



2025/1456

18.7.2025

COMMISSION IMPLEMENTING REGULATION (EU) 2025/1456

of 17 July 2025

imposing a provisional anti-dumping duty on imports of fused alumina 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 21 November 2024, the European Commission ('the Commission') initiated an anti-dumping investigation with regard to imports of fused alumina originating in the People's Republic of China ('the country concerned' 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 9 October 2024 by Imerys S.A. ('the complainant'). The complaint was made on behalf of the Union industry of fused alumina in the sense of Article 5(4) of the basic Regulation. The complaint contained evidence of dumping and of resulting material injury that was sufficient to justify the initiation of the investigation.

1.2. Registration

- (3) The Commission made imports of the product concerned subject to registration by Commission Implementing Regulation (EU) 2025/260 ⁽³⁾ ('the registration Regulation').

1.3. Interested parties

- (4) In the Notice of Initiation, the Commission invited interested parties to contact it in order to participate in the investigation. In addition, the Commission specifically informed the complainant, the known exporting producers, the authorities of the PRC, known importers, suppliers and users, traders, as well as associations known to be concerned about the initiation of the investigation and invited them to participate.
- (5) Interested parties had an opportunity to comment on the initiation of the investigation and to request a hearing with the Commission and/or the Hearing Officer in trade proceedings.

1.4. Comments on initiation

- (6) A related importer, Reckel GmbH ('Reckel'), contested the appropriateness of Mexico, which was used in the complaint as a representative country, asserting that it lacks sufficient competitive production of the investigated products and appropriate production conditions similar to those in China. They suggest Brazil as a more suitable alternative, given its more comparable raw material conditions to China's.

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

⁽²⁾ OJ C, C/2024/7049, 21.11.2024, ELI: <http://data.europa.eu/eli/C/2024/7049/oj>.

⁽³⁾ Commission Implementing Regulation (EU) 2025/260 of 10 February 2025 making imports of fused alumina originating in the People's Republic of China subject to registration (OJ L, 2025/260, 11.2.2025, ELI: http://data.europa.eu/eli/reg_impl/2025/260/oj).

- (7) A Union user, RHI Magnesita GmbH, commented on the initiation of the anti-dumping investigation, criticizing the selection of Mexico as the benchmark country for determining the normal value of fused alumina. They argued that Mexico lacks sufficient competitive production with only two producers indicating a non-competitive market. Additionally, they pointed out that Mexico does not share similar raw material conditions with China, which has significant mineral reserves, suggesting that Brazil would be a more suitable alternative due to its comparable production conditions.
- (8) The Union users association, Verband Deutscher Schleifmittelwerke e.V. ('VDS'), commented on the initiation of the anti-dumping investigation, objecting to the selection of Mexico as a representative third country for determining the normal value of fused alumina. VDS argued that Mexico is inappropriate for this role because it lacks significant production of the product under investigation, with only a small presence of producers using different grades and more expensive raw materials. They expressed concerns that this choice would lead to distorted results and emphasized the importance of ensuring that dumping and injury calculations are based on an objective, fair basis. VDS suggested using India instead as the representative third country, pointing out that India has a more relevant production landscape and more appropriate cost structures comparable to those in China, ensuring more accurate and reliable calculations.
- (9) A Union user, Wester Mineralien GmbH ('Wester'), argued that the complaint does not convincingly demonstrate that dumping is taking place, as the choice of Mexico as a representative country for calculating normal value is inappropriate. Wester highlighted that the methodology used, based on the constructed normal value from Mexican data, fails to accurately reflect the situation because Mexico lacks a substantial and competitive production base for fused alumina. Therefore, they advocated for the termination of the anti-dumping proceedings.
- (10) At the initiation stage of the investigation, Mexico was considered a potential representative country as it was deemed to have production of the product under investigation. However, it is important to acknowledge that the initial consideration was just the beginning of a thorough investigative process. As the investigation progressed, the Commission's choice of a representative country was refined and evaluated against specific criteria pursuant to Article 2(6a) of the basic Regulation. These criteria, which include the availability and quality of data and the economic environment's comparability to that of China, were meticulously applied to ensure a fair and accurate determination of the normal value. This process and the rationale behind the final selection are explained in depth in Section 3.2.2, highlighting the Commission's commitment to maintaining transparency and methodological rigor throughout the investigation.
- (11) Some parties provided comments on the product control number ('PCN') construction regarding certain technical issues and missing characteristics. Some users claimed that the distinction between first and second grade brown fused alumina reflected in the PCN is unnecessary because it is connected to the contents of aluminum oxide (Al_2O_3) and iron (III) oxide (Fe_2O_3), which are already taken into account separately. The Commission took note of all the technical comments submitted. The investigation established that the distinction between first and second quality brown fused alumina in the PCN is artificial, does not reflect industry-recognised standards and is subject to interpretation. Thus, an adjustment in the PCN was necessary regarding brown fused alumina. The Commission considered that when comparing products, the critical elements are the contents of Al_2O_3 and Fe_2O_3 , which are reflected in values A1/A2 and F1/F2 within the PCN. PCNs B2GA2F1 and B1GA2F1 were thus compared to establish the injury margin, as detailed in Section 6.1. Regarding the additional technical characteristics proposed for inclusion, the Commission noted that the existing PCN structure sufficiently captured all relevant characteristics for the purposes of the investigation.

1.5. Sampling

- (12) In the Notice of Initiation, the Commission stated that it might sample the interested parties in accordance with Article 17 of the basic Regulation.

1.5.1. Sampling of Union producers

- (13) In its Notice of Initiation, the Commission stated that it had provisionally selected a sample of Union producers. The Commission selected the sample on the basis of representativity in terms of size of the production and sales quantity of the product under investigation from 1 October 2023 to 30 September 2024 and geographic location. This sample consisted of two Union producers located in two different Member States. The sampled Union producers, based on the information available at that stage, accounted for almost 50 % of the estimated total production and more than 40 % of estimated total Union sales volume of the like product in the Union. The Commission invited interested parties to comment on the provisional sample.

- (14) Due to the absence of a questionnaire reply from one of the sampled companies, MOTIM Electrocorundum Ltd. (Hungary), the Commission proposed to replace the company by another Union producer, Alteo Fused Alumina (France), which also expressed its interest in participating in the sample. Based on the information available at that stage, the sample accounted for more than 44 % of the estimated total Union production and more than 38 % of estimated total Union sales quantity of the like product, and it also ensured a good geographical spread.
- (15) The sample was confirmed and is representative of the Union industry.

1.5.2. *Sampling of unrelated importers*

- (16) To decide whether sampling was necessary and, if so, to select a sample, the Commission asked unrelated importers to provide the information specified in the Notice of Initiation.
- (17) Ten unrelated importers provided the requested information and agreed to be included in the sample. In accordance with Article 17(1) of the basic Regulation, the Commission selected a sample of two unrelated importers on the basis of the largest volume of imports and sales of the product concerned in the Union. In accordance with Article 17(2) of the basic Regulation, all known importers concerned were consulted on the selection of the sample.
- (18) One Union user, Tyrolit, one Union users association, VDS, and one related importer, Reckel, commented on the sample of unrelated importers indicating that only traders of raw materials and not manufacturers who process the raw materials have been sampled. Additionally, both parties argued that the sampled importers mainly focus on the imports of commodities, such as brown and white fused alumina ('BFA' and 'WFA'), with limited involvement in the import of speciality grades. Therefore, they argued that the sample was not representative. The Commission noted that several parties participating in the sampling exercise were more accurately classified as users rather than unrelated importers. The Commission clarified that any company, regardless of whether it is purchasing directly from the country concerned or through a supplier or trader, is considered a 'Union user' if it subsequently incorporates the product under investigation into its own production process. The inclusion of direct users in the sampling exercise of importers does not serve the purpose of investigating importers. Instead, the interests of users are assessed separately. Concerning the claim on the speciality grades, the Commission noted that all types of fused alumina share similar basic physical, technical and chemical characteristics. As the two sampled importers represented more than 63 % of the volume of imports of the product under investigation from China and 71 % of the imports of the product under investigation from all origins, based on the submissions of the parties participating in the sampling exercise, the Commission confirmed the sample selected on 17 December 2024.

1.5.3. *Sampling of exporting producers in the PRC*

- (19) To decide whether sampling is necessary and, if so, to select a sample, the Commission asked all exporting producers in PRC 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 identify and/or contact other exporting producers, if any, that could be interested in participating in the investigation.
- (20) Twenty-two exporting producers in the country concerned representing 16,7 % of the total export volume of fused alumina from China to the Union provided the requested information and agreed to be included in the sample. In accordance with Article 17(1) of the basic Regulation, the Commission selected a provisional sample of three exporting producers on the basis of the largest representative volume of exports to the Union which could reasonably be investigated within the time available. In accordance with Article 17(2) of the basic Regulation, all known exporting producers concerned and the authorities of the country concerned were consulted on the selection of the sample. The comments received are summarized and addressed below.
- (21) Dengfeng Wudu Abrasives Co. Ltd. ('Wudu'), a company selected in the provisional sample, resubmitted the data pertaining to its exports of the product under investigation to the Union and reported lower export volumes. The Commission requested additional information from Dengfeng Wudu Abrasives Co. Ltd. to be considered as a cooperating exporting producer in this proceeding. However, Dengfeng Wudu Abrasives Co. Ltd. did not provide the requested information within the deadline set.

- (22) In view of the updated lower export volume reported by Wudu and in the absence of reply to the Commission's request for additional information, the Commission considered that this company was no longer cooperating with the investigation and therefore was no longer part of the sample or a cooperating exporting producer.
- (23) Shanxi Lvliangshan Minerals Co. Ltd ('Lvliangshan') claimed that the provisional sample of three exporting producers was not representative as it represented only 6,2 % of the total export volume of fused alumina from China to the Union. Furthermore, it submitted that the sampled exporters must be genuine exporting producers capable of providing reliable data on production costs and export sales. Shanxi Lvliangshan Minerals Co., Ltd proposed that the sample selection be based on the largest production volume.
- (24) Art Abrasives (Guizhou) Co., Ltd. requested to be included in the final sample as it is the sole producer in the PRC utilising both alumina and bauxite as raw materials to manufacture semi-friable fused alumina while relying on a comprehensive series of advanced treatments for this product type.
- (25) Tyrolit claimed that additional factors such as quality levels of the product concerned and the treatment specifications should also be considered to select the sample. Tyrolit and VDS also requested the inclusion of at least one additional exporting producer to increase the representativeness of the sample. Alternatively, Tyrolit considered that the investigation should be limited to commodities (in particular brown and white fused alumina), which allegedly account for 75-80 % of the total volume of fused alumina.
- (26) With regard to the representativity of the sample and request for addition of exporting producer(s), the Commission considered that the overall low level of cooperation by Chinese exporting producers, the fragmentation of the Chinese domestic industry and the relative size of the companies that came forward did not warrant the inclusion of an additional exporting producer to the sample and that the selected sample was sufficiently representative as it accounted for 6,1 % of total imports. When it comes to the claims relating to quality aspects and the use of different production processes or raw materials, the Commission recalled that these are not legal criteria in the sample selection under Article 17 of the basic Regulation. The Commission also considered that a sample based on the export volume to the EU was more representative than when based on the production volume given that the investigation is focussed on the exporting practices of the Chinese operators. Furthermore, Lvliangshan did not provide evidence that the provisionally sampled companies were not genuine exporting producers. In parallel, the Commission also considered that the current investigation was initiated following a complaint which scope is not limited to fused alumina commodities. On this basis, the claims related to these issues were rejected.
- (27) Furthermore, it appeared that the use of alumina and bauxite by Art Abrasives (Guizhou) Co. related to one product type only (semi-friable alumina) whereas it manufactures a much wider range of product types falling within the scope of this investigation. In addition, such claim was not confirmed by the 'Information on inputs' submitted by this party, which contained contradictory information. Furthermore, adding a company that has 'unique' manufacturing techniques would not make the sample more representative of the Chinese operators as a whole, to the contrary. On this basis, the above claims were rejected.
- (28) Based on the above, following the comments received on the selection of the sample, and due to the non-cooperation by Wudu as explained in recital 21, the Commission decided to limit the definitive sample to two exporting producers. On this new basis, the definitive sample accounts for 4,5 % of total imports of the product concerned and 26,6 % of the imports of the product concerned in the Union as reported by the cooperating exporting producers.

1.6. Questionnaire replies and verification visits

- (29) 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').
- (30) Furthermore, the complaint contained sufficient prima facie evidence of raw material distortions in the PRC regarding the product concerned. Therefore, as announced in the Notice of Initiation, the investigation covered those raw material distortions to determine whether to apply the provisions of Article 7(2) and 7(2a) of the basic Regulation with regard to the PRC. For this reason, the Commission sent additional questionnaires in this regard to the Government of the PRC.

- (31) The Commission published online ⁽⁴⁾ the questionnaires for the exporting producers, users, unrelated importers and the Union producers.
- (32) The Commission sought and verified all the information deemed necessary for a provisional determination of dumping, resulting injury and Union interest. Verification visits or remote cross-checking pursuant to Article 16 of the basic Regulation were carried out on the following companies:

Union producers:

- Imerys Villach GmbH, Villach, Austria;
- Alteo Fused Alumina ('Alteo'), La Bâthie, France;

Unrelated importers:

- TRAXYS Europe SA ('TRAXYS'), Luxembourg, Luxembourg;
- Imexco Minerals GmbH ('Imexco'), Offenbach an der Queich, Germany;

Users:

- Calderys, Paris, France;
- Tyrolit – Schleifmittelwerke Swarovski AG & Co. KG, Schwaz, Austria;

Exporting producers in the PRC:

- Chongqing Saite Corundum ('Saite'), Chongqing, PRC;
- Luoyang Runbao Abrasives ('Runbao'), Luoyang, PRC;

Related importer in the Union:

- Bosai Europe GmbH.

1.7. Investigation period and period considered

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

2. PRODUCT UNDER INVESTIGATION, PRODUCT CONCERNED AND LIKE PRODUCT

2.1. Product under investigation

- (34) The product under investigation is artificial corundum, whether or not chemically defined, also known as fused alumina ('the product under investigation').
- (35) The types of artificial corundum are also known as white fused alumina ('WFA'), pink fused alumina, ruby fused alumina, brown fused alumina ('BFA'), sol-gel, etc. They are all included, regardless of their commercial naming, provided they meet the properties or specifications set out in the relevant TARIC codes descriptions.
- (36) Fused alumina is produced by melting bauxite or aluminium oxide at very high temperatures (around 2 000 °C) in an electric arc furnace, and then cooling and crushing the resulting material.
- (37) Due to its hardness and thermal resistance, fused alumina is primarily used in two industrial sectors, abrasives and refractories. In the abrasives industry, it is used in a wide range of applications, including grinding, polishing, cutting and blasting. In the refractories industry, it functions as a refractory material in high-temperature settings, such as furnace linings, crucibles, and refractory bricks. Beyond these principal uses, fused alumina is also used in the manufacture of technical ceramics and as a wear-resistant additive in surface coatings within the laminated products industry.

⁽⁴⁾ <https://tron.trade.ec.europa.eu/investigations/case-view?caseId=2757>.

