

COMMISSION IMPLEMENTING REGULATION (EU) 2022/1221**of 14 July 2022****imposing a provisional anti-dumping duty on imports of certain aluminium road wheels originating in Morocco**

THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EU) 2016/1036 of the European Parliament and of the Council of 8 June 2016 on protection against dumped imports from countries not members of the European Union ⁽¹⁾ ('the basic Regulation'), and in particular Article 7 thereof,

After consulting the Member States,

Whereas:

1. PROCEDURE**1.1. Initiation**

- (1) On 17 November 2021, the European Commission ('the Commission') initiated an anti-dumping investigation with regard to imports of certain aluminium road wheels ('ARW') originating in Morocco ('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 4 October 2021 by the Association of European Wheel Manufacturers ('the complainant' or 'EUWA'). The complaint was made on behalf of the Union industry in the sense of Article 5(4) of the basic Regulation. The complaint contained evidence of dumping and of resulting material injury that was sufficient to justify the initiation of the investigation.

1.2. Registration

- (3) The Commission made imports of the product concerned subject to registration by Commission Implementing Regulation (EU) 2022/934 ⁽³⁾ ('the registration Regulation').

1.3. Interested parties and request for anonymity

- (4) In the Notice of Initiation, the Commission invited interested parties to contact it in order to participate in the investigation. The Commission specifically informed the complainant and known Union producers, the known exporting producers and the authorities of Morocco, known importers, users and associations known to be concerned, about the initiation of the investigation and invited them to participate.
- (5) The complainants and two cooperating users requested that their names be kept confidential for fear that they could face retaliation by customers. The Commission took the view that there was indeed a serious risk of retaliation and accepted that the names of the complainants and the two cooperating users should not be disclosed. In order to effectively grant anonymity, the names of the other Union producers were also kept confidential, as to avoid that by deduction the names of the complainants could be identified.

1.4. Comments on Initiation

- (6) Interested parties had an opportunity to comment on the initiation of the investigation and to request a hearing with the Commission and/or the Hearing Officer in trade proceedings.

⁽¹⁾ OJ L 176, 30.6.2016, p. 21.

⁽²⁾ Notice of initiation of an anti-dumping proceeding concerning imports of certain aluminium road wheels originating in Morocco (OJ C 464, 17.11.2021, p. 19).

⁽³⁾ Commission Implementing Regulation (EU) 2022/934 of 16 June 2022 making imports of certain aluminium road wheels originating in Morocco subject to registration (OJ L 162, 17.6.2022, p. 27).

- (7) Four parties requested a hearing with the Commission services and were heard: the European Automobile Manufacturers' Association ('ACEA'), EUWA, Dika Morocco Africa S.A.R.L ('Dika') and Hands 8 S.A. ('Hands').
- (8) Dika and the Moroccan authorities claimed that the figures reported in the complaint were outdated, as there was a gap of almost 8 months between its investigation period and the date of initiation of the investigation. Moreover, the investigation period selected by the complainant precisely coincided with the peak of the COVID-19 pandemic. Furthermore, the period considered by the complainant exceeded by one year the usual Commission's practice, as described in the relevant Guide ⁽⁴⁾. Dika considered that this decision could be considered unfair and partial and the use of outdated figures cannot constitute prima facie evidence of dumping, injury or causality as required under Article 5(4) of the basic Regulation.
- (9) The Commission first noted that the Guide referred to by Dika explicitly indicates that it is meant to provide general advice but it is not a legally binding document and its contents are not compulsory ⁽⁵⁾. Furthermore, Article 5 of the basic Regulation does not contain any specific provision regarding the time lapsed between the complaint and the data provided. In any case, the investigation period of the complaint ended on 31 March 2021, while the complaint was lodged on 4 October 2021. Furthermore, the complainant also submitted additional injury data until 30 June 2021 ⁽⁶⁾. Consequently, the data provided by the complainant was up to date and as close as possible to the date of lodging of the complaint. Regarding the claim for the period considered and the investigation period, it is the Commission practice to select an investigation period of one year and previous three calendar years in order to examine the trends relevant for the assessment of injury covered. The fact that the complaint provided information for one additional year does not mean that outdated data was used which would render the assessment unfair or partial. Rather, it provided information regarding the most recent period available, that is until 31 March 2021. Consequently, the claim was rejected.
- (10) Dika claimed that the complaint did not provide evidence justifying the use of a constructed normal value as requested by Article 5(2) of the basic Regulation. Moreover, the party claimed that constructed normal value calculation were flawed. Therefore, the Commission should have concluded that the complaint did not contain sufficient evidence of dumping and should have been rejected in accordance with Article 5 of the basic Regulation.
- (11) Dika stated that the complainant did not use the Moroccan domestic sales price of ARW, although it could have known such prices in light of the fact that the Union industry itself exports ARW to Morocco. In addition, Dika alleged that the complainant used the exporting producers' financial accounts from 2018 and 2019 to conclude that there were no sales in the ordinary course of trade, while these accounts were from a period before the investigation period selected in the complaint.
- (12) The Commission disagreed. The complainant in this investigation is the EUWA and not its individual members. Since the complainant is not a producer nor an exporter, it had no access to such data. In addition, invoices are generally considered business confidential data. The complainant thus had to rely on public information regarding domestic sales prices in Morocco, which was not available at the time of the complaint. As for the use of the financial accounts of 2018 and 2019 for the Moroccan exporting producers, these were the only accounts available to the complainant at the time of lodging the complaint. The complainant could therefore only conclude that based on the information reasonably available, there were no domestic sales in the ordinary course of trade by the known Moroccan exporting producers. It was therefore justified in constructing the normal value. Accordingly, the claim was rejected.
- (13) Dika also provided arguments concerning alleged fundamental flaws in the determination of the normal value. These arguments concern the choice of wheel size, the use of prices for aluminium ingots based on imports from China, the use of the Union producer cost structure, the exclusion of certain cost factors in the calculation and the application of a 6 % profit rate.

⁽⁴⁾ Commission, *How to Make an Anti-Dumping Complaint*, A Guide, p. 7-8, but also p. 13, p. 27, p. 29, p. 52, p. 59 and p. 67 available at: https://trade.ec.europa.eu/doclib/docs/2006/december/tradoc_112295.pdf.

⁽⁵⁾ Idem, p. 3.

⁽⁶⁾ See paragraph 108 of the complaint and Annex D2 thereof.

- (14) The Commission disagreed with these arguments. The assumptions which the complainant made in order to construct the normal value were based on the market experience and knowledge of the complainant as well as publicly available information. The fact that the interested party disagrees with such assumptions does not invalidate them for the purpose of constructing the normal value in the complaint. The figures on which the normal value was based were supported by sufficient evidence and confirmed by the Commission's analysis of that evidence. Even when making certain adjustments as suggested by the interested party, which the Commission did when assessing the complaint, there remained sufficient evidence of dumping.
- (15) Dika and the Moroccan Authorities claimed that the complainant omitted from its injury analysis that the market is segmented between Original Equipment Manufacturers ('OEM') and aftermarkets ('AM'), and within each market the different types of wheels, i.e. lower and higher-end segments.
- (16) The Commission observed that whilst OEM and AM aluminium wheels have different distribution sales channels they share the same physical and technical characteristics and are interchangeable. OEM and AM should therefore be considered as different sales channels rather than different segments.
- (17) As far as the two sales channels are concerned, the complainant estimated that Moroccan exports were probably almost exclusively delivered to OEM's clients. The subsequent analysis by the Commission of the information at its disposal confirmed this. This was also the case of the sampled Union producers who almost exclusively sold to OEM clients (around 99,6 %).
- (18) Regarding the different types of wheels, the Commission noted that while the complaint did not contain a full injury analysis per different type of ARW, it provided undercutting and underselling calculations for ten representative types of wheels.
- (19) Consequently, the claim was rejected.
- (20) Dika, Hands and the Moroccan authorities claimed that the evolution of Moroccan imports cannot cause or threaten to cause injury to the Union industry as they represented only 2,8 % of the Union market during the period from 1 April 2020 to 31 March 2021 and do not cause price depression or price suppression.
- (21) The specific injury analysis of the complaint showed that there was sufficient evidence pointing to increased penetration of the Union market (both in absolute and relative terms) by imports from Morocco at prices which undercut and substantially undersell the Union industry's own prices. This appears to have caused material injury to the Union industry, shown for example by the decrease of its sales and market share, by a deterioration of financial results or by the level of prices charged by the Union industry. Consequently, the claim was rejected.
- (22) Dika claimed that certain injury indicators, such as production capacity, Union prices and Union consumption, contained in the complaint did not support a finding of injury during the investigation period. Moreover, the full capacity utilization is not an option for ARW producer, given the 'just-in-time' supply chain models implemented by car manufacturers in the European Union, which requires ARW producers to be flexible and to have capacities available to respond to last-minute needs.
- (23) The Commission recalls that the finding of material injury necessary for the initiation of an investigation requires an examination, inter alia, of the relevant factors as described in the basic Regulation. However, it is not specifically required by Article 5 of the basic Regulation that all injury factors mentioned in Article 3(5) show deterioration in order for material injury to be sufficiently substantiated for the purpose of the initiation of an investigation. Indeed, the wording of Article 5(2) of the basic Regulation states that the complaint shall contain the information on changes in the quantity of the allegedly dumped imports, the effect of those imports on prices of the like product on the Union market and the consequent impact of the imports on the Union industry, as demonstrated by relevant (not necessarily all) factors. The complaint contained this information, which pointed to the existence of injury. Accordingly, the Commission considered that the complaint contained sufficient evidence of injury and rejected the claim.

