



2025/2328

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COMMISSION IMPLEMENTING REGULATION (EU) 2025/2328

of 24 November 2025

amending Implementing Regulation (EU) 2021/328 imposing a definitive countervailing duty on imports of certain continuous glass fibre products originating in the People's Republic of China following a partial interim review, limited to injury

THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EU) 2016/1037 of the European Parliament and of the Council of 8 June 2016 on protection against subsidised imports from countries not members of the European Union ⁽¹⁾ ('the basic Regulation'), and in particular Article 19 thereof,

Whereas:

1. PROCEDURE

1.1. Previous investigations and measures in force

- (1) By Commission Implementing Regulation (EU) No 1379/2014 ⁽²⁾, following an anti-subsidy investigation ('the original investigation'), the Commission imposed a definitive countervailing duty on imports of certain continuous filament glass fibre products ('GFR') originating in the People's Republic of China ('the PRC' or 'China', or 'the country concerned') and a partial interim review of the anti-dumping measures, the Commission amended the original anti-dumping duty to values ranging from 0 % to 19,9 % and imposed an additional countervailing duty ranging from 4,9 % to 10,3 %. The resulting combined countervailing and anti-dumping measures ranged from 4,9 % to 30,2 %.
- (2) By Commission Implementing Regulation (EU) 2017/724 ⁽³⁾, following an expiry review of the anti-dumping measures, the Commission maintained these measures as established in Implementing Regulation (EU) No 1379/2014.
- (3) By Commission Implementing Regulation (EU) 2021/328 ⁽⁴⁾, following an expiry review of the countervailing measures, the Commission maintained these measures as established in Implementing Regulation (EU) No 1379/2014.
- (4) By Commission Implementing Regulation (EU) 2023/1452 ⁽⁵⁾, following an expiry review of the anti-dumping measures, the Commission maintained these measures as established in Implementing Regulation (EU) No 1379/2014.

⁽¹⁾ OJ L 176, 30.6.2016, p. 55, ELI: <http://data.europa.eu/eli/reg/2016/1037/oj>.

⁽²⁾ Commission Implementing Regulation (EU) No 1379/2014 of 16 December 2014 imposing a definitive countervailing duty on imports of certain filament glass fibre products originating in the People's Republic of China and amending Council Implementing Regulation (EU) No 248/2011 imposing a definitive anti-dumping duty on imports of certain continuous filament glass fibre products originating in the People's Republic of China (OJ L 367, 23.12.2014, p. 22, ELI: http://data.europa.eu/eli/reg_impl/2014/1379/oj).

⁽³⁾ Commission Implementing Regulation (EU) 2017/724 of 24 April 2017 imposing a definitive anti-dumping duty on imports of certain continuous filament glass fibre products originating in the People's Republic of China following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council (OJ L 107, 25.4.2017, p. 4, ELI: http://data.europa.eu/eli/reg_impl/2017/724/oj).

⁽⁴⁾ Commission Implementing Regulation (EU) 2021/328 of 24 February 2021 imposing a definitive countervailing duty on imports of continuous filament glass fibre products originating in the People's Republic of China following an expiry review pursuant to Article 18 of the Regulation (EU) 2016/1037 of the European Parliament and of the Council (OJ L 65, 25.2.2021, p. 1, ELI: http://data.europa.eu/eli/reg_impl/2021/328/oj).

⁽⁵⁾ Commission Implementing Regulation (EU) 2023/1452 of 13 July 2023 imposing a definitive anti-dumping duty on imports of certain continuous filament glass fibre products originating in the People's Republic of China following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council (OJ L 179, 14.7.2023, p. 57, ELI: http://data.europa.eu/eli/reg_impl/2023/1452/oj).

- (5) The resulting combined countervailing and anti-dumping measures therefore range from 4,9 % to 30,2 %.
- (6) Measures are also in force on imports of GFR originating in Egypt, imposed by Commission Implementing Regulation (EU) 2020/870 ⁽⁶⁾ following an anti-subsidy investigation. The duty on imports of certain continuous filament glass fibre products originating in Egypt, based on the level of subsidisation, is 13,1 %.

1.2. Other ongoing investigations of the same product

- (7) On 30 August 2024, the Commission initiated a full interim review of the anti-dumping measures applicable to imports of continuous filament glass fibre products originating in the People's Republic of China. It published a Notice of Initiation in the *Official Journal of the European Union* ⁽⁷⁾.
- (8) On 17 February 2025, the Commission initiated an anti-dumping proceeding concerning imports of continuous filament glass fibre products originating in Bahrain, Egypt and Thailand. It published a Notice of Initiation in the *Official Journal of the European Union* ⁽⁸⁾.

1.3. Initiation

- (9) On 30 August 2024, the European Commission ('the Commission') initiated a partial interim review limited to injury of the countervailing measures applicable to imports of GFR originating in the People's Republic of China on the basis of Article 19 of the basic Regulation. It published a Notice of Initiation in the *Official Journal of the European Union* ⁽⁹⁾ ('the Notice of Initiation').
- (10) The Commission initiated this review following a request lodged on 3 June 2024 by Glass Fibre Europe ('the applicant'). The review request was made on behalf of the Union industry of GFR in the sense of Article 10(6) of the basic Regulation. The review request contained evidence of changes of lasting nature in the structure of the Union GFR industries, as well as resulting material injury that was sufficient to justify the initiation of the investigation.

1.4. Interested parties

- (11) In the Notice of Initiation, the Commission invited interested parties to contact it in order to participate in the investigation. In addition, the Commission specifically informed the applicant, other known Union producers, known importers, users as well as associations known to be concerned about the initiation of the investigation and invited them to participate.
- (12) Interested parties had an opportunity to comment on the initiation of the review investigation and to request a hearing with the Commission and/or the Hearing Officer in trade proceedings.

⁽⁶⁾ Commission Implementing Regulation (EU) 2020/870 of 24 June 2020 imposing a definitive countervailing duty and definitively collecting the provisional countervailing duty imposed on imports of continuous filament glass fibre products originating in Egypt, and levying the definitive countervailing duty on the registered imports of continuous filament glass fibre products originating in Egypt (OJ L 201, 25.6.2020, p. 10, ELI: http://data.europa.eu/eli/reg_impl/2020/870/oj).

⁽⁷⁾ 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 (OJ C, C/2024/5344, 30.8.2024, ELI: <http://data.europa.eu/eli/C/2024/5344/oj>).

⁽⁸⁾ Notice of initiation of an anti-dumping proceeding concerning imports of continuous filament glass fibre products ('GFR') originating in Bahrain, Egypt and Thailand (OJ C, C/2025/1135, 17.2.2025, ELI: <http://data.europa.eu/eli/C/2025/1135/oj>).

⁽⁹⁾ Notice of initiation of a partial interim review of the anti-subsidy measures applicable to imports of continuous filament glass fibre products ('GFR') originating in the People's Republic of China (OJ C, C/2024/5343, 30.8.2024, ELI: <http://data.europa.eu/eli/C/2024/5343/oj>).

1.5. Subsequent procedure

- (13) The Commission informed all interested parties of the essential facts and considerations on the basis of which it intended to maintain a definitive countervailing duty on imports of GFR originating in the PRC ('final disclosure'). All parties were granted a period within which they could make comments on the disclosure. Comments submitted by Glass Fibre Europe and PROXIM after the disclosure were addressed in the relevant section below.
- (14) Parties who so requested were also granted an opportunity to be heard. However, no hearing was requested, and no intervention of the Hearing Officer was sought.

1.6. Sampling

- (15) In the Notice of Initiation, the Commission stated that it might sample interested parties in accordance with Article 27 of the basic Regulation.

