



2025/1901

23.9.2025

COMMISSION IMPLEMENTING REGULATION (EU) 2025/1901

of 22 September 2025

imposing a definitive anti-dumping duty and definitively collecting the provisional duty imposed on imports of glyoxylic acid originating in the People's Republic of China

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2016/1036 of the European Parliament and of the Council of 8 June 2016 on protection against dumped imports from countries not members of the European Union ⁽¹⁾ ('the basic Regulation') and in particular Article 9(4) thereof,

Whereas:

1. PROCEDURE

1.1. Initiation

- (1) On 25 July 2024, the European Commission ('the Commission') initiated an anti-dumping investigation with regard to imports of glyoxylic acid originating in the People's Republic of China ('the country 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 ⁽²⁾ ('the Notice of Initiation').
- (2) The Commission initiated the investigation following a complaint lodged on 10 June 2024 by WeylChem Lamotte SAS ('the complainant'). The complaint was made by the Union industry of glyoxylic acid within the meaning 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) On 24 October 2024, the Commission made imports of glyoxylic acid originating in the People's Republic of China (the 'PRC' or 'China') subject to registration by Commission Implementing Regulation (EU) 2024/2715 ('the registration Regulation') ⁽³⁾.

1.3. Provisional measures

- (4) In accordance with Article 19a of the basic Regulation, on 24 February 2025, the Commission provided parties with a summary of the proposed duties and details about the calculation of the dumping margins and the margins adequate to remove the injury to the Union industry. Interested parties were invited to comment on the accuracy of the calculations within three working days. Within this period, two importers/users, Trade Corporation International SAU ('Trade Corporation') and Laboratorios Jaer S.A. ('Jaer') submitted comments related to Union interest. The sampled exporting producer Xinjiang Guolin submitted that the Commission deducted the ocean freight twice for certain transactions and that the Commission interchanged the profit margin and the SG&A margin in the calculation.

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

⁽²⁾ Notice of initiation of an anti-dumping proceeding concerning imports of glyoxylic acid originating in the People's Republic of China, OJ C, C/2024/4751, 25.7.2024, ELI: <http://data.europa.eu/eli/C/2024/4751/oj>.

⁽³⁾ Commission Implementing Regulation (EU) 2024/2715 of 24 October 2024 making imports of glyoxylic acid originating in the People's Republic of China subject to registration (OJ L, 2024/2715, 25.10.2024, ELI: http://data.europa.eu/eli/reg_impl/2024/2715/oj).

- (5) As noted in recital 329 of the Commission Implementing Regulation (EU) 2025/591⁽⁴⁾ (the 'provisional Regulation'), the Commission corrected the ocean freight transactions, which were initially counted twice in the calculation. The Commission furthermore corrected the profit margin of 10 % and the SG&A margin of 23 % in the calculations. Furthermore, in recital 330 of the provisional Regulation, the Commission noted that incorrect exchange rate was applied to the source for determination of the normal value concerning the labour cost, electricity and water. The Commission updated the value of the labour cost, electricity and water in Table 1 of the provisional Regulation, using the same currency exchange rate communicated by the European Central Bank for the investigation period for all factors of production.
- (6) The Commission imposed provisional anti-dumping duties on imports of glyoxylic acid originating in the People's Republic of China by the provisional Regulation.

1.4. Subsequent procedure

- (7) Following the disclosure of the essential facts and considerations on the basis of which a provisional anti-dumping duty was imposed ('provisional disclosure'), the exporting producers Guangdong Joy Chemical Co., Ltd., Hubei Hongyuan Pharmaceutical Technology Co., Ltd., Inner Mongolia Tianyuda Biological Technology Co., Ltd., Jinyimeng Group Co., Ltd and Xinjiang Guolin New Materials Co. Ltd and the importers/users Trade Corporation, Deretil S.A. ('Deretil'), L. Brüggemann GmbH & Co KG ('Brüggemann') and Jaer filed written submissions making their views known on the provisional findings within the deadline provided by Article 2(1) of the provisional Regulation.
- (8) The parties who so requested were granted an opportunity to be heard. The Commission continued to seek and verify all the information it deemed necessary for its final findings. When reaching its definitive findings, the Commission considered the comments submitted by interested parties and revised its provisional conclusions when appropriate.
- (9) The Commission informed all interested parties of the essential facts and considerations on the basis of which it intended to impose a definitive anti-dumping duty on imports of glyoxylic acid originating in the PRC ('final disclosure'). All parties were granted a period within which they could make comments on the final disclosure.
- (10) The complainant, the exporting producers Xinjiang Guolin and Hubei Hongyuan, and the importers/users Brüggemann, Deretil, Jaer, Trade Corporation, Asociacion Espanola de Fabricantes de Agronutrientes, (the Spanish Association of Agronutrient Manufacturers 'AEFA') and Nouryon Functional Chemicals AB ('Nouryon') submitted comments within the deadline.
- (11) The parties who so requested were granted an opportunity to be heard. Hearings took place with the exporting producer Xinjiang Guolin and the importers/users Jaer, Brüggemann and Deretil. The comments submitted by the interested parties were considered and taken into account where appropriate in this regulation. They are addressed below.
- (12) The analysis of some comments on the final disclosure resulted in changes in the dumping calculations and on the end-use exemption. On 5 August 2025, the Commission informed all interested parties of the changes through an additional final disclosure limited to the modifications made. All parties were granted a period within which they could make comments on the additional final disclosure. Weylchem, Jaer, Trade Corporation, Hubei Hongyuan, Jinyimeng Group Co., Ltd. and Inner Mongolia Tianyuda Biological Technology Co., Ltd. submitted comments. They are addressed below.

1.5. Claims on initiation

- (13) In the absence of any comments on initiation, the conclusions in recitals 1 to 2 of the provisional Regulation are confirmed.

⁽⁴⁾ Commission Implementing Regulation (EU) 2025/591 of 21 March 2025 imposing a provisional duty on imports of glyoxylic acid originating in the People's Republic of China (OJ L, 2025/591, 24.3.2025, ELI: http://data.europa.eu/eli/reg_impl/2025/591/oj).

1.6. Sampling

- (14) In the absence of any comments on sampling, the conclusions in recitals 6 to 11 of the provisional Regulation are confirmed.

1.7. Questionnaire replies and verification visits

- (15) In the absence of any comments on questionnaire replies and verification visits, the conclusions in recitals 12 to 15 of the provisional Regulation are confirmed.

1.8. Investigation period and period considered

- (16) In the absence of any comments on investigation period and period considered, the conclusions in recital 16 of the provisional Regulation is confirmed.

2. PRODUCT CONCERNED AND LIKE PRODUCT

2.1. Claims on product concerned and like product

- (17) After disclosure, the user Brüggemann repeated their claim made at the provisional stage that the specific technical grade of glyoxylic acid that they import from China and utilise in the production of formaldehyde-free sulphur-based reducing agents ('FFSRAs') is not currently on offer from the Union industry. No further evidence was provided to support the claim that the product sourced from China cannot be sourced from the Union industry, therefore the Commission dismissed the claim.
- (18) In the absence of any other comments, the conclusions set out in recitals 22 to 28 of the provisional Regulation were confirmed.

3. DUMPING

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

- (19) The procedure for the determination of the normal value were set out in recitals 38 to 86 of the provisional Regulation.

3.2. Normal value

- (20) The details of the calculation of the normal value were set out in recitals 87 to 162 of the provisional Regulation.

3.2.1. Existence of significant distortions

- (21) No comments were received concerning the existence of significant distortions in the PRC. Therefore, the findings in recitals 41 to 86 of the provisional Regulation were confirmed.

3.2.2. Representative country

- (22) Following the imposition of provisional measures, Trade Corporation International submitted comments concerning the selection of Colombia as the most suitable representative country and acetic acid as a product in the same sector as glyoxylic acid. Trade Corporation International alleged that the product manufactured in Colombia, acetic acid, was not the same as the product under investigation, which had specific chemical properties and uses. Trade Corporation International stated that glyoxylic acid was about ten times stronger and acid than acetic acid. Trade Corporation International alleged that acetic acid was also used in agriculture, but mainly for different purposes than glyoxylic acid, such as natural herbicide, pest control to improve soil fertility and pH balance, whereas glyoxylic acid was primarily used for plant growth regulation and weed control.

- (23) The Commission informed in recitals 34 and 91 of the provisional Regulation that as there was no production of glyoxylic acid outside China and the Union, the Commission had to resort to identifying an appropriate proxy product in the same general category and/or sector as glyoxylic acid with a view to identify an undistorted value in a representative country with a similar level of economic development as the PRC. The Commission explained in section 3.2.2.1.2 of the provisional Regulation, recitals 91 to 93 that there are four C2 carboxylic acids products with similar production processes and using similar raw materials, i.e. glyoxylic acid, oxalic acid, glycolic acid and acetic acid, but only acetic acid is manufactured in the countries with a similar level of economic development. The Commission noted that the production process for obtaining acetic acid, if not identical, is highly comparable to that for the manufacturing of glyoxylic acid, as the respective production processes, core raw materials and relevant consumables are very similar. The Commission therefore maintained that acetic acid was as an appropriate proxy product in the same general category and/or sector as the product under investigation and rejected the claim.
- (24) Trade Corporation International alleged that the specific economic conditions and industrial capabilities in Colombia did not necessarily accurately reflect those in China, as the production processes, cost structures, and market dynamics in Colombia could be significantly different from those in China, leading to an inaccurate representation of the normal value of glyoxylic acid. Trade Corporation International further submitted that readily available financial data for one sole company in Colombia, Sucroal S.A., was insufficient to make a reasonable comparison, as the company could establish prices significantly above the market.
- (25) In recitals 89 to 90 of the provisional Regulation, the Commission established that Colombia fell in the same category of economies with similar level of economic development as China, classified in the same income group classification (upper middle-income countries) published by the World Bank ⁽ⁱ⁾. The Commission further concluded in recitals 107 to 115 of the provisional Regulation that, in accordance with Article 2(6a)(a), first indent of the basic Regulation, the financial information for the Colombian company Sucroal S.A. was readily available and the most appropriate to use. The Commission informed that there were no multiple producers of acetic acid in the potential representative countries. The Commission identified one acetic acid producer in Colombia, and one in Türkiye. The Commission further informed that the Turkish manufacturer of acetic acid, Akkim Kimya Sanayi ve Ticaret A.S., was under investigation of the Turkish Anti-monopoly Office for restriction of competition and price manipulation. For this reason, the Commission disregarded Türkiye from the selection of a representative country. Furthermore, Sucroal S.A. is an established company in Colombia and the fact that there were no other producers of acetic acid in Colombia does not demonstrate that the financial data to establish SG&A and profit is unreliable. The claim was rejected.
- (26) Following final disclosure, Trade Corporation International claimed that the Commission did not fulfil its duty to state reasons to reject Trade Corporation International's claims and repeated arguments that were already stated in the provisional Regulation. Trade Corporation International reiterated that acetic acid and glyoxylic acid have different physicochemical profile and end-use spectrum: glyoxylic acid is a potent aldehyde-acid molecule (pKa ≈ 3,3), used predominantly in high-value, specialty downstream applications (pharmaceutical intermediates, cosmetic actives, chelated fertilisers), acetic acid is a weak monocarboxylic acid (pKa ≈ 4,8) sold as a chemical reagent, and in the manufacture of various chemical compounds (e.g. for the cleaning industry). Trade Corporation International objected that acetic acid and glyoxylic acid were similar products as they diverged in price, purity requirements, required trace-metal specifications and safety standards. Therefore, they disagreed that acetic acid could be used as a proxy for the selection of the representative country.
- (27) The Commission noted that Trade Corporation International did not bring forward any new evidence to support the claim. The Commission clarified that the fact acetic acid is a weaker monocarboxylic acid was known since the beginning of the investigation. The Commission was not bound to identify an exact alternative to glyoxylic acid, but a similar product in the same category of products using the same or similar key input materials. As such, the Commission maintained that acetic acid was the best proxy product available in the examined potential representative countries. The Commission reiterated that the glyoxylic acid and acetic acid are both in the C2 carboxylic acids products, they use similar raw materials, and they become to the same classification of economic activities. The Commission further noted that Trade Corporation International did not propose any alternative product in the similar category of glyoxylic acid to demonstrate that acetic acid was not a suitable proxy product. The argument was rejected.
- (28) Furthermore, Trade Corporation International alleged that the Commission had failed to explain why only one company (Sucroal) is sufficient for the construction of the SG&A and profit, how was Sucroal an efficient producer and why other producers did not have reliable data to use as a comparison, undermining the selection of Colombia as a suitable representative country.