2.2. Product concerned

- (38) The product concerned is the product under investigation originating in the PRC, currently falling under CN code 2818 10 11, 2818 10 19, ex 2818 10 91, and 2818 10 99 (TARIC codes 2818 10 91 20, 2818 10 91 90) ('the product concerned').
- (39) However, artificial corundum currently classified under TARIC code 2818 10 91 30 (i.e., sintered corundum with a micro crystalline structure consisting of aluminium oxide (CAS RN 1344-28-1) and magnesium aluminate (CAS RN 12068-51-8) with a content by weight (calculated as oxides) of 92 % or more, but not more than 94 % of aluminium oxide, and 7 % (± 1 %) of magnesium oxide) is not part of the product under investigation. Mechanical mixtures of artificial corundum and other substances, currently classified under heading 3824, are also not part of the product under investigation

2.3. Like product

- (40) The investigation showed that the following products have the same basic physical, chemical and technical characteristics as well as the same basic uses:
- the product concerned when exported to the Union;
 - the product under investigation produced and sold on the domestic market of the PRC; and
 - the product under investigation produced and sold in the Union by the Union industry.
- (41) 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

- (42) Several parties, particularly Union users from the refractory industry, claimed that there was lack of substitution between abrasive-grade and refractory-grade fused alumina, based on their different physical characteristics, properties, applications and consumer perception. Many users pointed to the difference of the particle size distribution between abrasive-grade and refractory-grade fused alumina, claiming that abrasive-grade fused alumina must adhere to certain standards issued by the Federation Européenne des Fabricants de Produits Abrasifs ('FEPA') which are based on the grit size. To the contrary, refractory-grade alumina employs broader particle size ranges and less stringent requirements for particle size uniformity. Additionally, several users claimed that both grades are not interchangeable from a cost and end-use perspective, as the use of abrasive-grade fused alumina in the refractories industry would be too costly, while refractory-grade fused alumina is technically unsuitable for use in abrasive products.
- (43) Users from the refractory industry also claimed that the Union industry was mainly focused on the production of abrasive-grade fused alumina, with only 20 to 30 % of the Union's production being dedicated to refractory-grade fused alumina. Therefore, they argued that there was insufficient capacity in the Union to meet the demand of the refractory-grade fused alumina. Additionally, they argued that since refractory-grade fused alumina was such a small part of the production of the Union industry, excluding this grade from the product scope would not compromise the effects of the duties contemplated.
- (44) The Commission noted that abrasive and refractory grades of fused alumina share the same basic physical, chemical and technical characteristics. Both grades consist of 90-99 % aluminium oxide, possess high hardness, high density and a high melting point, are characterised by a low level of impurities, strong thermal shock resistance and substantial wear resistance. Concerning particle size distribution, the Commission observed that the variation in particle size results from post-fusion classification processes, such as sieving, and does not reflect any inherent distinction in the nature of the product. Furthermore, the Commission noted that there is a significant overlap in particle sizes which would allow both grades to be used interchangeably for certain applications. The investigation established that, users from the refractory industry, while predominantly purchasing broader particle size ranges, also purchased narrower grit ranges that sufficiently overlap with the particle size distribution typically associated with abrasive-grade fused alumina. Also, users in the abrasive industry could, from a technical perspective, and as confirmed by the German Abrasives Association, VDS, utilise grain sizes that are generally employed in the

refractory industry, even where such use does not conform to FEPA standards, particularly in the context of less demanding abrasive applications. The investigation established that compliance with FEPA standards is not a legal obligation and is not always applied across all uses. Regarding the difference in cost, the Commission noted that pricing differences are not considered a sufficient basis for product exclusion absent clear evidence of material differences in physical, chemical or technical characteristics. The Commission considered that the absence of full interchangeability across all grades of fused alumina, which is often attributable to cost considerations on the part of refractory users or to quality requirements in certain high-end applications on the part of abrasive users, does not negate the conclusion that the different grades of fused alumina fall within the scope of the same product. The claim was therefore rejected.

- (45) The Commission addresses the arguments concerning the Union's production of refractory-grade fused alumina in Section 7 below.

- (46) Some parties claimed that sol-gel corundum and fused alumina have very limited substitutability and that, while fused alumina is produced from bauxite and alumina, sol-gel corundum is produced from high-purity boehmite. Tyrolit noted that sol-gel corundum is not produced by a fusion process like fused alumina but instead follows a different production process, which includes the formation of a sol-gel by dispersing boehmite and additives in acidified water. Additionally, in view of the high price of its raw material, boehmite, Tyrolit claimed that sol-gel corundum was approximately ten times more expensive than fused alumina, and that, its substitution in a formulation with another type of fused alumina, while in theory possible, would have significant impact in the quality of the resulting bonded or coated abrasives. Therefore, some parties requested that sol-gel corundum be excluded from the scope of the investigation.

- (47) The Commission noted that sol-gel corundum shares similar basic physical, technical and chemical characteristics as other types of fused alumina. Both sol-gel and other product types of fused alumina, including white fused alumina and brown fused alumina, consist primarily of aluminum oxide (Al_2O_3) and demonstrate comparable levels of hardness, thermal resistance, and chemical stability, which render them suitable for similar industrial applications. Although sol-gel alumina is manufactured through a distinct chemical synthesis process rather than conventional fusion, and originates from a different raw material, the differences in production process and input are not *per se* relevant in determining whether a product type is a distinct product when this divergence in production methodology does not materially affect the functional properties of the end product. By the same token, differences in costs and prices do not, in themselves, justify the conclusion that sol-gel should be considered as a different product. The fact that Tyrolit acknowledges that white fused alumina could theoretically replace sol-gel, albeit with reduced performance in more demanding applications, demonstrates that the various types of fused alumina share core functional characteristics to a sufficient degree. The Commission considered that for the majority of abrasive applications, there exists a meaningful level of interchangeability between sol-gel alumina and other types of fused alumina.

- (48) Accordingly, the Commission concluded that the comments regarding the product scope did not provide sufficient justification for the product exclusions. Consequently, these claims were rejected.

3. DUMPING

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

- (49) 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.

- (50) 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 fused alumina. 10 exporting producers submitted the relevant information.
- (51) 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, 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. The Commission invited the GOC to submit its comment on the application of Article 18. No comments were received.
- (52) In the Notice of Initiation, the Commission also specified that, in view of the evidence available, it may need to select an appropriate representative country pursuant to Article 2(6a)(a) of the basic Regulation for the purpose of determining the normal value based on undistorted prices or benchmarks.
- (53) On 21 January 2025, the Commission informed by a note ('the First Note') interested parties on the relevant sources it intended to use for the determination of the normal value. In that note, the Commission provided a list of all factors of production such as raw materials, labour and energy used in the production of the product under investigation in the PRC. In addition, based on the criteria guiding the choice of undistorted prices or benchmarks, the Commission identified possible representative countries, namely Mexico and Brazil as an appropriate representative country. All comments were addressed below in section 3.2.2.1.
- (54) On 5 March 2025, the Commission informed by a second note ('the Second Note') interested parties on the relevant sources it intended to use for the determination of the normal value, with Mexico as the representative country. It also informed interested parties that it would establish selling, general and administrative costs ('SG & A') and profits based on ELMET, S.A. DE C.V.
- (55) Comments on the two notes were summarized and addressed in Section 3.2.2.

3.2. Normal value

- (56) 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'.
- (57) However, according to Article 2(6a)(a) of the basic Regulation, 'in case it is determined [...] that it is not appropriate to use domestic prices and costs in the exporting country due to the existence in that country of significant distortions within the meaning of point (b), the normal value shall be constructed exclusively on the basis of costs of production and sale reflecting undistorted prices or benchmarks', and 'shall include an undistorted and reasonable amount of administrative, selling and general costs and for profits' ('administrative, selling and general costs' is referred hereinafter as 'SG & A').
- (58) 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

- (59) In recent investigations concerning the metallurgical and chemicals sector, in the People's Republic of China ('PRC') ⁽⁵⁾, the Commission found that significant distortions in the sense of Article 2(6a)(b) of the basic Regulation were present.
- (60) In those investigations, the Commission found that there is substantial government intervention in the PRC resulting in a distortion of the effective allocation of resources in line with market principles ⁽⁶⁾. In particular, the Commission concluded that in the metallurgical and chemical sectors, not only does a substantial degree of ownership by the Government of China ('GOC') persist in the sense of Article 2(6a)(b), first indent of the basic Regulation ⁽⁷⁾, but the GOC is also in a position to interfere with prices and costs through State presence in firms in the sense of Article 2(6a)(b), second indent of the basic Regulation ⁽⁸⁾. The Commission further found that the State's presence and intervention in the financial markets, as well as in the provision of raw materials and inputs have an additional distorting effect on the market. Indeed, overall, the system of planning in the PRC results in resources being concentrated in sectors designated as strategic or otherwise politically important by the GOC, rather than being allocated in line with market forces ⁽⁹⁾. Moreover, the Commission concluded that the Chinese bankruptcy and property laws do not work properly in the sense of Article 2(6a)(b), fourth indent of the basic Regulation, thus generating distortions in particular when maintaining insolvent firms afloat and when allocating land use rights in the PRC ⁽¹⁰⁾. In the same vein, the Commission found distortions of wage costs in the metallurgical and chemical sectors in the sense of Article 2(6a)(b), fifth indent of the basic Regulation ⁽¹¹⁾, as well as distortions in the financial markets in the sense of Article 2(6a)(b), sixth indent of the basic Regulation, in particular concerning access to capital for corporate actors in the PRC ⁽¹²⁾.

⁽⁵⁾ See Commission Implementing Regulation (EU) 2024/1923 of 10 July 2024 imposing a provisional anti-dumping duty on imports of titanium dioxide originating in the People's Republic of China (OJ L, 2024/1923, 11.7.2024, ELI: http://data.europa.eu/eli/reg_impl/2024/1923/oj); Commission Implementing Regulation (EU) 2023/2120 of 12 October 2023 imposing a provisional anti-dumping duty on imports of electrolytic manganese dioxides originating in the People's Republic of China (OJ L, 2023/2120, 13.10.2023, ELI: http://data.europa.eu/eli/reg_impl/2023/2120/oj); Commission Implementing Regulation (EU) 2022/1394 of 11 August 2022 imposing a definitive anti-dumping duty on imports of silicon originating in the People's Republic of China, as extended to imports of silicon consigned from the Republic of Korea and from Taiwan, whether declared as originating in the Republic of Korea or Taiwan or not, following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and the Council (OJ L 211, 12.8.2022, p. 86, ELI: http://data.europa.eu/eli/reg_impl/2022/1394/oj).

⁽⁶⁾ See Implementing Regulation (EU) 2024/1923, recital 199; Implementing Regulation (EU) 2023/2120, recital 121; Implementing Regulation (EU) 2022/1394, recital 125.

⁽⁷⁾ See Implementing Regulation (EU) 2024/1923, recitals 131-142; Implementing Regulation (EU) 2023/2120, recital 75; Implementing Regulation (EU) 2022/1394, recital 83.

⁽⁸⁾ See Implementing Regulation (EU) 2024/1923, recitals 143-152; Implementing Regulation (EU) 2023/2120, recitals 83-85; Implementing Regulation (EU) 2022/1394, recital 96. While the right to appoint and to remove key management personnel in SOEs by the relevant State authorities, as provided for in the Chinese legislation, can be considered to reflect the corresponding ownership rights, CCP cells in enterprises, state owned and private alike, represent another important channel through which the State can interfere with business decisions. According to the PRC's company law, a CCP organisation is to be established in every company (with at least three CCP members as specified in the CCP Constitution) and the company shall provide the necessary conditions for the activities of the party organisation. In the past, this requirement appears not to have always been followed or strictly enforced. However, since at least 2016 the CCP has reinforced its claims to control business decisions in SOEs as a matter of political principle. The CCP is also reported to exercise pressure on private companies to put 'patriotism' first and to follow party discipline. In 2017, it was reported that party cells existed in 70 % of some 1,86 million privately owned companies, with growing pressure for the CCP organisations to have a final say over the business decisions within their respective companies. These rules are of general application throughout the Chinese economy, across all sectors, including the producers in the metallurgical and chemical sectors.

⁽⁹⁾ See Implementing Regulation (EU) 2024/1923, recital 154; Implementing Regulation (EU) 2023/2120, recital 86; Implementing Regulation (EU) 2022/1394, recital 85.

⁽¹⁰⁾ See Implementing Regulation (EU) 2024/1923, recital 175; Implementing Regulation (EU) 2023/2120, recital 86; Implementing Regulation (EU) 2022/1394, recital 86.

⁽¹¹⁾ See Implementing Regulation (EU) 2024/1923, recitals 178-181; Implementing Regulation (EU) 2023/2120, recital 106; Implementing Regulation (EU) 2022/1394, recital 87.

⁽¹²⁾ See Implementing Regulation (EU) 2024/1923, recital 182; Implementing Regulation (EU) 2023/2120, recital 106; Commission Implementing Regulation (EU) 2024/844 of 13 March 2024 imposing a definitive anti-dumping duty and definitively collecting the provisional duty imposed on imports of electrolytic manganese dioxides originating in the People's Republic of China (OJ L, 2024/844, 14.3.2024, ELI: http://data.europa.eu/eli/reg_impl/2024/844/oj), recital 43; Implementing Regulation (EU) 2022/1394, recital 87.

- (61) Like in previous investigations concerning the metallurgical and chemical sectors in the PRC, the Commission examined in the present investigation whether it was appropriate or not to use domestic prices and costs in the PRC, due to the existence of significant distortions within the meaning of point (b) of Article 2(6a) of the basic Regulation. The Commission did so on the basis of the evidence available on the file, including the evidence contained in the complaint, and in the Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China for the Purposes of Trade Defence Investigations ⁽¹³⁾ ('Report'), which relies on publicly available sources. That analysis covered the examination of the substantial government interventions in the PRC's economy in general, but also the specific market situation in the relevant sector including the product under investigation. The Commission further supplemented these evidentiary elements with its own research on the various criteria relevant to confirm the existence of significant distortions in the PRC as also found by its previous investigations in this respect.
- (62) The complaint alleged that due to the existence of significant distortions in China, domestic prices and costs of the Chinese metallurgical and chemical industry cannot be used in the present case. To support its position, the complainant referred to the Report, especially the sections concerning the chemical sector ⁽¹⁴⁾, to previous Commission investigations of chemical and downstream metallurgical products ⁽¹⁵⁾, as well as to Chinese legislation.
- (63) More specifically, the complaint pointed out that the Chinese economic system is based on the concept of a 'socialist market economy', with the state-owned economy being the 'leading force of the national economy' ⁽¹⁶⁾. The Chinese Constitution and property law reinforce the unquestioned and ever-growing control of the Chinese Communist Party ('CCP') over the economic system of the PRC, which goes well beyond the situation customary in other countries where the governments exercise general macroeconomic control. The Chinese state engages in an interventionist economic policy using various tools as industrial planning, financial systems, and regulatory environment to control the economy ⁽¹⁷⁾. Crucially, the relevant Chinese authorities at all levels of government adhere to the system of plans and they use their vested powers, accordingly, thereby inducing the economic operators to comply with the priorities set out therein ⁽¹⁸⁾.
- (64) The chemical market, and specifically the alumina sector is subject to significant interference by the GOC, as extensively described in the Report. State control is further exercised through various planning and regulatory documents, along with ad hoc policy interventions, targeting the chemical sector and allowing the State to pursue its vision and make necessary adjustments ⁽¹⁹⁾. Regarding alumina, a raw material for fused alumina production, it is identified in plans such as the Chongqing municipality 14th FYP on the High-Quality Development of Manufacturing Industry ('Chongqing Plan'), which aims to enhance alumina projects and build a local supply system ⁽²⁰⁾.
- (65) Referring again to the Report, the complaint pointed out that the market in question is 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. The State party not only actively formulates and oversees the implementation of general economic policies by individual SOEs, but it also claims its rights to participate in operational decision-making in SOEs. This is typically done through the rotation of cadres between government authorities and SOEs, through presence of party members in SOEs executive bodies and of party cells in companies, as well as by shaping the corporate structure of the SOE sector. In exchange, SOEs enjoy a number of economic benefits, in particular the shielding from competition and the preferential access to relevant inputs, including financing. With the high level of government intervention in the chemical industry and a high share of SOEs in the sector relative to overall production, even privately owned producers of the product under investigation are prevented from operating under market conditions. Rather, both public and privately owned enterprises in the chemicals sector are likely subject to policy supervision and guidance by the GOC.

⁽¹³⁾ 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), available at: [https://ec.europa.eu/transparency/documents-register/detail?ref=SWD\(2024\)91&lang=en](https://ec.europa.eu/transparency/documents-register/detail?ref=SWD(2024)91&lang=en).

⁽¹⁴⁾ Report, Chapter 15.

⁽¹⁵⁾ Implementing Regulation (EU) 2024/1923, recital 199; Implementing Regulation (EU) 2023/2120, recital 121; Implementing Regulation (EU) 2022/1394, recital 125.

⁽¹⁶⁾ Report, p. 6-7.

⁽¹⁷⁾ Ibid., p. 152-171 and p. 207-208, 242-243.

⁽¹⁸⁾ Ibid., p. 40-84.

⁽¹⁹⁾ Ibid., p. 495-496.

⁽²⁰⁾ See the 14th Five-Year Plan (2021-2025), Chongqing Municipal People's Government, Issuing high-quality development of manufacturing industry in Chongqing, available at: https://www.cq.gov.cn/zwgk/zfxxgkml/szfwj/qtgw/202108/t20210803_9538603.html, accessed on 15 April 2025.