- (24) Dika and Hands argued that the imposition of anti-dumping measures cannot be in the Union interest.
- (25) Regarding the latter, Union interest is not a relevant criterion for assessing whether a complaint justifies the initiation of an anti-dumping proceeding under Article 5 of the basic Regulation. Therefore, those comments were not considered in relation to claims regarding the initiation of the proceedings.
- (26) Dika, Hands and the Moroccan authorities claimed that the complainant did not consider other factors as the alleged lack of competition between Union ARW and Moroccan ARW due to markets segmentation; imports from third countries; the consequences caused by the COVID-19 pandemic.
- (27) The Commission's analysis of the complaint confirmed that the elements mentioned, were either unsubstantiated, factually incorrect or insufficient to call into question the conclusion that the complaint contained sufficient evidence tending to show that imports of the product concerned were entering the Union at dumped prices and appeared to be causing material injury to the Union producers. These aspects had been established on the basis of the best evidence available to the complainant at the time and were sufficiently representative and reliable. Furthermore, the claims put forward by Dika, the Moroccan authorities and ACEA were examined in detail in the course of the investigation and are further addressed below.
- (28) On the basis of the above, the Commission confirmed that the complainant provided sufficient evidence of dumping, injury and a causal link, thereby satisfying the requirements set out in Article 5(2) of the basic Regulation.

1.5. Sampling

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

1.5.1. Sampling of Union producers

- (30) In its Notice of Initiation, the Commission stated that it had provisionally selected a sample of Union producers. The Commission selected a definitive sample of three Union producers. Pursuant to Article 17 of the basic Regulation, the criterion used for the selection of the sample was the largest representative quantities of production of the like product in the Union during the investigation period, i.e. 1 October 2020 – 30 September 2021. This provisional sample consisted of three Union producers, located in three different Member States. The sample accounted for almost 20 % of the total production quantity in the Union of the like product, and it ensures a good geographical spread. The Commission invited interested parties to comment on the provisional sample and no comments were received.

1.5.2. Sampling of importers

- (31) 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.
- (32) None of the known unrelated importers provided the requested information and agreed to be included in the sample.

1.5.3. Sampling of exporting producers Morocco

- (33) To decide whether sampling is necessary and, if so, to select a sample, the Commission asked all exporting producers in Morocco to provide the information specified in the Notice of Initiation. In addition, the Commission asked the Mission of the Kingdom of Morocco to identify and/or contact other exporting producers, if any, that could be interested in participating in the investigation.
- (34) Only two exporting producers in the country concerned, accounting for virtually all imports of ARW from Morocco, provided the requested information. The Commission therefore decided that sampling was not necessary.

1.6. Questionnaire replies and verification visits

- (35) The Commission sent questionnaires to three Union producers, the complainant, and two known users, and two exporting producers in the country concerned. The same questionnaires were made available online ⁽⁷⁾ on the day of initiation.
- (36) The Commission sought and verified all the information deemed necessary for a provisional determination of dumping, injury and Union interest. In view of the outbreak of COVID-19 pandemic and the confinement measures put in place by various countries, the Commission could not carry out all verification visits pursuant to Article 16 of the basic Regulation.
- Verification visits pursuant to Article 16 of the basic Regulation were carried out at the premises of two sampled Union producers, one user ⁽⁸⁾, and at the premises of the following exporting producers in Morocco: HANDS 8 S.A. ('Hands')
 - DIKA MOROCCO AFRIKA S.A.R.L ('Dika')
- (37) In addition, in line with its Notice on the consequences of the COVID-19 outbreak on anti-dumping and anti-subsidy investigations ⁽⁹⁾, the Commission carried out remote cross-checks in respect of Dika's related company CITIC Dicastal Co., Ltd ('CITIC') and one Union producer.

1.7. Investigation period and period considered

- (38) The investigation of dumping and injury covered the period from 1 October 2020 to 30 September 2021 ('the investigation period'). The examination of trends relevant for the assessment of injury covered the period from 1 January 2018 to the end of the investigation period ('the period considered').

2. PRODUCT CONCERNED AND LIKE PRODUCT

2.1. Product concerned

- (39) The product concerned is aluminium road wheels of the motor vehicles of HS headings 8701 to 8705 whether or not with their accessories and whether or not fitted with tyres, originating in Morocco, currently falling under CN codes ex 8708 70 10 and ex 8708 70 50 (TARIC codes: 8708 70 10 15, 8708 70 10 50, 8708 70 50 15 and 8708 70 50 50) ('the product concerned').
- (40) Aluminium road wheels are traditionally sold in the Union via two distribution sales channels: to the OEM, which are mainly car manufacturers, and to the aftermarket, which includes for example distributors, retailers, repair shops, etcetera. The product concerned from Morocco was exclusively sold through the OEM channel during the period considered. In the OEM distribution channel, car manufacturers organise tender procedures for ARW and are often involved in the process of developing a new wheel, which is associated with their brand. Both Union producers and Moroccan exporters can compete in the same tenders.

2.2. Like product

- (41) 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;
 - the product produced and sold on the domestic market of Morocco; and
 - the product produced and sold in the Union by the Union industry.
- (42) The Commission decided at this stage that those products are therefore like products within the meaning of Article 1(4) of the basic Regulation.

⁽⁷⁾ https://trade.ec.europa.eu/tdi/case_details.cfm?id=2563.

⁽⁸⁾ As explained in recital 5, the names of the Union producers and two users are not disclosed for confidentiality reasons.

⁽⁹⁾ OJ C 86, 16.3.2020, p. 6.

3. DUMPING

3.1. Morocco

3.1.1. *Cooperation of exporting producers*

- (43) As set out in recital 34 above, two Moroccan exporting producers, Dika and Hands, came forward in the investigation and provided questionnaire replies. Dika has a related company, CITIC, which is a Chinese ARW producer. CITIC buys ARW from Dika and sells it to the Union, Morocco and other third countries. During the RCC with CITIC, a number of errors were discovered which cast serious doubts on the reliability of the domestic and EU sales listings. These errors mainly concerned differences between the prices recorded in the sales listings, the prices on the invoices and the amounts actually paid.
- (44) On 1 April 2022, during the on-spot verification at Dika, after the RCC with CITIC had been concluded, the company provided a revised version of the sales listings, including an explanation for the discrepancies that had been found. At that point in time there remained no opportunity to verify or cross-check the revised sales listings. In addition, a preliminary check of the newly submitted data revealed that the revisions made by the company did not rectify all discrepancies mentioned during the RCC, while the total number of revisions was much higher than expected based on the RCC. The nature and number of the mistakes, some of which persisted following the revision, was such that the Commission could not rely on the accuracy of the sales listings. Therefore, the Commission was unable to verify the information necessary to establish a dumping margin for the company.
- (45) In accordance with Article 18(4) of the basic Regulation, by letter of 5 May 2022, Dika and its related company were informed of the reasons of the Commission's intention to disregard the information provided and they were granted the opportunity to provide further explanations ('the Article 18 letter').
- (46) The company replied to the Commission's letter on 12 May 2022. In its reply the company explained that it had recorded its sales in the sales listings in accordance with its accounting principles. The company therefore maintained, in contrast to statements made during the RCC and the on-spot verification visit, that the original sales listings, the total values of which could be reconciled with the company's SAP accounting system, were complete and accurate, contained no errors and required no revisions. In fact, the revisions that the company had done post RCC, were allegedly only provided to the Commission to show CITIC's full cooperation in the investigation. The company therefore stated that the Commission should use the original non-revised version of the sales listings. In the alternative, the company stated that the Commission could use the revised sales listings, provided with the letter, since the deficiencies were allegedly not such as to cause undue difficulty in arriving at a reasonably accurate finding. These sales listings were similar to those provided during the on-spot verification, to which previously missing data was added, some errors were corrected and additional explanations were provided. However, several errors still remained, for a number of transactions the actual received amount was still not provided and the Commission was not in the position to cross-check or verify the revised sales listings provided with the company's reply to the Article 18 letter. The company also stated that, in case the Commission would insist on the application of Article 18 of the basic Regulation, it should use CITIC's financial statements as partial facts available.
- (47) The Commission disagreed with the arguments provided by the company in its reply to the Article 18 letter. The anti-dumping questionnaire for exporting producers clearly requested to provide the sales listings on a transaction-by-transaction basis. The templates of the tables provided with the questionnaire unequivocally request the data as recorded on the invoice (invoice quantity, invoice value, related credit notes etc.). The company itself acknowledged that they did not complete the sales listings on an invoice basis. Rather, they completed it based on their own accounting practices. In addition, the company argued that any difference between the invoice value and the price actually received is normally recorded in the sales listings either as a discount, a rebate, a credit note or in another way. However, it was found that these differences were not systematically reflected in the company's sales listings.