⁽ⁱ⁾ World Bank: How does the World Bank classify countries? – World Bank Data Help Desk.

- (29) The Commission clarified that in the provisional Regulation (recital 107) it had already reported that readily available financial data from Orbis for the year 2023 existed only for one acetic acid manufacturer in Colombia (Sucroal S.A.) and one acetic acid manufacturer in Türkiye (Akkim Kimya Sanayi ve Ticaret A.S.). The Commission had further informed parties in recital 112 of the provisional Regulation that taking account of the ongoing investigation of the Turkish Anti-monopoly office into Akkim Kimya Sanayi ve Ticaret A.S., the Commission had decided not to consider further Akkim Kimya Sanayi ve Ticaret A.S. for the construction of the SG&A and profit. As none of the seven potential representative countries manufactured glyoxylic acid, glycolic acid or oxalic acid, Trade Corporation International's argument concerning unsuitability of Sucroal's products was moot. Lastly, as no minimum number of companies to construct the SG&A and profit is required by the basic Regulation, to Commission did not breach any legal provisions. The argument was rejected.
- (30) In the absence of other comments, the conclusions in recitals 87 to 119 of the provisional Regulation were confirmed.

3.2.3. Factors of production

- (31) Following the imposition of provisional measures, Xinjiang Guolin alleged that the Commission's benchmark for imports of maleic anhydride to Colombia at 12,58 CNY/kg was inflated. Xinjiang Guolin stated that the average import price of maleic anhydride into the Union (without imports from China and other non-WTO countries) was 8,09 CNY/kg, and the average import price of maleic anhydride to neighbouring countries was 7,7 CNY/kg for Brazil, and 7,5 CNY/kg for Mexico. Xinjiang Guolin also commented that in the Commission's ongoing interim review R825 regarding anti-dumping measures applicable on imports of continuous filament glass fibre products ('GFR') originating in the People's Republic of China ⁽⁶⁾, the Commission applied a benchmark for imports of maleic anhydride between 6,7 CNY/kg and 7,7 CNY/kg, which allegedly demonstrated that the benchmark for imports of maleic anhydride into Colombia was unreasonably high. As an alternative, Xinjiang Guolin proposed to apply an average import price of maleic anhydride into the Union, an international import price of maleic anhydride into all countries, an average price of maleic anhydride in the United States ('US'), Europe and South-East Asia, an average export price at the CIF level of maleic anhydride from all countries or using only the Taiwan and Korean import price into Colombia.
- (32) The Commission noted that the interim review of the anti-dumping measures applicable to imports of continuous filament glass fibre products originating in China referred to by Xinjiang Guolin concerns a completely different product and is a separate investigation. Furthermore, in that investigation there has been no decision yet on which country will be ultimately selected as a representative country. In any event, in the case at hand the Commission explained in recitals 107 and 114 of the provisional Regulation that Türkiye was not a suitable representative country for the construction of the normal value, and as a result the application of the benchmark for maleic anhydride from Türkiye would not be appropriate. Furthermore, the Commission explained in recitals 96, 100 and 106 of the provisional Regulation, that Brazil and Mexico were found not to be suitable representative countries as some of the main raw materials were predominantly imported from China and there were no producers of acetic acid with readily available financial information to construct the SG&A and profit. Therefore, the benchmarks for maleic anhydride in Mexico, Brazil and Türkiye were rejected.
- (33) The Commission, however, noted that the import volume of maleic anhydride into Colombia was limited as it amounted to no more than 4 664 tonnes. The Commission therefore analysed other potential benchmarks, including the alternatives proposed by Xinjiang Guolin, and noted that the biggest exporter of maleic anhydride is China, followed by the US. The Commission therefore decided to use the weighted average export price from the US into all countries in the world (exports to China and other non-WTO countries were excluded) at Cost, Insurance and Freight ('CIF') level as the most suitable benchmark for maleic acid. The price thus established was 9,32 CNY/kg. Following additional comments of Xinjiang Guolin to the final disclosure, the Commission corrected an error in the import data and added the weighted average import duties levied by ten biggest importing countries of goods originating from the US, covering 98 % of the worldwide imports originating in the US. The resulting weighted average duty rate was 3,15 %. On this basis, the price was established at 8,25 CNY/kg. This resulted in a revision of the dumping margin for Xinjiang Guolin and the cooperating non-sampled exporting producers. The Commission informed all interested parties about the change in maleic anhydride benchmark through the additional final disclosure.

⁽⁶⁾ Notice of initiation of an interim review of the anti-dumping measures applicable to imports of continuous filament glass fibre products (GFR) originating in the People's Republic of China (C/2024/5344, 30.8.2024, ELI: <http://data.europa.eu/eli/C/2024/5344/oj>).

- (34) After the imposition of provisional measures, Xinjiang Guolin further alleged that the benchmark for nitric acid was artificially low and contributed to Hubei Hongyuan's low dumping margin. Xinjiang Guolin stated that the Commission had not sufficiently addressed its previous comment that using the FOB price for Hubei's factor of production (average international export price of nitric acid), and the CIF price that the Commission used for that of Guolin (import price of maleic anhydride into Colombia), resulted in a discriminatory determination of the constructed normal values for the sampled Chinese exporting producers. Xinjiang Guolin requested the Commission to update Hubei's FOB price for nitric acid to CIF price by adding freight and insurance cost, or to use FOB export price for all factors of production of both Hubei and Xinjiang to ensure that the principles of non-discrimination, equal treatment, good administration and consistency with other trade defence investigations were followed.
- (35) The Commission explained in recitals 129, 130, 136 and 138 of the provisional Regulation that it observed major price spreads and different measurements of quantities for both imports of nitric acid into Colombia and the international average import price of nitric acid. As the import prices of nitric acid could not be considered representative due to significant price fluctuation and different units of measurements, the Commission analysed alternative approaches to establish a suitable benchmark price. The Commission established that the international average export price to all countries extracted from GTA reported the same unit of measurements and was free of extreme price fluctuations. The Commission thus concluded that the international average export price to all countries (FOB) was the most reliable benchmark and that this approach was in line with Article 2(6a)(a) of the basic Regulation. Therefore, the claim made by Xinjiang Guolin regarding the export benchmark of nitric acid in its comments on the provisional disclosure was rejected.
- (36) Following the final disclosure, Xinjiang Guolin submitted that both the nitric acid and maleic anhydride benchmarks were based on export prices, whereas the maleic anhydride export price was set at the CIF level and the nitric acid benchmark at the FOB level. Xinjiang Guolin again restated its request to update Hubei's FOB price for nitric acid to CIF price by adding freight and insurance cost. Xinjiang Guolin also claimed that the Commission should have added an amount for import duties to the CIF export price of nitric acid to ensure that the benchmark to construct the normal value reflected the price that a producer would pay for the raw material as delivered at the factory gate. Xinjiang Guolin calculated the average import duty for the top ten importing countries of nitric acid representing 75 % of all imports at 5,7 %.
- (37) The Commission accepted Xinjiang Guolin's comment, and in order to convert the FOB price to CIF level, it resorted to the OECD data on conversion rate from FOB to CIF prices of nitric acid ⁽⁷⁾. The Commission noted that the OECD's CIF to FOB margin for nitric acid in the last observed year (2022) was 10,51 %. This CIF to FOB margin was considered the most appropriate and was added to the average international export price, together with the weighted average import duties levied by ten biggest importing countries covering 98 % of the worldwide imports, established at to 4,99 %. The updated benchmark for nitric acid was established at 4,86 CNY/kg, resulting in a revision of the dumping margin for Hubei Hongyuan and the cooperating non-sampled exporting producers (recital 61). The Commission informed all interested parties about the change in the nitric acid benchmark through the additional final disclosure.
- (38) Following the additional final disclosure, Hubei Hongyuan argued that the international average export price at FOB level already complies with Article 2.6a(a) of the basic Regulation and WTO rules, and that changing to a CIF-based benchmark at this final stage would be unfair and discriminatory. The company underlined that its nitric acid purchase prices do not include international freight, ocean insurance, or import duties. Hubei Hongyuan maintained that any adjustment should respect the principles of non-discrimination and equal treatment, and submitted that the Commission should not alter the method based on another exporting producer's request without justified reasons. In addition, Trade Corporation International argued in their submission that the adjustment in the nitric acid benchmark was not justified due to lack of evidence or reasoning to support the adjustment. The Commission rejected these claims because the benchmark should reflect the price of the factors of production in the market of the representative country, which by default must include the costs incurred for that product to be put in the market, including full delivered cost of the product.