- (66) The presence of the State in firms allows it to interfere with respect to prices or costs. In this respect, the complaint referred to the Report, highlighting that while the right to appoint and to remove key management individuals in SOEs by the relevant State authorities (as provided for in Chinese legislation) can be considered to reflect the corresponding ownership rights, the CCP cells in enterprises, state-owned and private alike, represent another channel through which the State can interfere with business decisions. Since at least 2016, the CCP has reinforced its claim to control business decisions in SOEs for the purpose of pursuing governmental objectives. The CCP is also reported to exercise pressure on private companies to put 'patriotism' first and to follow Party discipline. Furthermore, the State's presence and intervention in financial markets as well as in the provision of raw materials and inputs have a further distorting effect on the market.
- (67) Moreover, public policies or measures in China discriminate in favour of domestic suppliers or otherwise influencing free market forces. Relevant plans exist at all levels of government and cover virtually all economic sectors, and specifically those considered as 'strategic'. The authorities at each administrative level monitor the implementation of such plans. The economic planning system in China results therefore in resources being directed to sectors designated as strategic or politically important by the government, including the chemical one, affecting the downstream industries, among which the production of fused alumina.
- (68) There is a lack of discriminatory application or inadequate enforcement of bankruptcy, corporate or property laws. While the Chinese bankruptcy law formally rests on similar principles as corresponding laws in other countries, the Chinese system is characterised by systematic under-enforcement. The State plays a strong and active role in the insolvency proceedings, often having direct influence on their outcome⁽²¹⁾. In addition, in China, all land is owned by Chinese State and its allocation is solely dependent on the State. Therefore, the Chinese bankruptcy and property laws result in distortions by maintaining insolvent firms and not providing land at market conditions.
- (69) Wage costs in China are also distorted since China has not ratified several fundamental conventions of the International Labour Organisation, in particular those on the freedom of association and on collective bargaining. 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 residents of a given administrative area.
- (70) Access to finance is granted by institutions which implement public policy objectives and act dependently on the State. The Chinese financial system is characterized by the strong position of State-owned banks, which remain connected to the State, not only through ownership but also via personal relations and just like non-financial SOEs, the banks regularly implement public policies designated by the government. Moreover, borrowing costs have been kept artificially low to stimulate investment growth. Even though 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. In essence, despite the steps that have been taken to liberalize the market, the corporate credit system in China is affected by significant systemic issues and distortions resulting from the continuing pervasive role of the state in the capital markets.
- (71) In addition, the distortions of the Chinese market have a systematic nature. Regarding the production of fused alumina, Government involvement in the energy sector is particularly relevant. Due to high temperature levels that are required for the production of fused alumina (more than 2 000 °C) production is highly energy intensive. In addition to this, the electricity market in China is characterized by strong involvement of SOEs in various stages of the supply chain. There is also strong involvement of the GOC in the setting of energy prices in particular, including the granting of preferential electricity prices for certain industries at the provincial level.
- (72) In conclusion, the complaint took the position that prices or costs 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. On that basis, according to the complaint, it is not appropriate to use domestic prices and costs to establish normal value in this case.

⁽²¹⁾ Ibid., Chapter 6, p. 171-179.

- (73) The GOC did not comment or provide evidence supporting or rebutting the existing evidence on the case file, including the Report and the additional evidence provided by the complainant, on the existence of significant distortions and/or appropriateness of the application of Article 2(6a) of the basic Regulation in the case at hand.
- (74) Consequently, when examining in the present investigation whether it was appropriate or not to use domestic prices and costs in the PRC, due to the existence of significant distortions within the meaning of point (b) of Article 2(6a) of the basic Regulation, the Commission did so on the basis of the evidence available on the file, including the evidence contained in the complaint, as well as in the Report. The Commission further supplemented these evidentiary elements with its own research on the various criteria relevant to confirm the existence of significant distortions in the PRC, as also found by its previous investigations in this respect.
- (75) In the sector of the product under investigation, a substantial degree of ownership, control, policy supervision or guidance by the GOC persists in the sense of Article 2(6a)(b), first indent of the basic Regulation. In China, enterprises operating under the ownership, control and/or policy supervision or guidance by the state represent an essential part of the economy. The GOC and the CCP maintain structures that ensure their continued influence over enterprises, and in particular SOEs ⁽²²⁾. However, CCP interventions into operational decision making have become the norm not only in SOEs, but also in private companies ⁽²³⁾, with CCP claiming leadership over virtually every aspect of the country's economy.
- (76) The investigation established that the sector of the product under investigation is served both by SOEs and private companies ⁽²⁴⁾. For instance, Chinalco, an SOE under SASAC ⁽²⁵⁾, and China Henan International Cooperation Group Co. Ltd. ⁽²⁶⁾, an SOE owned by the Henan government, are among the largest bauxite suppliers ⁽²⁷⁾, bauxite being an essential input to produce fused alumina. Moreover, while several producers are private, such as Zhengzhou Yufa Abrasives Co. Ltd., (a subsidiary of the Zhengzhou Yufa Group) ⁽²⁸⁾, and Saite. ⁽²⁹⁾, a subsidiary of the Bosai Group, they too operate under the supervision and guidance of the Chinese authorities (see recitals 85 and 86).
- (77) Not only, the GOC exerts guidance on enterprises also by setting specific objectives and policies for the metallurgical and chemical sectors, which all industry participants, regardless of their private or public nature, are obliged to comply with.
- (78) To give an example, the Standard Conditions Applicable to the Aluminium Industry ⁽³⁰⁾ ('Standard Conditions'), issued by the Ministry of Industry and Information Technology ('MIIT') in 2020, set the overall framework for the operation of the aluminium industry at the central level. Nominally, the Standard Conditions pursue the objective to: '[p]romote the supply-side structural reform of the aluminium industry, promote the technological development of the industry, and promote the high-quality development of the industry' and provide that: '[b]auxite mining, alumina, electrolytic aluminium and secondary aluminium production must comply with national and local industrial policies, mineral resource plans, environmental protection and energy conservation laws, regulations and policies, mining laws, regulations and policies, safety production laws, regulations and policies, industry development plans and other requirements' ⁽³¹⁾.

⁽²²⁾ Report, p. 120-131.

⁽²³⁾ Article 33 of the CCP Constitution, Article 19 of the Chinese Company Law. See also the Report, p. 47-50.

⁽²⁴⁾ See also the Report, p. 422 and p. 441.

⁽²⁵⁾ See at: <http://wap.sasac.gov.cn/n2588045/n27271785/n27271792/c14159097/content.html> (accessed on 8 April 2025).

⁽²⁶⁾ See at: <http://www.c-chico.com/#/index> (accessed on 8 April 2025).

⁽²⁷⁾ See at: <https://finance.eastmoney.com/a/202503243354581456.html> (accessed on 8 April 2025).

⁽²⁸⁾ See at: <https://www.yfml.com/about-03> (accessed on 8 April 2025).

⁽²⁹⁾ See at: <https://www.cqbosai.com/index.php/company/show/111> and also at https://www.cq.gov.cn/ywdt/jrcq/202411/t20241126_13831013.html (accessed on 8 April 2025).

⁽³⁰⁾ See at: <http://www.lyghz.gov.cn/hzqzxqyj/gfxwj/content/437ba875-02fc-4082-b62f-febf935ced75.html> (accessed on 8 April 2025).

⁽³¹⁾ Ibidem, Point 1.1.

- (79) Furthermore, alumina is included in the 2025 Catalogue of Encouraged Industries in the Western Regions ⁽³²⁾.
- (80) More recently, the GOC released the Implementation Plan for the High Quality Development of the Aluminium Industry ⁽³³⁾ ('Aluminium Plan') stating that: 'To promote the high-quality development of the aluminium industry, better support key manufacturing industry chains, [...] we have formulated this Plan for the period from 2025 to 2027 [...]. Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, we must fully implement the guiding principles of the 20th National Congress of the [CCP], and the Second and Third Plenary Sessions of the 20th CPC Central Committee, and act in accordance with the decisions of the national meeting on promoting new industrialization. [...] We will strive to significantly enhance the resilience and security level of the industrial and supply chains by 2027, with the overall situation of the industry chain leading the world. Aluminium resource security capacity will be substantially improved, striving for a 3 %-5 % increase in domestic bauxite resources, and an annual recycled aluminium output of over 15 million tons. The industrial structure will be optimized, with aluminium processing industry clusters improved.'
- (81) The Shandong Province 14th FYP on Aluminium Industry Development ⁽³⁴⁾ ('Shandong Plan') lists the following targets: '[b]y 2025, the production capacity of electrolytic aluminum and alumina will be controlled [...]. The province will evolve into a major aluminium industrial cluster with significant domestic and overseas influence' ⁽³⁵⁾.
- (82) In September 2022, the Standing Committee of the People's Congress of Guangxi Zhuang Autonomous Region issued the Decision on Promoting the High-quality Development of the Aluminium Industry ⁽³⁶⁾ ('Guangxi Decision') and specified the goals regarding cultivating leading enterprises and steering the development path of SOEs in the province: 'Cultivate and introduce a group of leading enterprises with core competitiveness. Establish an 'industrial chain leader' system in the aluminium industry, for enterprises leading the alumina and electrolytic aluminium industrial chains, to implement a comprehensive energy efficiency evaluation and incentive mechanism covering the whole industry [...]. Improve the development quality and efficiency of aluminium-related state-owned enterprises, support Guangxi Investment Group and other state-owned enterprises to optimize and integrate their internal aluminium business; take and use capital to deploy the aluminium industry chain across provinces and countries via mergers and acquisitions, participating or controlling equity interest or other methods, so as to implement coordinated development of the whole industrial chain and build up leading enterprises in the aluminium industry with national influence and international competitiveness' ⁽³⁷⁾.
- (83) Government control and policy supervision can be also observed at the level of the relevant industry associations. Indeed, Chinese industry associations are to guarantee that industry implements the policies of the GOC. This responsibility is confirmed by the fact that in their activity, they liaise closely with State authorities, which is reflected in their statutes.
- (84) For instance, China Non-Ferrous Metals Fabrication Industry Association ⁽³⁸⁾ ('CNFA') notably states in Article 3 of its Articles of Association that the organisation '[a]dheres to the overall leadership of the [CCP], establishes an organization of the [CCP], carries out Party activities, and provides the necessary conditions for the activities of the Party organization' and 'accepts the professional guidance, supervision and management by the entities in charge of registration and management, by entities in charge of Party building, as well as by the relevant administrative departments in charge of industry management' ⁽³⁹⁾. According to Article 6 of its Articles of Association, the scope of the Association's business is, inter alia, the following: '[i]n accordance with the general policy and general task of

⁽³²⁾ See at: https://www.gov.cn/zhengce/zhengceku/202411/content_6990315.htm (accessed on 14 April 2025).

⁽³³⁾ See at: https://www.gov.cn/zhengce/zhengceku/202503/content_7016126.htm (accessed on 8 April 2025).

⁽³⁴⁾ See at: <http://gxt.shandong.gov.cn/module/download/downloadfile.jsp?classid=0&filename=f85aaf1621f249c39003ec11de94edac.pdf> (accessed on 8 April 2025).

⁽³⁵⁾ Ibid., Section II.3.

⁽³⁶⁾ See at: <http://gxt.gxzf.gov.cn/wzsy/zwtd/mtgz/t13115758.shtml> (accessed on 15 April 2025).

⁽³⁷⁾ Ibid., Point 15.

⁽³⁸⁾ See at: <https://www.cnfa.net.cn/index.aspx> (accessed on 8 April 2025).

⁽³⁹⁾ See at: <https://www.cnfa.net.cn/about/1546.aspx> (accessed on 8 April 2025).

establishing a socialist market economic system put forward by the Party and the state, and in view of the actual situation of the industry, actively put forward suggestions and opinions on industry development, industry policies, laws and regulation' ⁽⁴⁰⁾. Moreover, the conditions to be eligible as a representative of the Association include the adhesion to the leadership of the Communist Party of China, supporting socialism with Chinese characteristics, resolutely implementing the Party's line, principles and policies, and possessing good political qualities ⁽⁴¹⁾.

(85) Some bauxite suppliers, for instance Chinalco, are members of CNFA.

(86) Similarly, the Association of China Refractory Industry ⁽⁴²⁾ ('ACRI') states in Article 3 of its Articles of Association that the organisation [a]dheres to the overall leadership of the [CCP], establishes an organization of the [CCP], carries out Party activities, and provides the necessary conditions for the activities of the Party organization' and 'accepts the professional guidance, supervision and management by the Ministry of Civil Affairs.' Additionally, the Association's Party work 'accepts the unified guidance of the Society work department of the CCP Central Committee ⁽⁴³⁾.'

(87) The Bosai Group as well as the Zhengzhou Yufa Group are members of ACRI ⁽⁴⁴⁾.

(88) Also, the Articles of Association of the downstream China Machine Tool Industry Association ⁽⁴⁵⁾ ('CMTBA'), which has nevertheless a branch concerned specifically with abrasives, contain the identical Article 3 ⁽⁴⁶⁾, declaring the Association's compliance with the CCP's leadership and its acceptance of the supervision and management by the Ministry of Civil Affairs and by the Party Committee of the State-owned Assets Supervision and Administration Commission of the State Council as concerns CMTBA's Party building activities ⁽⁴⁷⁾.

(89) As to the GOC being in a position to interfere with prices and costs through State presence in firms in the sense of Article 2(6a)(b), second indent of the basic Regulation, CCP cells in enterprises, state-owned and private alike, represent an important channel through which the state can interfere with business decisions. During the investigation, the Commission established the existence of personal connections between producers of the product under investigation and the CCP, such as CCP members among the senior management or members of the board of directors in a number of companies manufacturing the product under investigation.

(90) For instance, Chinalco's chairman and Chinalco's director and general manager, are respectively the party secretary and the party deputy-secretary of Chinalco's party organization. Not only, in 2024, all units of Chinalco Group launched the Party Discipline Study and Education: '[t]he deployment meeting of the Party Discipline Study and Education of Chinalco Group emphasized that party organizations at all levels should strengthen the combination of learning and application, combine the Party Discipline Study and Education with the implementation of the annual implementation system of the strategic planning of Chinalco Group's "4 + 4 + N + annual key projects", and strive to achieve annual goals and tasks, and effectively transform the learning results into an inexhaustible driving force for accelerating the construction of a world-class excellent aluminium company with strong comprehensive competitive advantages, and provide strong political guarantees for striving to write a new chapter of Chinalco's modernization' ⁽⁴⁸⁾.

⁽⁴⁰⁾ Ibidem.

⁽⁴¹⁾ Ibid., Article 21.

⁽⁴²⁾ See at: <https://www.acri.org.cn/> (accessed on 10 April 2025).

⁽⁴³⁾ See at: <https://www.acri.org.cn/aboutAssociation/constitution?id=2> (accessed on 10 April 2025).

⁽⁴⁴⁾ See at: <https://www.acri.org.cn/associationMember/director?id=3> (accessed on 10 April 2025).

⁽⁴⁵⁾ See at: <https://www.cmtba.org.cn/> (accessed on 10 April 2025).

⁽⁴⁶⁾ See at: <https://www.cmtba.org.cn/web/197001/3043.html> (accessed on 10 April 2025).

⁽⁴⁷⁾ See at: <https://www.cmtba.org.cn/web/3/list.html> (accessed on 10 April 2025).

⁽⁴⁸⁾ See at: https://www.chinalco.com.cn/dqjs/dqjs_djdt/202404/t20240422_126423.html (accessed on 10 April 2025).

- (91) Also privately owned enterprises in the alumina industry are subject to Party interference. For example, the Chairman of the Bosai Group also serves as 'the Chairman of the Chinese People's Political Consultative Conference of Nachuan District, Chongqing' and has won the honorary title of 'China's outstanding characteristic socialist builder' ⁽⁴⁹⁾. Furthermore, the Deputy General Manager of the Group also serves as the Secretary of the Group's Party Committee and participated in a meeting with the Chongqing 'Municipal Party Committee Propaganda Group to study and implement the spirit of the Third Plenary Session of the 20th Central Committee of the CCP' ⁽⁵⁰⁾.
- (92) Further, policies discriminating in favour of domestic producers or otherwise influencing the market in the sense of Article 2(6a)(b), third indent of the basic Regulation are in place in the sector of the product under investigation.
- (93) The metallurgical industry keeps being regarded as a key industry by the GOC ⁽⁵¹⁾. This is confirmed in the numerous plans, directives and other documents covering alumina, issued at national, provincial, and municipal level, which have been documented in detail by the Commission's previous investigations of the sector ⁽⁵²⁾, as well as by the Report ⁽⁵³⁾.
- (94) At national level, for instance, the 14th FYP on Developing the Raw Materials Industry ⁽⁵⁴⁾ ('Raw Materials Plan') includes provisions 'encouraging coastal areas to orderly arrange alumina and other projects using overseas resources'. The plan further calls for capacity control in the aluminium sector in general, including in the alumina sector: 'Strictly control newly increased production capacity. [...] Prevent the disorderly development of [...] and alumina'.
- (95) Additionally, the Aluminium Plan states that the GOC 'will strive to significantly enhance the resilience and security level of the industrial and supply chain by 2027, and make sure the industry chain development reaches a world-leading level. Aluminum resource security capacity will be substantially improved, striving for a 3 %-5 % increase in domestic bauxite resources'. Beyond this focus on bauxite inputs, the GOC also intends to 'build alumina projects in a steady and prudent fashion. We will strengthen the scientific planning of alumina [...] projects with bauxite as raw material [...] New projects will be advanced prudently. Newly modified or expanded alumina projects must strictly comply with relevant policies on industry [...]' ⁽⁵⁵⁾.
- (96) As can be seen from the above documents, the alumina sector is closely monitored and steered by the central government and the sector, including the whole fused alumina industry chain, is to a large extent shaped by governmental intervention rather than by free market forces.
- (97) At local level, the extent of China's interference into the alumina industry is more evident. One such example is the Shandong Plan, that, alongside the goals described in recital 81, sets out support measures for the local aluminium enterprises: 'Increase policy and regulatory support. Actively implement various national and provincial-level support policies, provide support to eligible industrial clusters, key products and key technologies. Support enterprises undertaking major national and provincial projects' ⁽⁵⁶⁾.

⁽⁴⁹⁾ See at: <https://www.cqbosai.com/index.php/about/team> (accessed on 10 April 2025).