- (48) As mentioned above in recital 44, the revised sales listings could not be cross-checked or verified in a timely manner. As explained to the company in the pre-RCC and pre-verification letter sent on 11 March 2022 and in line with the Notice on the consequences of the COVID-19 outbreak on anti-dumping and anti-subsidy investigations ⁽¹⁰⁾, the purpose of the RCC was to gain assurances with regard to the information submitted by the company in its questionnaire response. Such assurances were not obtained during the RCC with regard to the sales listings. An additional RCC with CITIC, as proposed by the company in its reply to the Article 18 letter, should not be used as a way to remedy the lack of timeliness or errors established during the RCC that already took place within the set time limits.
- (49) In addition, some changes that were discussed during the RCC were not taken into account in the revised tables. With its reply to the Article 18 letter, the company had provided a new revised sales listing where additional changes were made which could not be cross-checked or verified either. The Commission therefore considered that the company did not provide the requested information within the time limits of the investigation. The alternative proposed by the company, to use CITIC's financial statements as partial facts available, was not acceptable. The use of the financial statements would not enable the Commission to establish a normal value and an export price at the level of detail and accuracy required by the basic Regulation, since they would not allow for an analysis on a product or transaction basis.
- (50) Since Dika and its related company CITIC did not provide information that would have enabled the Commission to arrive at a reasonably accurate finding, and verifiable information that could have enabled such finding was not submitted, the Commission decided to disregard the information submitted by the company with regard to the domestic and EU sales listings. As that information is crucial to the determination of a normal value and an export price, the Commission was not in a position to calculate an individual dumping margin for the company.
- (51) Accordingly, the Commission provisionally disregarded the information provided by this exporting producer and confirmed the use of facts available with regard to this exporting producer on the basis of Article 18(1) of the basic Regulation.

3.1.2. Normal Value

- (52) Due to the application of Article 18(1) of the basic Regulation as described in Section 3.1.1 above, the description of the dumping margin calculation below only applied to the remaining Moroccan exporting producer, Hands.
- (53) Article 2(1) of the basic Regulation states that the normal value shall be based on the prices paid or payable in the ordinary course of trade by independent customers in the exporting country. However, the Commission determined that the cooperating exporting producer had made no domestic sales. The small number of sales of ARW to customers in Morocco during the investigation period were made to one car manufacturer located in an economic duty-free zone ('*zone d'accélération industrielle*', previously also called '*zone franche*' or '*zone franche d'exportation*'), similar to the economic zone in which the cooperating producer was located. That car manufacturer purchased the ARW for use in the assembly of a car. Subsequently, the car and not the ARW would be shipped from the duty-free zone either to be sold domestically, or to be exported. The final destination of the car was most likely not the domestic market though. A study in 2020 showed that 90 % of all cars manufactured in Morocco are destined for the export market ⁽¹¹⁾, which was also corroborated by information from Moroccan car manufacturers ⁽¹²⁾. In addition, under Law 19-94 governing free trade zones, companies located in such zones must make at least 70 % of their turnover from exports ⁽¹³⁾.

⁽¹⁰⁾ OJ C 86, 16.3.2020, p. 6.

⁽¹¹⁾ Henri-Louis Védie, '*L'automobile: une filière marocaine stratégique, leader du secteur en Afrique*', Policy Center for the New South, Policy Paper 20/34, November 2020 (available at https://www.policycenter.ma/sites/default/files/2021-01/PP%20-%2020-34%20%28Henri-louis%20Vedie%29_0.pdf).

⁽¹²⁾ The Renault Group, for example, exported more than 95 % of its production at its Tangier location (see <https://www.tac.ma/news/english-1m-vehicles-exported-from-tangermed/>).

⁽¹³⁾ See 'LA LOI No 19-94 RELATIVE AUX ZONES FRANCHES D'EXPORTATION', Bulletin Officiel, 1995-02-15, no 4294, pp. 117-121.

- (54) As explained above, the sale of ARW by the cooperating exporting producer to that customer in Morocco was a sale from one economic zone to another. Companies located in such economic zones in Morocco are exempt from the customs laws and regulations which normally apply in the Moroccan territory, and goods entering the economic zone are considered as exports ⁽¹⁴⁾. As the ARW were produced in an economic zone, and subsequently sold and shipped to another economic zone, the ARW never entered the customs territory of Morocco, and could therefore not be considered a domestic sale.
- (55) In any event, even if the sales to the economic duty-free zone in Morocco were considered domestic sales, they were not representative nor done in the ordinary course of trade as required by Article 2(1) of the basic Regulation.
- (56) In this respect the Commission first examined whether the total quantity of domestic sales for the cooperating exporting producer was representative, in accordance with Article 2(2) of the basic Regulation. The domestic sales are representative if the total domestic sales quantity of the like product to independent customers on the domestic market represented at least 5 % of its total export sales quantity of the product concerned to the Union during the investigation period. On this basis, the sales of the cooperating exporting producer made in Morocco were not representative.
- (57) The Commission next defined the proportion of profitable sales to independent customers on the domestic market for each product type during the investigation period in order to decide whether to use actual domestic sales for the calculation of the normal value, in accordance with Article 2(4) of the basic Regulation. The analysis of domestic sales showed that none of the domestic sales were profitable and thus not in the ordinary course of trade.
- (58) As there were no sales of the like product in the ordinary course of trade on the domestic market, the Commission constructed the normal value in accordance with Article 2(3) and (6) of the basic Regulation.
- (59) Article 2(3) of the basic Regulation states that when there are no domestic sales in the ordinary course of trade, the normal value of the like product shall be calculated on the basis of the cost of production in the country of origin plus a reasonable amount for selling, general and administrative costs ('SG&A') and for profit. Article 2(6) of the basic Regulation states that the SG&A and profit shall be based on actual data pertaining to production and sales, in the ordinary course of trade, of the like product by the exporter or producer under investigation. However, as there are no sales of the like product in the ordinary course of trade for Hands, as explained above, Article 2(6) of the basic Regulation provides for three alternative methods:
- (a) the weighted average of the actual amounts determined for other exporters or producers subject to investigation in respect of production and sales of the like product in the domestic market of the country of origin;
 - (b) the actual amounts applicable to production and sales, in the ordinary course of trade, of the same general category of products for the exporter or producer in question in the domestic market of the country of origin;
 - (c) any other reasonable method, provided that the amount for profit so established shall not exceed the profit normally realised by other exporters or producers on sales of products of the same general category in the domestic market of the country of origin.
- (60) With regard to Article 2(6)(a), there was only one other exporting producer of ARW in Morocco, Dika. Dika also sold all of its ARW in Morocco to car manufacturers located in economic zones. As explained above in recitals 53 and 54, such sales were not considered domestic sales. In addition, the average referred to in Article 2(6)(a) must be a weighted average of at least two exporting producers ⁽¹⁵⁾. Therefore, Dika's data could not be used, even if their sales would have been considered reliable. Article 2(6)(a) could therefore not be applied.

⁽¹⁴⁾ See 'LA LOI No 19-94 RELATIVE AUX ZONES FRANCHES D'EXPORTATION', Bulletin Officiel, 1995-02-15, no 4294, pp. 117-121, subsequently amended by law 14.21 to change the term 'zone franche' to 'zone d'accélération industrielle'. See also 'Code des douanes et impôts indirects relevant de l'administration des douanes et impôts indirects approuvé par le dahir portant loi n° 1-77-339 du 25 chaoual 1397 (9 octobre 1977), tel. qu'il a été modifié et complète'.

⁽¹⁵⁾ EC – Anti-dumping duties on imports of cotton-type bed linen from India (WT/DS141/R, 30.10.2000, paragraphs 74 to 77).

- (61) Article 2(6)(b) requires production and sales, in the ordinary course of trade, of the same general category of products for the exporter or producer in question in the domestic market. Hands, however, produced only ARW, and none of their sales were made in the ordinary course of trade. Article (2)(6)(b) could therefore not be applied either.
- (62) Article 2(6)(c) refers to “any other reasonable method” to establish SG&A and profit. In the absence of other ARW producers in Morocco, the Commission considered it reasonable to apply the SG&A and profit found for ARW producers in Brazil. Brazil was proposed as a suitable representative country in the request for review which was the basis for the ongoing expiry review investigation concerning ARW from China ⁽¹⁶⁾. The weighted average SG&A found was 11,49 % and a weighted average profit was 4,89 %.
- (63) Article 2(6)(c) also obliges the application of a cap to the profit used under this methodology to ensure that the profit used does not exceed the profit normally realised by other exporters or producers on sales of products of the same general category in the domestic market of the country of origin. There were no other Moroccan ARW producers than Dika and Hands, whose profit could not be used as they had no sales on the domestic Moroccan market. In addition, there was no information available to the Commission regarding the profit realized by possible producers or exporters of aluminium car parts or any car-industry related aluminium products in Morocco.
- (64) The Commission considered ARW to be in the same general category as other aluminium products such as aluminium extrusions or aluminium profiles. Such products use the same main raw material (aluminium), which accounts for the main part of the cost of production of such products. In addition, the different production processes involve the melting or heating of the aluminium to shape it in a desired form. The weighted average profit achieved by the seven Moroccan producers of such aluminium products, for whom financial data for 2020 was available, was 4,16 %. This percentage was used as a cap for the profit the Brazilian ARW producers.
- (65) Normal value was then constructed by adding to Hands’ cost of production the Brazilian SG&A and profit mentioned in recital 62, but capped at 4,16 %.

