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imposing a definitive countervailing duty on imports of certain woven and/or stitched glass fibre fabrics originating in the People's Republic of China and the Arab Republic of Egypt as extended to imports brought to offshore installations, to imports consigned from the Kingdom of Morocco whether declared as originating in the Kingdom of Morocco or not, and to imports consigned from Türkiye whether declared as originating in Türkiye or not following an expiry review pursuant to Article 18 of the Regulation (EU) 2016/1037 of the European Parliament and the Council

THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EU) 2016/1037 of the European Parliament and of the Council of 8 June 2016 on protection against subsidised imports from countries not members of the European Union [1] (the 'basic Regulation'), and in particular Article 18 thereof,

Whereas:

1. PROCEDURE

1.1. Measures in force

(1) By Implementing Regulation (EU) 2020/776 [2] (the 'original Regulation'), the European Commission ('Commission') imposed definitive countervailing duties on imports of certain woven and/or stitched glass fibre fabrics ('GFF') originating in the People's Republic of China and the Arab Republic of Egypt ('original investigation').

(2) Following a first anti-circumvention investigation, by Implementing Regulation (EU) 2022/301 [3], the Commission extended the countervailing duties on imports of GFF originating in China consigned from the Kingdom of Morocco ('Morocco'), whether declared as originating in Morocco or not.

(3) By Implementing Regulation (EU) 2022/806 [4], the Commission extended the anti-dumping and countervailing duties to GFF originating in China and Egypt, brought to an artificial island, a fixed or floating installation or any other structure in the continental shelf of a Member State or the exclusive economic zone declared by a Member State pursuant to the United Nations Convention on the Law of the Sea ('UNCLOS').

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

(2) Commission Implementing Regulation (EU) 2020/776 of 12 June 2020 imposing definitive countervailing duties on imports of certain woven and/or stitched glass fibre fabrics originating in the People's Republic of China and Egypt and amending Commission Implementing Regulation (EU) 2020/492 imposing definitive anti-dumping duties on imports of certain woven and/or stitched glass fibre fabrics originating in the People's Republic of China and Egypt (OJ L 189, 15.6.2020, p. 1, ELI: http://data.europa.eu/eli/reg_impl/2020/776/oj).

(3) Commission Implementing Regulation (EU) 2022/301 of 24 February 2022 extending the definitive countervailing duty imposed by Implementing Regulation (EU) 2020/776 on imports of certain woven and/or stitched glass fibre fabrics ('GFF') originating in the People's Republic of China ('China') to imports of GFF consigned from Morocco, whether declared as originating in Morocco or not, and terminating the investigation concerning possible circumvention of the countervailing measures imposed by Implementing Regulation (EU) 2020/776 on imports of GFF originating in Egypt by imports of GFF consigned from Morocco, whether declared as originating in Morocco or not (OJ L 46, 25.2.2022, p. 31, ELI: http://data.europa.eu/eli/reg_impl/2022/301/oj).

(4) Commission Implementing Regulation (EU) 2022/806 of 23 May 2022 amending Implementing Regulation (EU) 2020/492 imposing definitive anti-dumping duties on imports of certain woven and/or stitched glass fibre fabrics originating in the People's Republic of China and Egypt and Implementing Regulation (EU) 2020/776 imposing definitive countervailing duties on imports of certain woven and/or stitched glass fibre fabrics originating in the People's Republic of China and Egypt and imposing the definitive anti-dumping duties and the definitive countervailing duties on imports of certain woven and/or stitched glass fibre fabrics originating in the People's Republic of China and Egypt brought to an artificial island, a fixed or floating installation or any other structure in the continental shelf of a Member State or the exclusive economic zone declared by a Member State pursuant to UNCLOS (OJ L 145, 24.5.2022, p. 20, ELI : http://data.europa.eu/eli/reg_impl/2022/806/oj).

(4) Following a second anti-circumvention investigation, by Implementing Regulation (EU) 2022/1478 [5], the Commission extended the countervailing duties to imports of GFF consigned from Türkiye, whether declared as originating in Türkiye or not, with the exception of those exported by some specific Turkish companies.

(5) Following a partial interim investigation, by Commission Implementing Regulation (EU) 2023/2158 [6], an additional Turkish exporting producer was added to the exemption list of Implementing Regulation (EU) 2022/1478.

(6) The current applicable countervailing duties range from 17,0 % to 30,7 % for imports from China and are set at 10,9 % for imports from Egypt.