⁽⁷⁾ OECD Data Explorer • International transport and insurance costs of merchandise trade (ITIC)

- (39) After the imposition of provisional measures, Xinjiang Guolin further claimed that the Commission benchmark for oxalic acid (by-product manufactured by Hubei Hongyuan) was significantly above average international import prices of 10,68 CNY/kg from UN Comtrade database and allowed for a significant amount to be deducted from Hubei's constructed normal value. Xinjiang Guolin urged the Commission to find a more reliable and representative price for the oxalic acid and proposed to apply either the import price of oxalic acid into all countries at 10,69 CNY/kg from UN Comtrade database, or to apply the average of the Union and US market prices for oxalic acid at 12,35 CNY/kg.
- (40) The Commission clarified that the normal value for Hubei Hongyuan was constructed based on the accounting records attributed exclusively to manufacturing process of glyoxylic acid. As the cost of manufacturing of oxalic acid was recorded separately in the accounting, the Commission did not have to deduct its cost of manufacturing in the construction of the normal value of glyoxylic acid. Therefore, the benchmark for oxalic acid, published in the provisional Regulation in Table 1- *Factors of production of glyoxylic acid*, was finally not used by the Commission and did not have impact on the calculation of the normal value of Hubei Hongyuan. The claim was therefore considered as moot.
- (41) Furthermore, Xinjiang Guolin explained that the company had two factories, one in Xinjiang and another one in Shandong. Xinjiang Guolin alleged that the Commission increased the cost of manufacturing of the maleic anhydride by adding the transportation expenses of the purchased maleic anhydride to Xinjiang Guolin's factory in Xinjiang to the recalculated maleic anhydride cost, as well as the transport costs between Xinjiang Guolin's two factories. Xinjiang Guolin stated that the Commission had already accounted for maleic anhydride transport costs when it used the CIF Colombian import price of maleic anhydride, as the CIF price already contained the domestic freight in the exporting countries and the ocean freight and insurance. Xinjiang Guolin asserted that the Commission seemingly double counted the transport costs in the recalculated cost of manufacturing of the maleic anhydride when it replaced the value of maleic anhydride with the Colombian CIF import price and requested the transport cost to be removed.
- (42) The Commission agreed that the Colombian benchmark for maleic anhydride was at CIF price level and included transport costs to the border. However, it is the Commission's consistent practice to include transport costs from the border to the factory gate when calculating the normal value. The calculation of the normal value includes an increase of the value of the international benchmark by the ratio of transport costs to material costs, as reported by the exporting producers. Only by adding these costs to the value of the input materials, as delivered to the factory gate of a producer in the representative country, is properly reflected. Therefore, in the questionnaire for exporting producers, the Commission requested detailed information on international and domestic transport costs, applicable duties, and applicable taxes incurred for the purchase of materials in the accounting currency. Based on the verified questionnaire of Xinjiang Guolin, the Commission noted that the actual transport cost related to the purchase of maleic anhydride was specified on the invoice. This transportation cost was added in the calculation of the normal value.
- (43) The Commission also noted that no transportation cost was paid for the shipment of the glyoxylic acid crystals from the factory in Xinjiang to the factory in Shandong. In the absence of an actual transport cost paid, the cost of transport of the glyoxylic acid crystals from the factory in Xinjiang to the factory in Shandong was estimated by Xinjiang Guolin, in a document submitted following the verification visit. Following comments submitted by Xinjiang Guolin, the Commission reallocated this estimated transport cost of the semi-finished product to manufacturing overheads, as the transportation cost between the two factories of the same legal entity was due to the manufacture of the glyoxylic acid crystals (cost of manufacturing consisted of maleic anhydride, labour, electricity, water etc.), and the manufacturing overheads were considered the appropriate category in the construction of the normal value. Therefore, the claim was partially accepted and the dumping margin for Xinjiang Guolin was recalculated. The definitive dumping margin for Xinjiang Guolin was established in recital 61.
- (44) Following final disclosure, Hubei Hongyuan claimed that the import volume of MEG into Colombia was limited as it amounted to only 4 961 tonnes. Hubei Hongyuan requested the Commission to analyse other potential benchmarks, following the example of maleic anhydride. Hubei Hongyuan claimed that the Commission should use the weighted average export price from the US into all countries in the world (exports to China and other non-WTO countries were excluded) at Cost, Insurance and Freight ("CIF") level as the most suitable benchmark for MEG.
- (45) The Commission considered that Hubei Hongyuan did not substantiate the claim that the average import price of MEG to Colombia was inflated. Hubei Hongyuan simply pointed out that the import volumes of MEG to Colombia were limited but did not bring forward any evidence that the benchmark value was unreasonable, inappropriate or unreliable. The claim was rejected.

- (46) Following final disclosure, Hubei Hongyuan claimed that the benchmark for glyoxal was inflated. It claimed that the unit price of glyoxal used by the Commission varied from 3,15 CNY/kg to 2 269,5 CNY/kg, and the price fluctuations impacted and inflated the calculation of the benchmark. Hubei Hongyuan requested the Commission to use the weighted average export price from the US to all countries in the world (exports to China and other non-WTO countries were excluded) at Cost, Insurance and Freight ('CIF') level as the most suitable benchmark for glyoxal.
- (47) The Commission noted that the extreme values quoted by Hubei Hongyuan concerned only very limited quantity of imports of glyoxal (two instances of imports of 0,1 kg of glyoxal). As such, this extremity was negligible in the overall volume of imports and had a negligible impact on the calculation of the value of the glyoxal benchmark. The remainder of the import data is consistent and was not challenged by Hubei Hongyuan. The claim was rejected.
- (48) In absence of other comments, the conclusions in recitals 120 to 162 of the provisional Regulation were confirmed.

3.3. Export price

- (49) In absence of comments, the conclusions in recitals 163 to 164 of the provisional Regulation were confirmed.

3.4. Comparison

- (50) In their submissions following the imposition of provisional measures, Hubei Hongyuan and Xinjiang Guolin noted that the SG&A costs of the Colombian company Sucroal S.A. used by the Commission to construct the normal value contains 'distribution cost', which corresponded to cost elements that were direct expenses incurred beyond the ex-works level. As such, they should not have been included in the calculation of the constructed normal value of the company under investigation.
- (51) The Commission noted that the 'distribution costs' reported by Sucroal S.A. were part of the SG&A costs. This was shown by the fact that 'other costs' reported in the Orbis database, are disaggregated into 'distribution costs', 'administration costs' and 'other costs' in the data provided by the Colombian authorities. The data available did not make a further distinction within the distribution costs that would allow to identify and exclude specific categories of costs. As such, distribution costs are selling costs, that may include transport costs, but also other categories of costs, such as leasing of storage and distribution facilities, including the necessary machinery and vehicles, or advertising and market research, which were not deducted from the export price. Indeed, such costs do belong to the ex-works level of trade and would not be removed in netting back to that level of trade. The Commission also noted that Hubei Hongyuan, or Xinjiang Guolin did not provide evidence regarding the breakdown of these distribution costs to support the claim of not including them in the normal value. Thus, this claim was dismissed.
- (52) Following final disclosure, Hubei Hongyuan requested the Commission to deduct the 'distribution costs' from Sucroal's construction of the SG&A quoting that 'ex works' level means that the seller delivers when it places the goods at the disposal of the buyer at the seller's premises or at another named place (i.e. works, factory, warehouse, etc.), further clarifying that the seller does not need to load the goods on any collecting vehicle, nor does it need to clear the goods for export, where such clearance is applicable. Hubei Hongyuan requested the Commission to deduct any transport expenses included in the SG&A. Hubei Hongyuan further claimed that the Commission should not unfairly disregard the direct selling expenses included in the 'distribution costs' and harm the sampled exporters' interests because the Commission could not obtain the detailed breakdown information to make a further distinction within the distribution costs that would allow to identify and exclude specific categories of costs. Hubei Hongyuan argued that if the Commission finally could not obtain the relevant data to make a further distinction within the distribution costs, the Commission should either deduct all the 'distribution costs' without making further distinction or make an adjustment to the export price by including the transportation expenses.

- (53) The Commission noted that IFRS (IAS 1 standards) define distribution cost as one of the elements of the cost of sales and accepted the category in the construction of the SG&A. Furthermore, the Commission noted that no detailed information concerning the breakdown of SG&A of Sucroal relating to 'distribution costs' was readily available, nor made available by the exporting producers (Hubei Hongyuan or Xinjiang Guolin) to allow the Commission to subtract any possible transportation costs beyond 'ex-works' level. The Commission rejected this claim since Hubei Hongyuan failed to show that the SG&A costs used by the Commission were not already reported at an ex-works level, or that they would lead to an amount for SG&A costs that would not be 'reasonable' at that level of trade, within the meaning of Article 2(6a)(a) of the basic Regulation.
- (54) Following the imposition of provisional measures, Xinjiang Guolin further requested the Commission to exclude the SG&A and profit contribution of Qingdao Guolin (parent company responsible for international sales) from the calculation of the export price claiming that Qingdao Guolin does not perform the function of an agent. Xinjiang Guolin claimed that Xinjiang Guolin and Qingdao Guolin were subject to a single economic control, operate together as a single undertaking with a division of functions for the purposes of producing and trading the product under investigation, and their relations are not based on a paid commission similar to those of an agency. Xinjiang Guolin submitted that Qingdao Guolin (parent company) owned 100 % of Xinjiang Guolin and that Qingdao Guolin was responsible for all export sales of glyoxylic acid, while Xinjiang Guolin operated as a factory for Qingdao Guolin and governed exclusively domestic sales.
- (55) As explained in recital 174 of the provisional Regulation, adjustments were made to the export price where products were sold from the producer company towards other companies in the same group and then exported to the Union, pursuant to Article 2(10)(i) of the basic Regulation for the mark-up received by the related trader, whenever the traders were considered to perform functions similar to those of an agent working on a commission basis. The Commission noted that the questionnaire replies submitted by Xinjiang Guolin, and in particular the company presentation of Qingdao Guolin and the flowchart of export sales, characterise the parent company as 'trader' and evidence the existence of negotiations on trade terms between the producing company (Xinjiang Guolin) and the trader (Qingdao Guolin).
- (56) The Commission further noted the existence of a memorandum between Xinjiang Guolin and Qingdao Guolin governing exclusively the export prices. The memorandum contained clauses stipulating a price percentage, depending on the type of glyoxylic acid, which was charged to the benefit of the management company. More importantly, the domestic purchase contract between Xinjiang Guolin and Qingdao Guolin contained clauses regarding the resolution of disputes in front of a court. The existence of this evidence precludes the characterisation of Guolin's companies based in the People's Republic of China as a single economic entity, in which Qingdao Guolin is an internal sales department of Xinjiang Guolin. According to the case-law⁽⁸⁾, the presence of an arbitration clause intended to resolve contractual disputes liable to arise between the two contracting companies and the lack of solidarity between those companies presuppose not only the existence of two distinct legal persons, but also two economic entities with divergent interests, and does not appear to be reconcilable with the existence of a single economic entity and with the classification of one of those companies as an internal sales department⁽⁹⁾. No similar provisions existed for the domestic sales of the management company. Therefore, the claim that Xinjiang Guolin and Qingdao Guolin constitute a single economic entity was rejected.
- (57) In absence of other comments, the conclusions in recitals 165 to 174 of the provisional Regulation were confirmed.

3.5. Dumping margin

- (58) As described in recital 33 above, following claims from Xinjiang Guolin regarding the benchmark value for maleic anhydride, the Commission revised the dumping margins.

⁽⁸⁾ See for instance Judgment of 25 June 2015 in Case T-26/12 PT Musim Mas (p. 56-58); Judgment of 14 September 2022 in Case T-865/19 AO Nevinnomyskiy Azot and NAK Azot v Commission (p. 93-95).