3.1.3. *Export price*

- (66) The cooperating exporting producer exported to the Union either directly to independent customers or through a related company acting as an importer.
- (67) For the sales made directly to independent customers in the Union, the export price was the price actually paid or payable for the product concerned when sold for export to the Union, in accordance with Article 2(8) of the basic Regulation.
- (68) For the sales exported to the Union through a related company acting as an importer, the export price was established on the basis of the price at which the imported product was first resold to independent customers in the Union, in accordance with Article 2(9) of the basic Regulation. In this case, adjustments to the price were made for all costs incurred between importation and resale, including SG&A expenses, and for profits accruing. The profits were based on those normally achieved by unrelated importers, since the actual profit of the related importer was not considered reliable because of the relationship between the cooperating exporting producer and the related importer. Given that no unrelated importer cooperated with the Commission in this investigation, the Commission used the profit established in the last expiry review investigation concerning ARW from China ⁽¹⁷⁾.

3.1.4. *Comparison*

- (69) The Commission compared the normal value and the export price of the cooperating exporting producer on an ex-works basis.

⁽¹⁶⁾ Notice of initiation of an expiry review of the anti-dumping measures applicable to imports of certain aluminium road wheels originating in the People's Republic of China (OJ C 29, 20.1.2022, p. 34).

⁽¹⁷⁾ Commission Implementing Regulation (EU) 2017/109 of 23 January 2017 imposing a definitive anti-dumping duty on imports of certain aluminium road wheels 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 18, 24.1.2017, p. 1).

- (70) Where justified by the need to ensure a fair comparison, the Commission adjusted the normal value and/or the export price for differences affecting prices and price comparability, in accordance with Article 2(10) of the basic Regulation. Adjustments were made for transport, insurance, handling and loading, packing expenses, credit costs, rebates and other allowances.

3.1.5. Dumping margin

- (71) For the cooperating exporting producer, the Commission compared the weighted average normal value of each type of the like product with the weighted average export price of the corresponding type of the product concerned, in accordance with Article 2(11) and (12) of the basic Regulation.
- (72) For all other exporting producers in Morocco, the Commission established the dumping margin on the basis of the facts available, in accordance with Article 18 of the basic Regulation. To this end, the Commission determined the level of cooperation of the exporting producers. The level of cooperation is the quantity of exports of the cooperating exporting producers to the Union expressed as proportion of the total imports from the country concerned to the Union in the investigation period, that were established on the basis of the Eurostat Comext database.
- (73) As explained in section 3.1.1 above, there was only one cooperating Moroccan exporting producer. Since this company's exports of ARW constituted less than 50 % of the total Union imports of ARW during the investigation period, the level of cooperation in this case was considered low. On this basis, the Commission decided that it was appropriate to establish the residual dumping margin at the level of the highest dumping margin found for product types sold in representative quantities by the cooperating exporting producer. The export sales of these product types represented around 50 % of all exports to the Union by the cooperating exporting producer.
- (74) The provisional dumping margins, expressed as a percentage of the CIF Union frontier price, duty unpaid, are as follows:

Company	Provisional dumping margin
HANDS 8 S.A.	8,0 %
All other companies	16,5 %

4. INJURY

4.1. Definition of the Union industry and Union production

- (75) The like product was manufactured by around thirty producers in the Union during the investigation period. They constitute the 'Union industry' within the meaning of Article 4(1) of the basic Regulation.
- (76) The total Union production during the investigation period was estimated at around 64,3 million items. The Commission established the figure on the basis of all the available information concerning the Union industry, such as the reply to the macroeconomic questionnaire provided by the complainant. As indicated in recital 30, the sampled Union producers represented almost 20 % of the total production quantity of the known Union producers of the like product.

4.2. Union consumption

- (77) Union consumption developed as follows:

Table 1

Union consumption (items)

	2018	2019	2020	Investigation period
Total consumption (in 000 items)	77 873	73 797	59 530	64 311
Index (2018 = 100)	100	95	76	83

Source: Eurostat Comext database, EUWA and the verified questionnaire replies

- (78) The Commission established the Union consumption based on the total Union industry's sales in the Union, plus total imports from third countries to the Union. Sales of the Union industry on the Union market were obtained from the complaint and adjusted on the basis of data provided in the replies of the sampled Union producers for the investigation period. For imports, the Commission relied on Eurostat Comext database. However, as Eurostat Comext database provides only the weight of the imports and not the number of ARW items imported, it was necessary to convert the weight into items. In the complaint, the complainant applied the conversion ratio used in the last investigation on the same product ⁽¹⁸⁾ (i.e. 10,9 kg per item). The validity of this conversion ratio was verified based on the questionnaires replies of the Moroccan and the sampled Union producers. The investigation revealed that the weighted average weight per item currently applicable is 11,3 kg per item as the market trend is going towards larger wheel diameter resulting in an increase of the weight per wheel. Therefore, this ratio was used when establishing the Union consumption per item.
- (79) As mentioned above recital 16 above, the Union market is unequally divided between two distribution channels, i.e. OEM and AM. The bulk of the sales concerns the OEM channel with 90 % of market share. Thus, the AM channel with around 10 % of sales has a limited impact on the overall assessment of the Union market. Its impact is further limited due to the fact that the Moroccan producers were exclusively selling through the OEM channel, which was also the case for the three sampled Union producers. The latter sold almost exclusively through the OEM channel (around 99,6 % of their sales). As a result, this had no impact on price comparison analysis in the case at hand which is carried out on microeconomic level on the basis of the data provided by the exporting producers and the sampled Union producers. Consequently, the Commission provisionally decided not to split the consumption between the two sales channels for the purpose of this investigation.
- (80) The Union consumption decreased by 5 % between 2018 and 2019, by 19 % between 2019 and 2020. In 2020, the car industry production went down by around 4,2 million vehicles due to the COVID-19 pandemic and thus with a direct impact on upstream suppliers as the sales of the ARW decreased by 14 million in 2020 compared with 2019. The drop in production was particularly significant in the 2nd quarter of 2020 but the market rebounded in the following months. The market recovered 5 million wheels: from 59 in 2020 to 64 million during the investigation period. The consumption did, however, not reach the level of 2019 due to the shortage of semi-conductors used by car makers.

4.3. Imports from the country concerned

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

- (81) The Commission established the quantity of imports on the basis of Eurostat Comext database. The market share of the imports was established on the basis of the share these imports represented of the total Union consumption.

⁽¹⁸⁾ Implementing Regulation (EU) 2017/109.

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

Table 2

Import quantity (items) and market share

	2018	2019	2020	Investigation period
Quantity of imports from Morocco (in 000 items)	0	15,7	1 038	2 516
<i>Index (2019 = 100)</i>	-	100	6 611	16 025
Market share (%)	-	0,0	1,7	3,9
<i>Index (2019 = 100)</i>	-	100	8 196	18 389

Source: Eurostat Comext database

- (83) While in 2019, Morocco exported few thousand items, the exports accelerated through 2020 and the investigation period, from 1 million to 2,5 million items. The registration Regulation pointed that in the months following the end of the investigation period, growth maintained at the same rate as in the investigation period. As mentioned in recital 79 above, these sales concerned exclusively the OEM sales channel.

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

- (84) The Commission established the prices of imports on the basis of Eurostat Comext database. Price undercutting of the imports was established on the basis of data from the cooperating exporting producers and the cooperating Union producers.
- (85) The weighted average price of imports into the Union from the country concerned developed as follows:

Table 3

Average import prices from Morocco

	2018	2019	2020	Investigation period
In EUR/item	-	39,2	42,6	44,7
<i>Index (2019 = 100)</i>	-	100	109	114

Source: Eurostat Comext Database

- (86) The average import price from Morocco increased by around 2 EUR per item between 2020 and the investigation period. However, part of the selling price is indexed to the aluminium price on the London Metal Exchange ('LME'), which increased significantly that is by around 25 %, during this period.
- (87) The Commission determined price undercutting during the investigation period by comparing:
- (88) the weighted average sales prices per product type of the sampled Union producers directly charged to unrelated customers on the Union market, adjusted to an ex-works factory; and
- (89) the corresponding weighted average prices per product type of the imports only from Hands to the first independent customer on the Union market, established on a Cost, Insurance, Freight (CIF) basis, with appropriate adjustments for customs duties and post-importation costs.

- (90) The price comparison was made on a type-by-type basis for transactions at the same level of trade, duly adjusted where necessary, and after deduction of rebates and discounts. The result of the comparison was expressed as a percentage of the sampled Union producers' theoretical turnover during the investigation period. It showed a weighted average undercutting margin of 26,9 % by the imports on the Union market.
- (91) In addition, the Commission established the existence of price suppression. Indeed, as shown in table 7, the Union industry was selling at costs in 2020 and below costs of production during the investigation period. Those are the years with major penetration of the dumped imports and when the Union industry lost market share. Thus, the low import prices of the dumped imports prevented the Union industry from increasing its sales prices, resulting in losses during the investigation period.