Sampling of Union producers

- (16) In the Notice of Initiation, the Commission stated that it had provisionally selected a sample of Union producers. The Commission selected the sample on the basis of production and sales which consisted of three Union producers. The sampled Union producers accounted for more than 60 % of the estimated total volume of production and more than 69 % of the estimated total sales of the like product in the Union. The Commission invited interested parties to comment on the provisional sample. No comments were received. The sample was considered representative of the Union industry.

Sampling of unrelated importers

- (17) To decide whether sampling is necessary and, if so, to select a sample, the Commission asked unrelated importers to provide the information specified in the Notice of Initiation.
- (18) No unrelated importer replied to the sampling form. Consequently, the Commission decided that sampling was not necessary.

1.7. Questionnaire replies and verification visits

- (19) The Commission published online ⁽¹⁰⁾ the questionnaires for the users, unrelated importers and the Union producers.
- (20) Questionnaire replies were received from all three Union producers selected in the sample of Union producers.
- (21) The Commission sought and verified all the information deemed necessary for a determination of resulting injury and Union interest. Verification visits pursuant to Article 26 of the basic Regulation were carried out at the premises of the following companies:

Union producers

- 3B Fibreglass Company Sprl, Battice, Belgium,
- European Owens Corning Fiberglas SPRL, Watermael-Boitsfort, Belgium,
- Johns Manville Slovakia, Trnava, Slovakia.

1.8. Review investigation period and period considered

- (22) The investigation covered the period from 1 July 2023 to 30 June 2024 ('the review investigation period'). The examination of trends relevant for the assessment of injury covered the period from 1 January 2021 to the end of the review investigation period ('the period considered').

⁽¹⁰⁾ <https://tron.trade.ec.europa.eu/investigations/case-view?caseId=2748>.

2. PRODUCT UNDER REVIEW, PRODUCT CONCERNED AND LIKE PRODUCT

2.1. Product under review

- (23) The product subject to this review is chopped glass fibre strands, of a length of not more than 50 mm; glass fibre rovings, excluding glass fibre rovings which are impregnated and coated and have a loss on ignition of more than 3 % (as determined by the ISO Standard 1887); and mats made of glass fibre filaments excluding mats of glass wool ('the product under review'), currently falling under CN codes 7019 11 00, ex 7019 12 00, 7019 14 00 and 7019 15 00 (TARIC codes 7019 12 00 22, 7019 12 00 25, 7019 12 00 26, 7019 12 00 39). The CN and TARIC codes are given for information only without prejudice to a subsequent change in the tariff classification.
- (24) The product under review is the raw material most often used to reinforce thermoplastic and thermoset resins in the composites industry. The resulting composite materials (filament glass fibre reinforced plastics) are used in a large number of industries: automotive industry, electric/electronics, wind mill blades, building/construction, tanks/pipes, consumer goods, aerospace/military, etc.

2.2. Product concerned

- (25) The product concerned is the product under investigation originating in the People's Republic of China ('the product concerned').

2.3. Like product

- (26) The investigation showed that the following products have the same basic physical chemical and technical characteristics as well as the same basic uses:
- the product concerned when exported to the Union,
 - the product under investigation produced and sold on the domestic market of country concerned, and
 - the product under investigation produced and sold in the Union by the Union industry.
- (27) The Commission decided at this stage that those products are therefore like products within the meaning of Article 2(c) of the basic Regulation.

2.4. Claims regarding product scope

- (28) Following disclosure, Glass Fibre Europe submitted comments concerning the product scope of the measures.
- (29) These comments were received after the deadline set for the submission of comments on the final disclosure. In addition, the issue of product scope falls outside the scope of this proceeding, which is limited to the assessment of injury and causation.
- (30) For these reasons, the Commission did not take the submission into account and rejected the request.

3. CHANGES OF LASTING NATURE IN THE STRUCTURE OF THE UNION INDUSTRY AND MARKET

- (31) In the Notice of Initiation, the Commission indicated that the lasting changes concerning injury related to significant changes in the structure of the Union industry due to the increasing aggressive pressure of Chinese imports in terms of quantities and prices caused by the Chinese GFR overcapacities.

- (32) The investigation confirmed that the persistent overcapacity in China, coupled with aggressive pricing, has significantly hindered the growth of the GFR Union industry. Union producers have only managed limited capacity increases by optimising existing facilities. Following the implementation of additional trade measures in 2014, Chinese exports continued to exert pressure on the Union market, causing several producers to exit. In 2009, during the investigation period of the original investigation, there were eleven producers of GFR in the Union. By 2021, the beginning of the period considered, this number had declined to ten. Notably, P-D Glasseiden ceased production in Germany in 2019. More recently, Krosglass discontinued the production of GFR in July 2023 to focus on downstream activities. In addition, NEG NL declared bankruptcy⁽¹¹⁾ mainly due to escalating energy costs and a decline in demand from the automotive sector, which was the main end-market for its optical-fibre glass products. This additional closure thus brought the number of producers down to only eight. In parallel, Electric Glass Fiber UK has ceased production of GFR⁽¹²⁾ in 2025. Whereas the United Kingdom is no longer part of the European Union since 1 January 2021, this development does not change the number of Union producers, though it reduces available regional supply and forms part of the lasting changes affecting the Union market.
- (33) Looking at the evolution of production capacity, whereas capacity in the Union market was assessed only for the sampled producers in the original investigation and cannot be used as a point of reference in this regard, Union production capacity was estimated at 770 642 tonnes in 2019 in the 2021 expiry review of the countervailing measures⁽¹³⁾. By contrast, in the current investigation, capacity declined from 711 692 tonnes in 2021 to 651 196 tonnes in the RIP (– 9 %), i.e. about 10 % below the 2015 level. Even when not taking into account the UK producer in the post-Brexit indicators, the downward trend relating to production capacity was confirmed.
- (34) When comparing the data available from the original investigation, Union industry's sales fell from 737 818 tonnes in 2006 to 520 064 tonnes in the investigation period, with market share easing from 75,1 % to 69,5 % over the same period. By contrast, in the current investigation the Union industry's sales declined down to 337 898 tonnes in the RIP with market share dropping to 40 % in the RIP. This shows that Union sales have now reached levels well below that of the mid-2000s and, more importantly, that market share has contracted by roughly 30 percentage points, signalling a lasting erosion of the Union industry's position.
- (35) The situation on the Union market has also been affected by the establishment of Chinese owned companies producing GFR in third countries such as Egypt and Bahrain⁽¹⁴⁾. After the establishment of the companies in Egypt, the Commission imposed countervailing duties on imports of GFR from Egypt⁽¹⁵⁾ aiming at restoring a level playing field in view of the subsidised imports injuring the Union industry. Furthermore, there have been additional capacity increases in production of GFR in Egypt⁽¹⁶⁾ and Bahrain⁽¹⁷⁾. Despite the measures taken against GFR imports from the PRC, the Union industry remained under persistent pressure from recurring inflows of unfairly traded GFR coming from a growing number of third countries, including Chinese-controlled facilities in Bahrain and Egypt, which increased their market share on the Union market significantly. On 17 February 2025, the Commission initiated an anti-dumping proceeding regarding imports of GFR originating in Bahrain, Egypt, and Thailand⁽¹⁸⁾.
- (36) The Commission also established that structural changes have occurred in Union energy markets. Although energy costs had fallen from their 2022 peak by the end of the RIP, they remained above the levels prevailing at the beginning of the period considered. The Commission considered that it is unlikely that gas prices will return to or firmly stabilise at the levels observed until mid-2021. Since that year, most Member States that previously relied on pipeline imports of natural gas from Russia have progressively reduced such dependence. Following Russia's unjustified military aggression against Ukraine, the Union and its Member States reinforced and accelerated measures to diversify energy supplies and to eliminate reliance on Russian gas. In this context, at least 17 new LNG terminals have been planned or are under construction⁽¹⁹⁾. Given the scale of investment required for LNG infrastructure and the Union's clear commitment to ending dependence on Russian pipeline gas⁽²⁰⁾, the Commission concluded that the Union is highly unlikely to return to sourcing Russian gas in the volumes and at the prices that prevailed prior to 2021. Accordingly, it must be expected that gas prices will remain durably higher than those seen until the first half of 2021.