⁽⁹⁾ See for instance Judgment of 11 September 2024, *Sveza Verkhnyaya Sinyachikha NAO and Others v European Commission*, T-2/22, ECLI:EU:T:2024:615, para. 57.

- (59) Following pre-disclosure, Guangdong Joy Chemical Co., Ltd, Inner Mongolia Tianyuda Biological Technology Co., Ltd. and Jinyimeng Group Co., Ltd. had submitted comments on the methodology of calculation of the dumping margins. All three non-sampled cooperating Chinese exporting producers alleged that their manufacturing process was identical to that of Hubei Hongyuan and their production costs were close to those of Hubei Hongyuan. The three cooperating non-sampled Chinese exporting producers claimed it was inappropriate and inaccurate to apply an average of the dumping margins calculated for Hubei Hongyuan and Xinjiang Guolin, as none of the non-sampled cooperating producers used the manufacturing process of Xinjiang Guolin nor the same raw materials. The three non-sampled cooperating Chinese exporting producers requested the Commission to apply the same anti-dumping duty as that of Hubei Hongyuan.
- (60) The Commission recalled that the sampled exporting producers represented 25 %-35 % of the total exports to the Union of glyoxylic acid and 40 %-50 % of the quantities reported by the co-operating exporting producers. The sample was therefore representative for Chinese exporting producers. The Commission also recalled that no comments had been received on the selected sample. The Commission had applied the methodology prescribed in the basic Regulation for the calculation of the dumping margins of the non-sampled cooperating exporting producers, i.e. it had attributed to those parties the weighted average duty of two sampled exporting producers. The claim was rejected.
- (61) The definitive dumping margins expressed as a percentage of the cost, insurance and freight (CIF) Union frontier price, duty unpaid, are as follows:

Company	Definitive dumping margin
Hubei Hongyuan	29,2 %
Xinjiang Guolin	130,0 %
Other cooperating companies listed in Annex	64,0 %
All other imports originating in the People's Republic of China	210,5 %

4. INJURY

4.1. Definition of the Union industry and Union production

- (62) Following the imposition of provisional measures, Trade Corporation argued that the findings of the investigation regarding the injury caused to Union industry are flawed because the Commission has based them on the 'performance and circumstances of one single company, which may not be representative of a broader industry context'. As explained in the Notice of initiation, the complainant represents the Union Industry in the sense of Article 5(4) of the basic Regulation, therefore Trade Corporation's comments are dismissed.
- (63) In the absence of any other comments, the findings in recitals 184 to 186 of the provisional Regulation are confirmed.

4.2. Determination of the relevant Union market

- (64) In the absence of comments on relevant Union market, the Commission confirmed its conclusions set out in recitals 187 to 191 of the provisional Regulation.

4.3. Union consumption

- (65) In recital 194 of the provisional Regulation, the Commission explained that glyoxylic acid is sold as two preparations, either a 50 % solution of glyoxylic acid or crystals of glyoxylic acid monohydrate. To compare the different types of glyoxylic acid, the Commission noted that one tonne of glyoxylic acid crystals typically contains 78,8 % of glyoxylic acid, whereas one tonne of glyoxylic acid solution typically contains 50 % glyoxylic acid. The Commission therefore considered that one tonne of glyoxylic acid crystals is equivalent to 1 576 tonnes of glyoxylic acid solution. Since, the only known producer of glyoxylic acid crystals is Xinjiang Guolin, the conversion only applied to their quantity of crystals exported to the Union.
- (66) Following the imposition of provisional measures, the exporting producer Xinjiang Guolin objected to the use of the conversion factor of 1 576 tonnes to convert crystal glyoxylic acid to 50 % liquid glyoxylic acid. The company repeated this comment following final disclosure, but it did not provide any additional elements in this regard.
- (67) The Commission noted that the calculation of the conversion factor was based on comparing the actual PUI content of the solid glyoxylic acid and the 50 % solution. To calculate the GOA content the Commission took into consideration the purity of 98 % for glyoxylic acid monohydrate in the product specifications of the crystals, and not on the conversion factor between the two forms as reported for the Guolin factory, as this is irrelevant to the glyoxylic acid actual content. On that basis and taking into account the molecular weight of glyoxylic acid monohydrate and glyoxylic acid, the Commission calculated that 1 576 kg of 50 % solution contain the same amount of glyoxylic acid as one kg of crystals. The claim was therefore rejected.
- (68) In the absence of other comments on Union consumption, the Commission confirmed its conclusions set out in recitals 192 to 196 of the provisional Regulation.

4.4. Imports from the country concerned

4.4.1. Volume and market share of the imports from China

- (69) Jaer, a user, commented that the Commission should have based its injury analysis on the absolute volume of imports and not on the share of imports in the Union market. It claimed that the decline in profitability of the Union Industry during the period considered is not related to the Chinese imports since the volume of imports had decreased by 13 % over the same period. The Commission noted that, as explained in recital 201 of the provisional Regulation, there was a decline in imports, linked to the contraction in demand. Despite the decrease in volumes, the market share of Chinese imports increased by 18 % (11 percentage points). The evolution of the market share duly expressed the replacement of the Union industry product by Chinese imports, which in turn caused the loss of profitability. Therefore, the claim is rejected.
- (70) In the absence of other comments, recitals 197 to 201 of the provisional Regulation are confirmed.

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

- (71) Jaer claimed that there was no price depression in the period considered as during the investigation period the Union industry's price was higher than prices in 2021 and only showed a moderate decrease relevant to 2023, which Jaer claimed was in line with reduced energy costs. The Commission noted that the price index change for the period considered in France, the country where the Union industry is based, was 13,6 % ⁽¹⁰⁾. As set out in recital 225 of the provisional Regulation, Union industry prices had increased by 12 % during that period. Therefore, taking into account inflation, Union industry prices in the investigation period are lower than in 2021.
- (72) Jaer also claimed that there was no price suppression caused by Chinese imports as the latter only decreased by 10 % during the period considered. The Commission recalled that, as stated in recital 205 of the provisional Regulation, the Union industry, faced with loss of market share due to competition with cheaper Chinese dumped imports, reduced its price to levels significantly below cost of manufacturing, so as to retain a sales volume allowing them to produce. The result of their inability to raise prices resulted in significant losses, causing injury to Union industry. Jaer's claims were rejected.

⁽¹⁰⁾ Consumer prices - inflation - Statistics Explained - Eurostat.

- (73) In recitals 206 to 207 of the provisional Regulation, the Commission informed about how the price undercutting was determined. In particular, the Commission explained that the weighted average prices per product type were calculated at Cost, insurance, freight (CIF) basis, taking into account customs duties and post-importation costs. As a first step in these calculations, export transactions were categorised under the appropriate Product Control Number (PCN). On the undercutting calculations, Xinjiang Guolin objected to the re-classification of some transactions from the standard quality PCN 'S' to the high quality PCN 'H'. The company provided analysis certificates showing that the impurities were such that they qualified the product under PCN 'S'. Therefore, the claim was accepted, and all transactions were classified under PCN 'S'.
- (74) In its comments to the final disclosure, Xinjiang Guolin also took issue with a statement in paragraph 59 in the final disclosure document which said that Guolin had objected to the calculation of post-importation costs for crystal glyoxylic acid. Guolin submitted it had never made such claim. Indeed, the correction of this error in the provisional calculations was not claimed by Guolin, but identified and corrected by the Commission. The correction was disclosed to parties in the final disclosure document.
- (75) Indeed, the Commission had noted that the post-importation costs had been calculated on the quantities after the conversion of crystals to 50 % solution, whereas they should have been calculated on the basis of the actual quantity of glyoxylic acid crystals. This was therefore corrected by the Commission upon final disclosure.
- (76) After final disclosure, Xinjiang Guolin also claimed that if the Commission converted the crystal exports to solution volume, it should adjust the export price to reflect this conversion by adding 0,06 EUR per Kg which is claimed to be the cost to convert the crystals back to liquid. This additional conversion cost however is part of the cost structure of the purchasers of the crystals and not part of the export price. This claim was therefore rejected.
- (77) Due to the claims and the correction set out above, the weighted average undercutting margin for imports from China on the Union market was revised and is between 12 % and 30 %.
- (78) In the absence of any further comments, the Commission confirmed its conclusions set out in recitals 202 to 207 of the provisional Regulation.

4.5. Economic situation of the Union industry

4.5.1. General remarks

- (79) In the absence of comments further to those addressed in recital 62 of this Regulation, the Commission confirmed its conclusions set out in recitals 208 to 211 of the provisional Regulation.

4.5.2. Macroeconomic indicators

4.5.2.1. Production, production capacity and capacity utilisation

- (80) Jaer claimed that the Commission did not demonstrate injury in its analysis of the Union industry's production volumes. The company noted that there was a 38 % production increase in the investigation period (July 2023 to June 2024) relevant to 2023. The Commission noted that injury analysis takes into consideration trends over the period considered. In the investigation period, the production quantity was at 47 % of the levels in 2021. As explained in recital 213 of the provisional Regulation the marginal increase of production volume from 41 % as compared to 2021 in 2023 to 47 % as compared to 2021 in the investigation period, which in itself is in any event an increase of a limited order, was only possible by decreasing prices below production costs, due to competition with dumped Chinese imports, and therefore led to even bigger losses as illustrated in recital 232 of the provisional Regulation. The claim was therefore rejected.

- (81) In the absence of remarks other than those addressed in recital 80 the Commission confirmed its findings set out in recitals 212 to 214 of the provisional Regulation.

4.5.2.2. Sales quantity and market share

- (82) In the absence of comments, the Commission confirmed its findings set out in recitals 215 to 217 of the provisional Regulation.

4.5.2.3. Growth

- (83) In the absence of comments, the Commission confirmed its findings set out in recital 218 of the provisional Regulation.

4.5.2.4. Employment and productivity

- (84) In the absence of comments, the Commission confirmed its findings set out in recitals 219 to 221 of the provisional Regulation.

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

- (85) In the absence of comments, the Commission confirmed its findings set out in recitals 222 and 223 of the provisional Regulation.

4.5.3. *Microeconomic indicators*

4.5.3.1. Prices and factors affecting prices

- (86) In the absence of comments, the Commission confirmed its findings set out in recitals 224 to 227 of the provisional Regulation.

4.5.3.2. Labour costs

- (87) In the absence of comments, the Commission confirmed its findings set out in recitals 228 and 229 of the provisional Regulation.

4.5.3.3. Inventories

- (88) In the absence of comments, the Commission confirmed its findings set out in recitals 228 and 229 of the provisional Regulation.

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

- (89) In the absence of comments, the Commission confirmed its findings set out in recitals 232 and 237 of the provisional Regulation.

4.6. **Conclusion on injury**

- (90) The Commission concluded, based on the findings disclosed in the provisional Regulation, that the Union industry suffered material injury within the meaning of Article 3(6) of the basic Regulation.

5. CAUSATION

5.1. **Effects of the dumped imports**

- (91) Jaer claimed that the decline in the economic situation of the Union industry as illustrated in the reduction of production and profitability is not related to the Chinese imports since their volume has declined since 2021.