⁽⁵⁰⁾ See at : https://www.cqbosai.com/index.php/news/m_show/493#:~:text=%E5%85%9A%E5%A7%94%E4%B9%A6%E8%AE%B0%E5%88%98%E5%89%91%E8%A6%81%E6%B1%82,%E5%A4%9A%E6%9B%B4%E5%A4%A7%E7%9A%84%E8%B4%A1%E7%8C%AE%E3%80%82 (accessed on 10 April 2025).

⁽⁵¹⁾ Report, p. 427.

⁽⁵²⁾ See Implementing Regulation (EU) 2024/1923, recitals 153-167; Implementing Regulation (EU) 2023/2120, recitals 86-100; Implementing Regulation (EU) 2022/1394, recitals 81-127.

⁽⁵³⁾ Report, p. 427.

⁽⁵⁴⁾ See at: https://www.miit.gov.cn/zwgk/zcwj/wjfb/tz/art/2021/art_2960538d19e34c66a5eb8d01b74cbb20.html (accessed on 10 April 2025).

⁽⁵⁵⁾ See Section I of the Aluminium Plan.

⁽⁵⁶⁾ See Section VIII.2 of the Shandong Plan.

- (98) In Yunnan, the Yunnan Province Action Plan on Reshaping the Whole Chain of Nonferrous Metals and New Material Industries with New Advantages 2021-2023 ⁽⁵⁷⁾ ('Yunnan Plan') seeks to '[d]evelop intelligent manufacturing: [...] promote the transformation of production methods to intelligent, flexible, and refined, and carry out pilot demonstrations of intelligent manufacturing in the non-ferrous metal industry. In the mining fields of [...] bauxite, [...] we will promote a complete set of intelligent collaborative mining technology systems [...] and build digital mines based on leading backbone enterprises in the industry and carry out industry demonstrations. [...] promote enterprises to improve their intelligence level in process optimization [...] and safe production and improve their ability to meet user needs quickly and at low cost' ⁽⁵⁸⁾.
- (99) The Yunnan Plan also contains measures to lower the operating costs of the alumina industry by the means of preferential tax policies: 'Implement preferential tax policies for the development of the western region, and duly conduct investigation and registration of relevant enterprises for the [...] green aluminium industry and non-ferrous metal deep processing industry listed in the catalogue of encouraged industries in the western regions; provide unsolicited advice and services to help enterprises reduce their tax burden' ⁽⁵⁹⁾.
- (100) The Guangxi Decision, as already pointed out in recital 82, sets out several objectives for the aluminium industry development in the province. Furthermore, it mandates that: '[T]he competent departments of the Autonomous Region such as Development and Reform, Industry and Information Technology, and Ecology and Environment shall guide and support alumina and electrolytic aluminum enterprises to use new processes, new technologies, and green and low-carbon technologies to carry out energy-saving transformation [...]' ⁽⁶⁰⁾.
- (101) In Henan, the Bauxite International Trade Business Cooperation Agreement was signed between China Henan International Cooperation Group Co., Ltd. and the Sanmenxia Municipality State-owned Assets Operation and Management Co., Ltd. According to the agreement, '[i]n the future, the Sanmenxia Municipal Party Committee and the Municipal Government will include aluminum-based new materials in one of the 12 key industrial chains that the city will focus on cultivating. As an important platform enterprise for the province's opening up and cooperation, China Henan International Cooperation Group Co., Ltd. serves and guarantees the province's key strategies [...]. As a municipal state-owned enterprise, Sanmenxia State-owned Assets Operation and Management Co., Ltd. [...] strives to cultivate new quality productivity, has been deeply cultivated in the field of aluminum industry for many years, strives to achieve new breakthroughs in the expansion of aluminum-based industrial chain, and actively explores new paths for innovation and development. The cooperation between the two parties to carry out bauxite international trade business is not only an important measure to implement the national strategy, expand the field of foreign economic cooperation, and promote the high-quality development of the local economy, but also a vivid practice of deepening the reform and innovative development of the city's state-owned enterprises, which is of great significance and far-reaching impact on solving the problem of tight local bauxite supply faced by the city and the development of the aluminum industry in the current and future periods' ⁽⁶¹⁾.
- (102) At local level, in 2021, the Fuling High Tech Zone (the Fuling district is located in the Chongqing Municipality area) declared to have 'spent RMB 185 million on scientific and technological innovation, which was 10,9 percentage points higher than the growth rate of the general public budget expenditure of the whole region' and added that 'through platform construction and policy support, the zone has effectively promoted the agglomeration of innovative elements to the new material industry chain, and many innovative achievements have filled the domestic gap. For example, [...] Fuling [Chongqing] Saite's annual output of brown fused alumina exceeded 200 000 tons, becoming the world's largest brown fused alumina monomer manufacturing enterprise. By the end of 2021, the Fuling District cultivated 98 private high-tech enterprises' ⁽⁶²⁾.

⁽⁵⁷⁾ Available at: http://www.yn.gov.cn/ztgg/lqhm/lqzc/djzc/202202/t20220223_236886.html (accessed on 14 April 2025).

⁽⁵⁸⁾ See Section III.10 of the Yunnan Plan.

⁽⁵⁹⁾ See Section IV.3(3) of the Yunnan Plan.

⁽⁶⁰⁾ See Point XI of the Guangxi Decision.

⁽⁶¹⁾ See at: <https://www.smx.gov.cn/4036/616899168/1838419.html> (accessed on 11 April 2025).

⁽⁶²⁾ See at: https://www.cq.gov.cn/zt/fjxzcjgxs/d/jqxkfz/202210/t20221014_11190923.html (accessed on 11 April 2025).

- (103) Additionally, state-owned banks also support some fused alumina producers, like for instance Chongqing Branch of the Export and Import Bank of China which ‘introduced a number of measures to help Chongqing do everything possible to stabilize the basic market of foreign trade and foreign investment, and promote the new development of Chongqing’s open economy [...] and strengthened trade financial support, [...] provided settlement services [...] letter of credit and trade financing for many production-oriented and trade-oriented enterprises such as [Chongqing] Saite Corundum and Chongqing International Trade’ ⁽⁶³⁾. In sum, the GOC has measures in place to induce operators to comply with the public policy objectives of supporting encouraged industries, including the production of the main inputs used in the manufacturing of the product under investigation. Such measures impede market forces from operating freely.
- (104) The present investigation has not revealed any evidence that the discriminatory application or inadequate enforcement of bankruptcy and property laws according to Article 2(6a)(b), fourth indent of the basic Regulation in the alumina sector would not affect the manufacturers of the product under investigation.
- (105) The product under investigation is also affected by the distortions of wage costs in the sense of Article 2(6a)(b), fifth indent of the basic Regulation, as also referred to above in recital 60. Those distortions affect the sector both directly (when producing the product under investigation or the main inputs), as well as indirectly (when having access to inputs from companies subject to the same labour system in the PRC).
- (106) Moreover, no evidence was submitted in the present investigation demonstrating that the sector of the product under investigation is not affected by the government intervention in the financial system in the sense of Article 2(6a)(b), sixth indent of the basic Regulation, as also referred above in recital 60. Even at policy level, the government deeply regulates financial measures. For instance, Raw Materials Plan mandates that ‘[t]he existing funding channels will be made full use of to support major projects involved in the Plan. [The GOC] will deepen industry-finance cooperation and leverage the role of the national industry-finance cooperation platforms to provide strong support for projects in line with the Plan by means of financial services and equity investment’ ⁽⁶⁴⁾.
- (107) Therefore, the substantial government intervention in the financial system leads to the market conditions being severely affected at all levels.
- (108) Finally, the Commission recalls that to produce the product under investigation, a number of inputs is needed. When the producers of the product under investigation purchase/contract these inputs, the prices they pay (and which are recorded as their costs) are clearly exposed to the same systemic distortions mentioned before. For instance, suppliers of inputs employ labour that is subject to the distortions. They may borrow money that is subject to the distortions on the financial sector/capital allocation. In addition, they are subject to the planning system that applies across all levels of government and sectors.
- (109) As a consequence, not only the domestic sales prices of the product under investigation are not appropriate for use within the meaning of Article 2(6a)(a) of the basic Regulation, but all the input costs (including raw materials, energy, land, financing, labour, etc.) are also affected because their price formation is affected by substantial government intervention, as described in Parts I and II of the Report. Indeed, the government interventions described in relation to the allocation of capital, land, labour, energy and raw materials are present throughout the PRC. This means, for instance, that an input that in itself was produced in the PRC by combining a range of factors of production is exposed to significant distortions. The same applies for the input to the input and so forth.
- (110) In sum, the evidence available showed that prices or costs of the product under investigation, including the costs of raw materials, energy and labour, are not the result of free market forces because they are affected by substantial government intervention within the meaning of Article 2(6a)(b) of the basic Regulation, as shown by the actual or potential impact of one or more of the relevant elements listed therein. On that basis, and in the absence of any cooperation from the GOC, the Commission concluded that it is not appropriate to use domestic prices and costs to

⁽⁶³⁾ See at: http://www.eximbank.gov.cn/info/ztzl/zszhwwmwwzg/202008/t20200806_20935.html (accessed on 11 April 2025).

⁽⁶⁴⁾ See Section VIII.2 of the Raw Materials Plan.

establish normal value in this case. Consequently, the Commission proceeded to construct the normal value exclusively on the basis of costs of production and sale reflecting undistorted prices or benchmarks, that is, in this case, on the basis of corresponding costs of production and sale in an appropriate representative country, in accordance with Article 2(6a)(a) of the basic Regulation, as described in the following section.

3.2.1.1. Arguments of the interested parties

- (111) On 31 January 2025, Runbao and Saite, submitted a set of comments in reply to the First Note, including with respect to application of Article 2(6a) of the basic Regulation.
- (112) First, Runbao and Saite took the position that Article 2(6a) of the basic Regulation is not applicable as Chinese fused alumina industry operates under market-oriented conditions. Runbao and Saite also argued in this connection that the Commission should accept the domestic prices and costs reported by both companies since they are privately-owned.
- (113) This argument could not be accepted. As described in detail in recitals 74 to 110 above, the sector of the product under investigation is subject to numerous significant distortion within the meaning of Article 2(6a)(b) of the basic Regulation. While such distortions take various forms and presence of SOEs in the sector is indicative of the existence of significant distortions, the government intervention affecting the market forces is not limited to economic operators owned by the state but extends also to private companies (see in particular recital 91 above).
- (114) Second, Runbao and Saite submitted that even if the Commission were to find that significant distortions exist, the relevant assessment must be done individually for Runbao and Saite as stipulated in the third paragraph of Article 2(6a) of the basic Regulation.
- (115) The Commission noted that the existence of significant distortions giving rise to the application of Article 2(6a) of the basic Regulation is established on a country-wide level. If the existence of significant distortions in a definitive sector is established, then the provisions of Article 2(6a) of the Regulation apply a priori to all exporting producers of the sector in question in the PRC and concern all costs relating to their factors of production. While the same provision of the basic Regulation provides for the use of domestic costs which are positively established not to be affected by significant distortions, no domestic costs have been established to be undistorted based on accurate and appropriate evidence. In particular, the exporting producers did not submit accurate and appropriate evidence on undistorted prices and costs, they limited themselves to the above-mentioned general claim that the fused alumina industry operates under market-oriented conditions.

3.2.2. Representative country

3.2.2.1. General remarks

- (116) The choice of the representative country was based on the following criteria pursuant to Article 2(6a) of the basic Regulation:
- A level of economic development similar to the PRC. For this purpose, the Commission used countries with a gross national income per capita similar to the PRC on the basis of the database of the World Bank ⁽⁶⁵⁾;
 - 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.

⁽⁶⁵⁾ World Bank Open Data – Upper Middle Income, <https://data.worldbank.org/income-level/upper-middle-income>.

(117) As explained in recitals 53 and 54, the Commission issued two notes for the file on the sources for the determination of the normal value: the first note on production factors of 21 January 2025 (hereinafter the 'First Note') and the second note on the production factors of 5 March 2025 (hereinafter the 'Second Note'). These notes described the facts and evidence underlying the relevant criteria, and also addressed the comments received by the parties on these elements and on the relevant sources. In the second note on production factors, the Commission informed interested parties of its intention to consider Mexico as an appropriate representative country in the present case if the existence of significant distortions pursuant to Article 2(6a) of the basic Regulation would be confirmed. Following comments and supporting evidence received from interested parties regarding the absence of genuine production of the product under investigation in Mexico, the Commission considered that Brazil was the most appropriate representative country in the present case if the existence of significant distortions pursuant to Article 2(6a) of the basic Regulation would be confirmed.

3.2.3. *A level of economic development similar to the PRC*

(118) In the First Note on production factors, the Commission identified Mexico and Brazil 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.

(119) In its comments, Tyrolit proposed three potential countries – Brazil, Kazakhstan and India – as suitable representative countries for this investigation. VDS argued that India would be the most appropriate choice, citing the presence of numerous producers of the product under investigation. Additionally, VDS submitted that India offers a realistic reflection of raw material prices and that its energy prices are more comparable to those in China.

(120) The Commission noted that, contrary to the country concerned, Kazakhstan and India do not fall under the category of 'upper middle income' countries according to the classification of World Bank and do therefore not qualify as possible representative countries in view of their level of economic development, as provided for in Article 2(6a)(a) of the basic Regulation. Consequently, Kazakhstan and India cannot be used as representative countries. Hence these claims were rejected.

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

(121) In the First note the Commission indicated that for the countries identified as countries where product under investigation is being produced, i.e. Brazil and Mexico, the availability of data needed is to be further verified in particular with regard to the readily available financial data from producers of the product under investigation.

(122) With regard to Brazil, the Commission could not find, at this stage, readily available financial statements (whether consolidated or not) for Elfusa Geral de Eletro Fusão, the only known company producing the product under investigation in Brazil. The Commission therefore concluded that it could not use the data of this company in the proceeding. As a result, the Commission concluded that Brazil could not be considered as an appropriate representative country for this investigation.

(123) With regard to Mexico, the Commission identified readily available financial statements for Elmet which show a reasonable level of profitability in the year 2022 but not covering the investigation period.

(124) The Commission analysed the imports of the main factors of production into Mexico and Brazil. The complainant provided prima facie evidence of the existence of significant distortions concerning fused alumina in China. Therefore, should the existence of such distortions be confirmed, imports from China would be excluded from the calculation of benchmark prices for the raw materials in the representative countries. The Commission also

examined imports from non-WTO countries listed in Annex I to Regulation (EU) 2015/755 of the European Parliament and the Council ⁽⁶⁶⁾. In all cases, these imports were either non-existent or minimal (below 1 %) during the investigation period. Accordingly, both Mexico and Brazil could be considered appropriate representative countries ⁽⁶⁷⁾.

(125) Tyrolit and VDS asserted that there are strong indications suggesting that Elmet, an identified producer in Mexico, primarily operates as an importer and distributor of raw materials for the refractory and metallurgical industries rather than producing any type of fused alumina. They further stated that Brazil has domestic production of the product under investigation, with Elfusa Geral de Eletro Fusão ('Elfusa') being a well-known producer among VDS members.

(126) The Commission noted that Tyrolit and VDS did not provide evidence that Elmet does not produce the product under investigation. On the contrary, Elmet's website explicitly states that the company produces BFA and operates its own furnace. Such element was also not contradicted by other interested parties that reckon the existence of such producer in Mexico. Additionally, Elmet's financial statements are readily accessible through Orbis, whereas the financial statements of the Brazilian producer, Elfusa, are not readily available and were not submitted by Tyrolit and/or VDS. Consequently, these claims were rejected.

(127) Union users, Vesuvius Poland Sp. z o.o. ('Vesuvius') and Calderys and Union users association European Refractories Producers' Association ('PRE') came forward in support for the choice of Mexico as the representative country at this stage. According to Vesuvius, Brazil is an inappropriate representative country as there is insufficient and "unsuitable" data for key factors of production, as imports of these materials into Brazil are limited, particularly when excluding those of Chinese origin. Furthermore, based on Vesuvius' knowledge, the imported materials do not correspond to those typically used in fused alumina production. Instead, these imports primarily consist of specialized grades of bauxite intended for specific applications, which are unlikely to be used for producing fused alumina. Additionally, no financial data is available for fused alumina producers in Brazil. Vesuvius therefore recommended that if the Commission were to select Brazil as the representative country, it should rely on export data rather than import data, as done in previous investigations, to ensure a fair and accurate determination of the normal value. Calderys supported the selection of Mexico as the representative country due to the availability of financial data for an identified fused alumina producer in Mexico. Additionally, Mexico's import patterns indicate lower exposure to potentially distorted imported inputs and adherence to stronger social and environmental standards. PRE noted that Brazil is one of the world's largest producers of bauxite and, as a result, is a net exporter. Consequently, PRE argued that the unit import price of bauxite in Brazil may not accurately reflect the domestic market, either due to the low volume of imports or because imported products are specialized, focusing on higher-value specialty grades. Additionally, like the Commission, PRE was unable to find available financial statements for Elfusa.