⁽¹¹⁾ <https://pdf.irpocket.com/C5214/cXIT/CQ9H/RQLv.pdf> (consulted on 22 August 2025).

⁽¹²⁾ <https://www.ft.com/content/345784e3-a9ce-4808-8f02-8919920c0ac6> (consulted on 22 August 2025).

⁽¹³⁾ See footnote 4.

⁽¹⁴⁾ See footnote 5.

⁽¹⁵⁾ See footnote 6.

⁽¹⁶⁾ https://www.jecomposites.com/news/spotted-by-jec/jushi-egypt-completes-the-construction-of-its-fourth-glass-fiber-production-line/?news_type=announcement,business&tax_product=glass-fiber (consulted on 22 August 2025).

⁽¹⁷⁾ See footnote 5.

⁽¹⁸⁾ See footnote 8.

⁽¹⁹⁾ <https://www.ft.com/content/16031b21-cb2f-40c7-a77d-1ac061196264> (consulted on 22 August 2025).

⁽²⁰⁾ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, 'Save gas for a safe winter' (COM (2022) 360 final of 20 July 2022).

- (37) The Commission noted that the Union industry operates in a context of increasingly stringent environmental and energy-related obligations. In its 2023 position paper, the applicant warned that Union GFR producers face rising operating costs linked to environmental and energy compliance ⁽²¹⁾. In this regard, a recent life-cycle assessment covering around 95 % of Union production of glass-fibre fabrics demonstrated that the manufacture of one kilogram of fabric entails an average environmental footprint of 2,2 kg CO₂ emissions and 39 MJ of primary energy consumption ⁽²²⁾. Between 2015 and 2021, industry-wide energy consumption decreased by 8 % and greenhouse gas emissions by 3 %. These figures indicate that, while some progress has been achieved, further reductions will require substantial additional investments. Furthermore, the Commission observed that Union legislation in the field of environmental protection, including the Industrial Emissions Directive (Directive 2010/75/EU of the European Parliament and of the Council ⁽²³⁾ as amended by Directive (EU) 2024/1785 of the European Parliament and of the Council ⁽²⁴⁾), as well as other climate and circular economy measures forming part of the European Green Deal, is expected to bring additional compliance costs for Union producers. Taken together, these findings confirm that environmental costs for the Union industry are expected to rise in the coming years. This constitutes a lasting change in the cost structure of the Union industry.
- (38) The Commission recalls that the product concerned is mainly used as reinforcement material in the production of composites. More than 95 % of glass-fibre demand in the Union is linked to such reinforcement applications. In recent years, however, the Union market for composites has contracted. Production volumes of glass-fibre-reinforced plastics in Europe fell by 9 % in 2022 and by an additional 8 % in 2023 ⁽²⁵⁾, bringing total output down to 2,4 million tonnes in 2024, a level not seen since 2012. At the same time, global composites production expanded by approximately 6 % in 2023, underlining the decrease of Union's market share. This contraction has a direct impact on demand for the basic forms of glass fibre covered by the current review. On this basis, the Commission concluded that the decline in Union composites demand, coupled with increased worldwide production and increased imports from third countries, represented a lasting change in market circumstances.
- (39) In light of the above, the Commission concluded that since the original investigation there were changes in circumstances of a lasting nature with regard to the structure of the Union industry and market which are considered a relevant change in circumstances within the meaning of Article 19 of the basic Regulation.

4. INJURY

4.1. Definition of the Union industry and Union production

- (40) The like product was manufactured by ten producers in the Union at the beginning of the period considered, while two of them ceased production during the RIP as mentioned in recital (32). They constitute the 'Union industry' within the meaning of Article 9(1) of the basic Regulation.
- (41) The total Union production during the RIP was established at 504 019 tonnes. The Commission established the figure on the basis of the available information concerning the Union industry as provided by Glass Fibre Europe ('GFE'). As indicated in recital (16), manufacturing plants of three Union producers were selected in the sample representing 60 % of the total Union production of the like product.

⁽²¹⁾ https://glassfibreeurope.eu/wp-content/uploads/2023/06/GFE_EU-Economic-Security-Strategy-and-the-Role-of-Glass-Fibre-June-2023.pdf (consulted on 22 August 2025).

⁽²²⁾ https://glassfibreeurope.eu/wp-content/uploads/2023/02/GFE_LCA-report-2023-February-2023.pdf (consulted on 21 August 2025).

⁽²³⁾ Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control) (OJ L 334, 17.12.2010, p. 17, ELI: <http://data.europa.eu/eli/dir/2010/75/oj>).

⁽²⁴⁾ Directive (EU) 2024/1785 of the European Parliament and of the Council of 24 April 2024 amending Directive 2010/75/EU of the European Parliament and of the Council on industrial emissions (integrated pollution prevention and control) and Council Directive 1999/31/EC on the landfill of waste (OJ L, 2024/1785, 15.7.2024, ELI: <http://data.europa.eu/eli/dir/2024/1785/oj>).

⁽²⁵⁾ https://www.avk-tv.de/wp-content/uploads/2025/02/AVK_MarktReport_2025_long_final_en-1.pdf (consulted on 22 August 2025).

4.2. Union consumption

- (42) The Commission established the Union consumption on the basis of (i) the volume of sales of the Union industry on the free Union market based on data provided by GFE and (ii) imports from third countries based on data extracted from Eurostat (Comext).

Table 1

Union consumption

	2021	2022	2023	RIP
Total Union consumption (tonnes)	905 048	953 104	833 320	853 661
Index	100	105	92	94

Source: Data provided by GFE; Eurostat (Comext).

- (43) The total consumption of GFR in the Union decreased by 6 % during the period considered. The increase observed in 2022 was mainly due to the economic recovery following the lifting of the COVID-19 measures as users resumed placing orders to restock inventories and restart production. However, during 2023 demand for GFR in the Union decreased while in the RIP it recovered by 2 %. Decline in consumption and subsequent poor recovery were attributed to over-ordering in previous years and more cautious consumer spending due to the economic climate in the RIP.

4.3. Imports from the country concerned

4.3.1. Volume and market share

- (44) Imports into the Union from the PRC developed as follows:

Table 2

Import volume and market share

	2021	2022	2023	RIP
Volume of imports from the PRC (tonnes)	56 974	107 404	80 039	86 005
Index	100	189	140	151
Market share (%)	6	11	10	10
Index	100	181	155	163

Source: Eurostat (Comext).

- (45) Even with the measures in place, the volume of imports from the PRC increased by 51 % during the period considered. Considering the evolution of consumption, the market share of Chinese imports increased from 6 % in the 2021 to 10 % in the RIP.

4.3.2. Prices of the imports from the PRC and price undercutting

- (46) The Commission established the prices of imports on the basis of Eurostat data. The average price of imports into the Union from the PRC developed as follows:

Table 3

Import prices

	2021	2022	2023	RIP
The PRC (EUR/tonne)	1 302	1 585	1 026	939
Index	100	122	79	72

Source: Eurostat (Comext).