- (92) As discussed in section 4.5 of the provisional Regulation, the data in the period considered clearly showed volume displacement of Union industry's sales by the low-priced Chinese imports in the free market, leading to a decline of Union production. The most pronounced effect is on capacity utilisation that fell below 50 %, a rate unsustainable for the chemical industry, as illustrated by the loss of profitability. The link between market share loss and production reduction on one side and the Chinese low-priced imports on the other, is clearly demonstrated in the investigation period, where the Union industry was able to regain some market share and increase production by reducing prices, albeit incurring significant losses. Therefore, the claim was rejected.
- (93) Trade Corporation claimed that the Commission did not establish the causal link between imports and injury, because they had not established that the Union industry is an efficient producer and that its alleged losses are not due to its own behaviour. The user however did not provide any evidence to support its claim. The Commission noted in recitals 238 to 244 of the provisional Regulation that the Union industry performed well at the beginning of the period considered, with injury indicators generally at healthy levels in 2021. Until 2022, it utilised the production capacity and enjoyed a healthy level of profitability. However, as of 2022 with the increase of Chinese imports at low prices, the Union industry saw a decrease in sales, market share and profitability as well as a corresponding decrease in productivity. Furthermore, in recital 246 of the provisional Regulation, the Commission established that the market share of dumped imports of glyoxylic acid increased by 18 % in the period considered. During the same period, as set out in recitals 215 to 217 of the provisional Regulation, the Union industry saw its sales volume decrease by 48 % and its market share by 30 %. Therefore, in recital 248 of the provisional Regulation, the Commission concluded that a significant increase in market share for dumped imports from the PRC at prices that were significantly undercutting Union prices, caused material injury to the Union industry. Therefore, the claim was rejected.
- (94) Following final disclosure, Jaer stated that the overall injury and causal link analysis did not provide a reasonable and justified explanation that there was injury to the Union industry caused by imports of the product under investigation and that the analysis was biased by the selection of 2021 as starting year of the period considered.
- (95) The Commission noted that the injury indicators showed increasing injury to the Union industry also after 2022: employment constantly decreased, the profitability of the Union industry decreased linearly every year. The Union industry production and sales also declined throughout the period considered. Therefore, the deterioration of the Union industry's situation is visible also when the investigation period is compared to 2022 and 2023. Moreover, while the Union consumption dropped, Chinese imports improved their position on the Union market, reflected in the increase of Chinese market share. Apart from the Union, China is the only other producer of glyoxylic acid in the world, therefore, dumped Chinese imports of glyoxylic acid have a direct impact on the Union producer. Chinese prices decreased significantly in 2023 and the investigation period, causing price depression on the Union industry. This claim was therefore dismissed.
- (96) In the absence of further comments on the effects of the dumped imports, the Commission confirmed the conclusions set out in recitals 246 to 248 of the provisional Regulation.

5.2. Effects of other factors

5.2.1. Import from third countries

- (97) In the absence of comments, the Commission confirmed its findings set out in recital 249 of the provisional Regulation.

5.2.2. Export performance of the Union industry

- (98) Jaer commented that the export prices of the Union industry were lower than those of the Union market, implying that the EU prices were inflated. During the verification visit at the premises of the Union industry, the Commission obtained information that this was due to the mode of transportation and the quantities of the export consignments. The claim was therefore rejected.

(99) Trade Corporation commented that the contraction in exports could not be attributed to dumped Chinese imports. In recital 252 of the provisional Regulation, the Commission had analysed export decline as a factor in the decline of Union industry performance but had not attributed the decline to the Chinese imports into the Union. The comment was therefore rejected.

(100) In the absence of any further comments, the Commission confirmed its conclusions set out in recitals 250 to 254 of the provisional Regulation.

5.2.3. *Cost increases in raw materials and energy prices*

(101) Jaer, Trade Corporation and Hubei Hongyuan claimed that the decline in profitability of the Union industry was caused by an increase of energy prices.

(102) As mentioned in recitals 226 and 255 of the provisional Regulation, the Union industry faced higher costs of production during 2022, due to price increases in the energy. However, even as of 2023 when the energy prices started to decline ⁽¹⁾, it was impossible for the Union industry to set profitable sales price, given competition of imports from the PRC at dumped prices. Therefore, the claim was rejected.

5.2.4. *Consumption*

5.2.4.1. *Contraction in demand*

(103) Jaer, Trade Corporation and Hubei Hongyuan claimed that injury was also due to the contraction of the Union market for glyoxylic acid. The same parties claimed that the contraction in demand is a general phenomenon caused by the contraction of the chemical sector in the Union, and thus not attributable to dumped imports of glyoxylic acid.

(104) In the provisional Regulation, in recital 256, the Commission had acknowledged that the EU market fluctuated in the period considered with a contraction of 28 % in the investigation period in relation to 2021. As explained in the same recital, regardless of the fluctuations in the market, the share of Chinese imports continued to increase even in periods of contraction and, the EU industry was not able to maintain market share. The contraction in demand did therefore not attenuate the causal link.

(105) In the absence of further comments on the effects of the dumped imports, the Commission confirmed the conclusions set out in recital 256 of the provisional Regulation.

5.2.4.2. *Captive use*

(106) Jaer, Trade Corporation and Hubei Hongyuan claimed that injury was also due to the contraction of the Union market for glyoxylic acid in the captive market. Jaer also noted that the contraction in the captive market breaks the causal link as the Chinese imports could not cause the decline in the captive market.

(107) In recital 258 of the provisional Regulation, the Commission had set out that the impact of the contraction in the captive market -regardless of its cause- was less severe, both in volumes and in price decline, than the loss of sales in the free market due to the dumped Chinese imports. Therefore, the contraction in captive use did not attenuate the causal link.

(108) In the absence of other comments, recitals 257 to 259 of the provisional Regulation are confirmed.

5.3. **Conclusion on causation**

(109) All claims of the parties following the provisional Regulation were rejected. The Commission therefore concluded, based on the findings disclosed in the provisional Regulation, that the dumped imports from the PRC 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 findings in recitals 260 to 263 of the provisional Regulation were confirmed.

⁽¹⁾ Eurostat: Electricity_price_statistics#Electricity_prices_for_non-household_consumers.

6. LEVEL OF MEASURES

6.1. Underselling margin

- (110) Xinjiang Guolin objected to the Commission using the average profit of 2021 and 2022, the last two profit making years for the complainant, to calculate the target price for glyoxylic acid. Xinjiang Guolin requested to exclude the year 2021, claiming that that year was exceptionally profitable due to supply chain disruptions. The Commission noted that 2022 could equally be considered an exceptional year due to the impact of energy prices on the Union industry's profitability. By including both years the Commission ensured a fairer assessment. Thus, the request was dismissed.
- (111) The cumulative effect of the recategorization of transactions and recalculation of post importation costs described in recitals 73 to 76 was that the underselling margin for Xinjiang Guolin was reduced to 57,3 %. Consequently, the underselling margin for the other cooperating exporters, which is the weighted average of the sampled exporters was revised to 93,6 %.
- (112) Given the low level of cooperation (see recitals from 179 to 181 of the provisional Regulation) and in line with the approach described therein for establishing the dumping margin for all other companies, the Commission deemed it appropriate to base the underselling margin for all other companies on a representative volume of sales by Hubei Hongyuan to the Union. These sales were considered an appropriate proxy for reflecting the injurious pricing behaviour of companies that chose not to cooperate. The residual underselling margin was therefore set at 124,9 %.
- (113) As described under Section 3.5 above, the Commission revised the dumping margins after the imposition of provisional measures.
- (114) In view of these changes to the dumping and underselling margins, the table under recital 272 of the provisional Regulation is revised as follows:

Company	Dumping margin (%)	Underselling margin (%)
Hubei Hongyuan	29,2	112,9
Xinjiang Guolin	130,0	57,3
Other cooperating companies	64,0	93,6
All other imports originating in the People's Republic of China	210,5	124,9

- (115) Apart from the above changes, and in the absence of further comments, the findings in recitals 267 to 272 of the provisional Regulation were confirmed.

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

- (116) In the absence of comments, the Commission confirmed the conclusions set out in recitals 273 to 281 of the provisional Regulation.

7. UNION INTEREST

7.1. Union interest under Article 7(2b) of the basic Regulation

- (117) Having concluded that there is raw material distortion in China, as defined by Article 7(2a) of the basic Regulation, the Commission examined whether it could clearly conclude that it was in the Union interest to determine the amount of definitive duties in accordance with Article 7(2b) of the basic Regulation.
- (118) The determination of the Union interest was based on an appreciation of all pertinent information to this investigation, including the spare capacities in China, competition for raw materials and the effect on supply chains for Union companies in accordance with Article 7(2b) of the basic Regulation. In conducting this assessment, the Commission also took into consideration the additional information on the impact on supply chains submitted following the imposition of provisional measures by the exporting producer Hubei, the users Nurion, Jaer, Trade Corporation, Brüggemann and Deretil, as well as the Union industry's response thereto.

7.1.1. *Spare capacities in the exporting country*

- (119) Deretil disagreed with the Commission's conclusions that Hubei Hongyuan, the co-operating producer with the lowest anti-dumping duty, possessed spare capacity, citing the company's submission. The user did not provide any further evidence to support its claim. The Commission provided relevant information concerning the spare capacities in the exporting country in recital 284 of the provisional Regulation.
- (120) In the absence of other comments, the conclusions under recitals (284) to (286) of the provisional Regulation are confirmed.

7.1.2. *Competition for raw materials*

- (121) In the absence of comments, the Commission confirmed the conclusions set out in recitals 287 to 290 of the provisional Regulation.