4.4. Economic situation of the Union industry

4.4.1. General remarks

- (92) In accordance with Article 3(5) of the basic Regulation, the examination of the impact of the dumped imports on the Union industry included an evaluation of all economic indicators having a bearing on the state of the Union industry during the period considered.
- (93) As mentioned in recital 30, sampling was used for the determination of possible injury suffered by the Union industry.
- (94) For the injury determination, the Commission distinguished between macroeconomic and microeconomic injury indicators. The Commission evaluated the macroeconomic indicators on the basis of data contained in the reply to the macroeconomic questionnaire. The data related to all Union producers. The Commission evaluated the microeconomic indicators on the basis of data contained in the questionnaire replies from the sampled Union producers. The data related to the sampled Union producers. Both sets of data were found to be representative of the economic situation of the Union industry.
- (95) The macroeconomic indicators are: production, production capacity, capacity utilisation, sales quantity, market share, growth, employment, productivity, magnitude of the dumping margin, and recovery from past dumping.
- (96) The microeconomic indicators are: average item prices, item 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

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

Table 4

Production, production capacity and capacity utilisation

	2018	2019	2020	Investigation period
Production quantity (in 000 items)	59 182	57 097	44 718	48 752
<i>Index (2018 = 100)</i>	100	96	76	82
Production capacity (in 000 items)	62 614	62 475	61 619	61 294
<i>Index (2018 = 100)</i>	100	100	98	98

Capacity utilisation (%)	95	91	73	80
Index (2018 = 100)	100	97	77	84

Source: EUWA and sampled Union producers

(98) Overall, the production quantity of Union industry decreased by 18 % during the period considered. It slightly decreased by 4 % between 2018 and 2019. With the COVID-19 pandemic, the production decreased by 12,3 million items in 2020 and rebounded in the investigation period by 4 million items.

(99) While the production capacity of the Union industry decreased by 2 %, the capacity utilisation followed the same negative trend as production and decreased by 15 % during the period considered.

4.4.2.2. Sales quantity and market share

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

Table 5

Sales quantity and market share

	2018	2019	2020	Investigation period
Sales quantity on the Union market (in 000 items)	57 501	55 502	43 110	45 391
Index (2018 = 100)	100	97	75	79
Market share (%)	73,8	75,2	72,4	70,6
Index (2018 = 100)	100	102	98	96

Source: EUWA and sampled Union producers

(101) The sales quantity of the Union industry on the Union market decreased by 21 % during the period considered. It decreased by 3 % between 2018 and 2019 and then dropped by 12 million items in 2020. During the investigation period, the sales recovered by 2,2 million items.

(102) The market share of the Union industry slightly increased between 2018-2019 and declined in 2020 and further in the investigation period.

4.4.2.3. Employment and productivity

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

Table 6

Employment and productivity

	2018	2019	2020	Investigation period
Number of employees	17 816	17 866	16 963	16 790
Index (2018 = 100)	100	100	95	94

Productivity (item/employee)	3 322	3 196	2 636	2 904
Index (2018 = 100)	100	96	79	87

Source: EUWA and the sampled Union producers

- (104) While the number of employees decreased by 6 % during the period considered, productivity decreased by 13 %. The decline in productivity is mainly due to the decrease in the production quantity over the period considered. A declining productivity points to increased labour costs per item of ARW produced.

4.4.2.4. Growth

- (105) As explained in Sections 4.4.2.1 to 4.4.2.3 above, the production quantity and the capacity utilisation of the Union industry decreased by 18 % and 16 %, respectively during the period considered, which resulted in higher fixed costs per item of production and in lower productivity. Total costs of the industry have increased by 1,7 €/item (+ 3,4 %) over the period considered. However, the average selling price of the Union industry decreased by 3,3 €/item (-6,1 %).
- (106) Furthermore, the sales quantity on the Union market dropped by 21 % and the market share by 5 %, between 2018 and the investigation period. Thus, the Union industry experienced a deterioration of its financial performance. As explained in Section 4.4.3.1 below, it faced higher cost of production while being unable to adjust its sales prices accordingly.
- (107) Therefore, the growth perspectives of the Union industry have been jeopardised.

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

- (108) All dumping margins were significantly above the *de minimis* level. The impact of the magnitude of the actual margins of dumping on the Union industry was substantial, given the quantity and prices of imports from the country concerned.
- (109) ARW are subject to anti-dumping measures against China which were imposed in 2010 ⁽¹⁹⁾. In the last expiry review ⁽²⁰⁾ the Commission concluded that the Union industry no longer suffered material injury and thus it had recovered from the past dumping. This is confirmed in 2018 and 2019, before the imports from Morocco started coming and subsequently increased substantially, when the financial situation of the Union industry improved substantially.
- (110) Consequently, the Commission confirmed that the Union industry has recovered from the past dumping by imports from China before the dumped imports from Morocco entered into the Union market.

4.4.3. Microeconomic indicators

4.4.3.1. Prices and factors affecting prices

- (111) The weighted average sales prices per item of the sampled Union producers to unrelated customers in the Union developed over the period considered as follows:

⁽¹⁹⁾ Council Implementing Regulation (EU) No 964/2010 of 25 October 2010 imposing a definitive anti-dumping duty and collecting definitively the provisional duty imposed on imports of certain aluminium road wheels originating in the People's Republic of China (OJ L 282, 28.10.2010, p. 1).

⁽²⁰⁾ Implementing Regulation (EU) 2017/109, recital 169.

Table 7

Sales prices in the Union

	2018	2019	2020	Investigation period
Average sales price per item in the Union market (EUR/item)	53,9	52,3	49,3	50,6
Index (2018 = 100)	100	97	92	94
Cost of production per item (EUR/item)	49,9	48,2	49,3	51,6
Index (2018 = 100)	100	97	99	104

Source: Sampled Union producers

- (112) The average Union industry's sales prices decreased by 6 % during the period considered although the average cost of production increased by 4 % between 2018 and the investigation period. Union industry was not able to increase sales prices to cover the increased cost of production.
- (113) The sales of the Union industry of the like product in the Union market were based on multi-year contracts with car manufacturer's customers that fixed the quantities and prices. Car manufacturers organize a fierce competition between suppliers by means of tenders and will select the two suppliers offering the best conditions, after several rounds of competition, during which EU producers must align themselves with, amongst others, Moroccan producers offering low prices. As a result, the Union industry could not pass on the increase in the costs of production. While the Union industry has a minimal margin to increase sales prices in the context of increasing raw material prices during the application of the yearly contract, in principle it should be able to increase its sales prices when it negotiates the contracts for the following year. However, the Union industry did not manage to do so during the period considered because of price pressure by imports. This led to a decrease of the profitability of Union industry, as explained in Section 4.4.3.4 below.

4.4.3.2. Labour costs

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

Table 8

Average labour costs per employee

	2018	2019	2020	Investigation period
Average labour costs per employee (EUR)	35 216	35 700	33 084	35 951
Index (2018 = 100)	100	101	94	102

Source: Sampled Union producers

- (115) The average labour cost per employee of the Union industry slightly increased by 2 % during the period considered with a small increase in 2019 and a decrease by 6 % in 2020, mainly because of production shutdowns due to the COVID-19 pandemic.

4.4.3.3. Inventories

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

Table 9

Inventories

	2018	2019	2020	Investigation period
Closing stocks (in 000 items)	556	439	492	776
<i>Index (2018 = 100)</i>	100	79	88	140
Closing stocks as a percentage of production (%)	0,9	0,8	1,1	1,6
<i>Index (2018 = 100)</i>	100	89	122	177

Source: Sampled Union producers

(117) Inventories increased by 40 % over the period considered. They decreased by 21 % in 2019, by 12 % in 2020 and rebounded during the investigation period by +57 %. As explained in recital 113, the ARW industry in the Union is characterised by multi-years framework contracts between producers and customers that fix the quantities and prices. These framework contracts are implemented through purchasing orders according to customer's needs. As a result, the Union industry can plan its production and inventories. Therefore, inventories are not a main indicator for the assessment of the Union industry's performance.

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

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

Table 10

Profitability, cash flow, investments and return on investments

	2018	2019	2020	Investigation period
Profitability of sales in the Union to unrelated customers (% of sales turnover)	7,5	8,2	0,4	- 1,6
<i>Index (2018 = 100)</i>	100	109	5	- 21
Cash flow (in 000 EUR)	81 153	82 495	31 805	22 956
<i>Index (2018 = 100)</i>	100	102	39	28
Investments (in 000 EUR)	37 788	30 757	19 848	21 845
<i>Index (2018 = 100)</i>	100	81	53	58
Return on investments	12,0	9,1	0,3	- 0,5
<i>Index (2018 = 100)</i>	100	76	3	- 4

Source: Sampled Union producers

- (119) 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.
- (120) The profitability of the Union industry increased between 2018-2019 from 7,5 % to 8,2 % but then it declined sharply in 2020- investigation period where losses were reported (-1,6 %). The Union industry was not able to increase sales prices to cover the increased cost of production and therefore became loss making.
- (121) The net cash flow is the ability of the Union producers to self-finance their activities. The trend in net cash flow developed downwards with a significant decrease by 72 % over the period considered. Therefore, the Union industry experienced difficulties to self-finance its activities, which is a further indication of its deteriorated financial situation.
- (122) The return on investments is the profit in percentage of the net book value of investments. It followed a similar negative trend as profitability and net cash flow. The return on investment decreased significantly between 2018 and the investigation period and turned negative in the investigation period. Therefore, the Union industry was not able to generate enough profits in order to cover its investments. Indeed, the Union industry maintained its investments during the period considered, mostly due to the necessity to comply with legal requirements and the needs of the market and it was not able to have a return on these investments. The negative development of the return on investment during the period considered further indicated that the overall financial situation of the Union industry worsened to a significant extent.
- (123) The sampled Union producers' ability to raise capital was affected by their deteriorated financial situation. The considerable decrease of the profitability and the net cash flow pointed to serious concerns as regards the liquidity situation of Union industry and its ability to raise capital to finance its operating activity and needed investments.