- (47) The average import price of the product under review into the Union initially increased by 22 % in 2022 due to exceptionally high shipping costs that followed the lifting of the COVID-19 measures. Subsequently a significant drop in average import prices could be observed. In the RIP as the average price of imports into the Union was 28 % lower than in 2021.
- (48) The Commission determined the price undercutting during the RIP by comparing:
- the weighted average sales prices per product type of the sampled Union producers charged to unrelated customers on the Union market, adjusted to an ex-works level, and
 - the corresponding weighted average prices per product type of the imports from the sampled Chinese producers in the parallel interim review of the anti-dumping measures to the first independent customer on the Union market, established on a Cost, insurance, freight (CIF) basis, with appropriate adjustments for conventional, anti-dumping and countervailing customs duties, and post-importation costs.
- (49) For sampled exporting producer Taishan Fiberglass Inc., sales made under a special supply agreement with Union producer European Owens Corning Fiberglas SPRL were excluded from the undercutting calculations because the product in question – an alkali-resistant glass fibre used for reinforcing cement – was not produced in the Union. The product is instead manufactured exclusively in China and Japan under a long-standing supply agreement between these two companies, with production relying on European Owens Corning Fiberglas SPRL's proprietary technology and inputs (e.g. bushings).
- (50) The comparison showed that, during the RIP, imports of the product under review originating in the PRC were sold in the Union at prices which undercut the Union industry prices, when expressed as a percentage of the latter, by 16,64 % to 30,68 %, even when including the applicable anti-dumping and countervailing duties.
- (51) In addition to price undercutting, there was also significant price suppression within the meaning of Article 8(2) of the basic Regulation. Due to the significant price pressure caused by the low-priced subsidised imports from Chinese exporting producers, the Union industry was unable to raise its prices throughout the RIP in line with the development of costs of production while trying to achieve a reasonable level of profit, as set out in Table 8 below. The significant price suppression was also confirmed by the data in Table 3.

4.4. Economic situation of the Union industry

4.4.1. General remarks

- (52) The assessment of the economic situation of the Union industry included an evaluation of all economic indicators having a bearing on the state of the Union industry during the period considered.

- (53) As mentioned in recital (16), sampling was used for the assessment of the economic situation of the Union industry.
- (54) For the injury determination, the Commission distinguished between macroeconomic and microeconomic injury indicators. The Commission evaluated the macroeconomic indicators on the basis of the information provided by GFE. The Commission evaluated the microeconomic indicators on the basis of data contained in the questionnaire replies from the sampled Union producers.
- (55) The macroeconomic indicators are: production, production capacity, capacity utilisation, sales volume, market share, employment, productivity, magnitude of the subsidisation and recovery from past subsidisation.
- (56) The microeconomic indicators are: average unit prices, unit cost, labour costs, inventories, profitability, cash flow, investments, return on investments and ability to raise capital.

4.4.2. *Macroeconomic indicators*

4.4.2.1. *Production, production capacity and capacity utilisation*

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

Table 4

Production, production capacity and capacity utilisation

	2021	2022	2023	RIP
Production volume (tonnes)	616 388	620 455	528 204	504 019
<i>Index</i>	100	101	86	82
Production capacity (tonnes)	711 692	696 059	683 048	651 196
<i>Index</i>	100	98	96	91
Capacity utilisation (%)	87	89	77	77
<i>Index</i>	100	103	89	89

Source: GFE.

- (58) Production volume in 2022 increased slightly in comparison to 2021 following relaxation of the COVID-19 measures which facilitated more stable production. Furthermore, in 2022 several sampled Union producers increased production volume in order to accumulate inventories of finished products as they were heading into planned furnaces rebuilds. However, in 2023 and RIP there was significant drop in production volume as the Union producers were selling off accumulated inventories while at the same time Union industry was faced with decreased demand and increased imports of GFR from the PRC at low prices.
- (59) Production capacity declined consistently throughout the period considered and was reduced by 9 %. As explained in the recital (32), the decrease in production capacity was due to some Union producers ceasing production, with Krosoglass S.A. halting GFR production in Poland and Electric Glass Fiber NL, B.V. entering bankruptcy proceedings. Additionally, following Brexit, NEG UK was excluded from the Union industry, which also contributed to the apparent decline in capacity compared to the previous review investigation.

- (60) Capacity utilisation decreased by 10 percentage points over the period considered as production volume decreased more than production capacity.

4.4.2.2. Sales volume and market share

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

Table 5

Free market sales volume and market share

	2021	2022	2023	RIP
Total sales volume on the Union market (tonnes)	405 241	373 138	341 558	337 898
<i>Index</i>	100	92	84	83
Market share (%)	45	40	42	40
<i>Index</i>	100	88	93	90

Source: GFE.

- (62) In the period considered, the sales volume on the Union free market and market share of Union producers experienced notable downward trends reflecting a decline in demand combined with increasing imports from the PRC at low prices. In parallel, while free market consumption decreased by 6 %, the sales volume of the Union industry decreased even more so that market share of the Union industry decreased from 45 % in 2021 to 40 % in the RIP.

- (63) The captive volume developed over the period considered as follows:

Table 6

Captive volume on the Union market and market share

	2021	2022	2023	RIP
Captive volume in the Union market (tonnes)	104 510	103 486	94 143	94 536
<i>Index</i>	100	99	90	90

Source: GFE.

- (64) The Union industry captive volume (composed of captive transfers and captive sales in the Union market) in the Union market went down by 10 % over the period considered. While sales in both the free market and the captive market followed a similar trend from 2021 to the end of the RIP, the decline in sales within the captive market was 7 percentage points less than in the free market.

4.4.2.3. Employment and productivity

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

Table 7

Employment and productivity

	2021	2022	2023	RIP
Number of employees	3 240	3 293	3 178	2 690
<i>Index</i>	100	102	98	83
Productivity (tonnes/ employee)	190	188	166	187
<i>Index</i>	100	99	87	98

Source: GFE.

(66) In the period considered, the number of employees in the Union industry exhibited both an initial increase and subsequent decline. The initial increase in 2022 in comparison to 2021 corresponded to the increased production and sales following the relaxation of COVID-19 restrictions. Subsequently, the Union industry had to reduce employment to adjust to the challenging market conditions and maintain operational efficiency, and some Union producers stopped production of GFR altogether as explained in the recital (32).

(67) Productivity decreased between 2021 and 2023 from 190 MT/employee to 166 MT/employee before picking up in the RIP to 187 MT/employee after employment contracted significantly. The efficiency gains also followed investment performed on the furnaces by several Union producers of GFR.

4.4.2.4. Magnitude of the subsidisation and recovery from past subsidisation

(68) The impact of the magnitude of the actual margins of subsidisation on the Union industry was substantial, given the volume and prices of imports from the PRC.

4.4.2.5. Growth

(69) The Union consumption decreased by 6 % during the period considered. The sales volume of the Union industry on the Union market decreased even more, by 16 %. The Union industry thus lost market share, contrary to the market share of the imports from the country concerned which increased during the period considered.

4.4.3. Microeconomic indicators

4.4.3.1. Prices and factors affecting prices

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

Table 8

Sales prices and cost of production in the Union

	2021	2022	2023	RIP
Average unit sales price in the Union (EUR/tonne)	1 100	1 540	1 343	1 209
<i>Index</i>	100	140	122	110
Unit cost of production (EUR/ tonne)	1 161	1 437	1 458	1 351
<i>Index</i>	100	124	126	116

Source: sampled Union producers.

- (71) The average sales prices increased in 2022 in comparison to 2021 as sampled Union producers were able to pass the increase in costs driven by inflation onto customers due to uptick in demand. In 2023 and in RIP average sales prices decreased resulting from a global lower market demand and increased price pressure from imports originating from the PRC.
- (72) Unit production costs increased by 26 % from 2021 to 2023 due to an increase in labour costs and raw material. Additionally, energy costs have been volatile, significantly impacting industries that rely heavily on energy. The unit cost of production reduced in the RIP, but remained far above the 2021 level, thanks to a decrease in energy prices, improved energy efficiency and successful cost management strategies.