1.2. **Request for an expiry review**

(7) Following the publication of a Notice of impending expiry of the anti-subsidy measures in force on the imports of certain woven and/or stitched glass fibre fabrics originating in the People's Republic of China ('China') and the Arab republic of Egypt ('Egypt') [7] (together referred to as 'the countries concerned'), the Commission received a request for review pursuant to Article 18 of the basic Regulation (the 'review request').

(8) The review request was lodged on 12 March 2025 by Tech-Fab Europe ('the applicant') on behalf of the Union industry of GFF in the sense of Article 10(6) of the basic Regulation.

(9) The review request is based on the grounds that the expiry of the measures would be likely to result in continuation or recurrence of subsidisation, and recurrence of injury to the Union industry.

(10) Prior to the initiation of the expiry review, and in accordance with Articles 22(1) and 10(7) of the basic Regulation, the Commission notified the Government of China ('GOC') and the Government of Egypt ('GOE') that it had received a properly documented review request and invited the both governments for consultations with the aim of clarifying the situation as regards the contents of the review request and arriving at a mutually agreed solution.

(11) Consultations with the GOC were held on 10 June 2025, when the GOC expressed its views regarding the initiation of the investigation to the Commission. Consultations with the GOE were held on 11 June 2025 and the GOE also expressed its views regarding the initiation of the investigation to the Commission in a written submission. The expiry review investigation was initiated on 13 June 2025.

1.3. **Initiation**

(12) Having determined, after consulting the Committee established by Article 25(1) of the basic Regulation, that sufficient evidence existed for the initiation of an expiry review, the Commission announced on 13 June 2025, in a notice published in the *Official Journal of the European Union* [8] ('the Notice of Initiation'), the initiation of an expiry review pursuant to Article 18 of basic Regulation. In view of Article 18(2) of the basic Regulation, the Commission prepared a memorandum on sufficiency of evidence containing the Commission's assessment on all the evidence at its disposal and on the basis of which the Commission initiated this investigation.

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[5] Commission Implementing Regulation (EU) 2022/1478 of 6 September 2022 extending the definitive countervailing duty imposed by Implementing Regulation (EU) 2020/776, on imports of certain woven and/or stitched glass fibre fabrics originating in the People's Republic of China and Egypt to imports of certain woven and/or stitched glass fibre fabrics consigned from Turkey, whether declared as originating in Turkey or not (OJ L 233, 8.9.2022, p. 18, ELI: http://data.europa.eu/eli/reg_impl/2022/1478/oj).

[6] Commission Implementing Regulation (EU) 2023/2158 of 17 October 2023 amending Implementing Regulation (EU) 2022/1478 extending the definitive countervailing duty imposed by Implementing Regulation (EU) 2020/776, on imports of certain woven and/or stitched glass fibre fabrics originating in the People's Republic of China and Egypt to imports of certain woven and/or stitched glass fibre fabrics consigned from Turkey, whether declared as originating in Turkey or not (OJ L, 2023/2158, 18.10.2023, ELI: http://data.europa.eu/eli/reg_impl/2023/2158/oj).

[7] OJ C, C/2024/5525, 17.9.2024, ELI: http://data.europa.eu/eli/C/2024/5525/oj.

[8] OJ C, C/2025/3223, 13.6.2025, ELI: http://data.europa.eu/eli/C/2025/3223/oj.

1.4. **Review investigation period and period considered**

(13) The investigation of continuation or recurrence of subsidisation covered the period 1 January 2024 to 31 December 2024 ('the review investigation period'). The examination of trends relevant for the assessment of the likelihood of a recurrence of injury covered the period from 1 January 2021 to the end of the review investigation period ('the period considered').

1.5. **Interested parties**

(14) In the Notice of Initiation, interested parties were invited to contact the Commission in order to participate in the investigation. In addition, the Commission specifically informed the applicant, other known Union producers, the known producers in China and Egypt, known importers, distributors and users about the initiation of the expiry review and invited them to participate.

(15) All interested parties were invited to make their views known, submit information and provide supporting evidence within the time-limits set out in the Notice of Initiation. Interested parties were also granted the opportunity to request in writing a hearing by the Commission investigation services and/or the Hearing Officer in trade proceedings.