(128) Tyrolit and Reckel commented that the factors of production for manufacturing alumina-based fused alumina and sol-gel corundum were not listed in the First Note. Meanwhile, Reckel argued that the production factors identified by the Commission should be reconsidered, as they do not accurately reflect the primary raw materials used for producing sol-gel corundum. Both companies urged the Commission either to adjust the identified production factors or to exclude sol-gel corundum from the scope of the investigation.

(129) In response to the comments from Tyrolit and Reckel, one additional input used in the manufacturing of sol-gel – a product type included in the product under investigation – was also considered, as it was reported by one of the sampled exporting producers. The Commission calculated dumping margins based on the data gathered and verified during the investigation, ensuring that all necessary inputs for the production of the various types of fused alumina by the two sampled producers are considered.

⁽⁶⁶⁾ 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>).

⁽⁶⁷⁾ Idem.

- (130) Saite and Runbao argued that GTA import statistics are not a suitable basis for determining the raw material costs of the normal value unless adjustments required under Article 2(10) of the basic Regulation are made to ensure that benchmark prices are comparable to the actual prices paid by Chinese exporting producers. They noted that Chinese companies source a significant portion of their raw materials and other inputs on the domestic market, meaning that the factor of production (FOP) prices in question do not include costs such as ocean freight, insurance, and import duties. Therefore, they claimed that when using GTA import data, the Commission should adjust the benchmark prices to reflect the actual procurement conditions of the Chinese producers, including the mode of transportation, transport distance, and the applicability of costs such as insurance, import duties, and VAT.
- (131) The Commission noted that Article 2(6a)(a) of the basic Regulation prescribes the use of corresponding data in an appropriate representative country 'provided that the relevant data are readily available'. In this case, import prices in the potential representative countries are readily available, and the Commission uses GTA data as the source for those prices. If evidence confirms the basis to apply the methodology in Article 2(6a)(a) of the basic Regulation, the Commission further adjusts these import prices (e.g. by adding the relevant customs duties) to arrive at a reasonable proxy representing an undistorted domestic price in these countries. Moreover, the Commission excluded data on imports into the representative country from China to determine the relevant benchmarks. As long as the import quantities of the factors of production are deemed by the Commission sufficiently representative at undistorted prices and there are no other specific circumstances rendering them unsuitable, there is no objective reason to exclude them. Therefore, in the absence of evidence to the contrary, the Commission rejected this claim.
- (132) In light of the above considerations, the Commission informed the interested parties with the second note that it intended to use Mexico as an appropriate representative country, in accordance with Article 2(6a)(a), first indent of the basic Regulation in order to source undistorted prices or benchmarks for the calculation of normal value. When establishing reasonable values for SG & A costs and for profit, the Commission initially proposed to use financial data of Elmet, which were available in the ORBIS database for a period preceding the IP.
- (133) Interested parties were invited to comment on the appropriateness of Mexico as a representative country and of Elmet as producers in the representative country.
- (134) Saite and Runbao emphasized the importance of adjusting GTA import data to exclude costs like ocean freight, insurance, and import duties, as these are not incurred when they source raw materials domestically in China. They argued that including such costs would distort the comparison between export prices and normal value as they urged the Commission to ensure that the normal value sources reflect actual procurement conditions of Chinese producers to ensure fair comparison. In addition, Runbao objected to using Brazil's GTA import statistics for silicon carbide as suggested in the Second Note, recommending Turkey instead due to higher import volumes and more reliable data reflecting a comparable economic development level.
- (135) As mentioned in recital 110, in view of the existence of significant distortions on the Chinese domestic market, the Commission is entitled to construct the normal value exclusively on the basis of corresponding costs of production and sale in an appropriate representative country, in accordance with Article 2(6a)(a) of the basic Regulation. In this regard, the Commission could not identify prevailing domestic prices on the domestic market and had to resort to import statistics including transport cost and import duties, where applicable, to reflect the domestic prices in the representative country that would be payable by a local producer. Hence this claim is rejected. The specific claim relating to silicon carbide was considered and addressed in recital 154.
- (136) Wester argued that Elmet is too small, with fluctuating financial data, to be representative of Mexico's industry for this purpose. Additionally, there is no confirmation that Elmet manufactures BFA in Mexico, as the company's website does not support the Commission's claim. Even if Elmet produces BFA, Wester pointed out that it is a minor part of Elmet's product range, and the financial data from Elmet primarily reflects their other trades, rendering it unsuitable for determining the normal value of BFA. Wester urged the Commission to reconsider using Elmet's financial data and, if no other appropriate data is available, to reconsider the use of a representative country altogether.

- (137) Traxys challenged the selection of Elmet in Mexico as a representative producer, providing evidence that Elmet does not manufacture BFA for the refractory industry but rather operates as an importer-trader sourcing from the PRC. They contended that using Elmet's data would distort normal value calculations since it does not properly reflect production processes, cost structure or pricing strategies relevant to the product under investigation. Traxys also pointed out that ocean freight significantly impacts costs, making Mexican sales prices unsuitable for proper comparison with the EU market. They suggested that Elfusa in Brazil could be a more representative producer due to its local production of BFA and similarity in freight costs compared to PRC. Traxys emphasized that the current selection lacks sufficient evidence and may lead to inaccurate normal value determination, affecting procedural fairness and European interests.
- (138) The Verband Deutscher Schleifmittelwerke e.V. (VDS) questioned the choice of Mexico as a representative country, arguing that Elmet does not produce the product under investigation. They claimed that Elmet imports the BFA from PRC, potentially leading to distorted calculations if used as a benchmark. VDS claimed that the Commission had not sufficiently scrutinized assumptions brought forward by complainants and neglected important arguments from interested parties.
- (139) Further to the above claims and evidence put forward, the Commission further investigated whether Elmet was a genuine producer of the product under investigation in Mexico whose financial statements could be used for the determination of reasonable amounts for SG & A and for profit in the representative country. Following its research, the Commission confirmed that Elmet was not a genuine producer. Furthermore, the Commission has obtained a letter from Elmet clarifying that the company does not produce the product under investigation. In the absence of genuine production of the product under investigation, the Commission had to reconsider its selection of an appropriate representative country.
- (140) Imerys and VDS also made certain claims regarding the price of electricity in Mexico, GTA import statistics for alumina and bauxite in Mexico. VDS repeated that India should be used as a representative country. Considering the absence of genuine production in Mexico, these claims were considered moot. Furthermore, as already explained in recital 120, India does not belong to the same income group as the PRC and cannot be considered for the selection of an appropriate representative country.
- (141) When re-considering the selection of an appropriate representative country, the Commission relied on the information contained in the first and second notes to the file and on the comments received in this regard. In the first and second notes, the Commission had identified Mexico and Brazil as potential representative countries. While there were no decisive factors favouring the choice of Brazil or Mexico as far as production of the product under investigation, import statistics, labour or energy are concerned, the Commission selected Mexico based on the availability of financial statements. Considering the comments received pointing to the absence of genuine production in Mexico -contrary to Brazil- and the absence of financial statements for producers of the product under investigation in Brazil, the Commission examined the availability of financial statements for companies active in the same NACE sector as fused alumina in Brazil. In this context, the Commission identified 3 companies operating in the NACE sector C 23.9 – Manufacture of abrasive products and non-metallic mineral products in Brazil with available financial statements for the years 2023 and 2024 i.e. covering partially the investigation period. This sector was considered representative as it includes companies whose industrial processes are close to those of producers of the product under investigation as production steps such as high temperature processing, mechanical grinding and classification systems, are fundamentally aligned across these companies and fused alumina manufacturing. On this basis, the Commission considered that Brazil was appropriate representative country for the purpose of this investigation.

3.2.5. *Level of social and environmental protection*

- (142) Having established that Brazil was 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.

3.2.5.1. Conclusion

(143) 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.

3.2.6. Sources used to establish undistorted costs

(144) In the First Note, the Commission listed the factors of production such as materials, energy and labour used in the production of the product under investigation by the cooperating exporting producers and invited the interested parties to comment and propose readily available information on undistorted values for each of the factors of production mentioned in that note.

(145) In the same note, the Commission stated that, in order to construct the normal value in accordance with Article 2(6a)(a) of the basic Regulation, it would use GTA to establish the undistorted cost of most of the factors of production, notably the raw materials. In the second note, the Commission listed certain sources for labour cost and energy. Given the intended change in the appropriate representative country, these sources for labour and energy will no longer be used should Brazil be used as an appropriate representative country. Rather the Commission will use Brazilian sources for establishing undistorted costs of labour ⁽⁶⁸⁾ and energy ⁽⁶⁹⁾.

(146) In the Second Note, the Commission also informed the interested parties that due to the large number of factors of production of the sampled exporting producers that provided complete information and the negligible weight of some of the raw materials in the total cost of production, these negligible items were grouped under 'consumables'. Further, the Commission informed that it would calculate the percentage of the consumables on the total cost of raw materials and apply this percentage to the recalculated cost of raw materials when using the established undistorted benchmarks in the appropriate representative country.

3.2.6.1. Factors of production

(147) 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 fused alumina

Factor of Production	Commodity Code	Source	Unit of measurement	Undistorted value (CNY)
Raw materials				
Calcined Bauxite	2606 00 12 2606 00 90	Global Trade Atlas ⁽¹⁾ 'GTA'	kg	4,03
Artificial Corundum	2818 10	GTA	kg	7,45
Silicon Carbide	2849 20	GTA	kg	22,81
Aluminium Oxide	2818 20 10 2818 20 90	GTA	kg	13,60
Anthracite Coal	2701 11	GTA	kg	1,24

⁽⁶⁸⁾ <https://www.ibge.gov.br/estatisticas/economicas/industria/9042-pesquisa-industrial-anual.html?=&t=downloads>.

⁽⁶⁹⁾ <https://www.gov.br/mme/pt-br/assuntos/secretarias/sntep/publicacoes/boletins-mensais-de-energia/boletins/2023-1/ingles/brazilian-monthly-energy-bulletin-january-2023.pdf/view>.

Factor of Production	Commodity Code	Source	Unit of measurement	Undistorted value (CNY)
Aluminium Hydroxide	2818 30	GTA	kg	10,29
Iron Filings	7204 41	GTA	kg	1,92
Non-calcined Petroleum Coke	2713 11	GTA	kg	0,81
Consumables				
By-products				
Slag, ash and residues	2620 99 90	GTA	kg	[3,50-7,50]
Labour				
Labour	N/A	Instituto Brasileiro de Geografia e Estatística (IBGE)	Hour	58,36
Energy				
Electricity	N/A	Ministry of Mines and Energy of Brazil	kWh	0,98
Gas	N/A	Ministry of Mines and Energy of Brazil	m ³	4,32

(¹) <http://www.gtis.com/gta/secure/default.cfm>.

(148) 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 expressed the manufacturing overhead cost incurred by the cooperating exporting producers for the production of the product under investigation as a percentage of the actual cost of the used raw materials and then applied the same percentage to the undistorted cost of the same raw materials in order to obtain the undistorted manufacturing overhead costs. The Commission considered that, in the context of this investigation, the ratio between the exporting producer's raw material and the reported overhead costs could be reasonably used as an indication to estimate the undistorted manufacturing overhead costs when delivered to the company's factory.

3.2.6.2. Raw materials

(149) In order to establish the undistorted price of raw materials as delivered at the gate of a representative country producer, the Commission used as a basis the weighted average import price to the representative country as reported in the GTA to which import duties and transport costs were added. An import price in the representative country was determined as a weighted average of unit prices of imports from all third countries excluding the PRC and countries which are not members of the WTO, listed in Annex I to Regulation (EU) 2015/755. The Commission decided to exclude imports from the PRC into the representative country as it concluded in recitals 110 and 115 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.

(150) Imerys and Tyrolit commented that the HS code for calcined bauxite appears to be incorrect, as it should fall under the same CN code as bauxite – specifically, all aluminium ores and concentrates are classified under HS code 2606. Additionally, Tyrolit noted that calcined bauxite is not a homogeneous commodity, with unit prices varying significantly. Therefore, Tyrolit recommended using pricing data from reputable sources such as CM Group or Fast Markets, adding transport costs where appropriate, or conducting cross-checks by comparing import prices in GTA

with readily available market prices to avoid significant deviations from expected prices. Lastly, Tyrolit asserted that aluminium oxide powder, commonly referred to as alumina, is the primary raw material for producing various types of fused alumina and should not be regarded as a waste by-product of the fusion process involving calcined bauxite.

- (151) With regard to the claim concerning the classification of calcined bauxite and the Commission confirmed that, in accordance with the Combined Nomenclature (CN) and the Harmonised System (HS), all aluminium ores and concentrates, including calcined bauxite, fall under CN code 2606. No evidence was provided to demonstrate that this classification was incorrect or that its use led to unreliable data. With regard to the suggestion to use pricing data from sources such as CM Group or Fastmarkets, the interested parties did not submit any concrete data from these sources, nor did they substantiate why such data would be more reliable than GTA import statistics. While the Commission has access to Fastmarkets, the information contained therein was not considered an appropriate basis to determine the benchmark for this factor of production as it did either not correspond to that factor of production at stake or related to a Chinese port price quotation. Therefore, the Commission rejected this claim.
- (152) With regard to aluminium oxide powder, considering the absolute and relative negligible value of this factor of production in the total cost of manufacturing, it was moved under consumables for the purpose of constructing normal value. This claim therefore became irrelevant.
- (153) As explained in recital 127, several interested parties claimed that, should Brazil be selected as an appropriate representative country, the undistorted price for bauxite and calcined bauxite should be based on export statistics rather than import statistics as they would correspond to specialised forms of bauxite intended for specific applications. The Commission noted that, the benchmark was actually in the range of the price paid by Union producers for the same factor of production. On this basis, this claim was rejected.
- (154) Runbao objected to the use of Brazil's GTA import statistics for silicon carbide to determine the value of this factor of production, arguing that Brazil's import volumes during the investigation period were too low to be considered representative and that there is significant price dispersion among Brazil's import sources. As an alternative, Runbao proposed using Turkey as the source for the benchmark price, citing Turkey's significantly higher import volume of silicon carbide, lower number of minor suppliers and classification as an upper-middle-income country comparable to China. Runbao further argued that Turkey's import data is publicly available and more reliable and submitted data from Trade Map in support of its claim.
- (155) After reviewing Brazilian import statistics, the Commission observed that a marginal share in quantity of imports from countries showed abnormally high import unit prices, several hundred times higher than the weighted average price established. Considering that these volumes must have corresponded to a different product than the relevant FOP included under the same HS code, the Commission decided to exclude the quantities in question. As a result, the benchmark price was based on over 91% of the import volume into Brazil during the investigation period. As for the proposal to use Turkey as an alternative source, the Commission noted that Turkey was not retained as an appropriate representative country in this investigation due to the absence of production of the product under investigation. Therefore, Turkey's import data could not be used for the purpose of determining benchmark prices, and the claim was rejected.
- (156) In the absence of available import statistics in Brazil for 'Slag, ash and residues' that reflected the specific by-product generated in the production process of the product under investigation by one cooperating exporting producer, the Commission had to rely on an alternative method to establish the undistorted price for 'Slag, ash and residues'. In this regard, the Commission calculated a ratio between the domestic sales price in the PRC of this by-product and the total material cost. This ratio was then applied to the undistorted total material cost calculated and the resultant amount was then divided by the actual quantity sold to arrive at the undistorted unit price. For reasons of confidentiality, the calculated benchmark is reported in ranges in Table 1. However, it was disclosed to the exporting producer concerned in its specific disclosure.

- (157) In order to establish the undistorted price of raw materials, as provided by Article 2(6a)(a), first indent of the basic Regulation, the Commission added the relevant import duties to the CIF value recorded in the import statistics of the representative country, as available in GTA.
- (158) The Commission expressed the transport cost incurred by the cooperating exporting producers for the supply of raw materials as a percentage of the actual cost of such raw materials and then applied the same percentage to the undistorted cost of the same raw materials in order to obtain the undistorted transport cost. The Commission considered that, in the context of this investigation, the ratio between the exporting producer's raw material and the reported transport costs could be reasonably used as an indication to estimate the undistorted transport costs of raw materials when delivered to the company's factory.

3.2.6.3. Labour

- (159) Insitituto Brasileiro de Geografia e Estatística (IBGE) publishes detailed information on wages in different economic sectors in Brazil. The Commission used the latest available statistics covering 2022 for average labour cost in relation to the economic activity 23.91 'Fabricação de produtos cerâmicos refratários' according to the Brazilian classification CNAE 2.0. The IBGE statistics provide information on the total annual wages and related charges and on the number of employees per sector of economic activity for the year 2022. Only information related to staff linked to production was considered. Values were indexed to the investigation period using the national consumer price index ⁽⁷⁰⁾.