4.4.3.2. Labour costs

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

Table 9

Average labour costs per employee

	2021	2022	2023	RIP
Average labour costs per employee (EUR)	59 946	64 857	66 777	66 728
Index	100	108	111	111

Source: sampled Union producers.

- (74) Average labour cost per employee followed a consistent upward trend with an overall increase of 11 % during the period considered. The increase was mainly due to labour market pressures, as companies raised wages to retain and attract employees in a tight post-COVID job market marked by high inflation.

4.4.3.3. Inventories

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

Table 10

Inventories

	2021	2022	2023	RIP
Closing stocks (tonnes)	41 544	68 278	51 620	37 371
Index	100	164	124	90

Source: sampled Union producers.

- (76) The increase in inventories in 2022 was initially driven by a strategic stock buildup in anticipation of planned furnace rebuilds. This aligned with an earlier period during COVID-19 when there was a significant surge in demand and supply chain issues prompted Union producers to overorder raw materials to meet production requirements. Following the completion of furnace rebuilds, inventories decreased as sampled Union producers managed to sell off existing stocks in 2023 and the RIP.

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

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

Table 11

Profitability, cash flow, investments and return on investments

	2021	2022	2023	RIP
Profitability of sales in the Union to unrelated customers (% of sales turnover)	– 5,4	8,0	– 7,3	– 10,6
<i>Index</i>	100	148	– 136	– 198
Cash flow (EUR)	10 165 478	26 151 455	20 865 951	56 808 127
<i>Index</i>	100	257	205	559
Investments (EUR)	29 103 848	35 118 981	72 272 923	47 662 277
<i>Index</i>	100	121	248	164
Return on investments (%)	– 6	13	– 6	– 9
<i>Index</i>	100	228	– 109	– 166

Source: sampled Union producers

- (78) The Commission established the profitability of the sampled Union producers by expressing the pre-tax net profit of the sales of the like product to unrelated customers in the Union as a percentage of the turnover of those sales. While the Union industry incurred losses in 2021, there was an increase in profitability in 2022 as the sampled Union producers could pass the increase in unit production costs onto customers thanks to favourable market conditions linked to high demand and high shipping costs. In 2023 and in the RIP, the profitability, however, dropped due to increased costs which could not be compensated with an increase in sales prices due to an increase in import volumes from the PRC undercutting the Union industry's prices.
- (79) Investments during the period considered increased. These investments mainly relate to rebuilds of furnaces of the sampled Union producers aimed at ensuring the longevity of the equipment. These investments, planned long ahead, took place against the background of unfavourable market conditions prevailing in 2023 and in RIP.
- (80) The cash flow from 2021 to the RIP showed significant fluctuations driven by volatile market conditions and specific operational limitations of some plants as a result of the postponement of furnaces rebuilds. During period considered, 2022 was the only year in which all sampled Union producers achieved significant profits, depleted partially in the build-up of inventories heading into planned furnaces rebuilds, which led to a positive cashflow. In 2023 and during the RIP, despite experiencing severe losses, cash flows remained positive. This seemingly contradictory situation, particularly evident in the RIP, could be largely attributed to the significant positive cash flow impact resulting from reductions in inventory levels that had been accumulated in 2022.
- (81) The return on investments is the profit in percentage of the net book value of investments. The return on investment developed in line with the profitability. It first increased in 2022 before deteriorating in 2023 and even further in the RIP, which made it more difficult for the Union industry to raise capital and grow.

4.4.4. Conclusion on injury

- (82) During the period considered the Union industry was only profitable in 2022, after which it returned to being loss making. In 2023 and in the RIP, the lossmaking situation of the Union industry coincided with an increase of imports from the PRC at prices below the Union industry's average sales prices and costs of production.
- (83) The Union industry was able to increase its price level in 2022 to achieve a profitable situation. However, in 2023 and in the RIP, the difference between the Union industry sales prices and import prices from the PRC increased. Union prices increased by 10 % during the period considered while import prices from the PRC decreased by 28 % during the same period. Consequently, the import prices of the product under review from the PRC followed an opposite trend to that of the Union industry. As a result, even though the Union industry was forced to sell at a loss, it lost market share to the imports from the PRC between 2021 and the RIP.
- (84) Almost all injury indicators showed an overall negative trend throughout the period considered. Production, production capacity, capacity utilisation, profitability, return on investments all deteriorated, in line with decreased sales volumes and market share. In 2022 the Union was able to recover to a certain extent as demand for GFR increased in the wake of the lifting of the COVID-19 measures. However, in 2023 and in the RIP due to the increase in import volume at decreasing prices, the Union industry's situation deteriorated further as illustrated by its increased losses.
- (85) As set out above, other economic indicators such as return on investment were negative during the period considered with the exception of the year 2022. This affected the ability of the Union industry to self-finance operations and to raise capital, thus impeding its growth and even threatening its survival in the medium to long term.
- (86) On the basis of the above, the Commission concluded that the Union industry suffered material injury within the meaning of Article 8(4) of the basic Regulation.

5. CAUSATION

- (87) In accordance with Article 8(5) of the basic Regulation, it was examined whether the subsidised imports from the PRC caused material injury to the Union industry.
- (88) In accordance with Article 8(6) of the basic Regulation, the Commission also examined whether other known factors could at the same time have injured the Union industry. The Commission ensured that any possible injury caused by factors other than the subsidised imports from the country concerned was not attributed to the subsidised imports. The factors considered by the Commission were imports from third countries other than PRC, the export performance of the Union industry and the increase in cost of raw materials, cost of energy on the Union industry and the contraction in demand.

5.1. Effects of the subsidised imports

- (89) The Commission examined the evolution of the volume of imports from the country concerned and their impact on the Union industry as required by Article 8(5) of the basic Regulation.

5.1.1. Quantity and market share of the subsidised imports from the country concerned

- (90) The investigation showed that, despite the anti-dumping and countervailing measures in force and decreasing consumption, the volume of subsidised imports undercutting the Union industry's prices from the PRC increased both in absolute and relative terms during the period considered. Taking 2021 as a reference year, the import volume increased by 51 % while the market share of imports originating in the PRC increased from 6 % in 2021 to 10 % in the RIP.
- (91) At the same time, the Union industry saw its market share decreasing by five percentage points during the period considered.

5.1.2. Price of the subsidised imports from the country concerned and price effect

- (92) The average Unit prices of the subsidised imports decreased by 28 % between 2021 and the RIP and were lower than those of the Union industry during the same period.
- (93) The Union industry was profitable in 2022 and became loss making afterwards which coincided with the significant decrease in import prices from the PRC. Even after lowering its sales price in 2023 and in the RIP, the Union industry failed to maintain its market share. This price decrease was at the expense of profitability, leading to a loss-making situation.
- (94) Based on the above, it was concluded that the price level of the subsidised imports from the PRC, had a considerably negative impact on the economic situation of the Union industry and therefore played a decisive role in the material injury suffered by the Union industry.

5.1.3. Causal link between the subsidised imports from the PRC and the material injury of the Union industry

- (95) The deterioration of the economic situation of the Union industry coincided with an increased presence of subsidised imports from the PRC. In a context of a shrinking market, the increased market share of imports from the PRC combined with their low average sales prices had a negative impact on the Union industry's financial situation. Although the Union industry was able to recover in 2022, it was not able to increase its sales prices sufficiently to fully cover the increased production costs, because of the increased presence of subsidised imports of the GFR from the PRC. Hence the Commission concluded that the increase in imports from PRC at lower prices coincided with the significant deterioration of the situation of the Union industry in 2023, which continued in the RIP.
- (96) In view of the above considerations, the Commission established that the material injury suffered by the Union industry was caused by the subsidised imports from the PRC within the meaning of Article 8(5) of the basic Regulation.

