



2025/1724

11.8.2025

**COMMISSION IMPLEMENTING REGULATION (EU) 2025/1724**

**of 8 August 2025**

**imposing a provisional anti-dumping duty on imports of barium carbonate originating in the People's Republic of China and India**

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 <sup>(1)</sup> ('the basic Regulation'), and in particular Article 7 thereof,

After consulting the Member States,

Whereas:

**1. PROCEDURE**

**1.1. Initiation**

- (1) On 20 December 2024, the European Commission ('the Commission') initiated an anti-dumping investigation with regard to imports of barium carbonate originating in the People's Republic of China and India ('the countries concerned') on the basis of Article 5 of the basic Regulation. It published a Notice of Initiation in the Official Journal of the European Union ('the Notice of Initiation').
- (2) The Commission initiated the investigation following a complaint lodged on 5 November 2024 by Kandelium Group GmbH ('the complainant' or 'Kandelium'). The complaint was made by the Union industry of barium carbonate 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) 2025/482 <sup>(2)</sup> ('the registration Regulation').

**1.3. Interested parties**

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

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

<sup>(2)</sup> Commission Implementing Regulation (EU) 2025/482 of 14 March 2025 making imports of barium carbonate originating in the People's Republic of China and India subject to registration (OJ L, 2025/482, 17.3.2025, ELI: [http://data.europa.eu/eli/reg\\_impl/2025/482/oj](http://data.europa.eu/eli/reg_impl/2025/482/oj)).

#### 1.4. **Comments on initiation**

- (6) No comments were received on initiation.

#### 1.5. **Sampling**

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

##### ***Sampling of Union producers***

- (8) Since there is only one known Union producer, Kandelium Group GmbH, representing 100 % of the Union production, no sampling was necessary.

##### ***Sampling of unrelated importers***

- (9) To decide whether sampling is necessary and, if so, to select a sample, the Commission asked unrelated importers to provide the information specified in the Notice of Initiation.
- (10) Seven companies provided the requested information and agreed to be included in the sample, however, three of these companies were not unrelated importers but users of the product under investigation and one of them was both an importer and a user. In accordance with Article 17(1) of the basic Regulation, the Commission selected a sample of three unrelated importers on the basis of the volume of imports during the investigation period and the resale on the Union market. However, one of the three sampled importers did not provide a reply to the importers' questionnaire, within the established deadlines.

##### ***Sampling of exporting producers in the People's Republic of China***

- (11) To decide whether sampling is necessary and, if so, to select a sample, the Commission asked all exporting producers in People's Republic of China ('China' or '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 the European Union to identify and/or contact other exporting producers, if any, that could be interested in participating in the investigation.
- (12) Three exporting producers in China provided the requested information and agreed to be included in the sample. In accordance with Article 17(1) of the basic Regulation, the Commission selected a sample of two exporting producers on the basis of the largest representative volume of exports to the Union which could reasonably be investigated within the time available. In accordance with Article 17(2) of the basic Regulation, all known exporting producers concerned and the Mission of the People's Republic of China were consulted on the selection of the sample. No comments were received on the sample.

##### ***Sampling of exporting producers in India***

- (13) To decide whether sampling is necessary and, if so, to select a sample, the Commission asked all exporting producers in India to provide the information specified in the Notice of Initiation. In addition, the Commission asked the Mission of India to the European Union to identify and/or contact other exporting producers, if any, that could be interested in participating in the investigation.
- (14) There was only one exporting producer in India known to the Commission at the initiation of the investigation. The exporting producer provided the requested information and agreed to be included in the sample. No further exporting producers came forward. Therefore, the Commission deemed it was not necessary to select a sample and proposed the sole exporting producer to be investigated. In accordance with Article 17(2) of the basic Regulation, the known exporting producer concerned, and the authorities of the country concerned, were consulted on this decision. No comments were received.

### 1.6. Questionnaire replies and verification visits

- (15) 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').
- (16) Furthermore, the complainant provided in the complaint sufficient evidence that there may be raw material distortions in the People's Republic of China regarding the product under investigation. According to the evidence in the complaint one of the raw materials for the production of product under investigation, carbon dioxide, accounting for at least 17 % of the cost of production of the product under investigation, is subject to export VAT. Therefore, as announced in the Notice of Initiation, the investigation covered also raw material distortions to determine whether to apply the provisions of Articles 7(2a) and 7(2b) of the basic Regulation with regard to China. For this reason, the Commission sent additional questionnaires in this regard to the GOC.
- (17) The questionnaires for exporting producers, Union producer, unrelated importers, and users were made available online <sup>(3)</sup> on the day of initiation of the investigation.
- (18) The Commission sought and verified all the information deemed necessary for a provisional determination of dumping, resulting injury and Union interest. Verification visits pursuant to Article 16 of the basic Regulation were carried out at the premises of the following companies:

#### Union producer

- Kandelium Group GmbH, Bad Hönningen, Germany

#### Importers

- L'Aprochimide SRL, Muggiò, Italy
- Kimpe SAS, Toulouse, France

#### Users

- Kimpe SAS, Toulouse, France
- Esmalglass S.A., Villareal, Spain
- Younexa S.A., Vall d'Alba, Spain
- Fritta S.A., Onda, Spain

#### Exporting producers in China

- Guizhou Redstar Developing CO., LTD., Anshun City, China ('Redstar') and
- Guizhou Redstar Developing Import & Export Co., Ltd., Guiyang City, China
- Hubei Jingshan Chutian Barium Salts Co., Ltd., Jingshan, China ('Chutian')

#### Exporting producer in India

- Vishnu Barium Private Limited, Hyderabad, India

### 1.7. Investigation period and period considered

- (19) 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').

<sup>(3)</sup> <https://tron.trade.ec.europa.eu/investigations/case-view?caseId=2765>.

## 2. PRODUCT UNDER INVESTIGATION, PRODUCT CONCERNED AND LIKE PRODUCT

### 2.1. Product under investigation

- (20) The product under investigation is barium carbonate with a strontium content of more than 0,07 % by weight and a sulphur content of more than 0,0015 % by weight, whether in powder, pressed granular or calcined granular form, currently falling under CN code ex 2836 60 00 (TARIC code 2836 60 00 10) ('the product under investigation').
- (21) Barium carbonate is an inorganic compound with a chemical formula  $\text{BaCO}_3$  used in a wide range of applications, for example in the glass and ceramic industry. In the glass production process, barium carbonate improves the glass optical property, making it more brilliant. In the ceramic industry, barium carbonate leads to smoother and more consistent glaze surfaces.

### 2.2. Product concerned

- (22) The product concerned is the product under investigation originating in China and India currently falling under CN code ex 2836 60 00 (TARIC code 2836 60 00 10) ('the product concerned').

### 2.3. Like product

- (23) 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 China and India; and
  - the product under investigation produced and sold in the Union by the Union industry.
- (24) 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

- (25) No comments were received on the product scope.

## 3. DUMPING

### 3.1. China

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

- (26) 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.
- (27) 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 barium carbonate. Two exporting producers submitted the relevant information.

- (28) 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. 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.
- (29) 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, referring to Türkiye as a possible appropriate representative third country.
- (30) On 11 April 2025, the Commission informed by a note ('the First Note') interested parties on the relevant sources it intended to use for the determination of the normal value. In that note, the Commission provided a list of all factors of production such as raw materials, labour and energy used in the production of the product concerned. In addition, based on the criteria guiding the choice of undistorted prices or benchmarks, the Commission identified possible representative countries, namely Türkiye and Mexico. The Commission received comments on the First Note from the exporting producers Redstar and Chutian and from the complainant. These comments have been duly addressed in the Second Note
- (31) On 15 May 2025, the Commission informed by a second note ('the Second Note') interested parties on the relevant sources it intended to use for the determination of the normal value, with Türkiye as the representative country. It also informed interested parties that it would establish selling, general and administrative costs ('SG&A') and profits based on available information for the companies Türkiye şişe ve cam fabrikaları A.Ş. ('Sisecam') and Alkim Alkali Kimya A.Ş. ('Alkim'), producers in Türkiye.
- (32) The Commission received comments on the Second Note from the exporting producers Redstar and Chutian and from the complainant. These comments have been addressed under respective heading under Section 3.1.4 below.
- (33) After having analysed the comments and information received, the Commission concluded that Türkiye was an appropriate representative country from which undistorted prices and costs would be sourced for the determination of the normal value. The underlying reasons for that choice are further described in detail in Section 3.1.3 below.

### 3.1.2. Normal value

- (34) 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'*.
- (35) However, according to Article 2(6a)(a) of the basic Regulation, *'in case it is determined ... that it is not appropriate to use domestic prices and costs in the exporting country due to the existence in that country of significant distortions within the meaning of point (b), the normal value shall be constructed exclusively on the basis of costs of production and sale reflecting undistorted prices or benchmarks'*, and *'shall include an undistorted and reasonable amount of administrative, selling and general costs and for profits'* ('administrative, selling and general costs' is referred to hereinafter as 'SG&A').
- (36) As further explained below, the Commission concluded in the present investigation that, based on the evidence available, the application of Article 2(6a) of the basic Regulation was appropriate.

### 3.1.2.1. Existence of significant distortions

- (37) In recent investigations concerning the chemical sector in the PRC <sup>(4)</sup>, the Commission found that significant distortions in the sense of Article 2(6a)(b) of the basic Regulation were present.
- (38) 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 <sup>(5)</sup>. In particular, the Commission concluded that in the chemical sector not only does a substantial degree of ownership by the GOC persist in the sense of Article 2(6a)(b), first indent of the basic Regulation <sup>(6)</sup>, 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 <sup>(7)</sup>. 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 <sup>(8)</sup>. 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 <sup>(9)</sup>. In the same vein, the Commission found distortions of wage costs in the chemical sector in the sense of Article 2(6a)(b), fifth indent of the basic Regulation <sup>(10)</sup>, 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 <sup>(11)</sup>.

<sup>(4)</sup> Commission Implementing Regulation (EU) 2024/1959 of 17 July 2024 imposing a provisional anti-dumping duty on imports of erythritol originating in the People's Republic of China (OJ L, 2024/1959, 19.7.2024, ELI: [http://data.europa.eu/eli/reg\\_impl/2024/1959/oj](http://data.europa.eu/eli/reg_impl/2024/1959/oj)); Commission Implementing Regulation (EU) 2023/2180 of 16 October 2023 amending Implementing Regulation (EU) 2021/607 imposing a definitive anti-dumping duty on imports of citric acid originating in the People's Republic of China as extended to imports of citric acid consigned from Malaysia, whether declared as originating in Malaysia or not, following a new exporter review pursuant to Article 11(4) of Regulation (EU) 2016/1036 of the European Parliament and of the Council (OJ L, 2023/2180, 17.10.2023, ELI: [http://data.europa.eu/eli/reg\\_impl/2023/2180/oj](http://data.europa.eu/eli/reg_impl/2023/2180/oj)); Commission Implementing Regulation (EU) 2023/752 of 12 April 2023 imposing a definitive anti-dumping duty on imports of sodium gluconate originating in the People's Republic of China following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council (OJ L 100, 13.4.2023, p. 16, ELI: [http://data.europa.eu/eli/reg\\_impl/2023/752/oj](http://data.europa.eu/eli/reg_impl/2023/752/oj)); Commission Implementing Regulation (EU) 2021/441 of 11 March 2021 imposing a definitive anti-dumping duty on imports of sulphanilic acid originating in the People's Republic of China following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council (OJ L 85, 12.3.2016, p. 154, ELI: [https://eur-lex.europa.eu/eli/reg\\_impl/2021/441](https://eur-lex.europa.eu/eli/reg_impl/2021/441)).

<sup>(5)</sup> Implementing Regulation (EU) 2024/1959, recitals 161-162; Implementing Regulation (EU) 2023/2180, recitals 89-90; Implementing Regulation (EU) 2023/752, recital 70.

<sup>(6)</sup> Implementing Regulation (EU) 2024/1959 recitals 103-113; Implementing Regulation (EU) 2023/2180, recitals 46-50; Implementing Regulation (EU) 2023/752, recital 49.

<sup>(7)</sup> Implementing Regulation (EU) 2024/1959 recitals 114-122; Implementing Regulation (EU) 2023/2180, recitals 51-55; Implementing Regulation (EU) 2023/752, recitals 50-54. While the right to appoint and to remove key management personnel in SOEs by the relevant State authorities, as provided for in the Chinese legislation, can be considered to reflect the corresponding ownership rights, CCP cells in enterprises, state owned and private alike, represent another important channel through which the State can interfere with business decisions. According to the PRC's company law, a CCP organisation is to be established in every company (with at least three CCP members as specified in the CCP Constitution) and the company shall provide the necessary conditions for the activities of the party organisation. In the past, this requirement appears not to have always been followed or strictly enforced. However, since at least 2016 the CCP has reinforced its claims to control business decisions in SOEs as a matter of political principle. The CCP is also reported to exercise pressure on private companies to put 'patriotism' first and to follow party discipline. In 2017, it was reported that party cells existed in 70 % of some 1,86 million privately owned companies, with growing pressure for the CCP organisations to have a final say over the business decisions within their respective companies. These rules are of general application throughout the Chinese economy, across all sectors, including to the producers of the product under review and the suppliers of their inputs.

<sup>(8)</sup> Implementing Regulation (EU) 2024/1959 recitals 123-133; Implementing Regulation (EU) 2023/2180, recitals 64-65; Implementing Regulation (EU) 2023/752, recitals 55-63.

<sup>(9)</sup> Implementing Regulation (EU) 2024/1959 recitals 134-138; Implementing Regulation (EU) 2023/2180, recitals 66-69; Implementing Regulation (EU) 2023/752, recital 64.

<sup>(10)</sup> Implementing Regulation (EU) 2024/1959 recitals 139-142; Implementing Regulation (EU) 2023/2180, recitals 71-72; Implementing Regulation (EU) 2023/752, recital 65.

<sup>(11)</sup> Implementing Regulation (EU) 2024/1959 recitals 143-152; Implementing Regulation (EU) 2023/2180, recitals 72-81; Implementing Regulation (EU) 2023/752, recital 66.