7.1.3. *Effect on supply chains for Union companies*

- (122) Trade Corporation, Jaer and Hubei Hongyouan claimed that the imposition of the measures would give the Union Industry a monopolistic position. The claim was rebutted in recital 308 of the provisional Regulation. As no additional information was provided the claim was dismissed.
- (123) Following the imposition of provisional measures, Deretil, Jaer and Trade Corporation commented on the ability of the Union industry to provide enough quantities of glyoxylic acid to the users, as the only sources of supply are located in the Union and China. Furthermore, Jaer explained that it imported from Chinese exporters because of the quality characteristics and impurity profiles of their products which are difficult to obtain in the products offered by the Union industry. Brüggemann also repeated its comments made at the provisional stage that the Union industry cannot provide them with a specific grade that it requires for its production process.
- (124) In their submissions, Jaer and Deretil provided evidence that there will be an increase in their downstream markets' consumption and therefore demand for glyoxylic acid will increase in the following years. Jaer cited market intelligence pointing to an increase in the chelate market, and Deretil provided information on increasing demand in their downstream markets. They both noted that in such a situation the Union industry might not be able to supply all users.
- (125) Trade Corporation, Jaer and Deretil commented also on the importance of reliability and resilience of supply chains noting the need to avoid disruption of production schedules in the chemical industry. Furthermore, Deretil, Jaer and Brüggemann noted that the change of provider is difficult in the case of the chemical industry, as this requires testing and accreditation of procedures. In this regard, Deretil noted that it is in the interest of users to divest their sources of supply to guarantee the continuation of their manufacturing processes. Deretil raised also concerns regarding the availability of glyoxylic acid to produce amoxicillin which is an antibiotic included in the list of critical medicines ⁽¹²⁾ for which the Commission stated in the proposal for a Critical Medicines Act that 'security of supply in the EU must be ensured at all times ⁽¹³⁾'.
- (126) After the imposition of provisional measures, Weylchem Lamotte replied to the users' comments on capacity. The complainant provided additional information showing that there is currently sufficient unutilised capacity and that it is likely to increase due to further reduction of utilisation for captive use.
- (127) In recital 293 of the provisional Regulation, the Commission had analysed the situation regarding capacity and concluded that the Union industry could replace the major part (90 %-95 %) of Chinese imports. The Commission further analysed all information received after the imposition of provisional measures, on capacity and effects on supply chains. The information provided by the users and the complainant showed that the Union industry together with Hubei Hongyuan, the exporter with the lowest dumping margin, possess sufficient spare capacity to satisfy the demand. This conclusion is even more valid if the spare capacities of the companies subject to the dumping margin applicable to "other cooperating companies" were taken into account. The claims were therefore dismissed.

⁽¹²⁾ Union-list-critical-medicines.

⁽¹³⁾ Proposal for a Critical Medicines Act - European Commission.

- (128) Concerning Jaer's and Brüggemann claims regarding specific grades for their respective production processes, initially neither Jaer or Brüggemann disclosed information on those specific grades needed, and therefore the Union industry was not in a position to respond on whether or not they could provide such grades. The Commission concluded that indeed both Jaer and Brüggemann source specific grades of glyoxylic acid from China, however the Commission could not verify whether the same grades could be supplied by the Union industry as information on the specific grades was not disclosed. The claims were therefore dismissed. Following definitive disclosure, Brüggemann disclosed additional information. The claim is addressed in recitals 158 to 163.

7.1.4. *Financial situation of the users*

- (129) As explained in recital (18) of the provisional Regulation, glyoxylic acid is an intermediate product to produce antibiotics, vanillin, chelated fertilisers and allantoin. Three fertiliser producers, Trade Corporation, Nouryon, and Jaer, one antibiotics producer, Deretil, and one specialty chemicals producer, Brüggemann, representing 75 % of imports and 72 % of EU consumption of glyoxylic acid, made submissions following the imposition of provisional measures.
- (130) The users claimed that the imposition of measures would significantly increase their costs, decrease their profits with Deretil and Brüggemann claiming that they would incur losses and impact their competitiveness at a time when they are facing increasing pressure in their respective markets from Chinese and Indian exporters that would not be impacted by the measures. The users further claimed that due to the competition from exporting producers in their respective markets, they would not be able to pass-on the increased costs. On these grounds, Jaer and Nouryon requested the Commission to reconsider the level of measures. In particular, Jaer requested the application of measures in accordance with Article 7(2) of the basic Regulation.
- (131) The Commission had established the existence of raw material distortions within the meaning of Article 7(2a) of the basic Regulation (recital 281 of the provisional Regulation). In order to assess whether it was in the Union's interest to impose measures in accordance with Article 7(2) or 7(2a) of the basic Regulation, the Commission first made simulations on the users' profitability on the basis of the definitive dumping and injury margins, assuming that volumes of glyoxylic acid, as well as turnover achieved on downstream products, remained equal to those in the investigation period.
- (132) Second, the Commission assessed the impact of the duties on profitability by reducing the profit in proportion to glyoxylic acid's contribution to turnover, multiplied by the effective price increase resulting from the imposition of the duties. The effective price increase took into consideration the provenance of the imports, the duties imposed on the exporting producers, as well as the price increases reported for the Union industry.
- (133) The impact of the measures varied in line with differences regarding the users' initial profitability, the contribution of glyoxylic acid to the downstream products' turnover and the source of supply of the glyoxylic acid. Specifically, the contribution of glyoxylic acid to the downstream products' turnover ranges between 5 % to 18 %. Profit margins for chelate and dedicated chemicals producers were well above 10 %, whereas the antibiotics producer reported profits in the range of 5 % to 7 %. Lastly, there were higher effective increases in prices when companies were sourcing from non-cooperating producers.
- (134) The results of the simulations showed that if duties were imposed on exports from China pursuant to Article 7(2a) of the basic Regulation, except for Deretil, users would remain profitable, even if they do not increase prices, due to their high profit margins. The simulations showed the same result for users sourcing from non-cooperating producers. The duties would certainly have an impact in the profitability of users, but redirection of purchases to increase the share of Union industry or exporters with lower duties like Hubei, would further mitigate the impact.

- (135) In the case of Deretil, due to its moderate profit margin, if duties were imposed in accordance with Article 7(2a) of the basic Regulation, the measures would seriously affect its profitability, and the company would become loss-making. The Commission acknowledged, as pointed out by Deretil, that amoxicillin is included in the list of critical medicines for which continuity of supply is a priority ⁽¹⁴⁾. Therefore, since Deretil is the only producer of the amoxicillin precursor and one of the two producers of amoxicillin in the Union, it is important that its healthy profitability and security of supply would not be jeopardised.
- (136) The Commission then made a simulation on the profitability of Deretil if duties were imposed on exports from China in accordance with Article 7(2) of the basic Regulation. Deretil's profitability would be also impacted under the Article 7(2) measures, however in that scenario, Deretil would remain profitable even in the event that it would have to source from non-cooperating exporters. Moreover, the Commission analysed the source of supply and the quality grades of glyoxylic acid Deretil uses and concluded that the company could source a greater share of the glyoxylic acid from the Union industry and cooperating exporting producers, thus significantly mitigating the impact of the measures on their profitability.

7.1.5. Conclusion on Union interest under Article 7(2b) of the basic Regulation

- (137) In recitals 296 and 297 of the provisional Regulation, the Commission concluded that it was in the interest of the Union to determine the amount of duties in accordance with Article 7(2a) of the basic Regulation, and set the level of provisional duties on the basis of the level of dumping.
- (138) The analysis of the submissions of the users following the imposition of provisional measures showed that, while for all other users the imposition of measures in accordance with Article 7(2a) of the basic Regulation is not likely to lead to significant negative consequences, such level of duties would severely impact specifically the profitability of Deretil, which would become loss-making. The analysis also showed that when applying the duties in accordance with Article 7(2) of the basic Regulation, Deretil would remain profitable.
- (139) On that basis, the Commission did carefully weigh all the elements and could not conclude that it is in the Union's interest to determine the amount of duties in accordance with Article 7(2a), namely it was not in the interest of the Union to set the level of the measures at the level of dumping in view of the disproportionately negative effect this is likely to have on supply chains for Union companies.
- (140) The Commission therefore confirmed that the measures should be set in accordance with Article 7(2) of the basic Regulation.

7.2. Union interest under Article 21 of the basic Regulation

- (141) Having assessed the Union interest pursuant to Article 7(2b) of the basic Regulation, the Commission then 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.

7.2.1. Interest of the Union industry

- (142) As explained in recital 299 of the provisional Regulation, the sole producer of glyoxylic acid in the Union lodged the complaint, cooperated fully in the investigation and expressed its interest to the imposition of measures.
- (143) In the absence of comments, recitals 299 to 302 of the provisional Regulation are confirmed.

⁽¹⁴⁾ EMA/438798/2023w.

7.2.2. *Interest of unrelated importers and traders*

- (144) In the absence of comments from Union importers and traders, recitals (303) and (304) of the provisional Regulation are confirmed.

7.2.3. *Interest of users*

- (145) As set out in section 7.1.3 of this Regulation, the users Trade Corporation, Deretil and Jaer repeated their concerns regarding the limited production capacity of the complainant and the availability of sufficient quantities of glyoxylic acid in the Union.
- (146) Trade Corporation and Deretil opposed the adoption of the measures. Furthermore, Nouryon, Trade Corporation, Deretil, Jaer and Brüggemann made also comments regarding the effect on their profitability and competitiveness (see also section 7.1.4).
- (147) Concerning claims on capacity and profitability, the Commission addressed those claims in recital 80 of this Regulation. Furthermore, as set out in section 7.1.4 of this Regulation, with the application of definitive anti-dumping duties in accordance with Article 7(2) of the basic Regulation, all users would remain profitable, even if they need to source from non-cooperating producers. Consequently, in cases where production is disrupted either in the Union industry or in Hubei — the exporting producer with lower duties — users would still have access to other sources of supply, ensuring the availability of alternatives to the Union industry. Therefore, claims on profitability, competitiveness, capacity and availability are dismissed.
- (148) Following the imposition of provisional measures, Jaer requested a product scope exclusion of the type of grade of glyoxylic acid they use to produce fertilisers. It claimed being unable to source enough quantities of this grade from the Union industry.
- (149) To assess any product exclusion request, the Commission has to examine (i) the basic physical, chemical and technical characteristics of those product types, (ii) their end-use and interchangeability, (iii) end-customer perception, (iv) impact of duties on the user, (v) alternative sources of supply, and (vi) impact of exemption on duties. As Jaer made its request after the deadline to submit product scope claims, the Commission could not consider the request as it could not carry out the analysis to grant or reject this product scope exclusion.
- (150) Following imposition of provisional measures, Deretil requested an end-use exemption under Article 254 of the Union Customs Code ⁽¹⁵⁾ for the use of glyoxylic acid for the production of an antibiotic precursor D(-) Alpha Parahydroxy PhenylGlycine Methyl Ester 'Methyl Ester' and of the antibiotic amoxicillin.
- (151) After analysing the evidence and the comments presented by Deretil, the Commission determined that there are no grounds to grant the end-use exemption, since Deretil does not require a special grade of glyoxylic acid and could source from the Union industry and all exporting producers in China. Moreover, as explained in recitals 136 and 147, the imposition of the measures is in accordance with Article 7(2), therefore Deretil would remain profitable even if it would source from non-cooperating producers in China.
- (152) Brüggemann reiterated its request for an end-use exemption under Article 254 of the Union Customs Code, already made at provisional stage as mentioned in recital 24 of the provisional Regulation. Brüggemann provided more information concerning the type of glyoxylic acid it sources from China and claimed that contrary to the Commission's findings in the provisional Regulation, the glyoxylic acid sourced from China and the glyoxylic acid sourced from the Union were not interchangeable.
- (153) In recitals 25 to 28 of the provisional Regulation, the Commission explained the reasons why it could not grant end-use exemption to Brüggemann. The Commission analysed the new information provided by the company after the imposition of provisional measures. As explained in recital 128, Brüggemann did not disclose specific information regarding the type of grade of glyoxylic acid it sources from China and therefore the Union industry was initially not in a position to comment on whether or not they could source that grade. The Commission therefore rejected the end-use exemption request.