5.2. Effects of other factors

5.2.1. Imports from third countries other than PRC

- (97) Imports of GFR from third countries other than the PRC originated mainly from Egypt, Malaysia and the United Kingdom.
- (98) The volume of imports into the Union as well as the market share and price trends for imports of GFR from other third countries developed as follows:

Table 12

Imports from third countries

Country		2021	2022	2023	RIP
Malaysia	Volume (tonnes)	136 086	114 844	76 909	84 827
	Index	100	84	57	62
	Market share (%)	14	12	9	10
	Average price (EUR/tonne)	1 049	1 389	1 146	975
Egypt	Index	100	132	109	93
	Volume (tonnes)	112 120	117 953	106 599	113 312
	Index	100	105	95	101
	Market share (%)	12	12	13	13
	Average price (EUR/tonne)	803	1 193	932	771
	Index	100	149	116	96

Country		2021	2022	2023	RIP
United Kingdom	Volume (tonnes)	34 509	57 306	50 127	47 437
	<i>Index</i>	100	166	145	137
	Market share (%)	4	6	6	6
	Average price (EUR/tonne)	1 017	1 331	1 397	1 273
	<i>Index</i>	100	131	137	125
	Volume (tonnes)	182 171	173 659	165 869	170 443
	<i>Index</i>	100	95	91	94
	Market share (%)	20	18	20	20
	Average price (EUR/tonne)	1 049	1 396	1 356	1 331
	<i>Index</i>	100	133	129	127
Total of all third countries (excluding the PRC)	Volume (tonnes)	160 116	173 659	165 869	170 443
	<i>Index</i>	100	108	104	106
	Market share (%)	18	18	20	20
	Average price (EUR/tonne)	1 069	1 595	1 299	1 164
	<i>Index</i>	100	149	121	109

Source: Eurostat (Comext).

- (99) The trend in Malaysian imports to the Union from 2021 to the RIP showed a significant decline in both volume and market share, alongside fluctuations in pricing. Import volumes dropped sharply from 136 086 tonnes in 2021 to 76 909 tonnes in 2023, before a minor recovery to 84 827 tonnes by the RIP. Correspondingly, the market share of Malaysian imports decreased from 15 % to 9 % before slightly improving to 10 %. Although the average price per tonne initially rose by 32 % in 2022, there was a significant drop in 2023 and in RIP.
- (100) Volumes and market share of imports of GFR originating in Egypt remained stable amid significant pricing fluctuations, especially when compared to Union average prices. Egyptian import volumes showed a slight increase of about 5 % from 2021 to 2022, a decrease of around 10 % in 2023 and a return to nearly original levels by the RIP, maintaining a constant 12 % market share that slightly grew to 13 % in the RIP. Egyptian prices remained lower than both the Union industry's average prices and the Chinese import prices.
- (101) Imports of GFR from the United Kingdom into the Union between 2021 and the RIP showed an increase in volume, and a relatively steady market share. Import volumes from the UK increased from 2021 to 2022, before declining by around 12 % in 2023 and a further 5 % by the RIP. Market share increased from 4 % to 6 % during 2022 and remained at that level until the end of RIP. The average price per tonne from the UK were at similar or higher levels than the average price of the Union industry, and above the price of imports from the PRC. Import prices from the UK first rose by 31 % from 2021 to 2022 and continued to increase to EUR 1 397 in 2023, before a slight decrease to EUR 1 273 in the RIP.

- (102) Imports of GFR from third countries, excluding those previously specified, into the Union during the period considered experienced a decline in volume. Despite a drop of 6 %, their market share remained relatively steady at 20 %. Additionally, average prices from these countries were higher than prices of imports from the PRC.
- (103) The analysis of the import data for GFR from other third countries show a mixed picture. Imports from Malaysia decreased significantly in absolute and relative terms during the period considered while priced below the Union industry's prices. Imports from Egypt remained stable while also priced below the Union industry's average prices. Imports from the United Kingdom, though increasing entered the Union at higher prices in 2023 and the RIP. Imports volumes from other third countries not mentioned above decreased significantly in absolute and relative terms during the period considered. Their price level was above that of the Union industry in 2023 and the IP. All in all, there were no significant imports from third countries that both increased their market share while priced below the Union industry prices during the period considered, and or in the RIP in particular.
- (104) In light of the above, the Commission concluded that imports from other third countries did not attenuate the causal link between the injury suffered by the Union industry and the subsidised imports from the PRC.

5.2.2. Export performance of the Union industry

- (105) The volume of exports of the Union industry developed over the period considered as follows:

Table 13

Export performance of Union producers

	2021	2022	2023	RIP
Export volume (tonnes)	83 052	85 859	88 712	105 695
Index	100	103	107	127
Average price (EUR/tonne)	1 204	1 807	1 715	1 620
Index	100	150	142	135

Source: GFE, Sampled Union producers.

- (106) Since 2021, the Union industry's exports gradually increased though remained small compared to total sales. These exports were largely composed of products of higher technical specifications, which shielded them from direct price competition. Consequently, the Union could achieve higher prices for these GFR products in international markets compared to the Union market. This reflected a strategic focus on niche markets abroad.
- (107) Therefore, the increase in export sales did not attenuate the causal link between the subsidised imports from the country concerned and the injury suffered by the Union industry. On the contrary, export sales allowed the Union industry to improve its overall financial situation thanks to the increased sales volume and achieved price levels which were higher than on the Union market.

5.2.3. Energy and raw materials costs

- (108) The average price of energy of the Union industry developed over the period considered as follows:

Table 14

Energy and raw materials prices in the Union

	2021	2022	2023	RIP
Average cost of energy per tonne in the Union	210	412	233	204
Index	100	197	111	97

	2021	2022	2023	RIP
Average cost of raw materials per tonne in the Union	182	240	261	231
<i>Index</i>	<i>100</i>	<i>132</i>	<i>144</i>	<i>127</i>

Source: Sampled Union producers.

- (109) The trend in energy prices in the Union during the period considered showed significant volatility and eventual stabilisation. The sharp increase in 2022, in comparison to 2021, was exacerbated by the consequences of the geopolitical tensions affecting energy supply mainly due to Russia's unjustified and unprovoked war of aggression against Ukraine. The spike in energy prices significantly impacted production costs of the sampled Union producers. By 2023, prices of energy decreased.
- (110) The investigation revealed that the cost of the main raw materials increased substantially in 2022, contributing to a significant rise in the unit sales price as the Union industry could pass these costs on to customers. To the contrary, whereas in 2023 raw material costs continued to increase, the unit sales price declined as the Union industry was unable to pass these additional costs on to customers. In the RIP, while raw material costs decreased in comparison to the costs observed in years 2023 and 2022, the Union market prices dropped even further because Union industry was not able to maintain or increase its prices due to price pressure by subsidised imports from China.
- (111) On this basis, the Commission concluded that the evolution of energy prices and costs of raw materials did not attenuate the causal link between the subsidised imports and the deterioration of the economic situation of the Union industry.

5.2.4. *Captive volume of the Union industry*

- (112) As noted in recitals (62) and (64), sales in both the free and captive markets exhibited a similar trend over the period considered, with captive sales experiencing a slower decrease – specifically 7 percentage points less. Therefore, captive sales could not be viewed as a factor that undermined the causal relationship between the subsidised imports and their effect on the Union industry.