- (39) Like in previous investigations concerning the chemical sector in the PRC, the Commission examined in the present investigation whether it was appropriate or not to use domestic prices and costs in the PRC, due to the existence of significant distortions within the meaning of point (b) of Article 2(6a) of the basic Regulation. The Commission did so 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<sup>(12)</sup> (*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.
- (40) The complaint alleged that significant distortions exist in the Chinese barium carbonate sector. It referred to the Report and in particular to the PRC's economic system being a 'socialist market economy' and the active role of the Chinese Communist Party ('CCP') in both the public and private sectors in the PRC.
- (41) More specifically, the complaint pointed out that:
- The Chinese chemicals market, including the barium carbonate sector, is subject to significant interference by the GOC<sup>(13)</sup>.
  - The Chinese chemicals market, including the barium carbonate sector, is being served to a significant extent by enterprises which operate under the ownership, control or policy supervision or guidance of the GOC. For example, the biggest producer of barium carbonate in China accounting for approximately 44 % of total production of Chinese barium carbonate, Redstar, is State-owned. Also, in the context of the previous anti-dumping investigation concerning imports of barium carbonate from China<sup>(14)</sup>, the Commission found that State-owned enterprises ('SOEs') producing barium carbonate had Boards of Directors entirely or predominantly consisting of Directors nominated by the GOC<sup>(15)</sup>.
  - The GOC and the Chinese CCP maintain structures that ensure their continued influence and control over enterprises, in particular SOEs. Generally, the GOC actively formulates and oversees the implementation of general economic policies by individual companies as well as participates in operational decision-making 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. The particular status of SOEs within the Chinese economy comes with a number of economic benefits, in particular the shielding from competition and the preferential access to relevant inputs, including financing. Additionally, with the high level of government intervention in the chemicals industry and a high share of SOEs relative to overall production, even privately owned barium carbonate producers are prevented from operating under market conditions. As such, both public and privately owned companies in the chemicals sector are likely subject to policy supervision and guidance by the GOC<sup>(16)</sup>.

<sup>(12)</sup> 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), including the previous version of the document: Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China for the purposes of Trade Defence Investigations, 20 December 2017, SWD(2017) 483 final/2, available at: [https://ec.europa.eu/transparency/documents-register/detail?ref=SWD\(2017\)483&lang=en](https://ec.europa.eu/transparency/documents-register/detail?ref=SWD(2017)483&lang=en).

<sup>(13)</sup> See page 19 of the complaint (open version).

<sup>(14)</sup> Commission Regulation (EC) No 145/2005 of 28 January 2005 imposing a provisional anti-dumping duty on imports of barium carbonate originating in the People's Republic of China (OJ L 27, 29.1.2005, p. 4, ELI: <http://data.europa.eu/eli/reg/2005/145/oj>), recitals 24-29.

<sup>(15)</sup> See page 20 of the complaint (open version).

<sup>(16)</sup> See pages 19-20 of the complaint (open version).

- Through State presence in chemicals producers in China, the GOC is able to interfere with prices and costs of those companies. The complaint referred to Chapter 5 of the Report and argued that since these findings apply to the Chinese economy more generally, these would be relevant for the barium carbonate sector in China as well as their suppliers of inputs <sup>(17)</sup>.
- There are public policies or measures applicable to the Chinese barium carbonate industry that discriminate in favour of domestic suppliers or otherwise influence free market forces. Specifically, the chemical industry, including the production of barium carbonate, is regarded as a key industry by the GOC, as explained in the 14th Five-Year Plan on Economic and Social Development ('14th FYP'). Other plans or measures providing support to the Chinese barium carbonate industry include, among others, the Guiding Opinion on Promoting the High-Quality Development of the Petrochemical and Chemical Industry During The 14th FYP <sup>(18)</sup>.
- There is a lack of, a discriminatory application of or inadequate enforcement of bankruptcy, corporate or property laws in China resulting in distortions by maintaining insolvent firms afloat and by not providing land at market conditions. In this regard, the complaint referred to Chapter 9 of the Report and argued that since these findings apply to the Chinese economy more generally, these would be relevant for the chemicals industry, including the production of barium carbonate, in China <sup>(19)</sup>.
- Wage costs are distorted in China as workers and employers are impeded in their rights to collective organisation. China has not ratified a number of essential conventions of the International Labour Organisation, in particular those on the freedom of association and collective bargaining. The complaint referred to Chapter 13 of the Report and argued that that the chemicals sector, including the barium carbonate industry, is affected by the distortions of wage costs both directly and indirectly <sup>(20)</sup>.
- Access to capital for corporate actors in China is subject to various distortions. The Chinese financial system is characterised by the strong position of SOE banks, which take into consideration criteria other than economic viability of the project when granting access to finance. Bonds and credit ratings are often distorted and borrowing costs are kept artificially low to stimulate investment growth. The complaint argued that, 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. These distortions affect market conditions in China generally, including in the chemicals sector and thus also the production of barium carbonate <sup>(21)</sup>.

(42) In conclusion, the complaint took the position that prices or costs, 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. On that basis, according to the complaint, it is not appropriate to use domestic prices and costs to establish normal value in this case.

(43) The Commission examined whether it was appropriate or not to use domestic prices and costs in China, due to the existence of significant distortions within the meaning of point (b) of Article 2(6a) of the basic Regulation. That analysis covered the examination of the substantial government interventions in China's economy in general, but also the specific market situation in the relevant sector including the product concerned.

<sup>(17)</sup> See pages 20-21 of the complaint (open version).

<sup>(18)</sup> See pages 21-22 of the complaint (open version).

<sup>(19)</sup> See pages 22-23 of the complaint (open version).

<sup>(20)</sup> See page 23 of the complaint (open version).

<sup>(21)</sup> See pages 23-25 of the complaint (open version).

- (44) In this regard, the Commission first assessed whether the barium carbonate sector in the PRC is being served to a significant extent by enterprises which operate under the ownership, control or policy supervision or guidance of the Chinese authorities, within the meaning of the first indent of Article 2(6a)(b) of the basic Regulation. The sector of the product concerned is served by both private companies, such as Guizhou Hongtai Barium Industry Co., Ltd. <sup>(22)</sup>, Hubei Jingshan Chutian Barium Salt Co., Ltd. <sup>(23)</sup> or Zaozhuang Yongli Chemical Co., Ltd. <sup>(24)</sup>, and by SOEs such as Sinochem Group <sup>(25)</sup>. The exact ratio of private versus State-owned producers in the barium carbonate market could not be determined. However, the Commission found that at least one producer is directly controlled by the State, namely Redstar <sup>(26)</sup>, which is effectively controlled by the State-owned Assets Supervision and Administration Commission of Qingdao Municipal People's Government <sup>(27)</sup> through the State-owned holding company Qingdao Redstar Chemical Group Co., Ltd. <sup>(28)</sup>. Furthermore, Sinochem Group <sup>(29)</sup> is a central enterprise controlled by the State Council's State Asset Supervision and Administration Commission ('SASAC') <sup>(30)</sup> and acts as a trader in barium carbonate <sup>(31)</sup>.
- (45) Moreover, CCP interventions into operational decision-making have become the norm, not only in SOEs but also in private companies <sup>(32)</sup>, with the CCP claiming leadership over virtually every aspect of the country's economy. Indeed, the State's influence by means of CCP structures within companies effectively results in economic operators being under the government's control and policy supervision, given how far the State and Party structures have grown together in China.
- (46) Furthermore, the Law on Promoting the Private Sector mandates that '*private economic organizations and their operators shall support the leadership of the Communist Party of China, adhere to the socialist system with Chinese characteristics, and actively participate in the construction of a socialist modern power*' <sup>(33)</sup>.
- (47) The investigation found that the industry national association covering the chemical sector is the China Petrochemical and Chemical Industry Federation ('CPCIF'). The CPCIF adheres to the overall leadership of the CCP, carries out Party activities, and provides necessary conditions for the activities of Party organizations <sup>(34)</sup>. Moreover, the '*registration and management authority of the Association is the Ministry of Civil Affairs*' <sup>(35)</sup> and the conditions to be eligible as a representative of the CPCIF include to '*adhere to the leadership of the CCP, support socialism with Chinese characteristics, resolutely implement the Party's line, principles, and policies, and possess good political qualities*' <sup>(36)</sup>.

<sup>(22)</sup> See at: <https://www.hota.cn/Home.html> (accessed on 12 May 2025).

<sup>(23)</sup> See at: <https://www.jingyan.com/intro/1.html> (accessed on 12 May 2025).

<sup>(24)</sup> See at: <http://lxlchem.com/English/about.asp> (accessed on 12 May 2025).

<sup>(25)</sup> See at: <https://www.sinochem.com/sinochem/guwm/qyqk/jj/A031002001001Gone1.html> (accessed on 12 May 2025).

<sup>(26)</sup> See at: <http://www.redstarchem.com/intro/4.html> (accessed on 12 May 2025).

<sup>(27)</sup> See Guizhou Redstar Developing Co., Ltd. annual report 2024, p.116, available at: <https://file.finance.qq.com/finance/hs/pdf/2025/04/26/1223321234.PDF> (accessed on 12 May 2025).

<sup>(28)</sup> See at: <http://www.redstarchem.com/about.html> (accessed on 12 May 2025).

<sup>(29)</sup> See at: <http://www.sinochemhx.com/shxschina/ywgl/zyqk/A074003001Gone1.html> (accessed on 12 May 2025).

<sup>(30)</sup> See at: <http://wap.sasac.gov.cn/n2588045/n27271785/n27271792/c14159097/content.html> (accessed on 12 May 2025).

<sup>(31)</sup> See at: <http://www.hhxj.chemchina.com/s/22260-63719-185778.html> (accessed on 12 May 2025).

<sup>(32)</sup> See Art. 33 of the CCP Constitution, Article 19 of the Chinese Company Law. See also the Report, Chapter 3, p. 47-50.

<sup>(33)</sup> See Art. 5 of the Law on Promoting the Private Sector, available at: [https://www.gov.cn/yaowen/liebiao/202504/content\\_7022018.htm](https://www.gov.cn/yaowen/liebiao/202504/content_7022018.htm) (accessed on 13 May 2025).

<sup>(34)</sup> See CPCIF Articles of Association, Article 3, available at: <http://www.cpcif.org.cn/detail/40288043661e27fb01661e386a3f0001?e=1> (accessed on 12 May 2025).

<sup>(35)</sup> Ibid.

<sup>(36)</sup> See CPCIF Articles of Association, Article 36, available at: <http://www.cpcif.org.cn/detail/40288043661e27fb01661e386a3f0001?e=1> (accessed on 12 May 2025).

- (48) Sinochem Group is a member of CPCIF <sup>(37)</sup>.
- (49) More specifically, the national industry association representing the producers of barium carbonate is the China Inorganic Salts Industry Association ('CISIA') <sup>(38)</sup>. Article 3 of CISIA's Articles of Association sets out the following: *'The Association adheres to the overall leadership of the Communist Party of China'* <sup>(39)</sup>. Moreover, it mandates that *'the Association accepts the business guidance and supervision and management of the Ministry of Civil Affairs and industry management departments'* <sup>(40)</sup>. Also, Article 36 sets out the conditions to be eligible as a *'president, vice president and secretary general of [CISIA]'* which include to *'adhere to the leadership of the Communist Party of China, support socialism with Chinese characteristics, resolutely implement the party's line, principles, and policies, and possess good political qualities'* <sup>(41)</sup>.
- (50) Qingdao Redstar Chemical Group Co., Ltd. occupies the position of Managing Director of CISIA <sup>(42)</sup>.
- (51) Both public and privately owned enterprises in the chemical sector are subject to policy supervision and guidance. The latest Chinese policy documents concerning the chemical and petrochemical sector confirm the continued importance which the GOC attributes to the sector, including the intention to intervene in the sector to shape it in line with the government policies. This is exemplified by the 14<sup>th</sup> FYP and 2035 Perspectives, according to which the GOC intends to *'accelerate the transformation and upgrading of key industries such as chemicals'* <sup>(43)</sup>.
- (52) To this end, the GOC intends to *'support private economic organizations to participate in major national strategies and major projects. Support private economic organizations to invest and start businesses in strategic emerging industries, future industries and other fields, encourage the technological transformation and transformation and upgrading of traditional industries'* <sup>(44)</sup>.
- (53) More specifically, the Guiding Opinion on Promoting the High-Quality Development of the Petrochemical and Chemical Industries during the 14<sup>th</sup> FYP <sup>(45)</sup> ('the Guiding Opinion') also stipulates that the GOC will *'accelerate the transformation and upgrading of traditional industries, vigorously develop new chemical materials and fine chemicals, [...] and foster China's transition from a large petrochemical and chemical country into a strong petrochemical and chemical power. [...] By 2025, [...] the production concentration of bulk chemical products will be further improved, and the capacity utilization rate will reach more than 80 %; the supply security of ethylene equivalent will be greatly improved, and the supply security of new chemical materials will reach more than 75 %'* <sup>(46)</sup>. In addition, the GOC shall *'promote industrial structure adjustment: strengthen specific measures and scientifically regulate the scale of the industry'* <sup>(47)</sup>.
- (54) Also, the barium carbonate industry is mentioned among the *'restricted industries'* in the Guidance Catalogue for industry structural adjustment <sup>(48)</sup> and *'production units with a single-line capacity of [...] less than 20 000 tons/year of ordinary grade barium carbonate'* are listed among the *'obsolete industries'* <sup>(49)</sup> to be eliminated.

<sup>(37)</sup> See at: <http://www.cpcif.org.cn/list/40288043661dc14701661ddbe0980010> (accessed on 12 May 2025).

<sup>(38)</sup> See at: <https://www.cisia.org/> (accessed on 12 May 2025).

<sup>(39)</sup> See CISIA Articles of Association, Articles 3 and 36, available at: <https://www.cisia.org/site/content/62346.html> (accessed on 12 May 2025).

<sup>(40)</sup> Ibid.

<sup>(41)</sup> Ibid.

<sup>(42)</sup> See at: <https://www.cisia.org/site/content/6621.html> (accessed on 12 May 2025).

<sup>(43)</sup> See Section III.8.3 of the 14<sup>th</sup> FYP and 2035 perspectives, available at: [https://www.gov.cn/xinwen/2021-03/13/content\\_5592681.htm](https://www.gov.cn/xinwen/2021-03/13/content_5592681.htm) (accessed on 12 May 2025).

<sup>(44)</sup> See Art.16, Law on Promoting the Private Sector, available at: [https://www.gov.cn/yaowen/liebiao/202504/content\\_7022018.htm](https://www.gov.cn/yaowen/liebiao/202504/content_7022018.htm) (accessed on 13 May 2025).

<sup>(45)</sup> See at: [https://www.gov.cn/zhengce/zhengceku/2022-04/08/content\\_5683972.htm#msdyntrid=WRmyf07ph0z74SHmXoOLKjRWl09BdZ4lGdYp9fiI9xU](https://www.gov.cn/zhengce/zhengceku/2022-04/08/content_5683972.htm#msdyntrid=WRmyf07ph0z74SHmXoOLKjRWl09BdZ4lGdYp9fiI9xU) (accessed 12 May 2025).

<sup>(46)</sup> Ibid., Section I.3.

<sup>(47)</sup> Ibid., Section III.4.

<sup>(48)</sup> See p. 87, available at: <https://www.ndrc.gov.cn/xxgk/zcfb/fzggwl/202312/P020231229700886191069.pdf> (accessed on 12 May 2025).

<sup>(49)</sup> See p. 111, available at: <https://www.ndrc.gov.cn/xxgk/zcfb/fzggwl/202312/P020231229700886191069.pdf> (accessed on 12 May 2025).