4.4.4. *Conclusion on injury*

- (124) Economic indicators at both macro and micro level generally deteriorated during the period considered.
- (125) While the Union industry's production capacity remained stable, the capacity utilisation decreased by 16 % between 2018 and the investigation period, which resulted in higher fixed cost per tonne of ARW. Following the same trend, the Union industry's sales quantity and market share in the period considered declined.
- (126) The financial situation of the Union industry deteriorated mainly due to the increased cost of production, which could not be covered by a corresponding increase of its sales prices.
- (127) The average Union industry's sales prices decreased by 6 % during the period considered although the average cost of production increased by 9 % in the same period. The price pressure from the dumped imports at lower prices led to losses as from 2020, which further increased in the investigation period. While net investments decreased by 42 %, the return on investment became negative during the period considered. The trend of the cash flow was also negative, which affected the ability of the Union industry to self-finance its operations. The number of employees decreased during the same period by 6 %; however, the productivity decreased by 13 %, resulting in a higher labour cost per item of ARW.
- (128) As set out above, economic indicators such as profitability, cash flow and return on investment deteriorated significantly during the period considered. This negatively affected the ability of the Union industry to self-finance operations, to make necessary investments and to raise capital, thus impeding its growth and even threatening its survival.
- (129) On the basis of the above, the Commission provisionally concluded that the Union industry suffered material injury within the meaning of Article 3(5) of the basic Regulation

5. CAUSATION

- (130) In accordance with Article 3(6) of the basic Regulation, the Commission examined whether the dumped imports from the country concerned caused material injury to the Union industry. In accordance with Article 3(7) of the basic Regulation, the Commission also examined whether other known factors could at the same time have injured the Union industry. The Commission ensured that any possible injury caused by factors other than the dumped imports from the country concerned was not attributed to the dumped imports. These factors are: imports from other third countries, the COVID-19 pandemic, the evolution of the cost of production, the export performance of the Union industry and effect of multi-years contracts.

5.1. Effects of the dumped imports

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

- (131) The Commission examined the evolution of the quantity of imports from the country concerned and their impact on the Union industry as required by Article 3(2) of the basic Regulation.
- (132) The import quantities from the country concerned continued to increase during the period considered, quantities from 16 376 items in 2019 to 1 million items in 2020 and to 2,5 million items in the investigation period. This significant increase even continued during the COVID-19 pandemic.
- (133) The market share of imports from Morocco increased from 0,0 % in 2018 to 3,9 % in the investigation period. Consequently, there has been a significant increase in dumped imports within the meaning of Article 3(3) of the basic Regulation.

5.1.2. *Price of the dumped imports from the country concerned and price effects*

- (134) The average import price of the imports from Morocco increased by 14 % between 2019 and the investigation period. However, this increase may reflect only partially the increase of the LME aluminium price over the same period, which is the main raw material of ARW. As explained in recital 90, the imports from Morocco undercut the Union industry's prices by 8,0 %. In any event, the significant import quantities at low prices also depressed the Union industry's prices as they were forced to lower their prices in order to remain competitive, as explained in recital 113, to the extent that prices no longer covered the costs of production.

5.1.3. *Causal link between the dumped imports from Morocco and the material injury of the Union industry*

- (135) The increased import quantities from Morocco combined with their low average sales prices had a negative impact on the Union industry's financial situation. Moreover, the participation of the Moroccan producers to the tenders organized by the car manufacturers pushed downward the overall market prices. The Union industry was not able to increase their sales prices in order to pass on to customers the increasing cost of raw materials because it faced unfair competition from imports of the product concerned. The Union industry's strategy was to maintain production quantities and market share to cover the fixed costs to the detriment of its profitability. Therefore, the low-priced imports from Morocco prevented price increases by the Union industry within the meaning of Article 3(3) of the basic Regulation and thus caused price suppression.
- (136) In view of the above considerations, the Commission provisionally established the material injury suffered by the Union industry was caused by the dumped imports from the country concerned within the meaning of Article 3(6) of the basic Regulation.

5.2. Effects of other factors

5.2.1. *Imports from third countries*

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

Table 11

Imports from third countries

Country		2018	2019	2020	Investigation period
Turkey	Quantity (in 000 items)	7 983	7 632	7 010	8 364
	<i>Index (2018 = 100)</i>	100	96	88	105
	Market share (%)	10,3	10,3	11,8	13,0
	<i>Index (2018 = 100)</i>	100	101	115	126
	Average price (EUR/item)	53,6	51,9	49,7	51,1
	<i>Index (2018 = 100)</i>	100	97	93	95
China	Quantity (in 000 items)	3 734	3 493	2 230	2 205
	<i>Index (2018 = 100)</i>	100	94	60	59
	Market share (%)	4,8	4,7	3,7	3,4
	<i>Index (2018 = 100)</i>	100	98	77	71
	Average price (EUR/item)	50,1	50,3	49,3	53,9
	<i>Index (2018 = 100)</i>	100	100	98	108
Thailand	Quantity (in 000 items)	2 228	1 911	1 527	1 487
	<i>Index (2018 = 100)</i>	100	86	69	67
	Market share (%)	2,9	2,6	2,6	2,3
	<i>Index (2018 = 100)</i>	100	90	90	79
	Average price (EUR/item)	52,3	50,8	49,0	50,3
	<i>Index (2018 = 100)</i>	100	97	94	96
South Korea	Quantity (in 000 items)	1 813	1 577	1 460	1 065
	<i>Index (2018 = 100)</i>	100	87	81	59
	Market share (%)	2,3	2,1	2,5	1,7
	<i>Index (2018 = 100)</i>	100	91	109	74
	Average price (EUR/item)	52,2	52,9	50,9	53,5
	<i>Index (2018 = 100)</i>	100	101	97	102
Other third countries	Quantity (in 000 items)	4 612	3 663	3 151	3 279
	<i>Index (2018 = 100)</i>	100	79	68	71
	Market share (%)	5,9	5,0	5,3	5,1
	<i>Index (2018 = 100)</i>	100	85	90	86

	Average price (EUR/item)	69,1	74,9	71,1	75,9
	Index (2018 = 100)	100	108	103	110
Total of all third countries except Morocco	Quantity (in 000 items)	20 372	18 278	15 380	16 402
	Index (2018 = 100)	100	90	75	81
	Market share (%)	26,2	24,8	25,8	25,5
	Index (2018 = 100)	100	95	98	97
	Average price (EUR/item)	56,2	56,1	54,1	56,5
	Index (2018 = 100)	100	100	96	101

Source: Eurostat Comext database

- (138) Import quantities from other third countries held a market share of 26,2 % in 2018 and 25,5 % in the investigation period. The quantity of these imports decreased during the period considered by 19 % and their market share followed partially the same trend with a decrease of 3 %. The average import price of these imports increased by 1 % and was higher compared to the Union industry's average price (+ 12 %) and significantly higher compared with the average import price from the country concerned (+ 26 %). The sole country that increased its market share in the period considered from 10,3 % to 13,0 % was Turkey. However, Turkish average prices were slightly higher compared to the Union industry's (+ 1,0 %) and significantly higher compared with import prices from the country concerned (+ 14 %).
- (139) Therefore, the Commission provisionally concluded that imports from other third countries have not contributed to the injury suffered by the Union industry.

5.2.2. The COVID-19 pandemic

- (140) In 2020, the car industry production went down by around 4,2 million vehicles due to the COVID-19 pandemic and thus with a direct impact on upstream suppliers. Accordingly, the sales of the ARW decreased by 14 million in 2020 compared with 2019. The drop in production was particularly significant in the 2nd quarter 2020, but the market rebounded in the following months. The market recovered 5 million wheels: from 60 million in 2020 to 65 million during the investigation period. The consumption however, did, not reach the level of 2019, mainly due to the shortage of semi-conductors used by car makers. The increase of demand in the investigation period did not benefit the Union industry, but mostly the Moroccan imports (2,6 million of imports in the investigation period and 4 % of market share). Aside of taking over sales quantities, Moroccan imports exerted downward pressure on prices and impeded the Union producers from passing on the increase of their costs to their customers, leading to a substantially reduced turn-over and even more losses compared with 2020.
- (141) In this respect, indeed, the COVID-19 pandemic had a negative impact on Union industry, especially in 2020 when production sites of the Union industry had to close temporarily. However, when the market rebounded post-COVID, the Union industry did not benefit due to the increased imports from the country concerned at dumped prices.
- (142) Therefore, the Commission provisionally concluded that the COVID-19 pandemic did not attenuate the causal link between the dumped imports from the country concerned and the material injury suffered by the Union industry.