5.2.5. *Contraction in demand*

- (113) Although there was some contraction in demand, as explained in recital (43), Chinese imports increased their market share from 6 % in 2021 to 10 % in RIP, while the sales volume and market share of the Union industry declined. In addition, the investigation also concluded on price undercutting and price suppression by Chinese imports.
- (114) On this basis, the Commission concluded that the contraction in demand did not attenuate the causal link between the dumped imports and the deterioration of the economic situation of the Union industry

5.3. **Conclusion on causation**

- (115) There was an overall deterioration of the Union industry's financial situation in 2023 and in RIP. These negative circumstances coincided in time with an increased market share of imports of GFR from the PRC, which were made at prices that undercut the Union industry's prices and costs despite the existence of anti-dumping and countervailing duties.
- (116) Other factors which could have caused injury to the Union industry have also been analysed. In this respect, it was found that imports from other third countries, the export performance of the Union industry, the increase in energy prices, development on captive market and contraction in demand did not attenuate the causal link established between the subsidised imports and the injury suffered by the Union industry.

6. UNION INTEREST

6.1. Interest of the Union industry

- (117) The investigation established that the Union industry has suffered material injury caused by the subsidised imports from the PRC during the RIP. As explained in the recital (32), during the RIP two Union producers stopped production of GFR altogether due to unfavourable market conditions.
- (118) The amendment of measures would allow the Union industry to maintain and/or regain its market share, increase production and capacity utilisation, increase prices to cover cost of production and achieve a level of profitability which would be expected under normal conditions of competition. On this basis, the Union industry would need to return to a sustainable situation which allow it to make future investments.
- (119) Maintaining the measures at the same level would likely lead to a further loss of market share and deterioration of profitability, which turned negative in 2023 and in the RIP. This would possibly cause additional closures of production facilities and dismissals thus endangering the viability of the Union industry.
- (120) The Commission therefore concluded that the amendment of the countervailing measures on imports of GFR from the PRC would be in the interest of the Union industry.

6.2. Interest of users and unrelated importers

- (121) No unrelated importers came forward and cooperated in this investigation by submitting a questionnaire reply.
- (122) During the investigation only two users, Amiblu Holding GmbH and F.S. Fehrer Automotive GmbH, came forward and provided highly deficient questionnaire replies. The Commission requested the parties concerned to provide the outstanding information; however, they did not comply with this request within the prescribed timeframe.
- (123) Upon initiation, another user, PROXIM, expressed objections to the potential amendment of the measures. PROXIM asserted that many users were not aware of the investigation, which prevented them from submitting the questionnaire within the designated timeframe.
- (124) However, the Commission took all necessary steps to ensure that all known users and unrelated importers mentioned in the request were duly notified. Additionally, a Notice of Initiation was published in the Official Journal, informing for all interested parties of the investigation. Questionnaires destined to users and importers were also published on the case website ⁽²⁶⁾.
- (125) In its submission, the users Tolnatext Fonalfeldolgozo es Müszakiszovet-gyártó Bt. ('Tolnatext') and Dr Günther Kast GmbH & Co., which are part of the KAST Group, asserted that the implementation of additional trade measures would adversely affect an efficient supply chain. According to Tolnatext, despite being protected by the existing measures, Union producers have not increased their capacity to supply the Union market with GFR to adequately meet users' demands. Moreover, they noted that certain rovings such as low-tex rovings are not produced within the Union, and, for some, the technical specifications required by users are not met by Union producers which makes users extremely dependent on the availability of specified products from alternative sources. Lastly, users in the Union were negatively impacted by the decrease in PRC's export tax rebate and with increasingly concentrated oligopoly of a few Union producers.
- (126) The investigation determined that these claims were unfounded. As highlighted in earlier recitals, the Union industry has made substantial investments despite challenging market conditions. However, further capacity expansion necessitates long-term capital commitments, which rely on maintaining a level playing field where competitive producers can anticipate a fair return on investments. The Union industry was also faced with unfair imports from other countries such as Egypt and difficult market conditions, including the impacts of COVID-19.

⁽²⁶⁾ <https://tron.trade.ec.europa.eu/investigations/case-view?caseId=2748>.

- (127) GFR is to a high extent standardised product. Despite various differences in appearance and potential differences in final applications, all different types of GFR share the same basic physical, chemical, and technical characteristics and are essentially used for the same purposes. Hence users of GFR can change supply sources as alternative supply sources are available outside of the PRC, including Malaysia, Egypt, the UK and other sources. Furthermore, the Union industry has the capacity, capability and technology for the production of many required types such as low-tex rovings. Union industry has been making an investment in innovation and has consistently worked with downstream industries in R & D efforts to tailor products effectively.
- (128) Even with the reduction in PRC's export tax rebate in November 2024, large volumes of imports continued to enter the Union market. This suggested that the rebate change alone did not significantly impact market dynamics. Concerns regarding market concentration were analysed. In this respect, the Commission noted that, in general, regulatory bodies carefully scrutinise mergers and acquisitions to prevent anti-competitive behaviour. Such matters, however, fall outside the scope of the present trade investigation. On this basis, these claims were rejected.
- (129) User OPTIPLAN GmbH submitted comments; however, these were received after the deadline specified in the Notice of Initiation, which requires all interested parties to submit their views, information and supporting evidence within 37 days of the Notice's publication.
- (130) Following disclosure, PROXIM argued that the Commission did not duly take into account the situation and arguments of Union users of GFR. It submitted that users are in a significantly more difficult competitive position than Union producers, particularly those that are vertically integrated. PROXIM further claimed that the Commission failed to provide adequate assistance to users to facilitate their effective participation in the investigation, which resulted in their concerns not being properly reflected in the findings.
- (131) The Commission recalled that all known users and unrelated importers identified in the request were duly informed of the initiation of the review. A Notice of Initiation was published in the Official Journal, questionnaires for users and importers were made available online, and all parties were invited to provide comments and request hearings. Several users, including PROXIM, did in fact make submissions, and parties who requested a hearing were granted one. The Commission therefore concluded that users were given every opportunity to participate, and that their arguments were taken into account in line with the procedural requirements.
- (132) PROXIM also argued that, according to publicly available information, the Government of the People's Republic of China reduced in late 2024 the level of export tax rebates for certain categories of non-metallic mineral products, including potentially relevant tariff lines for GFR, from 13 % to 9 %. In its view, this development effectively lowered the level of subsidisation on the side of the PRC and should have been taken into account when establishing the level of countervailing measures.
- (133) With regard to the reference to the reduction of the PRC's export tax rebate in late 2024, the Commission noted that large volumes of subsidised imports from the PRC continued to enter the Union market even after this rebate reduction. As set out in the investigation, the rebate change did not materially alter market dynamics, which remained characterised by significant price undercutting and suppression by Chinese imports. Moreover, the rebate change occurred after the review investigation period and therefore could not be factored into the determination of the level of subsidisation in this proceeding.
- (134) Furthermore, PROXIM claimed that the current level of measures risks harming downstream industries in the Union by increasing their costs in comparison to competitors outside the Union. In particular, it pointed to the risk of reduced competitiveness of Union users and possible relocation of downstream activities outside the Union. PROXIM therefore requested that the Commission ensure a more balanced approach between the protection of Union producers and the interests of Union users, so as to avoid disproportionate harm to the latter.

- (135) As concerns the claim that the measures would increase users' costs and reduce their competitiveness compared to operators outside the Union, the Commission found that any cost impact is expected to be limited given the moderate share of glass fibre reinforcements in total production costs and the availability of alternative sources of supply. The Commission concluded that the measures would not materially affect the competitiveness of Union users nor lead to relocation of downstream activities. Therefore, the Commission rejected this claim.
- (136) On the basis of the information available to the Commission and in the absence of meaningful reply by users and importers, there was no evidence contradicting the conclusion that any negative impact of the measures on unrelated importers and users is expected to be limited and will not outweigh the positive effect of measures on Union producers.