1.5.1. *Sampling*

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

1.5.2. *Sampling of Union producers*

(17) In the Notice of Initiation, the Commission stated that it had provisionally selected a sample of Union producers. In accordance with Article 27 of the basic Regulation, the Commission selected the sample on the basis of the largest representative volume of sales and production in the Union which could reasonably be investigated within the time available. This sample consisted of two Union producers. The sampled Union producers accounted for around 35 % of estimated total Union production and 33 % of estimated total sales quantity of Union producers of the like product to the Union market in the review investigation period. The Commission invited interested parties to comment on the provisional sample but did not receive any comments. The provisional sample was therefore confirmed and is considered representative of the Union industry.

1.5.3. *Sampling of unrelated importers*

(18) To decide whether sampling was necessary and, if so, to select a sample, the Commission asked unrelated importers to provide the information specified in the Notice of Initiation. No unrelated importers provided the requested information and agreed to be included in the sample.

1.5.4. *Sampling of exporting producers*

(19) In order to enable the Commission to decide whether sampling was necessary and, if so, to select a sample, all exporting producers were invited to participate in this investigation. Those parties were requested to make themselves known by providing the Commission with the information on their companies requested in point 5.3.1 of the Notice of Initiation. In addition, the Commission asked the Mission of China to the European Union and the Mission of Egypt to the European Union to identify and/or contact other exporting producers, if any, that could be interested in participating in the investigation. None of the exporting producers in the countries concerned provided the requested information.

1.5.5. *Questionnaires and verification visits*

(20) In order to obtain the information deemed necessary for its investigation, the Commission published online the questionnaires for the exporting producers, the unrelated importers, and the Union producers, and sent questionnaires to the GOE and GOC.

(21) No exporting producers provided a questionnaire reply. GOC did not provide a questionnaire reply either. GOE provided a questionnaire reply.

(22) The Commission sought and verified all the information it deemed necessary for the determination of the likelihood of continuation or recurrence of subsidisation and recurrence of injury and for the determination of the Union interest. A verification visit took place at the premises of the GOE in Cairo and Ain Sokna.

(23) Furthermore, verification visits pursuant to Article 26 of the basic Regulation were carried out at the premises of the following companies:

Union producers:

— Vitrulan Composites Oy ('Vitrulan'), Mikkeli, Finland

— European Owens Corning Fiberglas sprl ('EOCF'), Brussels, Belgium.

1.6. **Disclosure**

(24) On 17 June 2026, the Commission disclosed the essential facts and considerations on the basis of which it intended to maintain the anti-subsidy duties in force ('disclosure'). All parties were granted a period within which they could make comments on the disclosure.

(25) The GOE commented on the disclosure. These comments were considered by the Commission and assessed in the relevant sections below. No parties requested a hearing.

2. PRODUCT UNDER REVIEW AND LIKE PRODUCT

2.1. **Product under review**

(26) The product subject to this review is the same as in the original investigation, namely fabrics of woven, and/or stitched continuous filament glass fibre rovings and/or yarns with or without other elements, excluding products which are impregnated or pre-impregnated (pre-preg), and excluding open mesh fabrics with cells with a size of more than 1,8 mm in both length and width and weighing more than 35 g/m^2, currently classified under CN codes ex 7019 61 00, ex 7019 62 10 , ex 7019 62 90, ex 7019 63 00, ex 7019 64 00, ex 7019 65 00, ex 7019 66 00, ex 7019 69 10, ex 7019 69 90 and ex 7019 90 00 (TARIC codes 7019 61 00 81, 7019 61 00 83, 7019 61 00 84, 7019 62 10 81, 7019 62 10 83, 7019 62 10 84, 7019 62 90 81, 7019 62 90 83, 7019 62 90 84, 7019 63 00 81, 7019 63 00 83, 7019 63 00 84, 7019 64 00 81, 7019 64 00 83, 7019 64 00 84, 7019 65 00 81, 7019 65 00 83, 7019 65 00 84, 7019 66 00 81, 7019 66 00 83, 7019 66 00 84, 7019 69 10 81, 7019 69 10 83, 7019 69 10 84, 7019 69 90 81, 7019 69 90 83, 7019 69 90 84, 7019 90 00 81, 7019 90 00 83 and 7019 90 00 84), and originating in China and Egypt ('the product under review').

(27) The CN and TARIC codes are given for information only without prejudice to a subsequent change in the tariff classification

2.2. **Like product**

(28) It was considered that the product under review, produced in China and/or Egypt and exported to the Union, and the product produced and sold in the Union by the Union industry have the same basic physical and chemical characteristics, and the same basic uses. They were therefore considered to be like products within the meaning of Article 2(c) of the basic Regulation.

3. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF SUBSIDISATION: CHINA

(29) In accordance with Article 18 of the basic Regulation, and as stated in the Notice of Initiation, the Commission examined whether the expiry of the existing duties would be likely to lead to a continuation of subsidisation.

3.1. Non-cooperation and the use of facts available in accordance with Article 28(1) of the basic Regulation

(30) On 13 June 2025, the Commission sent a questionnaire to the GOC. The GOC was also asked to forward a questionnaire for banks and other financial institutions known by the GOC to have provided loans to the industry concerned or to producers, distributors and other suppliers providing inputs for the production of the product concerned. This included a specific questionnaire for China Export Import Bank ('EXIM') and Chinese Export & Credit Insurance Corporation ('Sinosure'). The Commission did not receive any reply either from the GOC or from any institution to which the GOC was asked to forward a questionnaire.

(31) As also mentioned in recitals (19) and (21) above, none of the Chinese exporting producers cooperated with the investigation, nor did any of them provide questionnaire replies.

(32) Accordingly, by Note Verbale of 17 March 2026, the Commission informed the GOC of this fact, highlighting that it intended to apply Article 28 of the basic Regulation and base its findings on the facts available in respect of exporting producers and in respect to the information relating to the GOC. The GOC was given the opportunity to comment on this issue. No comments were received. Therefore, the Commission considered the use of facts available necessary in order to examine the continuation of subsidy practices in China in the GFF sector.

(33) Accordingly, the Commission used for its analysis all facts available to it, in particular the request for review and the findings of the original investigation, and all the subsequent investigations, listed in recitals (2) to (5) above.

3.2. Government plans, projects, and other documents

(34) In the original investigation, the Commission found that the GFF industry is regarded as a key/strategic industry by the GOC, whose development is actively pursued as a policy objective. Therefore, before analysing the alleged subsidisation in the form of subsidies or subsidy programmes, the Commission assessed government plans, projects and other documents, which were relevant for more than one of the subsidies or subsidy programmes, as provided by the applicant, to confirm whether this is still the case. The Commission found that the GOC has continued to heavily promote the GFF sector, and to provide ample subsidies within the meaning of Article 3 of the basic Regulation to GFF producers during the period considered. All subsidies or subsidy programmes under assessment form part of the implementation of the GOC's central planning to encourage the GFF industry for the following reasons.

(35) As the Report on Significant Distortions in the Economy of China [9] ('China Report') found, 'the overall picture that emerges concerning the framework in which economic activities take place in China is one where the State continues to exert a decisive influence on the allocation of resources and on their prices' [10]. The pricing and allocation of factors of production, such as land, energy, capital and material inputs are 'influenced by the State in a very significant manner' [11]. These findings apply also to the Chinese GFF industry.

(36) The applicant produced evidence which showed that several national and regional, general and sector-specific plans encourage government authorities at all levels and state-owned financial institutions to foster the growth of the Chinese glass fibre industry in general and the GFF industry in particular.

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[9] Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China for the purposes of Trade Defence Investigations, 10 April 2024, SWD(2024) 91 final, available at: https://ec.europa.eu/transparency/documents-register/detail?ref=SWD(2024)91&lang=en (last accessed on 8 May 2026).

[10] China Report, p. 3.

[11] *Ibid*, p. 3.

(37) The latest Chinese policy documents concerning the 'new materials' and 'glass fibre' sectors confirm the continued importance which the GOC attributes to the sector, including the intention to intervene in the sector to shape it in line with government policies. Enterprises in this sector benefit from numerous support mechanisms, including financial support policies, fiscal and taxation preferential policies, R & D support etc.

(38) Under the 14th 5-Year Plan for National Economic and Social Development of China ('General 14th 5-Year Plan'), the GOC focusses on the new materials sector, which includes the GFF industry, as a key strategic priority for the Chinese economy [12]. Benefits for Chinese GFF producers include tax and fee reductions, reduced production and operating costs, expanded mid- and long-term loans and credit lines [13]. As such, the GOC seeks to build a new pillar of the industrial system, and it makes full use of industrial investment funds, increasing financing guarantees and risk compensation [14].