- (55) Furthermore, some Chinese policy documents also cover inputs used to produce barium carbonate, including coal. For example, the 14<sup>th</sup> FYP on the Development of the Raw Materials Industry stipulates that China shall ‘*promote the clean and efficient use of coal, [and] short-process coal-to-chemicals*’ <sup>(50)</sup>.
- (56) Similar examples of the intention of the Chinese authorities to supervise and guide the developments of the barium carbonate sector can be found at the provincial level, such as in the Shandong 14th FYP on the Development of the Chemical Industry seeking to ‘*comprehensively promote the upgrading of industrial foundation and modernization of industrial chain, accelerate the withdrawal of backward and inefficient production capacity, and promote the development of chemical products in the direction of functionalization, refinement and differentiation. Guide enterprises to merge and reorganize, optimize resource allocation and industrial chain structure, and improve production efficiency and profitability*’ <sup>(51)</sup> and, more specifically to ‘*control the increase and optimize the stock, and lay out and build modern coal chemical industry clusters in southern Shandong in Zaozhuang [...]. Give full play to the advantages of the basic coal chemical industry, reduce the production capacity of traditional coal chemical industry, [...] and accelerate the development and production of downstream coal-based fine chemical products*’ <sup>(52)</sup>. Zaozhuang Yongli Chemical Co., Ltd. is located in Zaozhuang <sup>(53)</sup>.
- (57) Similarly, the Guizhou 14th FYP on the Economic and Social Development and 2035 Perspectives sets out that the province seeks to ‘*actively research and develop new processes and technologies for barium chemical industry, focus on developing electronic grade, reagent grade, pharmaceutical grade and other barium salt products, and increase the comprehensive utilization of barium salt waste resources*’ <sup>(54)</sup>.
- (58) In the same vein, the Guizhou 14<sup>th</sup> FYP on Developing Strategic and Emerging Industries Clusters mandates ‘*to strive to build a characteristic new materials industry cluster focusing on [...] barium salt chemical materials [...] and accelerate the improvement of industry quality and efficiency*’ <sup>(55)</sup>.
- (59) Redstar and Guizhou Hongtai Barium Industry Co., Ltd. are both located in Guizhou.
- (60) As to the GOC being in a position to interfere with prices and costs through State presence in firms in the sense of Article 2(6a)(b), second indent of the basic Regulation, the Commission found that the Chairman of Redstar also serves as the Secretary of the Party Committee and Chairman of Qingdao Redstar Chemical Group Co., Ltd. <sup>(56)</sup>.
- (61) Moreover, the investigation found that Guizhou Hongtai Barium Industry Co., Ltd. ensures that Party classes are given to its personnel by the Deputy Secretary of the Party working committee of the County Non-Social Organization <sup>(57)</sup>. Moreover, the company is located in the Tianzhu County Industrial Park <sup>(58)</sup> and the Chairman of the State-owned County Industrial Investment Company managing the Tianzhu County Industrial Park also serves as the Secretary of the Party Branch <sup>(59)</sup>.

<sup>(50)</sup> See p. 8, available at: <https://www.gov.cn/zhengce/zhengceku/2021-12/29/5665166/files/90c1c79a00b44c67b59c29392476c862.pdf> (accessed on 12 May 2025).

<sup>(51)</sup> See Section II.2.4, available at: <https://huanbao.bjx.com.cn/news/202111201/1191133.shtml> (accessed on 12 May 2025).

<sup>(52)</sup> Ibid, See Section III.1.4.

<sup>(53)</sup> See at: <http://llychem.com/English/index.asp#> (accessed on 12 May 2025).

<sup>(54)</sup> See Section VI.1, available at: <https://www.ndrc.gov.cn/fggz/fzzlgh/dfzgh/202105/P020210508614699466849.pdf> (accessed on 12 May 2025).

<sup>(55)</sup> See Section IV.3 [https://fgw.guizhou.gov.cn/ztzl/sswgh\\_5643328/202109/P020220524636540764870.pdf](https://fgw.guizhou.gov.cn/ztzl/sswgh_5643328/202109/P020220524636540764870.pdf) (accessed on 13 May 2025).

<sup>(56)</sup> See at: [https://vip.stock.finance.sina.com.cn/corp/view/vCI\\_CorpManagerInfo.php?stockid=600367&Pcode=30038417&Name=%B8%DF%D4%C2%B7%C9](https://vip.stock.finance.sina.com.cn/corp/view/vCI_CorpManagerInfo.php?stockid=600367&Pcode=30038417&Name=%B8%DF%D4%C2%B7%C9) (accessed on 12 May 2025).

<sup>(57)</sup> See at: <https://www.hota.cn/djgzinfo/1608303981866827776.html> (accessed on 12 May 2025).

<sup>(58)</sup> See at: <https://www.hota.cn/Home.html> (accessed on 12 May 2025).

<sup>(59)</sup> See at: <http://www.tzxgt.cn/news/56.html> (accessed on 12 May 2025).

- (62) Furthermore, Sinochem Group's Chairman of the Board of Directors serves as the Secretary of the Party committee and several members of the Board of Directors serve as Deputy Secretaries of the Party committee<sup>(60)</sup>. Also, Sinochem Group presents itself as a company that *'adheres to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, effectively strengthens the Party's overall leadership over the enterprise, deepens Party building, [and] gives full play to the role of Party organizations at all levels'* <sup>(61)</sup>.
- (63) It was not possible to systematically establish the existence of personal connections between all of the Chinese barium carbonate producers and the CCP. However, given that the product under investigation represents a subsector of the chemical sector, the Commission considered that the information established in the recent investigations concerning the chemical sector, as indicated in recital (38), is relevant also to the product under investigation.
- (64) 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 barium carbonate sector. The Commission identified several documents demonstrating that the barium carbonate industry benefits from the governmental guidance and intervention into the chemical sector, given that barium carbonate represents a subsector of the chemical sector.
- (65) The chemical industry is consistently regarded as a key industry by the GOC <sup>(62)</sup>. This is confirmed in the numerous plans, directives and other documents focused on chemicals, which are issued at national, regional, and municipal level. Under the 14<sup>th</sup> FYP, the GOC earmarked the chemical industry for optimization and upgrade <sup>(63)</sup>.
- (66) Similarly, the 14<sup>th</sup> FYP on the Development the Raw Materials Industry stipulates that the GOC will *'Optimize the organizational structure: Make leading enterprises bigger and stronger. [...] Support enterprises to accelerate cross-regional and cross-ownership mergers and reorganizations, increase industrial concentration, and conduct international operations. In the chemical, petrochemical, steel, non-ferrous metals, building materials and other industries, cultivate a group of leading enterprises in the industrial chain with ecological dominance and core competitiveness'* <sup>(64)</sup>.
- (67) Furthermore, according to the Notice on Promoting the Healthy Development of Modern Coal Chemical Industry, the GOC intends to *'further strengthen planning guidance, optimize industrial layout, and promote the accelerated implementation of advanced technology and equipment transformation and upgrading of existing modern coal chemical projects'* <sup>(65)</sup>.
- (68) More specifically, the investigation also found evidence of the GOC's guidance and intervention at local level, like in Guizhou where *'in recent years, Tianzhu County has closely focused on the goal of building an important national barium salt fine chemical base and an [RMB]10 billion-level barium salt industrial cluster, deeply implemented the barium salt industry doubling plan, and focused on building an intensive, high-end, green and intelligent modern barium salt chemical industry system, and fully promoted the high-quality development of Tianzhu's new industrialization. (...) Based on the barite resource endowment, Tianzhu County (...) adheres to the leadership of Party building, strives to create a provincial chemical park and a provincial economic development zone, and actively plans the development of the park'* <sup>(66)</sup>.

<sup>(60)</sup> See at: <https://www.sinochem.com/sinochem/guwm/zlzz/ds/A031002002002Gone1.html>, (accessed on 12 May 2025).

<sup>(61)</sup> See at: <https://www.sinochem.com/sinochem/dzyjj/dj11/A031007001Gone1.html> (accessed on 12 May 2025).

<sup>(62)</sup> The Report, Part III, Chapter 16.

<sup>(63)</sup> Ibid., Section 16.3.

<sup>(64)</sup> See Section IV.1.3, available at: [https://www.gov.cn/zhengce/zhengceku/2021-12/29/content\\_5665166.htm](https://www.gov.cn/zhengce/zhengceku/2021-12/29/content_5665166.htm) (accessed on 12 May 2025).

<sup>(65)</sup> See at: [https://www.gov.cn/zhengce/zhengceku/202307/content\\_6894869.htm](https://www.gov.cn/zhengce/zhengceku/202307/content_6894869.htm) (accessed on 13 May 2025).

<sup>(66)</sup> See at: [https://www.tianzhu.gov.cn/zwgk/zdlygk/gyfz/202305/t20230525\\_79896343.html](https://www.tianzhu.gov.cn/zwgk/zdlygk/gyfz/202305/t20230525_79896343.html) (accessed on 13 May 2025).

- (69) Furthermore, 'in 2022, Tianzhu Industrial Park compiled a list of 20 investment projects, focusing on the barium salt leading industry, (...) focusing on the upstream and downstream industrial chains of barium salts. At present, the park has gathered more than 90 key enterprises such as Guizhou Hongtai Barium Industry Co., Ltd.(...)' <sup>(67)</sup>.
- (70) The GOC also intervenes upstream in the industry chain, organising the supply of barite, a key input to produce barium carbonate: 'According to the principle of "integrate some companies, upgrade some companies, and withdraw some companies", since October last year [in 2023], Tianzhu County has integrated 17 enterprises into 7, Tianzhu Chemical Mining is one of them' <sup>(68)</sup>. Tianzhu Chemical Mining is a key supplier to Guizhou Hongtai Barium Industry Co., Ltd. <sup>(69)</sup>.
- (71) Similarly, in Hubei, the Jingshan Municipality has listed Hubei Jingshan Chutian Barium Salt Co., Ltd. as a 'little giant' company <sup>(70)</sup>. The GOC defines 'little giant' companies as 'the novel elites of China's small and medium-sized enterprises that are engaged in manufacturing, specialize in a niche market and boast cutting-edge technologies' and intends to 'scale up support for "little giants" during the 2024-2026 period, with a focus on key industrial chains, strategic emerging industries and other sectors. These funds will be used to encourage these firms to tackle technological challenges, develop new products, build up the supporting capacities of the industrial chain, and support local governments in nurturing "little giants"' <sup>(71)</sup>.
- (72) 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 product under investigation. Such measures impede market forces from operating freely.
- (73) The present investigation has not revealed any evidence that the discriminatory application or inadequate enforcement of bankruptcy and property laws in the chemical sector, according to Article 2(6a)(b), fourth indent of the basic Regulation, would not affect the manufacturers of the product under investigation.
- (74) Further, 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 referred to above in recital (38). 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) <sup>(72)</sup>.
- (75) Moreover, no evidence was submitted in the present investigation demonstrating that the barium carbonate sector 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. The abovementioned Guiding Opinion requiring to 'improve supporting policies, strengthen the coordination between fiscal, financial, regional, investment, import and export (...) policies with the industry policies to give full play to the national cooperation platform between industry and finance and to foster the connection between enterprises and banks' <sup>(73)</sup> also exemplifies this type of government intervention very well. Therefore, the substantial government intervention in the financial system leads to the market conditions being severely affected at all levels.

<sup>(67)</sup> Ibid.

<sup>(68)</sup> See at: <http://gz.news.cn/20241119/b6ef61a4240944419d65127fb59b8e4b/c.html> (accessed on 13 May 2025).

<sup>(69)</sup> Ibid.

<sup>(70)</sup> See at: <https://www.hb.chinanews.com.cn/news/2022/0105/369027.html> (accessed on 13 May 2025).

<sup>(71)</sup> See at: [https://english.www.gov.cn/news/202406/19/content\\_WS6672c84ac6d0868f4e8e8531.html#:~:text=China%20will%20scale%20up%20support,of%20Industry%20and%20Information%20Technology](https://english.www.gov.cn/news/202406/19/content_WS6672c84ac6d0868f4e8e8531.html#:~:text=China%20will%20scale%20up%20support,of%20Industry%20and%20Information%20Technology) (accessed on 13 May 2025).

<sup>(72)</sup> Implementing Regulation (EU) 2024/1959, recitals 153-157 and Implementing Regulation (EU) 2023/2180, recitals 82-84; Implementing Regulation (EU) 2023/752, recital 67.

<sup>(73)</sup> See Section VIII.16, available at: [https://www.gov.cn/zhengce/zhengceku/2022-04/08/content\\_5683972.htm#msdyntrid=WRmyf07ph0z74SHmXoOLKjRWl09BdZ4lGdYp9fi9xU](https://www.gov.cn/zhengce/zhengceku/2022-04/08/content_5683972.htm#msdyntrid=WRmyf07ph0z74SHmXoOLKjRWl09BdZ4lGdYp9fi9xU) (accessed on 13 May 2025).

- (76) Finally, the Commission recalls that in order to produce the product under investigation, a number of inputs is needed. When the producers of the product under investigation purchase/contract these inputs, the prices they pay (and which are recorded as their costs) are clearly exposed to the same systemic distortions mentioned before. For instance, suppliers of inputs employ labour that is subject to the distortions. They may borrow money that is subject to the distortions on the financial sector/capital allocation. In addition, they are subject to the planning system that applies across all levels of government and sectors.
- (77) 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.
- (78) In sum, the evidence available showed that prices or costs of the product under investigation, including the costs of raw materials, land, 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.

#### 3.1.2.2. Arguments raised by interested parties

- (79) 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.
- (80) The Commission received comments concerning the significant distortions affecting the barium carbonate industry in the PRC from Redstar in its response to the exporting producer questionnaire and its comments to the Commission's First note on the sources of the normal value.
- (81) The company argued that Article 2(6a) of the basic Regulation should not be applied in the present investigation because the Chinese barium carbonate industry operates under market-oriented conditions. Further, Redstar requested that the Commission accepts the domestic prices and costs as reported by the company, which is a public-listed company. According to Redstar, the prices and costs of raw materials and energy reported for the production of the product under investigation are market-based and undistorted. It stressed that the Commission is entitled to use the domestic costs of the company to establish normal value pursuant to Article 2(6a) of the basic Regulation *'to the extent that they are positively established not to be distorted, on the basis of accurate and appropriate evidence'*. Finally, the company argued that, in case the Commission finds the existence of significant distortions, an assessment is done individually for Guizhou Redstar, as indicated in Article 2(6a), third paragraph of the basic Regulation.
- (82) As analysed in detail in Section 3.1.2.1 above, the Commission found in the context of the investigation actual evidence of the existence of significant distortions affecting the barium carbonate industry in China. For this reason, the use of the methodology prescribed by Article 2(6a) of the basic Regulation to establish the normal value is justified. None of this evidence was effectively refuted by Redstar. The Commission therefore rejected the company's claim that Article 2(6a) of the basic Regulation would not apply in the present investigation.

- (83) As regards the company's claim that the assessment on significant distortions should be done individually for each sampled exporting producer, the Commission recalled that once it is determined that due to the existence of significant distortions in the exporting country in accordance with Article 2(6a)(b) of the basic Regulation it is not appropriate to use domestic prices and costs in the exporting country, the normal value is constructed for each exporting producer by reference to undistorted prices or benchmarks in an appropriate representative country according to Article 2(6a)(a) of the basic Regulation. While it is correct that Article 2(6a)(a) allows the use of domestic costs if they are positively established not to be distorted, in the present investigation, no costs of production and sale of the product under investigation were positively established as undistorted by the exporting producers in question or any other interested party. The company's claim was therefore rejected.