⁽¹⁵⁾ Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code (OJ L 269, 10.10.2013, p. 1, ELI: <http://data.europa.eu/eli/reg/2013/952/oj>).

- (154) The Commission had therefore concluded that the requests made by Deretil and Brüggemann if granted, would account for a significant amount of total Union consumption of glyoxylic acid (13 % to 18 %) in the case of Deretil and 3 % to 5 % in the case of Brüggemann. Therefore, granting them it would put into question the effectiveness of the measures in protecting the Union industry.
- (155) However, as explained in recitals 158 to 163, the request of Brüggeman could now be accepted.

7.2.4. *Interest of consumers*

- (156) After the imposition of provisional measures, Trade Corporation alleged that the imposition of antidumping duties on glyoxylic acid would impact the price of fertilisers and could lead to increased costs in agricultural production, and thus to higher food prices for consumers. Deretil similarly argued that the increase in price of glyoxylic acid, would increase significantly the price of antibiotic precursors produced in the Union and, therefore, increase the price of antibiotics and impact EU consumers, especially those with lower income. In the absence of corroborating evidence, the claims are dismissed.

7.2.5. *Strategic interest of the Union industry*

- (157) As shown by the users' submissions glyoxylic acid is a crucial intermediate for Union industries in general and for antibiotic production in particular. In recent legislative proposals ⁽¹⁶⁾ ⁽¹⁷⁾ the Commission has noted that shortages of medicinal products can result from supply chain disruptions and vulnerabilities affecting the supply of key ingredients and components and has sought to address them and increase the resilience of the pharmaceutical sector. The loss of the only glyoxylic acid producer in the Union as a result of the dumped imports would increase the vulnerability of the pharmaceutical sector since they will become solely dependent on long supply chains that have been disrupted on several occasions in the last few years, e.g. due to accidents in the Suez Canal or conflict in the Red Sea. Furthermore, the disappearance of glyoxylic production in the Union would lead to the dependency of the Union on Chinese imports, as there is no alternative source, and would compromise the Union's strategic autonomy in a crucial sector ⁽¹⁸⁾. Conversely, imposing measures at the proposed levels will protect the production of glyoxylic acid and avoid extensive harm to downstream industry and thus mitigate dependence on foreign supply chains.
- (158) Following final disclosure, Brüggemann reiterated that the rejection of its end-use exemption request by the Commission was unjustified. It claimed that such an exemption was warranted and justified in the present case since the end-use exemption for producing FFSRAs would not reduce effectiveness of duties. Brüggeman claimed that its imports from China and its total demand for glyoxylic acid are a negligible percentage of EU consumption. In addition, Brüggeman demonstrated that glyoxylic acid accounts for a significant share of production cost of FFSRAs and that it cannot change suppliers.
- (159) At the provisional stage, Brüggemann had not disclosed specific information regarding the type of grade of glyoxylic acid it sources from China and therefore the Union industry was not in a position to comment on whether or not it could provide that grade. However, following final disclosure Brüggemann made public the range (an iron (Fe) content of ≥ 10 and ≤ 20 PPM) in which the specific iron content of the type of glyoxylic acid it sources from China falls and repeated the claim that contrary to the Commission's findings in the provisional Regulation, first, the glyoxylic acid sourced from China and the glyoxylic acid sourced from the Union were not interchangeable and, second, it could only source this product from a specific Chinese supplier.
- (160) Following this submission by Brüggemann, Weylchem claimed that it could produce the glyoxylic acid type for which the end-use exemption was requested. However, the Commission noted that the supporting evidence did not confirm that that was indeed the case. In any event, it recalled that even if other suppliers could produce that very specific glyoxylic acid type, the Commission would still be within its discretion to conclude that an end-use exemption was still appropriate if the circumstances of the case would support granting an end-use exemption.

⁽¹⁶⁾ EUR-Lex - 52023PC0192 - EN - EUR-Lex.

⁽¹⁷⁾ EUR-Lex - 52023PC0193 - EN - EUR-Lex.

⁽¹⁸⁾ EU Strategic Autonomy Monitor.

- (161) Weylchem also claimed that Brüggemann's request should be rejected as it had been made outside the deadline set in the notice of initiation for submitting comments on the product scope. The Commission clarified that such deadline applies to comments on the actual product scope (including the product concerned and the like product), which need to be addressed at an early stage of the procedure because of potential implications to the scope of the investigation itself. On the other hand, the request by Brüggemann concerned an end-use exemption made in view of the potential application of measures. Such request was made in due course in the proceeding before the provisional stage. Further to the provisional rejection of its request, Brüggemann submitted additional comments and evidence at this later stage of the procedure to support its original request made in due course. Therefore, the Commission rejected that claim.
- (162) Finally, Weylchem indicated to fear that other Union users and importers might explore the risks of importing under the same regime, thus circumventing the measures through misdeclaration. The Commission notes that an end-use exemption is not company specific but provided for a specific end-use. Therefore, the exemption can be used by any company as long as the imported product is used for the production of FFSRA's and has an iron (Fe) content of ≥ 10 and ≤ 20 PPM. The end-use exemption is implemented and supervised by Member States customs authorities, which strictly ensure that imports for other uses will not benefit from the exemption and pay anti-dumping duties accordingly. The Commission thus rejected the claim.
- (163) On that basis, and in the light of the comments made by Brüggemann following disclosure as explained in recital 159, the Commission concluded that Brüggemann's request for an end-use exemption of glyoxylic acid used in the production of FFSRAs and with an iron (Fe) content of ≥ 10 and ≤ 20 PPM should be accepted. As the circumstances justifying the granting of the end-use exemption were already prevalent well before the imposition of the provisional anti-dumping measures, the Commission further concluded that it should be applied retroactively up to the imposition of the provisional anti-dumping measures.
- (164) Deretil disagreed with the Commission's finding that Deretil would remain profitable after the imposition of the anti-dumping duties. Deretil also disagreed with the Commission's finding that 'there are no grounds to grant the end-use exemption'. It claimed that the reasons for this refusal, (i) Deretil does not require a special grade of glyoxylic acid, (ii) it could source from the Union industry and all exporting producers in China and (iii) because Deretil would remain profitable 'even if they source from non-cooperating producers in China' were unfounded and insufficient. On the first reason, Deretil claimed it had based its claim on reasoned economic and end-use arguments and that therefore, the Commission's reference to 'a special grade' was of no use. On the second and third reasons, it mentioned that Deretil would be left in an extremely vulnerable situation if no end-use exemption for the production of methyl ester would be granted.
- (165) However, those arguments were not able to change the Commission's findings for the following reasons. Firstly, Deretil's request refers to the end-use exemption for a standard grade of glyoxylic acid which is produced by the Union industry in sufficient quantities. Secondly, the Commission simulated the impact of measures on Deretil and it would remain profitable even if it sources from non-cooperating producers in China. In simulating the impact of the measures, the Commission took into consideration the increase of prices by the Union industry, contrary to Deretil's claim that this parameter had not been included. Thirdly, Deretil is large user and the biggest importer of glyoxylic acid in the Union, and the production of antibiotics is one of the major uses of glyoxylic acid. Thus, granting the end-use exemption for the production of antibiotics would impact at least [13 to 18 %] of the market and significantly undermine the efficacy of the measure.
- (166) Following final disclosure, Jaer claimed that neither their product scope exclusion request nor their end-use exemption request were assessed by the Commission meaningfully.
- (167) The Commission maintained its position that the scope exclusion was requested after the deadline. Moreover, with respect to the request submitted by Jaer to grant end-use exemption for a high-quality grade of glyoxylic acid that is used for the production of chelate fertilisers, the Commission noted the following. Firstly, high quality glyoxylic acid is available from the Union industry and Jaer has been purchasing from them. Jaer had not replied to the users questionnaire and it had not disclosed the exact grade of glyoxylic acid it requires. Thus, the Union industry could not respond, and the Commission could not corroborate the finding that Jaer would be facing problems procuring sufficient quantities from the Union industry. Secondly, the Commission has examined the profitability of the company following imposition of the measures and concluded that it would remain profitable. Thirdly, the production of chelate fertilisers accounts for approximately 30 % of imports and for one third of the Union's consumption of glyoxylic acid, with Jaer's consumption accounting for the largest part of this. Therefore, even if only used for fertilisers by Jaer, this exemption would impact [20 to 25 %] of the market and significantly undermine the efficacy of the measures. Therefore, Jaer's request was rejected.

- (168) Following final disclosure, AEFA claimed that the proposed anti-dumping duty levels would entail a significant increase in the production cost of iron chelates, which would have to be passed on through the manufacturer–industry–distributor–farmer chain. This would then result in chelate prices reaching a level unaffordable for the various commercial agents and loss of competitiveness, not only for chelate manufacturers, but also for numerous Spanish and European users. The latter would then in turn enable and facilitate the entry of non-European competition into a market where the ‘Spain and Europe’ label is widely recognised and valued for its technology. AEFA also claimed there were already supply limitations for a raw material for a precursor for various products, such as amoxicillin or vanillin, currently unavailable in sufficient volumes in the Union market. AEFA therefore requested end-use exemptions for agricultural use and restrictions on finished iron chelates from China, to mitigate the competitive disadvantage faced.
- (169) The end use exemption request for agricultural use was not substantiated by verifiable facts supporting such exemption. Moreover, imposing restrictions on finished iron chelates from China is outside the scope of this proceeding. Therefore the claims were rejected.
- (170) After the additional final disclosure, in addition to its comments on Brüggemann’s end-use exemption request, Weylchem claimed that since the opening of this investigation, Chinese glyoxylic acid has been pouring into the Union market at prices that further undercut the levels established in the investigation period for the Union industry. It claimed that the Commission had decided not to impose retroactive duties on Chinese imports for policy reasons rather than economic ones, since there was no question that Chinese imports surged following the registration of imports, especially relative to Union consumption.
- (171) The Commission recalled that the analysis provided in recitals 191 to 195 below, which was disclosed to Weylchem in the final disclosure, was based on the legal requirements of Article 10(4) of the basic Regulation for the retroactive collection of duties, which in this particular proceeding were not met. This claim was therefore rejected.
- (172) Following the additional final disclosure, Jaer claimed that its requests for product-scope exclusion and end-use exemption were not properly considered and repeated both claims.
- (173) The Commission explained in recitals 166 and 167 above that the product exclusion request was made very late in the procedure and also why Jaer’s end-use exemption request was rejected.
- (174) Trade Corporation repeated its claim that the Commission had not demonstrated a causal link between the allegedly dumped Chinese imports and the Union producer’s losses highlighting that the concentration of the Union industry in a single producer might not be representative of a broader industry context and that external factors such as the energy crisis were not adequately considered. Trade Corporation also argued that imposing definitive duties would create a de-facto monopoly for the sole Union producer, jeopardising supply security and resilience.
- (175) The Commission disagreed, as explained in recital 93. In the absence of additional arguments or evidence, this claim was rejected.
- (176) Hubei claimed that it could produce the glyoxylic acid type for which the end-use exemption was requested and considered that other producers of glyoxylic acid, including the complainant, could also produce it. Therefore they objected to the granting of the end-use exemption.
- (177) As explained above in recital 162, an end-use exemption is not company specific and apply when products are imported to be used in the production of a particular downstream product. The fact that several exporting producers are able to produce a certain product type is irrelevant for the Commission’s decision. Therefore, this claim was rejected.