3.2.6.4. Electricity and gas

- (160) The price of electricity and gas for companies (industrial users) in Brazil is published by the Ministry of Mines and Energy of Brazil ⁽⁷¹⁾ for the investigation period. The rates published in the monthly bulletin included the 'Imposto sobre Circulação de Mercadorias e Serviços' (ICMS), a tax levied by the Brazilian states on the circulation of goods and the provision of interstate and inter municipal transportation and communications services. This tax could be claimed back by the industrial users and was deducted from the established benchmark. As ICMS was collected by Brazilian states at the rate ranging from 17 % to 18 % depending on the state, during the investigation period, the Commission recalculated the electricity and gas benchmarks, deducting an average of 17,5 % ICMS. The recalculated electricity benchmark is an average industrial tariff for the IP and is 0,98 CNY/kWh while gas benchmark is 4,32 CNY/m³.

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

- (161) 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.
- (162) 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.
- (163) For establishing an undistorted and reasonable amount for SG & A costs and profit, the Commission relied on the financial data for years 2023 or 2024, depending on the availability of companies' data, for three Brazilian companies operating under NACE Code 23.9. These companies are Bozel Brasil S.A., Trevo Industrial de Acartonados S/A and Technosulfur Sistema de tratamento de metais líquidos Ltda as extracted from Orbis. Greca Distribuidora de Asflatos Ltda, also identified in NACE Code 23.9, was disregarded since the latest identified readily available financial statements were from 2022, that is outside the investigation period.

⁽⁷⁰⁾ <https://www.ibge.gov.br/en/statistics/economic/prices-and-costs/17136-national-consumer-price-index.html?edicao=36055&t=downloads>.

⁽⁷¹⁾ <https://www.gov.br/mme/pt-br/assuntos/secretarias/sntep/publicacoes/boletins-mensais-de-energia/boletins/2023-1/ingles/brazilian-monthly-energy-bulletin-january-2023.pdf/view>.

3.2.6.6. Calculation

- (164) 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.
- (165) First, the Commission established the undistorted manufacturing costs. The Commission applied the undistorted unit costs to the actual consumption of the individual factors of production of the cooperating exporting producers. These consumption rates provided by the cooperating exporting producers were verified during the verification. The Commission multiplied the usage factors by the undistorted costs per unit observed in the representative country, as described in recitals 144 to 146.
- (166) Once the undistorted manufacturing cost established, the Commission added the manufacturing overheads as explained in recital 162.
- (167) The SG & A costs and profit determined on the basis of the financial statements of 3 companies as explained in recital 163 were applied to the sum of undistorted manufacturing cost and manufacturing overheads; i.e. the costs of production.
- (168) SG & A costs expressed as a percentage of the Costs of Goods Sold ('COGS') and applied to the undistorted costs of production, amounted to 13,25 %. The profit expressed as a percentage of the COGS and applied to the undistorted costs of production, amounted to 19,68 %.
- (169) 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

- (170) The sampled exporting producers exported to the Union either directly to independent customers or through a related company acting as an importer.
- (171) For the exporting producer that exported 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.
- (172) For the exporting producer that exported the product concerned to the Union through a related company acting as an importer based in the Union, the export price was established on the basis of the price at which the imported product was first resold to independent customers in the Union, in accordance with Article 2(9) of the basic Regulation. In this case, adjustments to the price were made for all costs incurred between importation and resale, including SG & A expenses actually incurred by the related importer, and a profit (of [4-6] % ⁽⁷²⁾) which was obtained from the two sampled unrelated importers in the Union.

3.4. Comparison

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

3.4.1. Adjustments made to the normal value

- (174) As explained in recital 169, the normal value was established at the ex-works level of trade by using costs of production together with amounts for SG & A and for profit, which were considered to be reasonable for that level of trade. Therefore, no adjustments were necessary to net the normal value back to the ex-works level.

⁽⁷²⁾ Considering that the data used related to a limited number of parties, information on profit had to be ranged.

- (175) Regarding allowances, the Commission found that the HS code under which the product under investigation is classified for exports in the PRC is subject to a non-refundable VAT of 13 %, whereas the normal value had been constructed net of VAT. Therefore, in order to ensure a fair comparison, an upward adjustment of the normal value has been made in accordance with Article 2(10)(k) of the basic Regulation for the exporting producers subject to this VAT. The Commission found no reasons for making any other allowances to the normal value, nor were such allowances claimed by any of the sampled exporting producers.

3.4.2. *Adjustments made to the export price*

- (176) In order to net the export price back to the ex-works level of trade, adjustments were made on the account of: customs duty, other import charges, freight, insurance, handling loading and ancillary expenses.
- (177) Allowances were made for the following factors affecting prices and price comparability: transport, insurance, handling and loading, packing expenses, credits costs and bank charges. An adjustment was also made for commissions under Article 2(10)(i) of the basic Regulation for the related trader of Runbao by deducting a constructed commission (based on the SG & A costs of the related trader and a notional profit of [4-6 %] used by analogy to one applied to related importers, as explained in recital 172 above.

3.5. **Dumping margins**

- (178) For the sampled cooperating exporting producers, the Commission compared the weighted average normal value of each type of the like product with the weighted average export price of the corresponding type of the product concerned, in accordance with Article 2(11) and (12) of the basic Regulation.
- (179) On this basis, the provisional weighted average dumping margins expressed as a percentage of the CIF Union frontier price, duty unpaid, are as follows:

Company	Provisional dumping margin (%)
Chongqing Saite Corundum Co., Ltd.	125,23
Luoyang Runbao Abrasives Co., Ltd.	111,95

- (180) For the cooperating exporting producers outside the sample, the Commission calculated the weighted average dumping margin, in accordance with Article 9(6) of the basic Regulation. Therefore, that margin was established on the basis of the margins of the sampled exporting producers, on a weighted average basis.
- (181) On this basis, the provisional dumping margin of the cooperating exporting producers outside the sample is 118,88 %.
- (182) For all other exporting producers in the PRC, the Commission established the dumping margin on the basis of the facts available, in accordance with Article 18 of the basic Regulation. To this end, the Commission determined the level of cooperation of the exporting producers. The level of cooperation is the volume of exports of the cooperating exporting producers to the Union expressed as proportion of the total imports from the country concerned to the Union in the IP, that were established on the basis of Eurostat. As mentioned in recital 20, the level of cooperation in this case is very low because the exports of the cooperating exporting producers constituted less than 20 % of the total imports into the Union during the IP.
- (183) The Commission recalled that section 10 of the Notice of Initiation ⁽⁷³⁾ had informed interested parties that failure to cooperate, or only partial cooperation, could lead to findings based on facts available under Article 18 of the basic Regulation, potentially resulting in less favourable outcomes for those parties. Given that the interested parties were clearly warned of the consequences of non-cooperation, and that the level of cooperation in this case was particularly low, the Commission deemed it appropriate to determine the residual dumping duty based on the

⁽⁷³⁾ See recital 1 above.

dumping behaviour observed in relation to a subset of sales by Saite – the sampled exporting producer with the highest dumping margin representing 7 % of the total export volume of all sampled companies to the Union during the investigation period. These sales were considered a reasonable and representative proxy for the dumping behaviour of the non-cooperating exporters.

(184) The residual dumping margin was therefore set at 136,36 %.

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

Company	Provisional dumping margin (%)
Chongqing Saite Corundum Co., Ltd.	125,23
Luoyang Runbao Abrasives Co., Ltd.	111,95
Other cooperating companies	118,88
All other imports originating in the PRC	136,36

4. INJURY

4.1. Definition of the Union industry and Union production

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

(187) The total Union production during the investigation period was established at around 131 810 tonnes on the basis of all the available information concerning the Union industry, such as data contained in the questionnaire reply of the complainant relating to all Union producers and the questionnaire replies received from the sampled Union producers. As indicated in recital 14, the sampled Union producers represented more than 44 % of the total Union production of the like product.

4.2. Union consumption

(188) The Commission established the Union consumption on the basis of (a) data submitted by the complainant concerning the Union industry's sales of the like product to unrelated customers in the Union, as cross-checked with the sales volumes reported by the sampled Union producers; (b) imports of the product under investigation from all third countries as reported in Eurostat.

(189) Union consumption developed as follows:

Table 2

Union consumption (tonnes)

	2021	2022	2023	Investigation period
Total Union consumption	379 436	367 672	294 891	305 360
Index	100	97	78	80

Source: Complainant, sampled Union producers and Eurostat.

(190) Consumption in the Union decreased by 20 % during the period considered. Union consumption declined by 3 % from 2021 to 2022, followed by a significant drop of 19 percentage points in 2023. From 2023 to the investigation period, consumption increased by 2 percentage points but remained 20 % below the beginning of the period considered.

4.3. Imports from the country concerned

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

(191) The Commission established the volume of imports on the basis of Eurostat data. The market share of the imports was established by comparing the volume of imports with the Union consumption.

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

Table 3

Import volume and market share

	2021	2022	2023	Investigation period
Volume of imports from the country concerned (tonnes)	140 372	175 343	151 650	160 549
Index	100	125	108	114
Market share (%)	37	48	51	53
Index	100	129	139	142

Source: Eurostat.

(193) Imports from the country concerned increased from 140 372 tonnes to 160 549 tonnes over the period considered, an increase of 14 %. After a significant rise of 25 % in 2022, where imports peaked at 175 343 tonnes, volumes declined in 2023 to 151 650 tonnes before partially recovering during the investigation period. The overall increase during the investigation period was 14 %.

(194) The market share of those imports increased from 37 % to 53 % over the period considered, an increase of 42 % in a period of constant declining of Union consumption.

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

(195) The Commission established the prices of imports on the basis of data provided by the cooperating exporting producers that represented 4 % of Chinese imports to the Union in the IP.

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

Table 4

Import prices (EUR/ tonne)

	2021	2022	2023	Investigation period
China	809	1 169	865	878
Index	100	144	107	108

Source: Eurostat.

(197) The average import price from China increased by 8 % over the period considered. Prices first increased by around 44 % to reach 1 169 EUR/ tonne in 2022. This was followed by a drop of 37 percentage points in 2023, with prices falling to 865 EUR/ tonne, before rising slightly to 878 EUR/tonne during the investigation period. The price fluctuation was mainly influenced by fluctuations in the cost of raw materials.

- (198) The Commission determined the price undercutting during the investigation period by comparing 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 the corresponding weighted average prices per product type of the imports from the sampled Chinese producers to the first independent customer on the Union market, established on a Cost, insurance, freight (CIF) basis, with appropriate adjustments for customs duties and post-importation costs.
- (199) 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. An adjustment in the PCN was necessary given an identified inconsistency in the PCN description concerning brown fused alumina, as detailed in recital 11. The result of the comparison was expressed as a percentage of the sampled Union producers' theoretical turnover during the investigation period. It showed a weighted average undercutting margin of between 42,94 % and 61,37 % by the imports from the country concerned on the Union market. Around 99,9 % of the import volumes from sampled exporting producers were found to be undercutting the Union industry's prices.
- (200) In addition to price undercutting, there was also significant price suppression within the meaning of Article 3(3) of the basic Regulation. Due to the significant price pressure caused by the low-priced dumped imports from Chinese exporting producers, the Union industry was unable to raise the prices throughout the IP in line with the development of costs of production and in order to achieve a reasonable level of profit, as set out in Table 8 below. The significant price suppression is confirmed by the data in Tables 4 and 8 as well as the price underselling found on the basis of the data provided by the sampled exporting producers.

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

4.4.1. *General remarks*

- (201) 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.
- (202) As mentioned in section 1.5, sampling was used for the determination of possible injury suffered by the Union industry.
- (203) 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 questionnaire reply of the complainant relating to all Union producers, cross-checked where necessary with the questionnaire replies of the sampled 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.
- (204) 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.
- (205) The microeconomic indicators are: average unit prices, unit cost, labour costs, inventories, profitability, cash flow, investments, return on investments, and ability to raise capital.

4.4.2. *Macroeconomic indicators*

4.4.2.1. **Production, production capacity and capacity utilisation**

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

Table 5

Production, production capacity and capacity utilisation

	2021	2022	2023	Investigation period
Production volume (tonnes)	210 321	187 988	139 354	131 810
<i>Index</i>	100	89	66	63
Production capacity (tonnes)	305 500	305 500	305 500	305 500
<i>Index</i>	100	100	100	100
Capacity utilisation (%)	69	62	46	43
<i>Index</i>	100	89	66	63

Source: Complainant and sampled Union producers.

(207) During the period considered, the Union industry's production volume experienced a consistent and significant decrease of 37 %. From 2021 to 2022, production decreased by 11 %. This downward trend accelerated in 2023, with production falling by 34 % compared to 2021. The decline continued during the investigation period, reaching a low of 131 810 tonnes, a 37 % decrease from the initial volume.

(208) During the period considered, the Union industry's production capacity remained stable at a level of 305 500 tonnes. Given the decrease in the production volume in the period considered, the capacity utilisation sharply decreased from 69 % in 2021 to 43 % in the IP.

4.4.2.2. Sales volume and market share

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

Table 6

Sales volume and market share

	2021	2022	2023	Investigation period
Total Sales volume on the Union market (tonnes)	155 270	138 751	103 994	98 005
<i>Index</i>	100	89	67	63
Market share (%)	41	38	35	32
<i>Index</i>	100	92	86	78

Source: Complainant, sampled Union producers and Eurostat.

(210) Over the period considered the Union industry's sales volume decreased significantly by 37 % and its market share reduced by 22 %, reducing its market share from 41 % in 2021 to 32 % in the IP.

4.4.2.3. Growth

(211) In the context of declining Union consumption, the Union industry suffered significant decreases in production, sales volume, and market share that outpaced the overall Union market contraction. The Union industry's performance deteriorated more sharply than the market, highlighting the industry's particularly vulnerable position during the period considered and negative growth.

4.4.2.4. Employment and productivity

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

Table 7

Employment and productivity

	2021	2022	2023	Investigation period
Number of employees	1 145	1 085	1 049	962
<i>Index</i>	100	95	92	84
Productivity (tonnes/ employee)	184	173	133	137
<i>Index</i>	100	94	72	75

Source: Complainant and sampled Union producers.

(213) The Union industry experienced a decline in employment of 16 % over the period considered, with the total number of employees falling from 1 145 in 2021 to 962 during the investigation period.

(214) In view of the decrease in production and employment the productivity of the Union industry's workforce, measured as tonnes per employee produced per year, decreased by 25 % over the period considered. Productivity increased from 2023 to the investigation period by 3 %, this marginal improvement was not due to a recovery in output but rather to a further reduction in the workforce.

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

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

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

4.4.3. Microeconomic indicators

4.4.3.1. Prices and factors affecting prices

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

Table 8

Sales prices in the Union

	2021	2022	2023	Investigation period
Average unit sales price in the Union on the total market (EUR/ tonne)	[1 310-1 536]	[1 780-2 093]	[1 630-1 914]	[1 446-1 692]
<i>Index</i>	100	139	126	109
Unit cost of production (EUR/ tonne)	[1 321-1 548]	[1 931-2 271]	[2 010-2 360]	[1 716-2 009]
<i>Index</i>	100	149	154	129

Source: Sampled Union producers.

(218) Sales prices on the Union market to unrelated parties increased 9 % over the period considered. In 2022, the price increased by 39 % reflecting rising input costs. However, this was not sustained. In 2023, the average price declined and continued to fall during the investigation period, reaching EUR [1 446-1 692] per tonne.

(219) Over the same period, the unit cost of production of sampled union producers increased by 29 %. From 2021 to 2022, there was a significant increase of 49 %. This trend continued in 2023 with a further increase of 5 percentage points, before decreasing in the investigation period. The overall rise in Union prices was primarily driven by the development of raw material prices and the companies' inability to take full advantage of economies of scale due to a reduction in sales and production.

4.4.3.2. Labour costs

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

Table 9

Average labour costs per employee

	2021	2022	2023	Investigation period
Average labour costs per employee (EUR)	[73 334-85 951]	[77 354-90 954]	[75 976-89 190]	[85 504-100 058]
<i>Index</i>	100	108	105	115

Source: Sampled Union producers.

(221) The average labour costs per employee increased by 15 % over the period considered.

4.4.3.3. Inventories

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

Table 10

Inventories

	2021	2022	2023	Investigation period
Closing stocks (tonnes)	[14 355-16 824]	[14 828-17 435]	[12 148-14 260]	[12 999-15 212]
<i>Index</i>	100	106	86	90
Closing stocks as a percentage of production	[16-19]	[20-24]	[22-26]	[18-21]
<i>Index</i>	100	125	138	112

Source: Sampled Union producers.

(223) In absolute terms, the stocks of the sampled Union producers declined by 10 % over the period considered. This overall reduction, however, contains significant fluctuations within the period. Specifically, stock levels increased by 6 % between 2021 and 2022, followed by a pronounced decrease of 20 percentage points in 2023. Subsequently, from 2023 to the investigation period, stocks increased again by 4 percentage points.

(224) When production levels are taken into consideration, the percentage of closing stocks as a percentage of production increased by 12 % over the period considered. Notably, this ratio increased by 38 % between 2021 and 2023, indicating a substantial discrepancy between production and stock clearance. Although the Union industry managed to partially realign stock levels with production from 2023 to the IP, the closing stock ratio remained 12 % higher than in 2021.