### 3.1.2.3. Conclusion

- (84) In view of the above, the Commission concluded that it is not appropriate to use domestic prices and costs to 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.

### 3.1.3. Representative country

#### 3.1.3.1. General remarks

- (85) 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 <sup>(74)</sup>;
  - 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.
- (86) As explained in recitals (30)-(31), the Commission issued two notes for the file on the sources for the determination of the normal value (the 'Notes'). 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 Türkiye as an appropriate representative country in the present case if the existence of significant distortions pursuant to Article 2(6a) of the basic Regulation would be confirmed.

#### 3.1.3.2. A level of economic development similar to the PRC

- (87) In the First Note on production factors, the Commission explained that the product under investigation appears to be produced only in countries none of which is a country with a level of economic development similar to the PRC in accordance with the criteria mentioned in recital (85).

<sup>(74)</sup> World Bank Open Data – Upper Middle Income, <https://data.worldbank.org/income-level/upper-middle-income>.

- (88) As all countries where there is production of the product under investigation have a different level of economic development than the PRC, the Commission considered the production of a product in the same general category and sector of the product under investigation.
- (89) Subsequently, the Commission identified Türkiye and Mexico as countries (i) where production of a product in the same general category (inorganic salts and strontium carbonate respectively) and sector (chemical) was known to take place; and (ii) which have 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,
- (90) Following the First Note, Kandelium submitted that both countries are an appropriate choice, Chutian did not express its views on the selection, while Redstar argued that Türkiye's data demonstrates better availability and reliability than the data for Mexico.

#### 3.1.3.3. Existence of relevant readily available data in the representative country

- (91) For the two countries considered (Mexico and Türkiye), the Commission further verified the readily available data, including the data on imports of factors of production as well as of financial data from the relevant producers in these potential representative countries.
- (92) The Commission analysis showed that for Türkiye data on representative undistorted volumes of the principal input for production of BC (raw, unprocessed baryte ore) was available, as opposed to Mexico. Furthermore, for Türkiye, a company data (for two companies) showing a reasonable amounts for profit and for SG&A costs for substantial part of the investigation period were available. Moreover, Turkish imports of baryte ore were not materially affected by imports from the PRC or any of the countries listed in Annex I to Regulation (EU) 2015/755 of the European Parliament and of the Council <sup>(75)</sup>.
- (93) The Commission therefore indicated it would use Türkiye and production of inorganic salts (sulphates), a similar product to the product under investigation, to establish an appropriate representative country for the application of Article 2(6a) of the basic Regulation.
- (94) Regarding the producers in Türkiye and the availability of their data, the Commission identified two sulphate producers, Sisecam and Alkim, for which financial results showing reasonable amount for profit and for SG&A costs were available for 2024, thus period overlapping by three quarters with the investigation period.
- (95) In light of the above considerations, the Commission informed the interested parties with the Second Note that it intends to use Türkiye as an appropriate representative country and Sisecam (for chemical segment) and Alkim SG&A costs and profit data from 2024, 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.

#### 3.1.3.4. Level of social and environmental protection

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

<sup>(75)</sup> 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>) as amended by Commission Delegated Regulation (EU) 2017/749 of 24 February 2017 amending Regulation (EU) 2015/755 of the European Parliament and of the Council as regards the removal of Kazakhstan from the list of countries in Annex I thereto (OJ L 113, 29.4.2017, p. 11, ELI: [http://data.europa.eu/eli/reg\\_del/2017/749/oj](http://data.europa.eu/eli/reg_del/2017/749/oj)).

### 3.1.3.5. Conclusion

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

### 3.1.4. Sources used to establish undistorted costs

- (98) In the First Note, the Commission listed the factors of production such as materials, energy and labour used in the production of the product under investigation by the exporting producers and invited the interested parties to comment and propose publicly available information on undistorted values for each of the factors of production mentioned in that Note.
- (99) Subsequently, in the Second Note, the Commission stated that, to construct the normal value in accordance with Article 2(6a)(a) of the basic Regulation, it would use GTA import data for Türkiye to establish the undistorted cost of most of the factors of production, notably the raw materials baryte ore and anthracite.
- (100) Furthermore, for the bituminous thermal coal, the Commission set out in the Second Note that the average IMF prices in the investigation period will be used. With respect to the liquified CO<sub>2</sub>, in the absence of reliable and representative import data from Türkiye, the Commission stated that it would resort to GTA import prices of liquid CO<sub>2</sub> from India (major exporter) in all countries worldwide as a benchmark.
- (101) In addition, the Commission stated that it would use the Turkish Statistical Institute <sup>(76)</sup> and Energy Market Regulatory Authority <sup>(77)</sup> data for establishing undistorted costs of labour and energy respectively.
- (102) 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'. The Commission calculated the percentage of the consumables on the total cost of raw materials (3-5 %) and applied this percentage to the recalculated cost of raw materials when using the established undistorted benchmarks in Türkiye.
- (103) Following the Second Note, Kandelium argued that international benchmarks do not accurately reflect the actual costs incurred by producers in Türkiye, and that the data used should resemble the costs actually incurred by producers in the representative country. In this context, Kandelium submitted that prices for bituminous thermal coal (for which IMF benchmark was used) should reflect CIF prices, including costs for transport and insurance, rather than FOB prices. According to Kandelium, only the CIF price provides an appropriate benchmark for prices incurred in the representative country.
- (104) As set out in the Notes, it is indeed the Commission's practice to first identify the corresponding cost in an appropriate representative country. Should a representative benchmark for a particular factor of production (such as bituminous thermal coal in this case) not be available in national or import statistics of the representative country, the Commission may use undistorted international prices, costs, or benchmarks. This is explicitly provided for in the second indent of the second sub-paragraph of Article 2(6a)(a). In the event these other benchmarks are used, the Commission is however no longer determining the price of that input as incurred in the representative country by domestic producers (in this case Türkiye) and hence is not bound to establish CIF price for that benchmark. Considering the above, Kandelium's argument was rejected.

<sup>(76)</sup> <http://www.turkstat.gov.tr/>.

<sup>(77)</sup> EMRA | Energy Market Regulatory Authority ([epdk.gov.tr](http://epdk.gov.tr)) => Press releases => select Electricity electricity market board decisions.

## 3.1.4.1. Factors of production

- (105) 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 barium carbonate**

| Factor of Production   | HS Commodity code /<br>Other nomenclature codes used in country<br>concerned | Undistorted value in<br>CNY | Unit of<br>measure-<br>ment |
|------------------------|------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>Raw materials</b>   |                                                                              |                             |                             |
| Raw Baryte Ore         | 2511 10/251110000011                                                         | 0,941                       | kg                          |
| Anthracite Coal        | 2701 11/270111000011                                                         | 1,105                       | kg                          |
| Liquid CO <sub>2</sub> | 2811 21/2811210000, 28112100090                                              | 1,331                       | kg                          |
| Bituminous Coal        | 2701 12/270112000010                                                         | 897,11                      | MT                          |
| <b>Labour</b>          |                                                                              |                             |                             |
| Labour                 | [N/A]                                                                        | [47,68-62,75]               | FTE                         |
| <b>Energy</b>          |                                                                              |                             |                             |
| Bituminous Coal        | 2701 12/270112000010                                                         | 897,11                      | MT                          |
| Electricity            | [N/A]                                                                        | 0,75                        | kWh                         |
| <b>By-products</b>     |                                                                              |                             |                             |
| Sulphur                | 2503 00/25030010, 25030090013,<br>25030090018                                | 0,73                        | kg                          |

**Raw materials**

- (106) To establish the undistorted price of raw materials (other than bituminous coal, for which IMF benchmark is used) 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.
- (107) An import price in the representative country was determined as a weighted average of unit prices of imports from all third countries excluding the PRC and countries which are not members of the WTO, listed in Annex 1 to Regulation (EU) 2015/755 <sup>(78)</sup>.
- (108) The Commission decided to exclude imports from the PRC into the representative country as it concluded in recital (84) 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.

<sup>(78)</sup> Regulation (EU) 2015/755 on common rules for imports from certain third countries. Article 2(7) of the basic Regulation considers that domestic prices in those countries cannot be used for the purpose of determining normal value.

- (109) 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 to obtain the undistorted transport cost. The Commission considered that, in the context of this investigation, the ratio between the exporting producer's raw materials 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.
- (110) Chutian submitted following the Second Note that the use of GTA Turkish import data to value the raw baryte ore is inappropriate and that export prices of Indian baryte ore should be used instead. More specifically, Chutian submitted that the Turkish import prices are not representative of normal baryte ore prices, as they mainly consist of expensive high-grade baryte ore that are meant to satisfy the needs of the gas and oil industries, rather than general consumption. In Chutian's view, India, on the other hand, does not produce high-grade baryte ore and India's exports consist of low- and medium-grade baryte ore, which are the same grade as the one used by Chutian in its production.
- (111) It is not disputed that majority of the demand for baryte ore in Türkiye (as well as in many other countries with drilling operations) comes from oil and drilling industries and that part of this demand is satisfied by imports from third countries. However, based on GTA, also overwhelming majority of Indian exports are directed towards oil and gas producing countries in the Middle East and the U.S. and the domestic Indian baryte market equally serves predominantly the oil and gas industry. This implies that the product mix of Indian baryte ore is not materially different from baryte ore imported to Türkiye. Therefore, the argument that Indian prices and baryte ore types are more representative of the baryte ore used by the Chinese producers than the ore imported into Türkiye cannot be accepted as valid. Moreover, Chutian did not provide any substantive evidence in support of its claims and in any event, the Turkish import prices of baryte ore are consistent with the market information on Indian prices <sup>(79)</sup>. Chutian's argument is therefore rejected.
- (112) Furthermore, Redstar suggested that the appropriate benchmark price for baryte ore should instead be based on import prices of Indian baryte. According to Redstar, the Indian prices would be more representative, because India remains one of the top baryte exporters worldwide and using Indian import prices captures the true market-determined level of trade in a high-volume, price-competitive context. In Redstar's view, opting for Indian import prices of baryte ore would also be consistent with the use of Indian CO<sub>2</sub> price statistics in this case, to address the discrepancies between the factors of production used by the Chinese producers and the materials in Türkiye whose price would be used as the benchmark. In this context Redstar argued that in terms of geology and grades, Chinese barytes are more comparable to Indian barytes rather than to Turkish baryte deposits or mix of deposit types and qualities covered by the Turkish GTA imports.
- (113) Redstar's claim had to be rejected for the following reasons. First, Morocco, which according to Redstar alone is also one of the top exporters worldwide accounts for the largest share of Turkish imports of baryte ore with representative import quantities (almost 80 000 tonnes). According to the metric suggested by Redstar, the choice of Turkish GTA import prices is therefore no less representative than the choice of Indian prices. It was further recalled that Türkiye was selected as a representative country for the purposes of Article 2(6a)(a) of the basic Regulation and the construction of normal value in this case. As GTA data on import prices of baryte ore in Türkiye are readily available, the above condition is fulfilled. The Commission would seek to identify other suitable benchmarks only in the absence of appropriate Turkish benchmark. Unlike in case of CO<sub>2</sub>, for which no appropriate and representative benchmark could be found in Türkiye, for baryte ore import statistics with high level of granularity of data (allowing the Commission to isolate data for ore in a raw, unprocessed form, as used by the exporting producers), undistorted

<sup>(79)</sup> See <https://www.imarcgroup.com/barite-pricing-report>, last accessed on 6 June 2025.

nature and representative quantities and price levels could be identified. Regarding the comparison based on geology and grades, Turkish deposit types are irrelevant for establishing the baryte ore benchmark as the data is exclusively sourced from GTA for imports and therefore does not reflect the prices of Turkish domestic production but rather prices shaped by competition of such domestic production with international imports. Furthermore, while the import data may cover different qualities and grades, sufficient representative undistorted quantities of baryte ore were imported into Türkiye to ensure that the final average mitigates the impact of any outliers. As long as the import quantities of the baryte ore are representative and there are no other specific circumstances rendering them unsuitable (which is not the case here), there is no objective reason to exclude these statistics from use. In any event, the Turkish import prices of baryte ore are consistent with the market information on Indian prices<sup>(80)</sup>. Therefore, Redstar's arguments could not be accepted.

(114) Chutian claimed in response to the Second Note that while it is using industrial grade CO<sub>2</sub>, the CO<sub>2</sub> statistics used by the Commission seem to blend the prices of industrial grade and food grade CO<sub>2</sub>. Chutian further argued that proposed CO<sub>2</sub> costs are exaggerated due to the inclusion of high transportation costs associated with steel cylinders (while Chutian buys CO<sub>2</sub> in trucks). Chutian consequently requested that the Commission adjust the CO<sub>2</sub> prices to eliminate these extra costs and distortions. It is noted that in line with Article 2(6a)(a) of the basic Regulation, in the absence of a reliable benchmark in Türkiye, the Commission used the GTA import data for Indian CO<sub>2</sub> (major exporter of CO<sub>2</sub>, in other, liquified form), which are readily available. The Commission sought to ensure that the statistics cover CO<sub>2</sub> in the form used by the exporting producers and duly verified that there are sufficient representative undistorted quantities of the CO<sub>2</sub> imported so that the resulting final average automatically reduces the impact of any potential abnormal prices at the lower and higher end of the range, thereby reflecting also potentially different modes of transport. As a result, there is no objective reason to exclude the GTA statistics used for CO<sub>2</sub>. Furthermore, Chutian failed to demonstrate that the benchmark established for CO<sub>2</sub> includes (and to what degree) different grades and means of transportation (cylinders or trucks) and to what extent the prices of the two grades would be different. Chutian's argument is therefore rejected.

(115) Further to the CO<sub>2</sub> benchmark, Kandelium argued that the average global import price of Indian liquid CO<sub>2</sub> is not representative of the costs that would be incurred by Turkish producers (separated from India by a long distance), due to short land-based transportation routes to the biggest importers (which are mostly neighbouring countries). Subsequently, Kandelium suggested basing the CO<sub>2</sub> price on countries where liquid CO<sub>2</sub> needs to be shipped, such as Thailand or the US. It is recalled that in this case, the Commission applied objective and transparent criteria in establishing the benchmark costs for liquified CO<sub>2</sub> by using the imports of Indian liquefied CO<sub>2</sub> worldwide. In the absence of representative prices for liquefied CO<sub>2</sub> in Türkiye, the Commission resorted to an alternative appropriate benchmark in accordance with Article 2(6a)(a) of the basic Regulation. The alternative benchmark used is however not linked to Türkiye or Turkish producers in any material way that would merit factoring in the distance between India and Türkiye. The fact that the biggest importers of CO<sub>2</sub> are countries neighbouring India merely confirms the Commission's conclusions drawn in the First Note that the production and consumption of liquefied CO<sub>2</sub> is more regionalised (due to, among others, a specialised equipment required and safety systems applied) that the global CO<sub>2</sub> trade is therefore limited. It was therefore reasonable to use Indian prices to identify costs representative of the CO<sub>2</sub> costs of the Chinese producers.