5.2.3. Export performance of the Union industry

- (143) The quantity of exports of the sampled Union producers developed over the period considered as follows:

Table 12

Export performance of the sampled Union producers

	2018	2019	2020	Investigation period
Export quantity (in 000 items)	3 454	2 892	2 138	2 719
Index (2018 = 100)	100	84	62	79
Average price (EUR/item)	67,3	68,7	60,6	66,5
Index (2018 = 100)	100	102	90	99

Source: EUWA for export quantities and average price from verified questionnaire replies

- (144) Export sales to unrelated customers represented 5,6 % of the total Union industry production in the investigation period. During the period considered, the export quantities fluctuated – they first decreased between 2018 and 2020 by 38 % and then increased in the investigation period. Overall, export sales decreased in the period considered by 21 %. The export price per item was significantly higher compared with the Union prices over the period considered.
- (145) In the investigation period, the Union industry sold more than 95 % of its production on the Union market. Therefore, although the decline in export performance could have contributed to the injury suffered by the Union industry, the Commission provisionally concluded that, considering the high share of Union sales compared to export sales, this evolution did not attenuate the causal link between the dumped imports from the country concerned and the injury suffered by the Union industry.

5.2.4. *Effect of multi-year contracts and evolution of the cost of production*

- (146) Sales of the Union industry of the like product in the Union market were based on multi-year contracts with car manufacturer's customers that fix the prices for the duration of the production of a certain type of car. The Union industry has a minimal margin to increase sales prices in the context of increasing raw material prices during the application of the yearly contract. In principle, the Union industry should however be able to increase its sales prices when it negotiates the contracts for the following year. As explained in Section 4.4.3.1 above, while the average cost of production of the Union industry increased by 9 % between 2018 and the investigation period the average sales price of the Union industry on the Union market remained stable.
- (147) As illustrated in table 7 above, the Union industry did not have difficulties, despite the yearly contracts, to sell at prices which covered its cost of production in 2018 and 2019 when imports from Morocco were not existing. However, when imports started coming in in 2020 and increased significantly in the investigation period, due to price pressure they exercised, the Union industry was no longer able to sufficiently adapt its sales prices in the latest yearly contracts in order to cover the increasing costs of production. As a result, the Union industry only achieved very low profits in 2020 and became loss making during the investigation period.
- (148) Consequently, the time lag between the increase of raw materials cost and the increase of the sales prices due to the yearly contracts did not appear to prevent the Union industry from adapting its sales prices to the increasing cost of production over the period considered. As a result, the Commission provisionally concluded that fixing the sales prices in yearly contracts did not attenuate the causal link between the dumped imports and the injury found.

5.2.5. *Consumption*

- (149) Users claimed that the contraction of the Union ARW market caused injury to the Union industry.

- (150) As mentioned in recital 139, the Union consumption decreased by 13 million items, that is by 17 %, the period considered. Union sales figures reflected the trend of the Union consumption. However, when consumption rebounded in the investigation period and increased by 8 % compared to 2020, the Union industry could not benefit from it due to the imports from Morocco. Indeed, the market share of the Union industry decreased by 2,9 percentage points, from 71,7 % in 2020 to 68,8 % in the investigation period, while the market share of the imports from Morocco increased by 129 %, from 1,7 % in 2020 to 3,9 % in the investigation period. It was thus the price suppression exerted by the low-priced dumped imports rather than a loss of quantities due to falling consumption that was the cause of injury to the Union industry.
- (151) Therefore, the Commission provisionally concluded that the contraction of the market demand by 17 % could not be considered as a cause of injury attenuating the causal link between the dumped imports and the injury found.

5.3. Conclusion on causation

- (152) The deterioration of the Union industry's financial situation coincided in time with increasing quantities of imports of ARWs from the country concerned, which were made at dumped prices.
- (153) The Commission distinguished and separated the effects of all known factors on the situation of the Union industry from the injurious effects of the dumped imports. The effect of imports from other third countries, the COVID-19 pandemic and the decrease of demand, the evolution of the cost of production, the export performance of the Union industry and multi-year contracts were considered.
- (154) On the basis of the above, the Commission provisionally concluded that the dumped imports from the country concerned caused material injury to the Union industry and that the other factors, either individually or collectively, did not attenuate the causal link between the dumped imports and the material injury.

6. LEVEL OF MEASURES

- (155) To determine the level of the measures, the Commission examined whether a duty lower than the margin of dumping would be sufficient to remove the injury caused by dumped imports to the Union industry.

6.1. Injury margin

- (156) The injury would be removed if the Union Industry were able to obtain a target profit by selling at a target price in the sense of Articles 7(2c) and 7(2d) of the basic regulation.
- (157) In accordance with Article 7(2c) of the basic Regulation, for establishing the target profit, the Commission took into account the following factors: the level of profitability before the increase of imports from the country concerned, the level of profitability needed to cover full costs and investments, research and development (R & D) and innovation, and the level of profitability to be expected under normal conditions of competition. Such profit margin should not be lower than 6 %.
- (158) As a first step, the Commission established a basic profit covering full costs under normal conditions of competition. The Commission took the profits achieved by the sampled Union producers before unfair imports from Morocco accelerated and started injuring the Union industry. Such profit margin was established at 7,9 % which corresponds to the average of the profit achieved by the Union industry in the years 2018-2019.
- (159) 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. Indeed, 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 actual IRI expenses over the period considered. Such difference, expressed as a percentage of turnover, was 0,4 %.

- (160) Such percentage of 0,4 % was added to the basic profit of 7,9 % mentioned in the recital 158, leading to a target profit of 8,3 %.
- (161) In accordance with article 7(2d) of the basic Regulation, as a final step, the Commission assessed the future costs resulting from Multilateral Environmental Agreements, and protocols thereunder, to which the Union is a party, and of ILO Conventions listed in Annex Ia that the Union industry will incur during the period of the application of the measure pursuant to Article 11(2). Based on the evidence available, the Commission established an additional cost of 0,5 EUR/item. This additional cost was added to the non-injurious price mentioned in the above recital.
- (162) On this basis, the Commission calculated a weighted average non-injurious price of 55,9 EUR/item for the like product of the Union industry by applying the above-mentioned target profit margin to the cost of production of the sampled Union producers during the investigation period and then adding the adjustments under Article 7(2d) on a type-by-type basis.
- (163) 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 Morocco, as established for the price undercutting calculations, with the weighted average non-injurious price of the like product sold by the sampled Union producers on the Union market during the investigation period. Any difference resulting from this comparison was expressed as a percentage of the weighted average import CIF value.
- (164) The injury elimination level for 'all other companies' is defined in the same manner as the dumping margin for these companies (see recital 73).

Country	Company	Dumping margin (%)	Injury margin (%)
Morocco	Hands	8,0	44,0
	All other companies	16,5	51,6

7. UNION INTEREST

7.1. Interest of the Union industry

- (165) The effect of anti-dumping measures will be positive for the Union producers, as measures will allow the Union industry to adapt its sales prices to cover the increased cost of production. Therefore, the Union industry would return to a sustainable situation, allowing it to make future investments, in particular to comply with environmental and social requirements.
- (166) In the absence of measures, the Union industry will continue suffering from material injury and its financial situation, in particular in terms of profitability, return on investments and cash flow, is expected to worsen further, in particular in view of the increase of dumped imports from the country concerned which continued after the investigation period, thus threatening its viability.

7.2. Interest of unrelated importers and users

- (167) Upon initiation, importers were contacted. However, none cooperated with the investigation.
- (168) Regarding the users, two car manufacturers and their association, i.e. the car manufacturers ('ACEA') cooperated.