(225) This trend indicates that despite efforts to align production, the accumulation of unsold stock, particularly during periods of declining production, reflects difficulties in accessing the Union market.

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

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

Table 11

Profitability, cash flow, investments and return on investments

	2021	2022	2023	Investigation period
Profitability of sales in the Union to unrelated customers (% of sales turnover)	[2-6]	[3-7]	[(- 17)-(- 13)]	[(- 14)-(- 10)]
<i>Index</i>	100	146	- 399	- 317
Cash flow (EUR)	[(- 1 566 629)-(- 1 336 665)]	[(- 7 115 748)-(- 6 051 711)]	[(- 12 241 286)-(- 10 427 762)]	[(- 8 766 054)-(- 7 490 992)]
<i>Index</i>	- 100	- 463	- 789	- 554

	2021	2022	2023	Investigation period
Investments (EUR)	[2 289 616- 2 683 529]	[6 081 027- 7 150 218]	[3 560 302- 4 179 484]	[2 999 817- 3 510 425]
<i>Index</i>	100	271	157	130
Return on investments	[(- 10)-(- 8)]	[(- 11)-(- 9)]	[(- 75)-(- 63)]	[(- 41)-(- 35)]
<i>Index</i>	- 100	- 106	- 731	- 387

Source: Sampled Union producers.

- (227) The Commission established the profitability of the sampled Union producers by expressing the pre-tax net profit of the sales of the like product to unrelated customers in the Union as a percentage of the turnover of those sales. The profitability of the sampled producers declined significantly over the period considered, falling from nearly [2-6] % in 2021 to approximately [(- 14)-(- 10)] % during the investigation period. Profitability temporarily increased in 2022 to [3-7] %, followed by a sharp downturn to a loss of [(- 17)-(- 13)] % in 2023. Despite a partial recovery that followed, profitability remained negative during the investigation period.
- (228) The net cash flow is the ability of the Union producers to self-finance their activities. The cash flow was negative throughout the period considered, deteriorating further due to investment expenditures and increase of operational losses. This persistent negative cash flow was sustained by financial support from the ultimate shareholders of the Union producers, who continued to back the companies' investment programmes despite the challenging financial environment.
- (229) The level of yearly investments increased over the period considered by 30 %, it notably increased between 2021 and 2022 by 171 %, to later decrease in the following period until the IP. The increase in investments was primarily aimed at maintaining existing capacities and replacing essential production assets. The investment continued despite severe competition, loss of market share and a financially difficult situation.
- (230) The return on investments is the profit in percentage of the net book value of investments. It fell over the period considered by 287 %, starting from [(- 10)-(- 8)] % in 2021 to [(- 41)-(- 35)] % in the investigation period. The negative development showed that, although investments have continued in order to maintain competitiveness, the returns on those investments decreased substantially over the period considered
- (231) The sampled Union producers' ability to raise capital, as explained in recital 227, was based on the financial support from the ultimate shareholders of the Union producers, who continued to back the companies' investments.

4.5. Conclusion on injury

- (232) In a context of a substantial decrease of the Union consumption (- 20 %), imports from China increased noticeably during the period considered (+ 14 %), at prices which significantly undercut those of the Union industry. This allowed Chinese exporting producers to reach a market share of 53 % in the IP (up from 37 % in 2021)
- (233) In these circumstances, the Union industry's economic situation worsened as shown by all major macro-indicators presenting a negative trend: production (- 37 %), Union sales (- 37 %) and a significant reduction of its market share (from 41 % to 32 %) in the period considered
- (234) In reaction to the pressure of low Chinese import prices, the Union industry tried to reduce costs and adjustments in employment (- 16 %) were undertaken. Investments continued over the period considered in attempt to stay competitive. However, as a result of the pressure exerted by dumped Chinese imports in terms of increased volumes and low prices, Union sales, productivity and return on investments dropped rapidly in the period considered.

- (235) The cost of production of the Union industry went up significantly during the period considered (+ 29 %), mainly because of a strong increase in the raw material prices.
- (236) The Union industry's cost increased more than sales prices. Consequently, profitability collapsed in the period considered, from a moderate situation (+ [2-6] %) in 2021 to an unsustainable loss-making scenario ([(− 14)-(− 10)] %) in the IP.
- (237) 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

- (238) In accordance with Article 3(6) of the basic Regulation, the Commission examined whether the dumped imports from the country concerned caused material injury to the Union industry. In accordance with Article 3(7) of the basic Regulation, the Commission also examined whether other known factors could at the same time have injured the Union industry. The Commission ensured that any possible injury caused by factors other than the dumped imports from the country concerned was not attributed to the dumped imports. These factors are: imports from third countries, export performance of the Union industry, contraction in EU consumption, increase of energy prices in the Union, competitive disadvantage in the use of the main raw material, lack of adequate level of investment, self-imports of Chinese fused alumina.

5.1. Effects of the dumped imports

- (239) The deterioration of the economic situation of the Union industry coincided with significant and increasing market penetration of dumped imports from China, which consistently undercut the Union industry's prices and led to price suppression. In this respect, the evolution of Chinese import volumes and prices, as reflected in tables 3 and 4, suppressed price levels of the Union industry, establishing a causal nexus between the two.
- (240) Imports from China increased by 14 % during the period considered, from ca. 140 372 tonnes in 2021, representing a market share of 37 %, to 160 549 tonnes in the IP, representing a market share of 53 %. These increasing low-priced imports prevented the Union industry to increase its prices in line with the increase in the cost of production. Similarly, the decline in market share and sales volume, which in turn resulted in a decrease in production output, had a detrimental effect on the industry's unit production costs due to reduced economies of scale.
- (241) This had a strong negative impact on the Union industry. In a situation of increasing costs and price pressure exerted by the Chinese dumped imports, the Union industry was precluded from setting prices and production volumes at sustainable levels, which resulted in a very strong drop in profitability from 4 % to losses (− 13 %), and the consequent deterioration of its financial indicators.
- (242) It was, therefore, provisionally concluded that dumped imports from China caused material injury to the Union industry in terms of price and volume.

5.2. Effects of other factors

5.2.1. Imports from third countries

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

Table 12

Imports from third countries

Country		2021	2022	2023	Investigation period
Ukraine	Volume (tonnes)	21 662	14 275	11 958	16 705
	<i>Index</i>	100	66	55	77
	Market share (%)	6	4	4	5
	Average price (EUR/tonne)	598	1 007	856	775

Country		2021	2022	2023	Investigation period
	<i>Index</i>	100	168	143	130
United States	Volume (tonnes)	6 012	3 066	2 757	6 236
	<i>Index</i>	100	49	46	104
	Market share (%)	2	1	1	2
	Average price (EUR/tonne)	4 500	9 226	8 763	4 339
	<i>Index</i>	100	205	195	96
Brazil	Volume (tonnes)	7 587	10 641	5 729	6 473
	<i>Index</i>	100	140	76	85
	Market share (%)	2	3	2	2
	Average price (EUR/tonne)	988	1 213	1 261	1 158
	<i>Index</i>	100	123	128	117
Bahrain	Volume (tonnes)	3 995	5 951	8 234	5 059
	<i>Index</i>	100	149	206	127
	Market share (%)	1	2	3	2
	Average price (EUR/tonne)	1 064	1 116	896	840
	<i>Index</i>	100	105	84	79
Total of all third countries except the country concerned	Volume (tonnes)	83 793	53 577	39 244	46 804
	<i>Index</i>	100	64	47	56
	Market share (%)	22	15	13	15
	Average price (EUR/tonne)	943	1 255	999	979
	<i>Index</i>	100	133	106	104

Source: Eurostat.

(244) Compared to China the other third countries had a limited presence in the Union market in the period considered. In the period considered the market shares of the biggest other third countries, Ukraine, United States, Brazil and Bahrain, remained stable, with minimal or no variations, at a level in the IP of 5 %, 2 %, 2 % and 2 % respectively. The combined market share of imports from all third countries except China decreased from 22 % in 2021 to 15 % in the IP.

(245) During the period considered, Ukraine sold at lower prices than China. Bahrain sold at prices slightly below China only during 2022 and the investigation period, while all other countries maintained higher price levels throughout the period considered. Despite their lower pricing, Ukraine accounted for just 5 % of the market, significantly less than China's dominant 53 % in the IP. Bahrain's market share was even smaller, at only 2 %. This limited market presence of other third countries indicates that, although Ukraine and Bahrain offered lower prices at some point, their overall impact was insufficient to weaken the causal link between the dumped Chinese imports and the material injury suffered by Union producers.

(246) On that basis, the Commission provisionally concluded that the impact of imports from other countries does not attenuate the causal link between dumped Chinese imports and the material injury suffered by Union producers.

5.2.2. *Export performance of the Union industry*

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

Table 13

Export performance of the sampled Union producers

	2021	2022	2023	Investigation period
Export volume (tonne)	26 049	20 031	13 849	15 649
<i>Index</i>	100	77	53	60
Average price (EUR/tonne)	1 526	2 128	2 071	1 864
<i>Index</i>	100	139	136	122

Source: Sampled Union producers.

(248) Export volumes from sampled Union producers declined by 40 % during the period considered, falling from 26 049 tonnes in 2021 to 15 649 tonnes during the investigation period. Average prices of exports increased by 22 % during the period considered.

(249) As explained by the Union industry, the decline in the export performance of the Union producers is explained by the pressure exerted by Chinese producers on other third-country markets, which in turn has caused a decrease in exports by Union producers. The loss of export sales volume in absolute terms is significantly lower than the loss of sales in the Union. Moreover, the average export price for sales to third countries was significantly higher by 21 % than for Union sales throughout the period considered.

(250) On that basis, the Commission provisionally concluded that the impact of export performance does not attenuate the causal link between dumped Chinese imports and the material injury suffered by Union producers.

5.2.3. *Significant contraction in Union Consumption*

(251) Some parties claimed that the reduction of the Union consumption was a source of the injury.

(252) While Union consumption decreased over the period considered, this only intensified the impact of Chinese dumped imports. Union producer's sales decreased steeper than Union consumption. Consumption decreased by 20 %, while Union producers' sales decreased by 37 % over the period considered. Similarly, imports from all other third countries also declined significantly. In contrast, during the same period, Chinese market share increased from 37 % to 53 % as a result of its low-priced imports.

(253) On that basis, the Commission provisionally concluded that the impact of the contraction in the Union consumption does not attenuate the causal link between dumped Chinese imports and the material injury suffered by Union producers.

5.2.4. *Increase of energy prices in the Union*

(254) Some parties claimed that the increase of energy prices in the Union was the source of the injury.

(255) Energy is one of the main cost components in the production of fused alumina. However, the investigation revealed that in 2022, when energy prices were significantly higher than in the rest of the period considered, Union producers were still able to generate profits and even improved their profitability compared to the previous year. This was possible because part of the increased energy costs could be passed on to the users.

(256) Notably, in 2023 and in the investigation period, when energy prices had dropped to significantly lower levels compared to 2022, the Union industry was no longer able to adjust its prices accordingly, and profitability collapsed. This indicates that while energy prices do influence production costs the key issue arose when Union producers were prevented from aligning their prices with cost developments due to unfair competition from dumped imports originating in China.

(257) On this basis, the Commission provisionally concluded that the impact of energy prices in the Union does not attenuate the causal link between the dumped imports from China and the material injury suffered by Union producers.

5.2.5. *Competitive disadvantage in the use of the main raw material*

(258) Some parties claimed that the source of the injury was the result of differences in the origin and cost of the raw materials used by European and Chinese producers, distinguishing specifically between bauxite and alumina.

(259) Concerning the alleged disadvantage related to raw materials, the investigation has determined that there are no significant differences in the production processes and the raw materials employed by Chinese and Union producers. With respect to raw material costs, as detailed in Section 3.2.1 above, the Chinese raw material market was found to be distorted.

5.2.6. *Lack of adequate level of investment*

(260) Some parties claimed that the Union industry suffered from a lack of investment and outdated production facilities, and that this was a source of the injury.

(261) However, the investigation revealed that Union producers had invested in brand new facilities in recent years. Furthermore, as shown in table 11, annual investment levels increased by 30 % over the considered period, indicating that investment activity continued despite the challenging financial environment.

(262) On this basis, the Commission provisionally concluded that the alleged lack of investment does not correspond the reality and does not attenuate the causal link between the dumped imports from China and the material injury suffered by Union producers

5.2.7. *Imports of Chinese fused alumina by the Union industry*

(263) Some parties claimed that the Union industry imported themselves Chinese fused alumina, and that this was a source of the injury.

(264) The investigation concluded that the Union industry imported some quantities of the product in question from China. However, these imports were limited in volume, namely [2 800-3 800] tonnes, representing approximately 1 % of the Union consumption during the IP. The investigation also concluded that the Union industry did not just resell the imported products, but rather processed them before reselling them. This provided added value. The sales of these imports did not undercut the Union producer's own production, and they were insignificant in volume.

(265) Moreover, the fact that Chinese imports increased regardless of the evolution of the Union producer's self-imports shows that the Chinese imports would have risen and taken the EU's market share even in the absence of the Union producer's self-imports from China.

(266) On that basis, the Commission provisionally concluded that the impact of Union producers' self-imports from China does not attenuate the causal link between dumped Chinese imports and the material injury suffered by Union producers.

5.3. **Conclusion on causation**

(267) In light of the above considerations, the Commission provisionally established a causal link between the injury suffered by the Union industry and the dumped imports from China that suppressed the Union market price. As a result of the significant increase of dumped imports from China the Union industry was precluded from setting prices and production volumes at sustainable levels, which resulted in strong deterioration of its economic situation.

- (268) The economic decline of the Union industry coincided with a sharp rise in low-priced dumped imports from China. These imports consistently undercut Union prices, exerting strong downward pressure on market prices which led to price suppression. As a result, the Union industry was unable to raise prices in line with rising production costs. This led to falling sales, reduced output, and a significant drop in profitability. The timing and scale of these developments establish a clear causal link between dumped imports and the material injury.
- (269) The Commission examined alternative factors that could have contributed to the injury suffered by the Union industry. These included imports from other third countries, the export performance of the Union industry, a contraction in Union consumption, rising energy costs, the sourcing and cost of raw materials, an alleged lack of investment and the self-import of Chinese fused alumina. However, none of these were found to attenuate the causal link between dumped Chinese imports and the material injury suffered by the Union industry.
- (270) On the basis of the above, the Commission concluded at this stage that the dumped imports from the country concerned caused material injury to the Union industry and that the other factors, considered individually or collectively, did not attenuate the causal link between the dumped imports and the material injury.

6. LEVEL OF MEASURES

- (271) In the present case, the complainants claimed the existence of raw material distortions for bauxite and alumina within the meaning of Article 7(2a) of the basic Regulation. Thus, in order to conduct the assessment on the appropriate level of measures, the Commission first established the amount of duty necessary to eliminate the injury suffered by the Union industry in the absence of distortions under Article 7(2a) of the basic Regulation. Then it examined whether the dumping margin of the sampled exporting producers would be higher than their injury margin, see recitals 280 to 282.

6.1. Injury margin

- (272) 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.
- (273) In accordance with Article 7(2c) of the basic Regulation, for establishing the target profit, the Commission took into account the following factors: the level of profitability before the increase of imports from the country under investigation, the level of profitability needed to cover full costs and investments, research and development (R & D) and innovation, and the level of profitability to be expected under normal conditions of competition. Such profit margin should not be lower than 6 %.
- (274) As a first step, the Commission established a basic profit covering full costs under normal conditions of competition. The basic profit was established based on the historical profitability of the sampled Union industry from 2014 to 2020, prior to the disruption caused by the COVID-19 pandemic. Such profit margin was established at 7 %.
- (275) One of the two sampled Union producers 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 the company's internal records related to investment plans, management decisions and financial statements and found the claims warranted. To reflect this in the target profit, the Commission calculated the difference between investments, R&D and innovation ('IRI') expenses in the IP and the level it could have reached 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 between 1 % and 3,06 % for each of the sampled companies.

- (276) Such percentage was added to the basic profit of 7% mentioned in the recital 273, leading to a target profit of 7 % and 10,06 % depending on the situation of the sampled Union producers.

(277) 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 of the basic Regulation that the Union industry will incur during the period of the application of the measure pursuant to Article 11(2). Based on the evidence available, the Commission established an additional cost of EUR 89,34 per tonne, from which it deducted the actual cost of compliance with such conventions during the IP, namely EUR 72,26 per tonne, leading to a result of EUR 17,08 per tonne. This difference was added to the non-injurious price.

(278) On this basis, the Commission calculated an average non-injurious price of EUR 1 880 per tonne for the like products of the Union industry by applying the above-mentioned target profit margin (see recital 275) to the cost of production of the sampled Union producers during the investigation period and then adding the adjustments under Article 7(2d) on a type-by-type basis.

(279) 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 the 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.

(280) The injury elimination level for 'other cooperating companies' and for 'all other imports originating in the country concerned' is defined in the same manner as the dumping margin for these companies.