(116) Kandelium also noted further to the Second Note that no reference was made to natural gas as a factor of production and submitted that the Commission should include an appropriate price for natural gas in its calculation of the normal value, as it is an important energy source and therefore part of the production cost. It was observed that the Commission duly considered and reflected in constructing the normal value all factors of production used by the exporting producers (classified as raw materials or energy sources), aside of consumables. Furthermore, the data on factors of production was duly reported by the sampled exporting producers, checked and verified accordingly during on-site verifications and the natural gas was not reported as a factor of production nor energy source by the exporting producers.

<sup>(80)</sup> See <https://www.imarcgroup.com/barite-pricing-report>, last accessed on 6 June 2025.

## Labour

- (117) With respect to labour costs, the Commission used the statistics published by the Turkish Statistical Institute <sup>(81)</sup> to determine the average hourly labour costs in Türkiye using the detailed information on wages in the producing sector for 'Manufacture of chemicals' NACE code 20 for year 2022 according to NACE Rev.2 classification. The 2022 average monthly value was duly adjusted for inflation using the hourly labour costs index as published by the Turkish Statistical Institute <sup>(82)</sup> to adapt to the Investigation Period (Q4 2023-Q3 2024) and duly adjusted to size class of company in terms of employee count.
- (118) Following the Second Note, Redstar argued that the Commission's proposed hourly labour benchmark, derived from Turkish Statistical Institute (TurkStat) data for 2022, is unrepresentative of the investigation period due to temporal mismatch and high inflation skew. Redstar proposed using OECD earnings data for minimum-wage earners in Türkiye for 2024 instead, as a neutral, industry-relevant benchmark. Additionally, Redstar contested the size-based differentiation of labour costs, stating that it misaligned with chemical production realities, and that the wages under collective agreement were equally not applicable to Redstar. First, in applying Article 2(6a) of the basic Regulation, the Commission does not consider labour cost as incurred by the exporting producers (including considerations such as non-application of size-based criteria or lack of collective agreements) as the barium carbonate sector is affected by the distortions of wage costs as outlined in recital (38). Furthermore, unlike the OECD statistics proposed by Redstar, the labour cost sourced from TurkStat provides for a more precise sector-specific data. Moreover, OECD database only includes minimum wages in Türkiye (as opposed to average wages displayed in TurkStat), further undermining the representativeness and adequacy of its use. Finally, the fact that TurkStat data are available for 2022 and further adjusted for inflation to reflect adequately the depreciation of Turkish lira between 2022 and the investigation period does not render this benchmark less reliable or inappropriate for use. Redstar's proposed use of OECD statistics was therefore rejected.

## Electricity

- (119) The Commission used the electricity tariffs based on electricity bills published by the Energy Market Regulatory Authority (EMRA) <sup>(83)</sup> in its regular press releases. The Commission used the data related to the industrial electricity prices in Kuruş/kWh for the industrial sector for Q4 2023 – Q3 2024, i.e. the investigation period.

## Manufacturing overhead costs, SG&A costs, profits and depreciation

- (120) 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.
- (121) 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.
- (122) For establishing an undistorted and reasonable amount for SG&A costs and profit, the Commission relied on the financial data for 2024 for the companies Sisecam (in chemical segment) and Alkim as extracted from the respective company's websites <sup>(84)</sup> and as disclosed with the Second Note.

<sup>(81)</sup> The labour costs are available at <http://www.turkstat.gov.tr/>.

<sup>(82)</sup> <https://data.tuik.gov.tr>.

<sup>(83)</sup> EMRA | Energy Market Regulatory Authority ([epdk.gov.tr](http://epdk.gov.tr)) => Press releases => select Electricity electricity market board decisions.

<sup>(84)</sup> <https://www.alkim.com.tr/files/file/dosya-Vb5yp4tsYm0EUPq-2024.pdf> (last accessed on 22 May 2025) and [https://www.sisecam.com/en/s-investor-relations/Documents/Annual%20Reports/SCAM\\_FRAE\\_2024\\_MTB\\_uyg\\_23.pdf](https://www.sisecam.com/en/s-investor-relations/Documents/Annual%20Reports/SCAM_FRAE_2024_MTB_uyg_23.pdf) (last accessed on 22 May 2025).

- (123) In response to the Second Note, Chutian disputed the use of profit and SG&A costs figures from chromium sulphate producer (Sisecam), arguing that the production processes are not comparable in terms of technical routes, raw materials, and equipment and that using the figures concerning this producer would yield distorted results. First, it is undisputed that chromium sulphate is a chemical product, hence pertaining to the same general category of products as barium carbonate. Second, as outlined also in the complaint and contrary to Chutian's claim, there are similarities in production of the two products in terms of production steps (e.g. leaching and drying) as well as the primary inputs used (metal-containing raw materials) for both cases. Moreover, Chutian did not explain how the alleged difference in the production method impacted selling and general costs, which are unaffected by the production costs. In any event, the differences described by Chutian are not capable of invalidating the Commission's conclusion that chromium sulphate is in the same general category of products as barium carbonate. Furthermore, and in any case, neither in its response to the First note nor to the Second Note did Chutian provide details of any representative producer of other alternative products. Chutian's claim was therefore dismissed.
- (124) Furthermore, Kandelium argued in its reply to the Second Note that Alkim's financial data was not used for the calculation of SG&A costs. Kandelium claimed that while Alkim's production process uses naturally occurring minerals and involves minimal or no chemical reactions, Sisecam's (the other representative producer identified in this case) production process is both significantly more complex and involving multiple chemical reactions. It was noted that both Alkim and Sisecam produce chemical products and more specifically inorganic salts, pertaining to the same general category of products. Complexity of the production process and number of chemical reactions throughout the production is merely one of the aspects ancillary to the Commission's assessment in determining the similarity of the products and it is not in itself capable of invalidating the Commission's choice of the representative products and producers in this case. This is more so when SG&A costs that are unaffected by production costs, are involved.
- (125) Moreover, Chutian argued following the Second Note that Sisecam's profit and SG&A costs figures should be disregarded because they are abnormally high in comparison to Alkim's figures. Chutian argued with reference to Article 2(6)(c) of the basic Regulation that the fact that another producer (Alkim) has a much lower profit and SG&A costs should lead to the conclusion that the profit and SG&A costs of Sisecam is abnormally high. First, Article 2(6)(c) of the basic Regulation is used in the context of constructing normal value in cases not involving significant distortions and Chutian's reference is therefore misplaced. Contrary to what is claimed by Chutian, the Commission is not bound to only use the companies' data that would be in a certain range or ranges. Moreover, it is noted that the SG&A costs level of Sisecam in 2024 was comparable to the levels in 2023 and hence cannot be considered extraordinary or abnormal for that particular company. Chutian's claim was therefore rejected.
- (126) Lastly, Chutian argued that if multiple companies' financial information is considered appropriate for the construction of normal value, their profit and SG&A costs figures should be given equal weight and the resulting figures should not be based on a weighted average. It is consistent Commission practice to apply weighted average SG&A costs and profit amounts for the representative producers in order to ensure that the size, turnover and hence economic and financial impact of a given producer in representative country is duly reflected by the Commission in establishing the reasonable SG&A costs and profit.

### 3.1.5. *Normal value calculation*

- (127) 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.
- (128) First, the Commission established the undistorted manufacturing costs. The Commission applied the undistorted unit costs to the actual consumption of the individual factors of production of the cooperating exporting producer. These consumption rates were verified during the verification. The Commission multiplied the usage factors by the undistorted costs per unit observed in the representative country, as described in Section 3.1.4.1 above.
- (129) Once the undistorted manufacturing cost established, the Commission applied the manufacturing overheads as noted in recital (121), SG&A costs and profit, which in the Commission's view would lead to amounts that are 'reasonable'

within the meaning of the last sub-paragraph of Article 2(6a)(a) of the basic Regulation.. The SG&A costs and profit were determined on the basis of the financial statements of Sisecam and Alkim as explained as explained in recital (122). SG&A costs expressed as a percentage of the Costs of Goods Sold ('COGS'), calculated as a weighted average for both companies and applied to the undistorted costs of production, amounted to 22,5 %. The profit expressed as a percentage of the COGS calculated as a weighted average for both companies and applied to the undistorted costs of production, amounted to 9,9 %.

- (130) 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.

#### 3.1.6. *Export price*

- (131) The sampled exporting producers exported to the Union to independent customers, without having related importers or equivalent entities in the Union, and the export price was the price actually paid or payable for the product concerned when sold for export to the Union, in accordance with Article 2(8) of the basic Regulation.

#### 3.1.7. *Comparison*

- (132) 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.

##### 3.1.7.1. *Adjustments made to the normal value*

- (133) As explained in recital (127), the normal value was established at the ex-works level of trade by using costs of production together with amounts for SG&A costs and for profit, which were considered to be reasonable for that level of trade. The Commission also made an adjustment under Article 2(10)(k) of the basic Regulation for the difference in indirect taxes between export sales from China to the Union and the normal value where VAT has been excluded.

##### 3.1.7.2. *Adjustments made to the export price*

- (134) In order to net the export price back to the ex-works level of trade, adjustments were made on the account of: freight, insurance, handling and loading and ancillary expenses.

- (135) Allowances were made for the following factors affecting prices and price comparability: credit cost and bank charges.

#### 3.1.8. *Dumping margins*

- (136) 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.

- (137) 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 |
|-----------------------------------------------|----------------------------|
| Guizhou Redstar Developing CO., LTD.          | 83,9 %                     |
| Hubei Jingshan Chutian Barium Salts Co., Ltd. | 72,6 %                     |

(138) 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.

(139) On this basis, the provisional dumping margin of the cooperating exporting producers outside the sample is 78,2 %.

(140) 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 investigation period, that were established on the basis of Eurostat.

(141) The level of cooperation in this case is high because the exports of the cooperating exporting producers constituted over 95 % of the total imports during the investigation period. On this basis, the Commission decided to establish the dumping margin for non-cooperating exporting producers at the level of the cooperating sampled individually examined company with the highest dumping margin.

(142) The provisional dumping margins, expressed as a percentage of the CIF Union frontier price, duty unpaid, are as follows for other cooperating companies and all other imports originating in China:

| Company                                       | Provisional dumping margin |
|-----------------------------------------------|----------------------------|
| Guizhou Redstar Developing CO., LTD.          | 83,9 %                     |
| Hubei Jingshan Chutian Barium Salts Co., Ltd. | 72,6 %                     |
| Other cooperating companies                   | 78,2 %                     |
| All other imports originating in China        | 83,9 %                     |

### 3.2. **India**

#### 3.2.1. *Normal value*

(143) The Commission first examined whether the total volume of domestic sales for the cooperating exporting producer was representative, in accordance with Article 2(2) of the basic Regulation. The domestic sales are representative if the total domestic sales volume of the like product to independent customers on the domestic market per exporting producer represented at least 5 % of its total export sales volume of the product concerned to the Union during the investigation period. On this basis, the total sales by the sole exporting producer of the like product on the domestic market were representative.

(144) The Commission subsequently identified the product types sold domestically that were identical or comparable with the product types sold for export to the Union for the exporting producer with representative domestic sales. The Commission established that there was only one product type produced in India and that the product type sold on the domestic market was comparable to the product type sold for exports to the Union.

(145) The Commission then defined the proportion of profitable sales to independent customers on the domestic market during the investigation period in order to decide whether to use actual domestic sales for the calculation of the normal value, in accordance with Article 2(4) of the basic Regulation.

- (146) The normal value is based on the actual domestic price, irrespective of whether those sales are profitable or not, if:
- (a) the sales volume of the product sold at a net sales price equal to or above the calculated cost of production, represented more than 80 % of the total sales volume; and
  - (b) the weighted average sales price of the product is equal to or higher than the unit cost of production.
- (147) In this case, the normal value is the weighted average of the prices of all domestic sales of the product during the investigation period.
- (148) The normal value is the actual domestic price of only the profitable domestic sales of the product during the investigation period, if:
- (a) the volume of profitable sales of the product type represents 80 % or less of the total sales volume of this type; or
  - (b) the weighted average price of this product type is below the unit cost of production.
- (149) The analysis of domestic sales showed that less than 80 % of all domestic sales were profitable and that the weighted average sales price was higher than the cost of production. Accordingly, the normal value was calculated as a weighted average of the profitable sales only.

### 3.2.2. *Export price*

- (150) As the sole exporting producer 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.

### 3.2.3. *Comparison*

- (151) 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.

#### 3.2.3.1. *Adjustments made to the normal value*

- (152) In order to net the normal value back to the *ex-works* level of trade, adjustments were made on the account of domestic transport and insurance expenses.
- (153) Allowances were made for the following factors affecting prices and price comparability: credit costs, packing expenses, commission, and other discounts.

#### 3.2.3.2. *Adjustments made to the export price*

- (154) In order to net the export price back to the *ex-works* level of trade, adjustments were made on the account of export transport, insurance, and handling and loading expenses.
- (155) Allowances were made for the following factors affecting prices and price comparability: credit costs, bank charges, and packing expenses.

### 3.2.4. *Dumping margin*

- (156) For the cooperating exporting producer, the Commission compared the weighted average normal value of the like product with the weighted average export price of the product concerned, in accordance with Article 2(11) and (12) of the basic Regulation.

(157) On this basis, the provisional weighted average dumping margin expressed as a percentage of the CIF Union frontier price, duty unpaid, calculated for the exporting producer is 4,6 %.

(158) The level of cooperation in the case of India is high because the exports of the cooperating exporting producer constituted 100 % of the total imports during the investigation period. On this basis, the Commission decided to establish the dumping margin for non-cooperating exporting producers at the level of the only cooperating company.

(159) On this basis, the provisional dumping margin expressed as a percentage of the CIF Union frontier price, duty unpaid, is as follows:

| Company                                | Provisional dumping margin |
|----------------------------------------|----------------------------|
| Vishnu Barium Private Limited          | 4,6 %                      |
| All other imports originating in India | 4,6 %                      |

#### 4. INJURY

##### 4.1. Definition of the Union industry and Union production

(160) The like product was manufactured by one producer in the Union during the investigation period. This producer constitutes the Union industry within the meaning of Article 4(1) of the basic Regulation.

(161) Based on the questionnaire reply by the Union industry, the total Union production during the investigation period was established at 18 000 – 22 000 tonnes.

(162) As there is only one producer in the Union, the injury indicators and the undercutting and underselling margin calculations, are presented in ranges in order to preserve confidentiality pursuant to Article 19 of the basic Regulation.

##### 4.2. Union consumption

(163) The Commission established the Union consumption on the basis of the questionnaire reply of the Union industry and Eurostat.

(164) Union consumption developed as follows:

Table 2

##### Union consumption (tonnes)

|                         | 2021          | 2022          | 2023          | Investigation period |
|-------------------------|---------------|---------------|---------------|----------------------|
| Total Union consumption | 80 000-85 000 | 75 000-80 000 | 55 000-60 000 | 50 000-55 000        |
| Index                   | 100           | 96            | 69            | 65                   |

Source: Questionnaire reply, Eurostat.