- (169) The car manufacturers are the customers of the Union ARW industry. They already source approximately 70 % of their ARW needs from the Union industry. Imports from the country concerned had a 3,9 % market share on the Union market in the investigation period and imports from other third countries held a market share of 25,5 % with higher price levels of those of the Union industry. Accordingly, car manufacturers have, in addition to the Union industry and Morocco, also other sources of supply. This was also confirmed by the fact that the purchases of ARW from Morocco represented around 30 % of the two users' total ARW purchases during the investigation period. Moreover, based on the data of the two users which provided questionnaire replies, ARW represented approximately 0,5 % of their cost of production. Consequently, the Commission provisionally concluded that the impact of measures on ARW is limited for car manufacturers.
- (170) ACEA claimed that imports from Morocco addressed the strategic needs of the Union car manufacturers that the Union ARW producers cannot satisfy as the latter deliberately choose not to increase their production capacities. Therefore, the car manufacturers have no choice but to diversify their supply, including relying on various sources of imports.
- (171) As mentioned in recital 40, the Union ARW industry is a supplier of the car manufacturers and their activity depends on the tenders granted by these large companies. The nomination of the ARW suppliers and thus the actual deliveries of wheels takes place years in advance of the car production which should give time to the ARW industry to adjust its industrial output. If needed, the Union ARW industry could increase its capacity at relatively short notice as the requested investment does not concern the furnaces or the painting booths, but rather casting machines which can be installed easily. Therefore, if the Union ARW producers did not invest in additional production capacity, it was rather due to a lack of sufficient future contracts from the car manufacturers. Thus, the Union industry did not have sufficient incentive to invest in additional capacity in the absence of foreseeable increase in demand of its production. In addition, the Union consumption was 64,31 million items in the investigation period. The total Union industry capacity was 61,29 million items, while the total Union production was 48,75 million items in the investigation period and exports of the Union industry were 2,71 million items. Consequently, the Union industry has already sufficient production capacity to cover almost the total Union demand of ARW. Consequently, the claim was rejected.
- (172) ACEA claimed that the Union ARW industry did not satisfy the requirements of spare capacity set by the car manufacturers (the Union industry reported a high level of capacity utilization above 95 %) and obliged the car manufacturers to diversify its sourcing, in particular from Morocco.
- (173) The Commission noted that no evidence was provided demonstrating that the Union ARW industry lost tenders due to an issue regarding its production capacity or that the Union ARW industry failed to deliver ARW following car manufacturers commercial orders. In addition, the capacity utilisation established for the investigation period was 80 %. Therefore, the claim was rejected.
- (174) ACEA claimed that the effects of the COVID-19 pandemic have disrupted the supply chains and the car manufacturers were fully hit by the COVID-19 pandemic with a total loss of 4,2 million vehicles, representing 22,9 % of the Union production in 2019. The profitability of car manufacturers was pushed down. This affected similarly the automotive suppliers.
- (175) The Commission noted that most of car manufacturers reported profits for the financial year 2021 which exceeded the usual percentage reported during the previous years ⁽²¹⁾.
- (176) There is no other information on file showing that measures would have a significant negative impact on the users outweighing the positive impact of the measures on the Union industry.

⁽²¹⁾ Note for the file on annual reports for the year 2021 published by some car manufacturers.

7.3. Conclusion on Union interest

- (177) On the basis of the above, the Commission provisionally concluded that there were no compelling reasons that it was not in the Union interest to impose measures on imports of aluminium road wheels originating in Morocco at this stage of the investigation.

8. PROVISIONAL ANTI-DUMPING MEASURES

- (178) On the basis of the conclusions reached by the Commission on dumping, injury, causation, level of measures and Union interest, provisional measures should be imposed to prevent further injury being caused to the Union industry by the dumped imports.
- (179) On the basis of the above, the provisional anti-dumping duty rates, expressed on the CIF Union border price, customs duty unpaid, should be as follows:

Country	Company	Provisional anti-dumping duty
Morocco	HANDS 8 S.A.	8,0 %
	All other companies	16,5 %

- (180) The individual company anti-dumping duty rate specified in this Regulation was established on the basis of the findings of this investigation. Therefore, it reflects the situation found during this investigation with respect to this company. This duty rate is exclusively applicable to imports of the product concerned originating in the country concerned and produced by the named legal entity. Imports of the product concerned produced by any other company not specifically mentioned in the operative part of this Regulation, including entities related to that specifically mentioned, should be subject to the duty rate applicable to 'all other companies'. They should not be subject to any of the individual anti-dumping duty rates.
- (181) To ensure a proper enforcement of the anti-dumping duties, the anti-dumping duty for all other companies should apply not only to the non-cooperating exporting producers in this investigation, but to the producers which did not have exports to the Union during the investigation period.
- (182) To minimise the risks of circumvention due to the difference in duty rates, special measures are needed to ensure the application of the individual anti-dumping duties. The companies with individual anti-dumping duties must present 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. Imports not accompanied by that invoice should be subject to the anti-dumping duty applicable to 'all other companies'.
- (183) While presentation of this invoice is necessary for the customs authorities of the Member States to apply the individual rates of anti-dumping duty to imports, it is not the only element to be taken into account by the customs authorities. Indeed, even if presented with an invoice meeting all the requirements set out in Article 1(3) of this regulation, the customs authorities of Member States must carry out their usual checks and may, like in all other cases, require additional documents (shipping documents, etc.) for the purpose of verifying the accuracy of the particulars contained in the declaration and ensure that the subsequent application of the lower rate of duty is justified, in compliance with customs law.
- (184) Should the exports by one of the companies benefiting from lower individual duty rates increase significantly in quantity after the imposition of the measures concerned, such an increase in quantity could be considered as constituting in itself a change in the pattern of trade due to the imposition of measures within the meaning of Article 13(1) of the basic Regulation. In such circumstances and provided the conditions are met an anti-circumvention investigation may be initiated. This investigation may, inter alia, examine the need for the removal of individual duty rate(s) and the consequent imposition of a country-wide duty.

- (185) Statistics of aluminium road wheels are frequently expressed in number of items. However, no such supplementary unit is defined for aluminium road wheels in the Combined Nomenclature laid down in Annex I to Council Regulation (EEC) No 2658/87 ⁽²²⁾ on the tariff and statistical nomenclature and on the Common Customs Tariff. It is therefore necessary to provide that not only the weight in kilogram or tonnes but also the number of items for the imports of the product concerned must be entered in the declaration for release for free circulation.

9. REGISTRATION

- (186) As mentioned in recital 3, the Commission made imports of the product concerned subject to registration. Registration took place with a view to possibly collecting duties retroactively under Article 10(4) of the basic Regulation.
- (187) In view of the findings at provisional stage, the registration of imports should be discontinued.
- (188) No decision on a possible retroactive application of anti-dumping measures has been taken at this stage of the proceeding.

10. INFORMATION AT PROVISIONAL STAGE

- (189) In accordance with Article 19a of the basic Regulation, the Commission informed interested parties about the planned imposition of provisional duties. This information was also made available to the general public via DG TRADE's website. Interested parties were given three working days to provide comments on the accuracy of the calculations specifically disclosed to them. No such comments were received. Comments following pre-disclosure with respect to other aspects of the investigation, not related to the accuracy of the calculations, will be considered at the definitive stage of the investigation.

11. FINAL PROVISION

- (190) In the interests of sound administration, the Commission will invite the interested parties to submit written comments and/or to request a hearing with the Commission within a fixed deadline. Interested parties may also request a hearing with the Hearing Officer in trade proceedings.
- (191) The findings concerning the imposition of provisional duties are provisional and may be amended at the definitive stage of the investigation,

HAS ADOPTED THIS REGULATION:

Article 1

1. A provisional anti-dumping duty is imposed on imports of aluminium road wheels of the motor vehicles of headings 8701 to 8705 whether or not with their accessories and whether or not fitted with tyres, currently falling under CN codes ex 8708 70 10 and ex 8708 70 50 (TARIC codes: 8708 70 10 15, 8708 70 10 50, 8708 70 50 15 and 8708 70 50 50) and originating in Morocco.

2. The rates of the provisional anti-dumping duty applicable to the net, free-at-Union-frontier price, before duty, of the product described in paragraph 1 and produced by the companies listed below shall be as follows:

Country	Company	Provisional anti-dumping duty	TARIC additional code
Morocco	HANDS 8 S.A.	8,0 %	C873
	All other companies	16,5 %	C999

⁽²²⁾ Council Regulation (EEC) No 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and on the Common Customs Tariff (OJ L 256, 7.9.1987, p. 1).

3. The application of the individual duty rate specified for the company mentioned in paragraph 2 shall be conditional upon presentation to the Member States' customs authorities of a valid commercial invoice, on which shall appear a declaration dated and signed by an official of the entity issuing such invoice, identified by his/her name and function, drafted as follows: 'I, the undersigned, certify that the (volume) of (product concerned) sold for export to the European Union covered by this invoice was manufactured by (company name and address) (TARIC additional code) in Morocco. I declare that the information provided in this invoice is complete and correct.' If no such invoice is presented, the duty applicable to all other companies shall apply.
4. The release for free circulation in the Union of the product referred to in paragraph 1 shall be subject to the provision of a security deposit equivalent to the amount of the provisional duty.
5. Where a declaration for release for free circulation is presented in respect of the product referred to in paragraph 1, the number of items of the products imported shall be entered in the relevant field of that declaration, without prejudice to the supplementary unit defined in the Combined Nomenclature.
6. Unless otherwise specified, the provisions in force concerning customs duties shall apply.

Article 2

1. Interested parties shall submit their written comments on this regulation to the Commission within 15 calendar days of the date of entry into force of this Regulation.
2. Interested parties wishing to request a hearing with the Commission shall do so within 5 calendar days of the date of entry into force of this Regulation.
3. Interested parties wishing to request a hearing with the Hearing Officer in trade proceedings shall do so within 5 calendar days of the date of entry into force of this Regulation. The Hearing Officer shall examine requests submitted outside this time limit and may decide whether to accept such requests if appropriate.

Article 3

1. Customs authorities are hereby directed to discontinue the registration of imports established in accordance with Article 1 of Implementing Regulation (EU) 2022/934.
2. Data collected regarding products which entered the EU for consumption not more than 90 days prior to the date of the entry into force of this regulation shall be kept until the entry into force of possible definitive measures, or the termination of this proceeding.

Article 4

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.
Article 1 shall apply for a period of six months.

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

Done at Brussels, 14 July 2022.

For the Commission
The President
Ursula VON DER LEYEN