reiterates that the provisions governing this type of investigation do not provide for the determination of dumping margins specific to Malaysia and an injury analysis going beyond the determination of the undermining of the existing measures (see recital 70). Moreover, the relevant provisions do not concern Union interest consideration under article 21 of the basic Regulation. Furthermore, no verifiable figures have yet been provided to substantiate the doubts raised by the party regarding the determination of the value added to the part brought in. Therefore, the above claims were rejected.

- (75) The measures provided for in this Regulation are in accordance with the opinion of the Committee established by Article 15(1) of Regulation (EU) 2016/1036.

HAS ADOPTED THIS REGULATION:

Article 1

1. The definitive anti-dumping duty imposed by Implementing Regulation (EU) 2021/633, as amended by Implementing Regulation (EU) 2022/1167 ⁽¹⁷⁾, on imports of monosodium glutamate currently falling within CN code ex 2922 42 00 (TARIC code 2922 42 00 20) and originating in the People's Republic of China, is hereby extended to imports of monosodium glutamate, currently classified under CN code ex 2922 42 00 consigned from Malaysia, whether declared as originating in Malaysia or not (TARIC code 2922 42 00 15).
2. The extended duty is the anti-dumping duty of 39,7 % applicable to 'all other companies' in the PRC (TARIC additional code A999).
3. The duty extended by paragraphs 1 and 2 of this Article shall be collected on imports registered in accordance with Article 2 of Implementing Regulation (EU) 2024/1976.
4. Unless otherwise specified, the provisions in force concerning customs duties shall apply.

Article 2

Customs authorities are directed to discontinue the registration of imports established in accordance with Article 2 of Implementing Regulation (EU) 2024/1976.

Article 3

The exemption request submitted by Ajinoriki MSG (M) Sdn Bhd is rejected.

Article 4

1. Requests for exemption from the duty extended by Article 1 shall be made in writing in one of the official languages of the European Union and must be signed by a person authorised to represent the entity requesting the exemption. The request must be sent to the following address:

European Commission
Directorate-General for Trade
Directorate G Office:
CHAR 04/39
1049 Bruxelles/Brussel
BELGIQUE/BELGIË

2. In accordance with Article 13(4) of Regulation (EU) 2016/1036, the Commission may authorise, by decision, the exemption of imports from companies which do not circumvent the anti-dumping measures imposed by Implementing Regulation (EU) 2021/633, as amended by Implementing Regulation (EU) 2022/1167, from the duty extended by Article 1.

⁽¹⁷⁾ Commission Implementing Regulation (EU) 2022/1167 of 6 July 2022 amending Implementing Regulation (EU) 2021/633 imposing a definitive anti-dumping duty on imports of monosodium glutamate originating in the People's Republic of China and in Indonesia following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council following a partial interim review (OJ L 181, 7.7.2022, p. 14, ELI: http://data.europa.eu/eli/reg_impl/2022/1167/oj).

Article 5

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, 10 April 2025.

For the Commission
The President
Ursula VON DER LEYEN