(165) The Union consumption decreased over the period considered, with a sharp decline between 2022 and 2023. Overall, Union consumption decreased by 35 % over the period considered. This decrease was mostly driven by the contraction of the demand in the construction sector, where barium carbonate is largely used (e.g. in manufacturing of clay bricks or frits and glazes for ceramic).

#### 4.3. Imports from the countries concerned

##### 4.3.1. Cumulative assessment of the effects of imports from the countries concerned

(166) The Commission examined whether imports of the product originating in the countries concerned should be assessed cumulatively, in accordance with Article 3(4) of the basic Regulation.

(167) The margin of dumping established in relation to the imports from China and India was above the *de minimis* threshold laid down in Article 9(3) of the basic Regulation. The volume of imports from each of the countries concerned was not negligible within the meaning of Article 5(7) of the basic Regulation. Market shares in the investigation period were 40-55 % for China and 20-35 % for India.

(168) The conditions of competition between the dumped imports from China and India and between the dumped imports from the countries concerned and the Union like product were similar. More specifically, the imported products competed with each other and with the barium carbonate produced in the Union. The significant level of imports with similar pricing strategy and similar price level shows a joint and simultaneous effect on the Union industry. Exporting producers from the countries concerned sell large volumes of barium carbonate to the Union market as indicated in Table 3. Further to this point, it is noted that barium carbonate is generally a commodity that is comparable regardless of its origin and barium carbonate from the countries concerned fundamentally shares the same characteristics as barium carbonate produced in the EU. Moreover, imports from the countries concerned were all undercutting the Union industry sales prices at a significant rate and followed largely similar price patterns over the entirety of the period considered.

(169) Therefore, all the criteria set out in Article 3(4) of the basic Regulation were met and imports from China and India were examined cumulatively for the purposes of the injury determination.

##### 4.3.2. Volume and market share of the imports from the countries concerned

(170) The Commission established the volume of imports on the basis of Eurostat data. The market share of the imports from the countries concerned was established by comparing import volumes with the Union market consumption (see Table 2 above).

(171) Imports into the Union from the countries concerned developed as follows:

Table 3

#### Import quantity (tonnes) and market share

|                   | 2021   | 2022   | 2023   | Investigation period |
|-------------------|--------|--------|--------|----------------------|
| <b>China</b>      |        |        |        |                      |
| Volume of imports | 41 229 | 37 293 | 28 912 | 26 186               |
| Index             | 100    | 90     | 70     | 64                   |
| Market share (%)  | 40-55  | 40-55  | 40-55  | 40-55                |
| Index             | 100    | 94     | 101    | 98                   |

|                                | 2021   | 2022   | 2023   | Investigation period |
|--------------------------------|--------|--------|--------|----------------------|
| <b>India</b>                   |        |        |        |                      |
| Volume of imports              | 12 343 | 12 667 | 12 525 | 13 033               |
| <i>Index</i>                   | 100    | 94     | 101    | 98                   |
| Market share (%)               | 10-25  | 10-25  | 15-30  | 20-35                |
| <i>Index</i>                   | 100    | 106    | 146    | 163                  |
| <b>All countries concerned</b> |        |        |        |                      |
| Volume of imports              | 53 572 | 49 960 | 41 437 | 39 219               |
| <i>Index</i>                   | 100    | 93     | 77     | 73                   |
| Market share (%)               | 55-70  | 55-70  | 65-80  | 65-80                |
| <i>Index</i>                   | 100    | 97     | 111    | 113                  |

*Source:* Questionnaire reply of the Union producer and Eurostat.

(172) Despite a decline in demand by 35 % in the period considered observed in the Table 2, the import volumes from both China and India cumulatively declined by only 27 % in the same period. This decline was mostly attributable to China, whose import volume fell by 36 % but whose market share remained fairly stable over the period considered. Import volumes from India on the other hand, only fell by 2 %, while its market share increased significantly by 63 % in the period considered. Overall, the market share of China and India increased by 13 % in the period considered.

#### 4.4. Prices of the imports from the countries concerned, price undercutting and price suppression

(173) The Commission established the prices of imports on the basis of Eurostat data. The price undercutting of the imports was established on the basis of the questionnaire reply provided by the sampled exporting producers in China, the sole exporting producer in India and the Union producer as well as replies from unrelated importers (for post-importation costs).

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

Table 4

#### Import prices (EUR/tonne)

|               | 2021 | 2022 | 2023 | Investigation period |
|---------------|------|------|------|----------------------|
| <b>China</b>  |      |      |      |                      |
| Average price | 589  | 856  | 522  | 565                  |
| <i>Index</i>  | 100  | 145  | 89   | 96                   |
| <b>India</b>  |      |      |      |                      |
| Average price | 510  | 795  | 522  | 558                  |
| <i>Index</i>  | 100  | 156  | 102  | 109                  |

|                                | 2021 | 2022 | 2023 | Investigation period |
|--------------------------------|------|------|------|----------------------|
| <b>All countries concerned</b> |      |      |      |                      |
| Average price                  | 571  | 841  | 522  | 563                  |
| Index                          | 100  | 147  | 91   | 99                   |
| Source: Eurostat.              |      |      |      |                      |

- (175) The average price of the Chinese imports first increased in 2022, reaching 856 EUR/tonne (from 589 EUR/tonne in 2021), then sharply decreased to 522 EUR/tonne in 2023, and then increased to 565 EUR/tonne in the investigation period. The average price of the Indian imports followed a similar pattern. These sharply increased in 2022, reaching 795 EUR/tonne (from 510 EUR/tonne in 2021), then sharply decreased to 522 EUR/tonne in 2023, then increased to 563 EUR/tonne in the investigation period. Overall, the Chinese import prices increased by 9 % while Indian prices slightly decreased by 1 %.
- (176) On average, the unit price of the dumped imports from the countries concerned decreased by 1 % during the period considered. Nevertheless, over the period considered, imports from the countries concerned were consistently priced below the observed Union sales prices, as shown in Table 4 and Table 8.
- (177) Import prices in Table 4 are expressed in CIF terms. However, if the 5 % import duties and the previous residual anti-dumping duties (i.e. 56,4 EUR/tonne) are added to the Chinese prices in 2021 and for the first three quarters of 2022, the resulting average import price would be 678 EUR/tonne for 2021 and 946 EUR/tonne for 2022. When adding the import duties and anti-dumping duties, Chinese landed prices were higher than the Union industry's sales prices in 2021 and within the range of the Union industry's sales prices in 2022 (see Table 8).
- (178) The Commission determined the price undercutting during the investigation period by comparing:
- (1) the weighted average sales prices per product type of the Union producer charged to unrelated customers on the Union market, adjusted to an ex-works level; and
  - (2) the corresponding weighted average prices per product type of the imports from the sampled Chinese and Indian 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.
- (179) The price comparison was made on a type-by-type basis for transactions at the same level of trade, duly adjusted where necessary, and after deduction of rebates and discounts. The result of the comparison was expressed as a percentage of the Union producer's theoretical turnover during the investigation period. It showed a weighted average undercutting margin of 35-45 % for the Chinese imports and of 30-40 % for the Indian imports. Cumulatively, it showed a weighted average undercutting of 35-45 % for the sampled producers in China and India.
- (180) The pressure exerted by the dumped imports also caused significant price suppression as evidenced by the fact that the Union industry was unable to raise prices at the same rate as its costs increased., especially after 2022. Indeed, as shown in Table 8, the Union industry's cost of production increased by 89 % during the period considered, whereas the Union industry's sales prices increased by 64 %. This insufficient price increase resulted in significant loss of sales volumes and market share and a steep drop in profitability..

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

##### 4.5.1. General remarks

- (181) 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.

(182) As mentioned in recital (8), no sampling was used for the determination of possible injury suffered by the Union industry. Consequently, for the injury determination, the Commission did not distinguish between macroeconomic and microeconomic injury indicators because there is only one known Union producer.

#### 4.5.1.1. Production, production capacity and capacity utilisation

(183) 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 quantity (tonnes) | 25 000-29 000 | 34 000-38 000 | 16 000-20 000 | 18 000-22 000        |
| <i>Index</i>                 | 100           | 136           | 67            | 76                   |
| Production capacity (tonnes) | 50 000-70 000 | 50 000-70 000 | 50 000-70 000 | 50 000-70 000        |
| <i>Index</i>                 | 100           | 100           | 100           | 100                  |
| Capacity utilisation (%)     | 40-50         | 50-60         | 25-35         | 25-35                |
| <i>Index</i>                 | 100           | 136           | 67            | 76                   |

Source: Questionnaire reply.

(184) While capacity remained steady throughout the period considered, production experienced a sharp increase in 2022 (36 %) followed by a dramatic decrease in 2023 (51 %) and a slight increase in the investigation period (9 %). This trend shows that production dropped after the EU anti-dumping measures on imports of barium carbonate from China expired on 29 September 2022. Indeed, between 2011 and 2022, when measures were in place, the production of the Union producer increased by 36 %, although the EU consumption fell by 4 % in the same period. From 2022 to the investigation period, in a context of decreasing demand (by 35 %), the EU production declined by 44 %, in line with sales volumes that also decreased during the same period, as shown in Table 6 below.

(185) As a result of stable capacity and a decrease of production, the capacity utilisation decreased by 24 % over the period considered. Production capacity is not a factor mentioned in Article 3(5) of the basic Regulation, but it is a necessary parameter for the determination of capacity utilisation.

## 4.5.1.2. Sales quantity and market share

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

Table 6

**Sales quantity and market share**

|                                                   | 2021          | 2022          | 2023          | Investigation period |
|---------------------------------------------------|---------------|---------------|---------------|----------------------|
| Total sales quantity on the Union market (tonnes) | 25 000-30 000 | 25 000-30 000 | 12 000-22 000 | 10 000-20 000        |
| <i>Index</i>                                      | 100           | 103           | 54            | 49                   |
| Market share (%)                                  | 30-40         | 30-40         | 20-30         | 20-30                |
| <i>Index</i>                                      | 100           | 106           | 79            | 76                   |

Source: Questionnaire reply.

(187) The total sales quantity sold by the Union producer to unrelated customers in the EU increased by 3 % between 2021 and 2022. This slight increase, as explained in recital (184) occurred in a context of consumption decrease in the same year (4 %) and while anti-dumping measures against China were in place until September 2022. After 2022 the sales volumes of the Union producer in the Union market dropped dramatically by 47 % in 2023 and by a further 9 % in the investigation period. Overall, the total sales of the Union producer in the EU fell by 51 % during the period considered.

(188) This trend is reflected in the evolution of the Union producer's market share, which increased by 6 % between 2021 and 2022 and fell by 30 % between 2022 and the investigation period.

## 4.5.1.3. Employment and productivity

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

Table 7

**Employment and productivity**

|                              | 2021    | 2022    | 2023    | Investigation period |
|------------------------------|---------|---------|---------|----------------------|
| Number of employees          | 40-50   | 60-70   | 50-60   | 50-60                |
| <i>Index</i>                 | 100     | 141     | 122     | 116                  |
| Productivity (unit/employee) | 500-600 | 500-600 | 250-350 | 300-400              |
| <i>Index</i>                 | 100     | 96      | 55      | 66                   |

Source: Questionnaire reply.

(190) The employment increased by 41 % between 2021 and 2022, followed by a decline of 14 % in 2023 and another 5 % in the investigation period. Overall, the employment increased by 16 % in the period considered. The initial increase of the number of staff was driven by a specific corporate circumstance following the separation of Kandelium from the Solvay Group in 2021. Because of this corporate change, Kandelium needed to hire its own employees for administrative and horizontal tasks of the business, something previously accomplished by Solvay's employees across its businesses. The small decline in employment in 2023 and in the investigation period was related to the worsening market situation for, and performance of, the Union producer.

(191) The productivity fell slightly between 2021 and 2022 by 4 % since the sharp increase of staff (41 %) was partially compensated by the increase of production (36 %). In the following period, between 2022 and the investigation period, productivity decreased by 30 %.

#### 4.5.1.4. Magnitude of the dumping margin and recovery from past dumping

(192) All dumping margins were 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 countries concerned.

(193) Barium carbonate had already been subject to anti-dumping investigations. In 2005 anti-dumping duties were imposed on import of barium carbonate from China. These duties were last extended in September 2017 for another five years following an expiry review <sup>(85)</sup>. As no expiry review request was submitted after, the measures expired on 29 September 2022.

(194) The Union industry's situation was affected by the anti-dumping duties in force on imports from China in 2021 and 2022. Therefore, in the first year and in most of the second year of the period considered, the Union industry was protected against dumped imports from China.

#### 4.5.1.5. Prices and factors affecting prices

(195) The weighted average unit sales prices of the Union producer 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) | 550-650 | 900-1 000 | 1 000-1 100 | 1 000-1 100          |
| Index                                                                  | 100     | 154       | 177         | 164                  |
| Unit cost of production (EUR/ tonne)                                   | 600-700 | 900-1 000 | 1 000-1 100 | 1 200-1 300          |
| Index                                                                  | 100     | 143       | 168         | 189                  |

Source: Questionnaire reply.

<sup>(85)</sup> OJ L 250, 28.9.2017, p. 34.

(196) The average unit sales price in the Union increased sharply between 2021 and 2022 (54 %), it continued to increase between 2022 and 2023 (14 %) and fell between 2023 and the investigation period (– 7 %). This trend was a result of opposing forces. On the one hand, the general increase in cost of raw materials between 2021 and the investigation period, including energy significantly impacted the production costs. Indeed, in 2022 the Chinese and Indian prices were also particularly high, as shown in Table 2. On the other hand, there was a pressure to lower the prices due price pressure by cheap imports from China and India in a shrinking market. The situation deteriorated even more in the investigation period, when the Union producer was unable to absorb the rising production costs. This resulted in a situation of depressed sales prices of the Union producer in the investigation period which were below its cost of production.

(197) The cost of production rose steadily over the period considered (89 %) and in particular between 2021 and 2022 (43 %). Both raw material costs and energy costs increased in the period considered, particularly after 2022. Moreover, following the demerger of Kandelium from the Solvay group in 2021 mentioned in recital (190), the Union producer undertook a number of investments and hired new administrative and horizontal staff which further increased its cost of production over these years.

(198) Over the period considered sales prices increased by 64 %, while this increase was outpaced by the rise in costs of production (89 %) during the same period.

#### 4.5.1.6. Labour costs

(199) The average labour costs of the Union producer 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) | 80 000-85 000 | 87 000-92 000 | 90 000-95 000 | 100 000-105 000      |
| Index                                   | 100           | 109           | 114           | 123                  |

Source: Questionnaire reply.

(200) The unit labour costs increased steadily over the period considered. The observed increase in labour costs was due to inflation in the same period (an average of 5 % a year) and to the fact that the Union producer had to hire new administrative and horizontal staff after its separation from the Solvay group in 2021 as mentioned above. The wages of these employees were higher than the average wage of employees involved directly in production.