7.3. Conclusion on Union interest

- (178) On the basis of the above, the Commission confirms its conclusion set out in recital 314 of the provisional Regulation, that there are no compelling reasons that it is not in the Union interest to impose measures on imports of glyoxylic acid originating in the PRC.

8. DEFINITIVE ANTI-DUMPING MEASURES

8.1. Definitive measures

- (179) In view of the conclusions reached with regard to dumping, injury, causation, level of measures and Union interest, and in accordance with Article 9(4) of the basic Regulation, definitive anti-dumping measures should be imposed in order to prevent further injury being caused to the Union industry by the dumped imports of the product concerned.
- (180) On the basis of the above, the definitive anti-dumping duty rates, expressed on the CIF Union border price, customs duty unpaid, should be as follows:

Company	Dumping margin (%)	Injury margin (%)	Definitive anti-dumping duty (%)
Hubei Hongyuan Pharmaceutical Technology Co., Lt	29,2	112,9	29,2
Xinjiang Guolin New Materials Co., Ltd	130,0	57,3	57,3
Other cooperating companies listed in Annex	64,0	93,6	64,0
All other imports originating in the People's Republic of China	210,5	124,9	124,9

- (181) Following final disclosure, Guangdong Joy Chemical, Inner Mongolia Tianyuda Biological Technology, Jinyimeng Group, Deretil and Jaer claimed that the non-sampled cooperating exporting producers had fully cooperated with the Commission throughout this investigation and that the non-selection for sampling by the Commission should not result have resulted in the imposition of a duty that exceeded the rate applied to the sampled producer/exporter with the highest anti-dumping duty among the cooperating companies. The interested parties claimed that the Commission applied inconsistently Article 9(6) of the basic Regulation.
- (182) The Commission clarified that it followed the provision of Article 9(6) of the basic Regulation, which stipulate that the anti-dumping duty applied to imports from exporters not included in the investigation should not exceed the weighted average margin of dumping established with respect to the parties in the sample. The definitive anti-dumping duty was not calculated as a weighted average of the individual rates of anti-dumping duty, but the average dumping and injury margins were calculated, followed by application of the lesser duty rule. In the present case, the anti-dumping duty applied to imports from cooperating non-sampled exporters was based on the weighted average dumping margin of the sampled exporting producers and was fully compliant with Article 9(6) of the basic Regulation. The claim was rejected.
- (183) 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 in respect to these companies. These duty rates are thus exclusively applicable to imports of the product under investigation originating in the country concerned and produced by the named legal entities. Imports of the product concerned manufactured by any other company not specifically mentioned in the operative part of this Regulation, including entities related to those specifically mentioned, cannot benefit from these rates and should be subject to the duty rate applicable to 'all other imports originating in the PRC'.

- (184) A company may request the application of these individual anti-dumping duty rates if it changes subsequently the name of its entity. The request must be addressed to the Commission ⁽¹⁹⁾. The request must contain all the relevant information enabling to demonstrate that the change does not affect the right of the company to benefit from the duty rate which applies to it. If the change of name of the company does not affect its right to benefit from the duty rate which applies to it, a regulation about the change of name will be published in the *Official Journal of the European Union*.
- (185) To minimise the risks of circumvention due to the difference in duty rates, special measures are needed to ensure the proper application of the individual anti-dumping duties. The application of individual anti-dumping duties is only applicable upon presentation of a valid commercial invoice to the customs authorities of the Member States. The invoice must conform to the requirements set out in Article 1(3) of this Regulation. Until such invoice is presented, imports should be subject to the anti-dumping duty applicable to 'all other imports originating in the People's Republic of China'.
- (186) While presentation of this invoice is necessary for the customs authorities of the Member States to apply the individual rates of anti-dumping duty to imports, it is not the only element to be taken into account by the customs authorities. Indeed, even if presented with an invoice meeting all the requirements set out in Article 1(3) of this Regulation, the customs authorities of Member States should 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 rate of duty is justified, in compliance with customs law.
- (187) Should the exports by one of the companies benefiting from lower individual duty rates increase significantly in volume, in particular after the imposition of the measures concerned, such an increase in volume could be considered as constituting in itself a change in the pattern of trade due to the imposition of measures within the meaning of Article 13(1) of the basic Regulation. In such circumstances, an anti-circumvention investigation may be initiated, provided that the conditions for doing so are met. 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.
- (188) To ensure a proper enforcement of the anti-dumping duties, the anti-dumping duty for all other imports originating in the PRC should apply not only to the non-cooperating exporting producers in this investigation, but also to the producers which did not have exports to the Union during the investigation period.
- (189) Exporting producers that did not export the product concerned to the Union during the investigation period should be able to request the Commission to be made subject to the anti-dumping duty rate for cooperating companies not included in the sample. The Commission should grant such request provided that three conditions are met. The new exporting producer would have to demonstrate that: (i) it did not export the product concerned to the Union during the investigation period; (ii) it is not related to an exporting producer that did so; and (iii) has exported the product concerned thereafter or has entered into an irrevocable contractual obligation to do so in substantial quantities.

8.2. Definitive collection of the provisional duties

- (190) In view of the dumping margins found and given the level of the injury caused to the Union industry, the amounts secured by way of provisional anti-dumping duties imposed by the provisional Regulation, should be definitively collected up to the levels established under the present Regulation.

8.3. Retroactive collection

- (191) As mentioned in section 1.2, the Commission made imports of the product under investigation subject to registration.

⁽¹⁹⁾ Email: TRADE-TDI-NAME-CHANGE-REQUESTS@ec.europa.eu; TRADE-TDI-NAME-CHANGE-REQUESTS@ec.europa.eu; European Commission, Directorate-General for Trade, Directorate G, Wetstraat 170 Rue de la Loi, 1040 Brussels, Belgium.

- (192) During the definitive stage of the investigation, the data collected in the context of the registration was assessed. The Commission analysed whether the criteria under Article 10(4) of the basic Regulation were met for the retroactive collection of definitive duties.
- (193) The Commission's analysis showed no further substantial rise in imports in addition to the level of imports which caused injury during the investigation period, as prescribed by Article 10(4)(d) of the basic Regulation. For this analysis, the Commission compared the monthly average import volumes of the product concerned during the investigation period, which was 1 309 tonnes, with the monthly average import volumes during the period from the month following the initiation of this investigation until the last full month preceding the imposition of provisional measures (August 2024 – February 2025) which was 1 306 tonnes.
- (194) Also, when comparing the monthly average import volumes of the product concerned during the investigation period with the monthly average import volumes during the period from the month following the initiation of this investigation up to and including the month in which provisional measures were imposed (August 2024 – March 2025), no further substantial increase could be observed.
- (195) On that basis, the Commission concluded that the conditions as set out in Article 10(4) of the basic Regulation for the retroactive application of the definitive anti-dumping duty were not met.

9. FINAL PROVISION

- (196) In view of Article 109 of Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council ⁽²⁰⁾, when an amount is to be reimbursed following a judgment of the Court of Justice of the European Union, the interest to be paid should be the rate applied by the European Central Bank to its principal refinancing operations, as published in the C series of the *Official Journal of the European Union* on the first calendar day of each month.
- (197) The measures provided for in this regulation are in accordance with the opinion of the Committee established by Article 15(1) of Regulation (EU) 2016/1036,

HAS ADOPTED THIS REGULATION

Article 1

1. A definitive anti-dumping duty is imposed on imports of glyoxylic acid [usually falling under Chemical Abstracts Service (CAS) Number 298-12-4 or 6000-59-5], of a purity of at least 95 % by dry weight, whether in solid form or as an aqueous solution with a concentration by weight higher than 40 % thereof, currently falling under CN code ex 2918 30 00 (TARIC code 2918 30 00 13) and originating in the People's Republic of China.
2. The rate of the definitive anti-dumping duty applicable to the net, free-at-Union-frontier price, before duty, of the products described in paragraph 1 and produced by the companies listed below, shall be as follows:

Company	Definitive anti-dumping duty (%)	TARIC additional code
Hubei Hongyuan Pharmaceutical Technology Co., Ltd	29,2	89M2
Xinjiang Guolin New Materials Co., Ltd	57,3	89M3
Other cooperating companies listed in Annex	64,0	See Annex
All other imports originating in the People's Republic of China	124,9	8 999

⁽²⁰⁾ Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (recast) (OJ L, 2024/2509, 26.9.2024, ELI: <http://data.europa.eu/eli/reg/2024/2509/oj>).

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 name and function, drafted as follows: '*I, the undersigned, certify that the (volume in tonnes) of glyoxylic acid sold for export to the European Union covered by this invoice was manufactured by (company name and address) (TARIC additional code) in the People's Republic of China. I declare that the information provided in this invoice is complete and correct.*' Until such invoice is presented, the duty applicable to all other imports originating in the People's Republic of China shall apply.

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

Article 2

The product described in Article 1(1) shall be exempted from definitive anti-dumping duty if it is imported for use in the production of formaldehyde-free sulfur-based reducing agents ("FFSRAs") and with an iron (Fe) content of ≥ 10 and ≤ 20 PPM (parts per million).

This exemption shall be subject to the conditions laid down in the customs provisions of the Union on the end-use procedure, in particular Article 254 of Regulation (EU) No 952/2013.

Article 3

1. The amounts secured by way of the provisional anti-dumping duty under Implementing Regulation (EU) 2025/591 imposing a provisional anti-dumping duty on imports of glyoxylic acid shall be definitively collected. The amounts secured in excess of the definitive rates of the anti-dumping duty shall be released.

2. The exemption under Article 2 shall also apply to the provisional anti-dumping duty under Implementing Regulation (EU) 2025/591.

Article 4

Article 1(2) may be amended to add new exporting producers from the PRC and make them subject to the appropriate weighted average anti-dumping duty rate for cooperating companies not included in the sample. A new exporting producer shall provide evidence that:

- (a) it did not export the goods described in Article 1(1) during the period of investigation (01/07 2023 to 30/06/2024);
- (b) it is not related to an exporter or producer subject to the measures imposed by this Regulation, and which could have cooperated in the original investigation; and
- (c) it has either actually exported the product concerned or has entered into an irrevocable contractual obligation to export a significant quantity to the Union after the end of the period of investigation.

Article 5

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 22 September 2025.

For the Commission
The President
Ursula VON DER LEYEN

ANNEX

Cooperating exporting producers in the People's Republic of China not sampled

Name	TARIC additional code
Cangzhou Goldlion Chemicals Co., Ltd	89M4
Guangdong Joy Chemical Co., Ltd	89M5
Inner Mongolia Tianyuda Biological Technology Co., Ltd.	89M6
Jinyimeng Group Co., Ltd	89M7