Company	Dumping margin (%)	Injury margin (%)
Chongqing Saite Corundum Co., Ltd.	125,23	233,91
Luoyang Runbao Abrasives Co., Ltd.	111,95	116,90
Other cooperating companies	118,88	178,48
All other imports originating in the PRC	136,36	259

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

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

(282) However, as the margins adequate to remove injury were higher than the dumping margins, the Commission considered that, at this stage, it was not necessary to address this aspect. Following the above assessment the Commission concluded that it is appropriate to determine the amount of provisional duties in accordance with Article 7(2) of the basic Regulation.

6.3. Conclusion on the level of measures

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

Company	Provisional anti-dumping duty (%)
Chongqing Saite Corundum Co., Ltd.	125,2
Luoyang Runbao Abrasives Co., Ltd.	111,9
Other cooperating companies	118,8
All other imports originating in the PRC	136,3

7. UNION INTEREST

(284) Having decided to apply Article 7(2) of the basic Regulation, the Commission examined whether it could clearly conclude that it was not in the Union interest to adopt measures in this case, despite the determination of injurious dumping, in accordance with Article 21 of the basic Regulation. The determination of the Union interest was based on an appreciation of all the various interests involved, including those of the Union industry, importers and users.

7.1. Interest of the Union industry

(285) The Union industry comprises nine companies, geographically distributed across Europe, employing approximately 962 workers directly. A majority of these Union producers expressed support for the complaint, and none opposed the initiation of the investigation

(286) Current levels of profitability are unsustainable. The imposition of measures is expected to allow the Union industry to recover parts of the lost market share, and to set prices at levels that at least cover the cost.

(287) The absence of measures is likely to have a significant negative effect on the Union industry in terms of further price suppression and a further reduction of sales, thus translating into more losses and likely closure of production facilities, dismissals and ultimately, the shutdown of entire businesses. Such developments could result in the interruption of the European production with long-term implications for the Union's industrial resilience and autonomy particularly given that fused alumina, essential for producing steel, other metals, glass, and related materials, has historically been regarded as a sensitive product.

(288) The Commission therefore concluded that the imposition of provisional measures is in the interest of the Union industry.

7.2. Interest of unrelated importers and traders

(289) Twelve unrelated importers made themselves known, out of which two replies were submitted outside the deadline. A number of submissions and comments were also received. As mentioned in section 1.5, the Commission selected a sample of two importers, which submitted questionnaires replies.

(290) Several importers argued that the imposition of anti-dumping duties would increase material costs for them and for their customers. These additional costs would be difficult to cover and therefore threaten their profitability and competitiveness. Further claims were made concerning the lack of capacity of the Union industry to meet demand in the Union, hence alleging that measures would create a shortage in the market. In addition, claims were raised concerning the lack of interest of Union producers in supplying certain materials.

(291) The Commission noted that the imposition of duties should not result in the elimination of all imports from the PRC. The imposition of measures is meant to level the playing field after which Chinese exporting producers can continue exporting to the Union at fair prices. Secondly, although the imposition of measures may have a negative effect on the importers importing only from the PRC, in view of the likely increase of imports from other third countries, as referred in section 7.4 below, the importers should be in the position to shift their sources of supply.

(292) Regarding the alleged lack of interest of Union producers in supplying certain materials, the Commission noted that the Union industry produced a broad range of fused alumina products. During the investigation period, as well as in previous years, the Union industry consistently supplied fused alumina in a wide variety of grades and qualities, tailored to satisfy the specific requirements of different user industries.

(293) Concerning the lack of capacity of the Union industry, the Commission address this claim in section 7.4 below.

(294) On the basis of the above, the Commission provisionally established that any negative impact of the measures on unrelated importers as a whole is expected to be limited and will not outweigh the positive effect of measures on Union producers.

7.3. Interest of users, consumers or suppliers

- (295) Around 50 users and user associations made themselves known. 18 users submitted questionnaire replies and several more submitted comments.
- (296) Claims were raised arguing that the imposition of anti-dumping duties would increase costs for users that would be difficult to pass on to customers and, therefore, threaten their profitability and competitiveness. Some users claimed that the cost increase linked to the imposition of duties could jeopardize their operational sustainability. Some users argued that as a result, the continued viability of certain production activities within the Union could be at risk, potentially leading to downsizing, relocation outside the Union and/or business closures.
- (297) The Commission noted that users are mainly active in the production of abrasive and refractory materials, for which fused alumina is a key input material. According to the information provided by the associations, in terms of consumption, the refractory industry purchases approximately 80 000 tonnes annually. The consumption of the abrasives industry is estimated to be between 200 000 and 250 000 tonnes per year. This sector accounts for around 60 % to 70 % of the Union's total fused alumina demand. In terms of employment, the refractory industry employs approximately 20 000 people in Europe, while the abrasives industry accounts for around 8 400 jobs in Germany and Italy alone. With regard to turnover, the refractory industry generates an estimated EUR 4 billion in annual revenue in Europe. The abrasives industry generates approximately EUR 2,3 billion in annual revenue in Germany and Italy alone.
- (298) Based on the information provided in the user's questionnaires, it was established that, during the IP, the activity related to the product under investigation varied in proportion to their total activity and ranged from 5 % to 30 % of the total turnover for the refractories industry and from 25 % to 85 % of the total turnover for the abrasives industry. On average, in the IP, the activity related to the product concerned represented around 15 % of the total activity of cooperating users within the refractories industries and around 53 % of cooperating users within the abrasives industry.
- (299) Users who responded to the questionnaire accounted for approximately 20 % of total Union consumption of fused alumina and around 25 % of the Union's imports from China. Among these responses, approximately 50 % of the fused alumina used in the abrasives industry originated from China, while the share of Chinese origin was around 65 %-69 % in the refractories industry
- (300) The Commission estimated that, if duties are imposed at the proposed level and all other factors remain constant, the cost of production for users could increase by between 10 % and 30 %, depending on the specific company. More specifically, for the refractory industry, the estimated increase in production costs would range from 10 % to 30 %, while for the abrasive industry, the increase is expected to range from 10 % to 23 %. However, it is important to note that these estimates are based on the assumption that all of the fused alumina is of Chinese origin. In reality, the supply to downstream industries is more diverse. For those who responded to the questionnaire, around 50 % of fused alumina used in the abrasives industry and approximately 65 % in the refractories industry originated from China. This suggests that a significant proportion of the supply originates from sources other than China, which would mitigate the overall cost impact of the duties. Furthermore, the actual effect on production costs will vary depending on each company's specific supply source mix. Those with lower dependency on Chinese sources are likely to experience a more limited cost increase, while those with higher dependency may be more affected. Therefore, the impact of the proposed duties should be assessed in light of these diverse sourcing strategies.
- (301) Regarding the potential effect of the measures on profitability, the situation is complex due to the diversity of companies involved. Profitability among users varied across both sectors and individual companies, with some reporting positive margins, while others operated at a loss.
- (302) The Commission considered that the impact on the profitability of users would largely depend on two key factors: the ability of users to pass on cost increases to their customers, and the capacity to substitute inputs currently sourced from China with alternative suppliers, provided that the prices of these supplies, after the duties on Chinese imports are imposed, could potentially mitigate the price impact.

- (303) With regard to the ability to pass on cost increases, further assessment is required. However, the Commission acknowledges that companies operating in higher margin segments and producing more specialised products are more likely to be able to transfer additional costs to their customers. In contrast, companies manufacturing less specialised products and subject to broader competition, are expected to face greater difficulties in doing so. This is particularly relevant for firms already operating at a loss, which suggests that they have already been unable to raise prices even prior to any imposition of measures.
- (304) Concerning the availability of other sources of supply, the investigation, as further explained in section 7.4, established that the Union industry remained a reliable source of supply for fused alumina with sufficient capacity to meet Union users' demand. It also established that users in the Union are not solely dependent on imports from China. Other third countries, like Bahrain, Brazil, the United States, and Ukraine, as noted in section 5.2.1, are already present in the Union market and are likely to increase their exports to the Union, further reducing reliance on Chinese imports.
- (305) Furthermore, as established in recital 244, imports from Bahrain and Ukraine were, in the IP, at lower price than Chinese imports, offering competitive alternatives for Union users. The availability of lower-priced imports from these countries increases supply diversity and also contributes to mitigating the potential impact of measures on Chinese imports, ensuring that Union users continue to have access to economically viable sources of fused alumina.
- (306) These findings suggest that the imposition of measures would not result in supply shortages, and that the availability of supply from third countries and the Union, at fair prices, would, to some extent, mitigate potential negative impact on users. However, the economic consequences for user industries may vary significantly, depending on their specific market positioning, cost structures, and their capacity to absorb or pass on cost increases. This impact will be further investigated by the Commission.

7.4. Other factors: Availability of supply and market concentration

- (307) Some parties claimed that the Union industry is not capable of supplying the Union market in the quantities required and thus if anti-dumping duties are imposed there is a serious risk of shortage in the Union, including for particular types of the product concerned.
- (308) The investigation found this argument to be unjustified. The Union industry has been underutilising its production capacity throughout the period considered. In the IP, the utilisation rate of the Union production capacity was 43 % with additional spare capacity of about 180 000 tonnes. The investigation established that the majority of the spare capacity is either available immediately or can become operational within a very short period of time with minimal investment. The investigation also established that the Union industry's spare capacity allows to produce all main types of the product concerned. The Union industry's production capacity broadly corresponds to the Union consumption of 305 360 tonnes during the IP.
- (309) Additionally, the investigation revealed that, while the production of fused alumina is concentrated in a few key regions in the world, the existing capacity of the non-Chinese production outside the Union can complement the already substantial production capacity within the Union. As detailed in table 12, imports from third countries are already present on the Union market. The Commission considered that these imports are likely to increase, should the dumped imports from China decrease. It is therefore concluded that the total spare capacity of the Union and third-country producers outside the Union is sufficient to meet Union consumption.
- (310) Some parties also argued that the imposition of anti-dumping duties on the product concerned will create a market concentration risk, which may lead to a further increase of prices of the product concerned.
- (311) The Commission noted that while it is true that the Union competition rules impose more stringent standards of behaviour on a company that has a significant market share, it is ultimately up to the competition authorities to determine whether there is a dominant position and whether it is abused. In anti-dumping proceedings the Commission examines competition concerns to establish whether, on balance, it would be clearly against the Union interest to impose anti-dumping measures. Such an analysis cannot encompass a competition assessment in the strict legal sense, which can only be carried out by a competent competition authority. In any case, no robust

evidence was provided that would suggest that the complainant would engage in anti-competitive behaviour should anti-dumping measures be imposed, aside from its already strong position on the market and its engagement in commercial practices generally regarded as standard, such as differentiated pricing linked to purchase volumes and the nature of existing business relationships. It is recalled that the purpose of imposing anti-dumping measures is to restore a level playing field that has been distorted by the unfair trade practises of Chinese exporting producers. The aim of anti-dumping measures is not to force Chinese exporting producers out of the Union market but rather to create conditions where Union producers and third country producers compete under fair conditions.

(312) Some parties claimed that the certification process for the materials used in their production, both internally and by their clients, is lengthy and complex. It involves rigorous testing and approval procedures to ensure compliance with customer requirements. If measures are imposed, this could imply the need to switch suppliers or materials, which could require a re-certification process and delay in production, potentially affecting contractual obligations.

(313) The Commission noted several mitigating factors that significantly reduce this risk. Both the Union industry and several suppliers from third countries are well-established producers of fused alumina. These suppliers have many years of experience in the market, supplying materials that meet industry standards. Similarly, the Union industry is recognised as a quality producer with the capacity to meet strict certification requirements. Its products are often the first to be certified in the Union, after which alternative sources are considered. Furthermore, the investigation was initiated several months ago, providing users with time to prepare for potential changes, assess alternative suppliers, and initiate certification processes where necessary.

7.5. Conclusion on Union interest

(314) The Commission recognises the legitimate concerns raised by user industries, particularly with regard to their ability to absorb or pass on the cost increases and maintain profitability. Therefore, the Commission considers it appropriate to examine these issues in greater depth. To this end, during the definitive stage of the investigation, the Commission will further assess the extent and impact of these concerns ensuring that any definitive measures adopted are based on a comprehensive understanding of the broader economic implications.

(315) On the basis of the above, the Commission provisionally concluded, despite the legitimate concerns of user industries, that there were no compelling reasons that it was not in the Union interest to impose measures on imports of fused alumina originating in the People's Republic of China at this stage of the investigation. The measures are considered legally justified and proportionate, as they are necessary to prevent further injury to the Union industry, preserve viability of Union production, and ensure fair competition in the Union. The Commission therefore found it appropriate to impose provisional measures at this stage of the investigation, while committing to further assess the impact on user industries.

8. PROVISIONAL ANTI-DUMPING MEASURES

(316) 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.

(317) Provisional anti-dumping measures should be imposed on imports of product originating in country concerned, in accordance Article 7(2) of the basic Regulation. The Commission concluded recitals 280 and 281 that the appropriate level to remove injury should be the dumping margin.

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

Company	Provisional anti-dumping duty (%)
Chongqing Saite Corundum Co., Ltd.	125,2
Luoyang Runbao Abrasives Co., Ltd.	111,9
Other cooperating companies	118,8
All other imports originating in the PRC	136,3

- (319) 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 PRC'. They should not be subject to any of the individual anti-dumping duty rates.
- (320) To minimise the risks of circumvention due to the difference in duty rates, special measures are needed to ensure the application of the individual anti-dumping duties. The application of individual anti-dumping duties is only applicable upon presentation of a valid commercial invoice to the customs authorities of the Member States. The invoice must conform to the requirements set out in Article 1(3) of this regulation. Until such invoice is presented, imports should be subject to the anti-dumping duty applicable to 'all other imports originating in the PRC'.
- (321) 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.
- (322) 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

- (323) 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.
- (324) In view of the findings at provisional stage, the registration of imports should cease/be discontinued.
- (325) No decision on a possible retroactive application of anti-dumping measures has been taken/can be taken at this stage of the proceeding.

10. INFORMATION AT PROVISIONAL STAGE

- (326) 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.

(327) No comments on the accuracy of the calculations were received.

11. FINAL PROVISIONS

(328) 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.

(329) 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 fused alumina, currently falling under CN codes 2818 10 11, 2818 10 19, ex 2818 10 91, and 2818 10 99 (TARIC codes 2818 10 91 20, 2818 10 91 90) and originating in the PRC.

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
PRC	Chongqing Saite Corundum Co., Ltd.	125,2	89RI
PRC	Luoyang Runbao Abrasives Co., Ltd.	111,9	89RJ
PRC	Other cooperating companies listed in Annex I	118,8	See Annex
PRC	All other imports originating in the PRC	136,3	8999

3. The application of the individual duty rates specified for the companies mentioned in paragraph 2 shall be conditional upon presentation to the Member States' customs authorities of a valid commercial invoice, on which shall appear a declaration dated and signed by an official of the entity issuing such invoice, identified by his/her name and function, drafted as follows: 'I, the undersigned, certify that the (volume in unit we are using) of (product concerned) sold for export to the European Union covered by this invoice was manufactured by (company name and address) (TARIC additional code) in [country concerned]. I declare that the information provided in this invoice is complete and correct.' Until such invoice is presented, the duty applicable to all other imports originating in the PRC 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) 2025/260.

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, 17 July 2025.

For the Commission
The President
Ursula VON DER LEYEN

ANNEX

PRC cooperating exporting producers not sampled

Country	Name	TARIC additional code
PRC	Art Abrasives (Guizhou) Co., Ltd.	89RK
PRC	Bedrock Corundum Co., Ltd.	89RL
PRC	Binzhou Qinai New Material Co., Ltd.	89RM
PRC	Guizhou Guxin New Materials Co., Ltd.	89RN
PRC	Guizhou Kaicheng Fused Minerals Co., Ltd.	89RO
PRC	Henan Ant Advanced Materials Co., Ltd.	89RP
PRC	Henan Haochen Advanced Materials Co., Ltd.	89RQ
PRC	Henan Hengxin Industrial & Mineral Products Co., Ltd	89SI
PRC	Henan Jinfeng New Material Technology Co., Ltd.	89RR
PRC	Imerys Fused Minerals (Guizhou) Co., Ltd.	89RS
PRC	Qinai (Shandong) New Material Co., Ltd.	89RT
PRC	Qingdao Reckel Advanced Materials Co., Ltd.	89RU
PRC	Qingdao Sisa Abrasives Co., Ltd.	89RV
PRC	Saint-Gobain Ceramic Materials (Zhengzhou) Co Ltd	89RW
PRC	Shandong Imerys Mount Tai Co., Ltd.	89RX
PRC	Shanxi Lvliangshan Mineral Co., Ltd.	89RY
PRC	Yichuan Kingsino Refractories Co., Ltd	89RZ
PRC	Zhengzhou Sinabuddy Mineral Co., Ltd.	89SA
PRC	Zhengzhou Yufa High-Tech Material Co., Ltd.	89SB
PRC	Zibo Jin Chun Tai Abrasives Co., Ltd.	89SD
PRC	Zibo Jinjiyuan Abrasives Co., Ltd.	89SC