#### 4.5.1.7. Inventories

(201) Stock levels of the Union producer developed over the period considered as follows:

Table 10

#### Stocks

|                        | 2021        | 2022        | 2023        | Investigation period |
|------------------------|-------------|-------------|-------------|----------------------|
| Closing stock (tonnes) | 4 000-5 000 | 5 000-6 000 | 3 000-4 000 | 9 000-10 000         |
| Index                  | 100         | 124         | 85          | 198                  |

|                                             | 2021 | 2022 | 2023 | Investigation period |
|---------------------------------------------|------|------|------|----------------------|
| Closing stock as a percentage of production | 17   | 16   | 22   | 44                   |

Source: Questionnaire reply.

(202) Stock levels almost doubled over the period considered and in particular in the investigation period, when they reached 44 % of the production volume. Stock levels remained relatively stable between 2021 and 2023, with an increase in 2022 and a subsequent decrease in 2023. However, during the investigation period, stock levels increased significantly, indicating an abnormally high accumulation. This increase is primarily due to the impact of dumped imports after late 2022, which led to a drop in sales volumes, loss of market share and consequently, to higher stock levels. In addition, after the change of ownership of the Union producer, the company changed its reporting systems leading to a re-evaluation of the stocks.

(203) Profitability, cash flow, investments, return on investments and ability to raise capital

(204) Profitability, cash flow, investments and return on investments of the Union producer 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) | (-)5 - 5            | 0 - 10            | (-)20 - (-)30             | (-)25 - (-)35               |
| Cash flow (EUR)                                                                  | 3 500 000-4 000 000 | 500 000-1 000 000 | (-)4 500 000-(-)5 000 000 | (-)12 000 000-(-)12 500 000 |
| Index                                                                            | 100                 | 17                | - 119                     | - 304                       |
| Investments (EUR)                                                                | 150 000-200 000     | 250 000-300 000   | 650 000-700 000           | 1 450 000-1 500 000         |
| Index                                                                            | 100                 | 144               | 353                       | 762                         |
| Return on investments (%)                                                        | (-)5 - 5            | 20 - 30           | (-)60 - (-)70             | (-)60 - (-)70               |
| Index                                                                            | - 100               | 4 096             | - 10 552                  | - 9 782                     |

Source: Questionnaire reply.

(205) The Commission established the profitability of the Union producer 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 Union producer was in a position of break even in 2021 and was profitable in 2022, when the anti-dumping measures against dumped imports of barium carbonate from China were still in force. After the expiration of these measures in September 2022, the Union producer experienced important losses in 2023 and the investigation period. These were due to the increase of the cost of production over the period, and to the decrease of prices from India and China. As a result, the Union producer was unable to fully recover the rising costs by increasing its prices.

- (206) The net cash flow is the ability of the Union producer to self-finance their activities. The cash flow shrank in 2021 and 2022 and became negative in 2023 and the investigation period. This was mostly influenced by the trend of profitability described in recital (204) and of the closing stocks shown in recital (201). The cash flow evolution was also influenced by some adjustments in the audited accounts of the Union producer, related to some stock revaluation and cost reallocation after the Union producer changed the reporting system during the investigation period. The cash flow steadily and rapidly declined from 2021 and 2023, mostly due to declining profitability.
- (207) Contrary to all the other observed indicators, the investments rose steadily over the period. The rationale for this increase does not reflect any positive performance over the period. Indeed, this was uniquely due to an overdue one-off investment linked to Health, Safety, Environmental Measures (HSE) which were put on hold during the years before demerger of the Union producer from the Solvay group. These investments were essential and independent from the general business evolution of the Union producer.
- (208) The return on investments is the profit in percentage of the net book value of investments. Due to the spiking investment over the period, and the shrinking profitability, the return on investment decreased significantly over the period.

### **Conclusion on injury**

- (209) Between 2021 and the investigation period, in a context of significantly shrinking demand (– 35 %), the volume imports from India and China also decreased, however, to a lesser extent (– 27 %), leading to an increase of their cumulative market share in the EU by 13 % over the period considered, at the detriment of the Union industry which lost 24 % of the EU market. These imports entered the EU at prices which remained stable (for China) or only slightly increased (for India), in a context of significantly increasing production costs and high inflation. As a result, dumped imports from both China and India undercut Union prices over the period considered.
- (210) The only indicators which showed a positive trend were employment, employment costs and investment over the period considered. Nevertheless, the evolution of these indicators was due to the demerger of the Union producer from the Solvay group in 2021.
- (211) All the remaining indicators clearly show a negative trend over the period considered, in particular from September 2022, when previous anti-dumping measures on imports of barium carbonate from China expired. Indeed, the overall sales of the Union industry fell over the period at a higher rate than the drop in consumption. This trend was also reflected in the drop in production volumes and higher stocks. In parallel, due to the increase of raw material and energy costs after 2022, the cost of production sharply increased. At the same time, the price pressure from dumped imports from China and India did not allow the Union industry to adapt their pricing to even cover their production costs, leading to severe losses in 2023 and the investigation period. The deteriorating profitability was also reflected in a negative cash flow and return on investment over the period. These negative developments affected the ability of the Union industry to raise capital, thus impeding its growth.
- (212) 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**

- (213) In accordance with Article 3(6) of the basic Regulation, the Commission examined whether the dumped imports from the countries 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 countries concerned was not attributed to the dumped imports. These factors are imports from other third countries, export performance of the Union producer and decline in the Union consumption.

### 5.1. Effects of the dumped imports

(214) Although the volume of imports from the countries concerned decreased during the period considered, in a context of a sharp drop in Union consumption, this led to an increase of 13 % in the combined market share of imports from the countries concerned. At the same time, the market share of the Union industry decreased by 24 %.

(215) In the first two years of the period considered (in 2021 and 2022) the Union industry appeared to be recovering from previous dumping. In these years the COVID-19 pandemic led to a global supply chain crisis which also affected the market of barium carbonate. In this period, the production of the Union industry increased by 36 %, in a context of 4 % decrease in demand. In 2022, the Union industry increased its market share by 6 % while the market share of the countries concerned decreased by 3 %. In this period, despite a considerable increase in production costs, the Union industry managed to achieve a modest profit. This favourable situation changed after the anti-dumping measures on imports of barium carbonate from China expired in September 2022 and imports from China and India entered the EU at prices which were considerably below the further increasing cost of production of the Union industry. The Union industry became unable to adjust upwards its sales prices to cover the increasing cost of raw materials and energy. To mitigate losses in production volumes and market share, the Union producer was forced to reduce prices at the expense of its profitability in the investigation period. Therefore, the low-priced imports from the countries concerned significantly depressed the prices of the Union industry within the meaning of Article 3(3) of the basic Regulation.

(216) Kimpe argued that the evolution of Chinese and Indian prices in the period considered was highly influenced by the political instability in the Red Sea area, which resulted in increased prices in 2022 and less in 2023 and the investigation period, with consequent reduction of the prices. Kimpe claims that it was the return to normal freight prices which resulted in lower import prices for barium carbonate from China and not the expiry of the anti-dumping measures on barium carbonate from China.

(217) While the Commission considers that the freight prices variation could have had an impact on the Chinese and Indian import prices, these prices still remained very low and considerably lower than the production costs of the Union industry in every year of the period considered. Therefore, the Commission concluded that the imports from the countries concerned depressed the prices of the Union industry to a significant degree and prevented price increases which would otherwise have occurred to cover the increase in raw materials and energy costs.

(218) In view of the above considerations, the Commission provisionally established that the material injury suffered by the Union industry was caused by the dumped imports from the countries concerned within the meaning of Article 3(6) of the basic Regulation. Such injury had both volume and price effects.

## 5.2. Effects of other factors

### 5.2.1. Imports from third countries

(219) The quantity of imports from other third countries developed over the period considered as follows:

Table 12

#### **Imports from third countries**

| Country         |                   | 2021  | 2022  | 2023   | Investigation period |
|-----------------|-------------------|-------|-------|--------|----------------------|
| Third countries | Quantity (tonnes) | 43    | 19    | 2      | 6                    |
|                 | Index             | 100   | 45    | 5      | 15                   |
|                 | Market share (%)  | 0     | 0     | 0      | 0                    |
|                 | Average price     | 1 565 | 9 442 | 12 965 | 5 322                |
|                 | Index             | 100   | 603   | 829    | 340                  |

Source: Eurostat.

(220) Imports from third countries were negligible during the period considered and represented almost a 0 % market share between 2021 and the investigation period. The Commission does not consider that the evolution of imports from third countries would in any way affect the causation assessment in this case.

### 5.2.2. Export performance of the Union industry

(221) The volume of exports of the Union producer developed over the period considered as follows:

Table 13

#### **Export performance of the Union producer**

|                           | 2021        | 2022        | 2023        | Investigation period |
|---------------------------|-------------|-------------|-------------|----------------------|
| Export volume (tonnes)    | 5 500-6 000 | 6 000-6 500 | 4 000-4 500 | 4 500-5 000          |
| Index                     | 100         | 107         | 78          | 90                   |
| Average price (EUR/tonne) | 600-700     | 1 000-1 100 | 1 000-1 100 | 1 100-1 200          |
| Index                     | 100         | 156         | 159         | 179                  |

Source: Questionnaire reply.

(222) The Union industry performance on the third market showed a more positive trend than on the Union market. Its exports increased by 7 % between 2021 and 2022, decreased by 27 % in 2023 and finally increased again by 16 % in the investigation period. Overall, the volume of sales to third countries decreased by 10 % over the period considered, which was a much milder decrease than its dramatic drop in sales on the EU market.

- (223) The average price of exports to unrelated customers outside the EU increased every year over the period considered from 2021 to the investigation period. Moreover, with the exception of 2023, the export price was higher than the domestic prices and they were higher than the cost of production in all years except in the investigation period. However, even in the investigation period, the export prices were 16 % higher than the domestic prices, and therefore the export sales contributed to a lesser extent to the losses of the Union producer.
- (224) In view of the above considerations, the export performance was not capable of attenuating the causal link between the dumped imports originating in the countries concerned and the injury suffered by the Union industry.

#### 5.2.3. *Decline of EU consumption*

- (225) As outlined in recital (165), the Union consumption decreased steadily between 2021 to the investigation period (an overall fall of 35 %) as a result of declining demand for barium carbonate. The Commission notes that despite the downward trend in demand, the Union industry was still able to break even in 2021 and enjoy a weak although positive profitability in 2022 while maintaining its market share. However, as of 2023, the Union industry started losing market share on the Union market (its market share decreased by 24 % over the period considered) while the market share of the Chinese and Indian imports increased by 13 % over the period considered. In a declining market, where consumption gradually decreased over the period considered, Chinese and Indian exporting producers managed to increase their market share due to their low, unfair prices while at the same time the Union industry lost market share. This means that Chinese and Indian exporting producers gained clients, which would have, under normal conditions of competition, likely sourced barium carbonate from the Union industry.
- (226) Moreover, shrinking demand, together with the price pressure from Chinese and Indian imports described in recital (180) prevented the Union industry from increasing their prices to cover their increasing costs of production. The costs increase (89 % over the period considered) was due, among others, to the raise of energy costs in the same period. The Commission therefore concluded that the decline in consumption in the EU market was not capable of attenuating the causal link between the dumped imports originating in the countries concerned and the injury suffered by the Union industry.

#### 5.2.4. *Cost of production and investment*

- (227) During the period considered, the cost of production of the Union industry increased by 89 % due to a considerable rise in raw material costs (baryte and pet coke) and a significant hike in energy prices in 2022 as a result of the war in Ukraine. In addition, a decrease in production over the period considered resulted in an increase in fixed costs per tonne of production.
- (228) In this respect, the Commission noted that the increase in production costs and, in particular, in raw materials should have affected other market players to a similar extent in view of the fact that the Union industry sources the majority of its most important raw material, baryte, from outside the Union. Consequently, such an increase in costs was not an element that should have been unique to the Union industry only, even if this cost increase was reflected in the price of imports from China and India only in 2022, but not in 2023 and the IP when import prices decreased considerably.
- (229) In fact, in 2022, despite the rising production costs and the energy prices reaching their highest levels, the Union industry was able to increase its sales prices to absorb its rising unit cost of production and achieved its highest profitability over the period considered at the same time when the prices of Chinese and Indian imports were the highest over the period considered.

- (230) However, in 2023 and in the IP, when the price of Chinese and Indian imports dropped by around 50 %, the Union industry was not able to increase its prices to reflect its increasing costs and even had to decrease its prices in the IP. At the same time, the Union industry could sell its products for higher prices on export markets than in the Union (except in 2023) which also points to a higher price pressure on the Union market. This shows that it was due to the low priced dumped imports from China and India that the Union industry was not in position to adjust its prices to cover its growing costs. In fact, the Union industry was forced to decrease its prices due to the price suppression by the dumped imports resulting in further losses, decrease in sales quantities and increase in stocks.
- (231) As explained in recitals (207), the Union industry's increased investments during the period considered were overdue, they were required to comply with health, safety and environmental standards and they were necessary in order to maintain existing production.
- (232) The Commission thus concluded that the rising cost of production did not contribute to the injury suffered by the Union industry in the investigation period. Similarly, investments required by law or necessary to maintain safe production cannot be considered to have contributed to the injury of the Union industry.

### 5.3. Conclusion on causation

- (233) A causal link was established between the dumped imports from the countries concerned on one hand and the injury suffered by the Union industry on the other hand. There was a coincidence in time between the increase of market share of the dumped imports and the worsening of the Union industry's performance, visible in particular from 2022 onwards. Indeed, in a context of demand contraction, the increased market share of dumped imports impeded the Union industry's ability to set prices that would absorb the increasing costs of production. This situation resulted in a lossmaking situation of the Union producer in 2023 and during the investigation period.
- (234) The Commission examined other possible factors that may have had an impact on the situation of the Union industry. The Commission distinguished and separated the effects of these factors on the situation of the Union industry from the injurious effects of the dumped imports.
- (235) The export performance of the Union industry did not attenuate the causal link. The export sales volumes decreased significantly less than the Union sales and their prices were substantially higher than the domestic prices over the period considered. In conclusion, the relatively better performance of the Union industry in the export markets, compared to the domestic EU market, did not break the causal link between the dumped imports and the injury suffered by the Union industry.
- (236) It is undisputable that the Union industry was faced with numerous challenges over the period considered in particular decreasing demand and increasing production costs. However, had it not been for the price pressure from the dumped imports, the Union industry would have been able to pass on the cost increases and adequately respond to the changing market conditions. Indeed, over all the period considered the average import prices from India and China were below the cost of production of the Union industry. As noted above, dumped imports prevented Union producer from increasing prices in order to pass on cost increases.
- (237) On the basis of the above, the Commission concluded at this stage that the dumped imports from the countries concerned caused material injury to the Union industry and that the other factors, considered individually or collectively, did not attenuate or break the causal link between the dumped imports and the material injury. The injury consists namely of reduced market share, production, production capacity utilisation, profitability, closing stocks and cash flow. Furthermore, as explained above in recital (205), the Union industry suffered severe losses caused by price pressure by dumped imports from the countries concerned.