6.3. Interest of suppliers

- (137) Companies that supply epoxy resin to the Union industry Olin Epoxy & Chemicals International (US), Westlake Epoxy BV (NL) and Spolek pro chemickou a hutní výrobu, akciová společnost (CZ), expressed their support for the implementation of the measures. They emphasised the importance of having all key components and materials within this value chain located in the Union to ensure resilience in strategic sectors. They further asserted that maintaining such a presence will bolster the supply chain and enhance the Union's capacity to innovate and effectively respond to market demands.

6.4. Conclusion on Union interest

- (138) On the basis of the above, the Commission concluded that there were no compelling reasons that it was not in the Union interest to amend the countervailing measures on imports of GFR from the PRC.
- (139) As concluded in recital (86), the Union industry was suffering material injury in the review investigation period. Consequently, the current level of the measures is no longer sufficient to counteract the subsidisation which is causing injury.

7. DEFINITIVE COUNTERVAILING MEASURES

- (140) On the basis of the conclusions reached by the Commission on injury, causation and Union interest, the countervailing measures should be maintained and amended to prevent further harm to the Union industry from subsidised imports.
- (141) As indicated in the Notice of initiation, the purpose of the review is to establish the rates of injury. The injury would be removed if the Union Industry were able to obtain a target profit by selling at a target price in the sense of Articles 12(1a) and 12(1b) of the basic Regulation.
- (142) In accordance with Article 12(1a) of the basic Regulation, for establishing the target profit, the Commission considered the following factors: the level of profitability before the increase of imports from the country under investigation, the level of profitability needed to cover full costs and investments, research and development (R & D) and innovation and the level of profitability to be expected under normal conditions of competition. Such profit margin should not be lower than 6 %.
- (143) With regard to the level of profitability before the increase of imports from the PRC, the Commission looked at the profit achieved by the sampled Union producers over a period of 10 years. It was noted that imports from China were present on the Union market during the entire 10 years and therefore it was not possible to establish a profit margin on the basis of any of these years prior to the increase of imports from the PRC. Also, the year 2022 was found to be heavily influenced by the post-COVID-19 economic recovery and did not appear appropriate to set the target profit. Therefore, it was considered that the year 2016 was appropriate as it was the most recent year when the Union industry operated under normal market conditions following the imposition of the anti-dumping and countervailing measures in 2014. In year 2016 Union industry achieved profit of 12,28 % while imports from the PRC accounted for 8 % of the Union consumption ⁽²⁷⁾.

⁽²⁷⁾ See footnote 7.

- (144) The Union industry provided evidence that its level of investments, research and development (R & D) and innovation during the period considered would have been higher under normal conditions of competition. The Commission verified this information during the on-spot verification visits by checking the company's internal records relating to investment plans, management decisions and financial statements. The claims of the Union industry were found to be warranted. To reflect this in the target profit, the Commission calculated the difference between investments, R & D and innovation ('IRI') expenses under normal conditions of competition as provided by the Union Industry and verified by the Commission with the actual IRI expenses over the period considered. Based on verified information regarding investments which could not be implemented during the period considered, the target profit margins were increased by between 0,26 % and 1,99 % depending on the sampled producers.
- (145) Hence, the target profit which was established in this investigation and in accordance with Article 12(1a) of the basic Regulation ranged between 12,54 % and 14,27 % depending on the situation found in each of the sampled companies.
- (146) On this basis, the Commission calculated a non-injurious price of the like product for the Union industry by applying the respective target profit margins to the cost of production of the sampled Union producers during the review investigation period.
- (147) In accordance with Article 12(1b) of the basic Regulation, as a final step, the Commission assessed the future costs resulting from Multilateral Environmental Agreements, and protocols thereunder, to which the Union is a party, that the Union industry will incur during the period of the application of the measure. Based on the submitted information, which was supported by the companies' reporting tools and forecasts, the Commission established that there were no additional costs of compliance with such conventions during the RIP.
- (148) The Commission then determined the injury margin level on the basis of a comparison of the weighted average import price of the sampled cooperating exporting producers in country concerned, anti-dumping and countervailing duties excluded, with the weighted average non-injurious price of the like product sold by the sampled Union producers on the Union market during the investigation period. Any difference resulting from this comparison was expressed as a percentage of the weighted average import CIF value.
- (149) Given the high rate of cooperation of Chinese exporting producers in the full interim review of the anti-dumping measures, injury elimination level for the 'all other companies' duty was set at the level of the highest level to be imposed on the companies sampled or cooperating. The 'all other companies' level will be applied to those companies which did not cooperate in the investigation.
- (150) Chongqing Polycomp International Corporation was the only exporting producer that came forward during the sampling exercise and was not sampled. Its injury elimination level is set at the weighted average of the rates established for the cooperating exporting producers in the sample.

Company	Injury elimination level (%)
CNBM Group	72,2
Jiangsu Changhai Composite Materials Holding Co., Ltd. ('Jiangsu')	87,3
Other cooperating companies, i.e. Chongqing Polycomp International Corporation	76,1
All other imports originating in PRC	87,3

- (151) Following disclosure, Glass Fibre Europe pointed to certain clerical errors in the calculation of the injury margin. Upon reviewing those comments, the Commission identified and corrected the errors in the calculations, which resulted in an adjustment to the injury margin that were disclosed to the cooperating Chinese exporting producers.

(152) In the original investigation, the injury elimination level established for the company Jiangsu was lower than its subsidy margin and its countervailing duty was set at the level of injury elimination level. The injury elimination levels established in this investigation are higher than the subsidy margins established in the original investigation for all companies including Jiangsu. To reflect this, the level of countervailing duty for Jiangsu should be amended as to be set at the level of its subsidy margin established in the original investigation.

(153) This anti-subsidy review investigation, limited to injury, was carried out at the same time as a separate full interim review of the anti-dumping measures (see recital (7)). In accordance with Article 15(2) of the basic Regulation and in order to avoid double counting, the Commission first imposes the definitive countervailing duty at the level of the established definitive amount of subsidisation in the original investigation and then imposes the remaining definitive anti-dumping duty, which corresponds to the relevant dumping margin reduced by the amount of the countervailing duty.

(154) Since the Commission reduces the dumping margin found with the entire amount of subsidisation established in the PRC, there is no double counting issue within the meaning of Article 24(1) of the basic Regulation.

(155) On the basis of the above, the definitive countervailing duty rates, expressed on the CIF Union border price, customs duty unpaid, should be as follows:

Company	Countervailing duty (%)
CNBM Group	10,2
Jiangsu Changhai Composite Materials Holding Co., Ltd.	5,8
Other cooperating companies, i.e. Chongqing Polycomp International Corporation	9,7
All other imports originating in PRC	10,2

(156) In view of the above, the Commission concluded that the level of the countervailing duties as established in Implementing Regulation (EU) 2021/328 shall be amended.

(157) The measures provided for in this regulation are in accordance with the opinion of the Committee established by Article 25(1) of the Regulation (EU) 2016/1037,

HAS ADOPTED THIS REGULATION:

Article 1

The table set out in Article 1(2) of Implementing Regulation (EU) 2021/328 is replaced by the following table:

Company	Countervailing duty (%)	TARIC additional code
CNBM Group	10,2	B990
Jiangsu Changhai Composite Materials Holding Co., Ltd.	5,8	A983
Chongqing Polycomp International Corporation	9,7	B991
Other cooperating companies listed in Annex I of Implementing Regulation (EU) No 1379/2014	10,2	
All other imports originating in PRC	10,2	A999

Article 2

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, 24 November 2025.

For the Commission
The President
Ursula VON DER LEYEN