## 6. LEVEL OF MEASURES

(238) To determine the level of the measures, the Commission examined whether duties lower than the margins of dumping would be sufficient to remove the injury caused by dumped imports to the Union industry.

(239) In the present case, the complainant claimed the existence of raw material distortions within the meaning of Article 7(2a) of the basic Regulation with regard to China. Thus, in order to conduct the assessment on the appropriate level of measures, the Commission first established the amount of duty necessary to eliminate the injury suffered by the Union industry in the absence of distortions under Article 7(2a) of the basic Regulation. Then it examined whether the dumping margin of sampled exporting producers from China would be higher than their injury margin (see recitals (247) and (248) below).

### 6.1. Injury margin

(240) The injury would be removed if the Union industry was 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.

(241) 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 countries concerned, 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 %.

(242) The profit of the Union producer was close to zero or negative over all the period considered, with the exception of 2022, when prices worldwide significantly rose for just one year. Taking into account the profitability of the years preceding the period considered, the Commission established the target profit to determine the non-injurious price at 6 %, in accordance with Article 7(2c) of the basic Regulation. Furthermore, the Union producer did not make a substantiated claim for investments foregone or R&D and innovation costs. In view of those facts, the Commission resorted to the use of the minimum 6 % target profit which was added to the Union industry's actual cost of production to establish the non-injurious price.

(243) 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 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 20-100 EUR/t which was added on the non-injurious price.

(244) On this basis, the Commission calculated a non-injurious price of [1 200-1 500] per unit of measurement for the like product of the Union industry by applying the above-mentioned target profit margin (see recital (242)) to the cost of production of the sole Union producer during the investigation period and then adding the adjustments under Article 7(2d) (see recital (243)) on a type-by-type basis.

(245) 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 China and sole cooperating exporting producer in India as established for the price undercutting calculations, with the weighted average non-injurious price of the like product sold by the Union producer 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.

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

| Country                    | Company                                      | Dumping margin (%) | Injury margin (%) |
|----------------------------|----------------------------------------------|--------------------|-------------------|
| People's Republic of China | Guizhou Redstar Developing Co.,Ltd.          | 83,9               | 133,5             |
|                            | Hubei Jingshan Chutian Barium Salt Corp. Ltd | 72,6               | 130,8             |
| India                      | Vishnu Barium Private Limited                | 4,6                | 114,7             |

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

(247) As explained in the Notice of Initiation, the complainant provided the Commission sufficient evidence that there are raw material distortions in China 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.

(248) However, as the margins adequate to remove injury are higher than the dumping margins, the Commission considered that, at this stage, it was not necessary to address this aspect.

## 6.3. Conclusion on the level of measures

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

| Country                    | Company                                            | Provisional anti-dumping duty |
|----------------------------|----------------------------------------------------|-------------------------------|
| People's Republic of China | Guizhou Redstar Developing Co.,Ltd.                | 83,9 %                        |
| People's Republic of China | Hubei Jingshan Chutian Barium Salt Corp. Ltd       | 72,6 %                        |
| India                      | Vishnu Barium Private Limited                      | 4,6 %                         |
| People's Republic of China | Other cooperating companies                        | 78,2 %                        |
| People's Republic of China | All other imports originating in country concerned | 83,9 %                        |
| India                      | All other imports originating in country concerned | 4,6 %                         |

## 7. UNION INTEREST

(250) 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

- (251) As explained in recital (8), the Union industry consist of one producer manufacturing the product under investigation during the investigation period.
- (252) The EU barium carbonate production is fundamental to the Union's industrial base. Barium carbonate is a key ingredient to produce a wide range of special purpose glasses, such as pharmaceutical, optical, reflective, borosilicate and crystal glass. Moreover, it is an essential ingredient for glazes and frits in the ceramic industry as well as for the manufacturing of clay bricks. Barium Carbonate is also a key raw material to produce low energy permanent magnets.
- (253) Overall, the imposition of measures would likely lead to a higher volume of sales by the Union producer but also to the possibility for the producer to set prices allowing to fully cover its the cost of production and achieve healthy profit. Therefore, the measures would contribute to a better capacity utilization and a recovery in operating margins and profit. The improved performance would in turn lead to sustained levels of investment and employment and promotion of continued innovation.
- (254) Without measures, the future of barium carbonate manufacturing in the Union would be jeopardized. Falling capacity utilisation rates would lead to unsustainably high fixedcosts and to a reduction in investments resulting in potential job losses, which in turn would make the Union producer even less able to compete with dumped imports from the countries concerned.
- (255) Eventually, without imposition of measures, the EU may likely face the cessation of production of this important material. This would lead to a dependency on imports of barium carbonate for the Union downstream industry and to very limited sources of supply.
- (256) The Commission thus concluded that it would be in the interest of the Union industry to impose anti-dumping duties.

### 7.2. Interest of unrelated importers

- (257) Kimpe and L'Aprochimide, both unrelated importers, cooperated in this investigation and provided a questionnaire reply. Another unrelated importer, Europea de materias primas also came forward. However, it did not provide a questionnaire reply by the additional deadline set by the Commission.
- (258) The imposition of measures would impact the purchasing price of barium carbonate for the importers. The importers which are not able to negotiate a contract with an adjustment clause if antidumping measures are imposed, might bear a temporary loss for those sales transactions already negotiated at a price not taking into account anti-dumping duties. However, taking into account the limited share of barium carbonate in the cooperating importers' business and their healthy profitability, the Commission considers that the measures would have limited impact on them.
- (259) The Commission thus concluded that it would not be against the interest of the importers to impose anti-dumping duties.

### 7.3. Interest of users

- (260) Four users and one user association participated in this investigation, they all opposed the imposition of duties. Kimpe SAS, ('Kimpe'), Esmalglass S.A ('Esmalglass'), Younexa S.A ('Younexa') and Fritta S.A ('Fritta') provided questionnaire replies. The Spanish national association of frits, glazes and ceramic colours manufacturers (Asociation Nacional de Fabricantes de Firtas, Esmaltes y Colores cerámicos 'ANFFECC') submitted comments on Union interest.
- (261) One of the users, Kimpe produces liquid barium. The three other users are related to each other, and they produce frits and glazes for ceramic tiles.

### 7.3.1. *Producers of liquid barium*

- (262) Kimpe, in addition to its activity as an importer, also processes barium carbonate to produce liquid barium or slurry (a mixture composed of 70 % barium carbonate in powder form, water and some additives) used in the production of clay bricks and tiles. With respect to this activity, Kimpe is a user in the present investigation.
- (263) Kimpe opposed the imposition of measures and claimed that the imposition of duties would be against the Union interest as they would have a negative impact on its business and on the business of its clients who buy liquid barium i.e. the clay brick and tiles producers.
- (264) Kimpe also argued that barium carbonate grades produced by the Union industry on the one hand and imported from China and India on the other hand were not technically similar. According to Kimpe, a major part of the market of brick and roof tiles applications have used barium carbonate only in liquid form for 20 years which is the standard technology in this segment and would not switch back to powder barium carbonate. According to Kimpe, the Union industry offers barium carbonate only in powder and granular form and therefore there is no direct competition between liquid barium carbonate and the barium carbonate produced by the Union industry.
- (265) First, the Commission notes that liquid barium carbonate does not qualify as product concerned and is therefore not subject to the present investigation. In fact, liquid barium carbonate is a downstream product of powder barium carbonate.
- (266) Regarding the impact of duties on users producing liquid barium carbonate, the questionnaire reply of Kimpe showed that barium carbonate represented 80-100 % of its cost of production. Measures against imports of barium carbonate from China and India would therefore have a significant impact on this user. However, given the marginal amount of barium carbonate used in the production of bricks, a price increase due to the imposition of duties would likely not impact the demand for barium carbonate in the bricks sector and thus would not impact Kimpe's sales volumes in a substantial way. The investigation also showed that Kimpe had healthy profit in the investigation period and in the preceding year.
- (267) Kimpe claimed that Kandelium produces barium carbonate in granules form via the calcination process, which was more expensive than pressing used in China. Kimpe maintained that granulated barium, whether via the pressed method or calcination, had the same chemical characteristics but the calcination process increased the cost of production. Kimpe also claimed that calcined barium carbonate had a level of hardness that facilitated its breaking during transport or pouring generating dust which made it unsuitable for producers of liquid barium.
- (268) As concluded in recital (23), barium carbonate imported from China and India and barium carbonate produced in the Union have the same characteristics. Calcined barium might not be the first choice for several users, because of its higher price and its physical characteristics, however, it is particularly suitable in the production of certain glass and crystals products.
- (269) In view of the findings of the investigation summarized in recital (266), the Commission concluded that the cooperating user of liquid barium would not be significantly negatively affected by the imposition of the duties.

### 7.3.2. *Producers of frits and glazes for ceramic tiles*

- (270) Esmalglass, Younexa and Fritta, are Spanish producers of frits and glazes for ceramic tiles. They opposed the imposition of measures.
- (271) The investigation confirmed that barium carbonate accounted for less than 10 % of the cost of production of the cooperating users in the frits and glazes industry. These users had a healthy profitability of over 15 % on products using barium carbonate.
- (272) Based on the verified questionnaire replies of these users, the Commission estimated that the overall impact of the duties on the cost of production of these users would be relatively limited even if they would not be able to pass on the price increase to their customers.

- (273) ANFFECC claimed that for certain products barium carbonate represents up to 40 % of the cost of production without, however, providing evidence to support this claim.
- (274) ANFFECC also claimed that should measures be imposed, due to their low profit margins, the European producers of frits and glazes would be forced to delocalise to countries without antidumping measures in force on barium carbonate. This claim was not substantiated with evidence and the Commission could not verify it.
- (275) ANFFECC also argued that Kandelium was absent from the Spanish market since several years and that the manufacturers of frits and glazes in Spain entirely relied on imports. ANFFECC argued that the higher prices of Kandelium compared to the international prices related to a higher level of service which was however not needed by most of the users in Spain.
- (276) Moreover, ANFFECC claimed that potential anti-dumping measures would strengthen even more the monopolistic position of Kandelium in the Union.
- (277) ANFFECC also claimed that Kandelium's survival did not depend only on the production of barium carbonate, since the Union producer is also manufacturing strontium carbonate.
- (278) All users and ANFFECC claimed that the Union producer had a limited production capacity for barium carbonate as it had only one production line which produces two products: barium carbonate and strontium carbonate.
- (279) Kandelium contested the arguments mentioned in recitals (275) to (278). Kandelium claimed that it had enough production capacity both in terms of technical capacity and from a regulatory perspective to satisfy EU demand and claimed that Kandelium had regular contact with Spanish customers. Kandelium added that during the COVID-19 pandemic and the global supply chain crisis in 2021 and 2022, it was able to cover supply shortages from China and India in a timely manner. In this respect, the Commission found that Union consumption was below the production capacity of the Union industry in 2023 and in the IP. Moreover, imports from the countries concerned had a significant market share of [65-80 %] in the investigation period and these imports can continue to enter the Union market on fair terms after the imposition of anti-dumping measures. The Commission therefore concluded that there was no risk of shortage of supply.
- (280) Moreover, should the Union industry cease the production of barium carbonate due to price pressure from dumped imports from China and India, the Union market would depend entirely on imports. Currently users can rely on three main sources of supply of barium carbonate (EU, China and India), while in the absence of measures they might solely depend on China and India. This would lead to a consequent loss of competition, a lesser diversity of supply and would involve serious risks in case of trade disruptions, as observed for instance during the COVID-19 pandemic.
- (281) The Commission therefore concluded that it would not be against the interest of the users to impose anti-dumping duties.

#### **7.4. Conclusion on Union interest**

- (282) On the basis of the above, the Commission concluded that there were no compelling reasons that it was not in the Union interest to impose measures on imports of barium carbonate originating in China and India at this stage of the investigation.

### **8. PROVISIONAL ANTI-DUMPING MEASURES**

- (283) 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.

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

| Country                    | Company                                            | Provisional anti-dumping duty |
|----------------------------|----------------------------------------------------|-------------------------------|
| People's Republic of China | Guizhou Redstar Developing Co.,Ltd.                | 83,9 %                        |
| People's Republic of China | Hubei Jingshan Chutian Barium Salt Corp. Ltd       | 72,6 %                        |
| India                      | Vishnu Barium Private Limited                      | 4,6 %                         |
| People's Republic of China | Other cooperating companies                        | 78,2 %                        |
| People's Republic of China | All other imports originating in country concerned | 83,9 %                        |
| India                      | All other imports originating in country concerned | 4,6 %                         |

(285) 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 countries concerned and produced by the named legal entities. Imports of the product concerned produced by any other company not specifically mentioned in the operative part of this Regulation, including entities related to those specifically mentioned, should be subject to the duty rate applicable to 'all other imports originating in China'. They should not be subject to any of the individual anti-dumping duty rates.

(286) 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 of this regulation. Until such invoice is presented, imports should be subject to the anti-dumping duty applicable to 'all other imports originating in country concerned'.

(287) 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 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.

(288) 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, a percentage may be introduced, depending on the case, although not advisable 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

- (289) 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.
- (290) In view of the findings at provisional stage, the registration of imports should cease/be discontinued.
- (291) 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

- (292) 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.
- (293) No comments on the accuracy of the calculations were received.

## 11. FINAL PROVISIONS

- (294) 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.
- (295) 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 barium carbonate with a strontium content of more than 0,07 % by weight and a sulphur content of more than 0,0015 % by weight, whether in powder, pressed granular or calcined granular form, currently falling under CN code ex 2836 60 00 (TARIC code 2836 60 00 10), and originating in the People's Republic of China and India.
2. The rates of the provisional anti-dumping duty applicable to the net, free-at-Union-frontier price, before duty, of the product described in paragraph 1 and produced by the companies listed below shall be as follows:

| Country of origin          | Company                                            | Provisional anti-dumping duty | TARIC additional code |
|----------------------------|----------------------------------------------------|-------------------------------|-----------------------|
| People's Republic of China | Guizhou Redstar Developing CO., LTD.               | 83,9 %                        | 89SE                  |
| People's Republic of China | Hubei Jingshan Chutian Barium Salts Co., Ltd.      | 72,6 %.                       | 89SF                  |
| People's Republic of China | Other cooperating companies listed in Annex        | 78,2 %                        | See Annex             |
| People's Republic of China | All other imports originating in country concerned | 83,9 %                        | 8999                  |

| Country of origin | Company                                            | Provisional anti-dumping duty | TARIC additional code |
|-------------------|----------------------------------------------------|-------------------------------|-----------------------|
| India             | Vishnu Barium Private Limited                      | 4,6 %                         | 89SH                  |
| India             | All other imports originating in country concerned | 4,6 %                         | 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 country concerned 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) 2025/482.

2. Data collected regarding products which entered the European Union 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, 8 August 2025.

*For the Commission*  
*The President*  
Ursula VON DER LEYEN

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ANNEX

People’s Republic of China’s cooperating exporting producers not sampled:

| Country                    | Name                                     | TARIC additional code |
|----------------------------|------------------------------------------|-----------------------|
| People’s Republic of China | Guizhou Hongtai Barium Industry Co., Ltd | 89SG                  |