(39) The new materials industry is also an encouraged industry under the Made in China 2025 Roadmap, and Chinese producers thereby have access to strategic support mechanisms, including financial support policies, fiscal and taxation support, and State Council oversight and support [15].

(40) The 2022 Catalogue of Industries Encouraging Foreign Investment entered into force on 1 January 2023 and replaced the 2020 edition of the Catalogue. The Catalogue implements the policy plans of the CCP and the State Council and pursues three main goals: (i) boost foreign investment in manufacturing to upgrade China's industrial and supply chains, (ii) promote the integrated development of the service and manufacturing sectors, and (iii) encourage foreign investment in China's Central, Western, and Northeastern regions. The glass fibre production industry is included as an encouraged industry [16]. Accordingly, Chinese producers of GFF can receive benefits for encouraged industries in the Catalogue.

(41) The glass fibre industry is also listed among the encouraged sectors under the 2019 Guiding Catalogue for Industry Structural Adjustment, as well as in the 2021 Guiding Catalogue of Key New Materials eligible for first use/demonstration schemes.

(42) Likewise, the China High-Tech Export Products Catalogue, issued by the Ministry of Science and Technology, the Ministry of Foreign Trade and the General Administration of Customs, lists 1 900 high-tech products in eight categories, which are targeted for preferential export policies by the GOC. One of the priority categories is 'New Materials' and this category includes the GFF sector [17].

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[12] General 14th 5-Year Plan, Chapter 9, Section 1.

[13] General 14th 5-Year Plan, Chapter 8, Section 4.

[14] General 14th 5-Year Plan, Chapter 9, Section 1. See also Commission Implementing Regulation (EU) 2023/1452 of 13 July 2023 imposing a definitive anti-dumping duty on imports of certain continuous filament glass fibre products originating in the People's Republic of China following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council (OJ L 179, 14.7.2023, p. 57, ELI: http://data.europa.eu/eli/reg_impl/2023/1452/oj), recital 49.

[15] See Made in China 2025 Roadmap (available at: https://www.cae.cn/cae/html/files/2015-10/29/20151029105822561730637.pdf (last accessed on 8 May 2026)). See also Commission Implementing Regulation (EU) 2021/328 of 24 February 2021 imposing a definitive countervailing duty on imports of continuous filament glass fibre products originating in the People's Republic of China following an expiry review pursuant to Article 18 of the Regulation (EU) 2016/1037 of the European Parliament and of the Council (OJ L 65, 25.2.2021, p. 1, ELI: http://data.europa.eu/eli/reg_impl/2021/328/oj), recitals (54)-(55); Commission Implementing Regulation (EU) 2020/492 of 1 April 2020 imposing definitive anti-dumping duties on imports of certain woven and/or stitched glass fibre fabrics originating in the People's Republic of China and Egypt (OJ L 108, 6.4.2020, p. 1, ELI: http://data.europa.eu/eli/reg_impl/2020/492/oj), recital (125); Implementing Regulation (EU) 2023/1452, recital (49).

[16] See China report, p. 224-225.

[17] See China High-Tech Export Products Catalogue, p. 3 and 7 (Exhibit 26 to the open version of the complaint). See also Commission Implementing Regulation (EU) 2024/357 of 23 January 2024 imposing a definitive anti-dumping duty on imports of certain open mesh fabrics of glass fibres originating in the People's Republic of China as extended to imports consigned from India, Indonesia, Malaysia, Taiwan and Thailand following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and the Council (OJ L, 2024/357, 24.1.2024, ELI: http://data.europa.eu/eli/reg_impl/2024/357/oj), recital 124; Implementing Regulation (EU) 2021/328, recital 59.

(43) Furthermore, according to the Law of China on Science and Technology Progress [18], high-tech enterprises established in High-tech Development Zones can benefit from a list of preferential policies, which include an Enterprise Income Tax ('EIT') rate of 15 %, instead of the normal rate of 25 %, and if the output value of export products reaches 70 % of the total value for that year, the EIT rate is further reduced to 10 %. Newly established high-tech enterprises are exempt from EIT tax for the first two years from the date production begins and from construction tax. For new technology development and production and operation houses, R & D land is tax-free, equipment used by high-tech enterprises for high-tech production and development is subject to accelerated depreciation, and export products produced by high-tech enterprises are exempt from export tariffs except those restricted by the State or concerning specific products. Several GFF producers, such as CRD, Hengshi, PGTEX and Jiangsu Jiuding, have 'national-high tech enterprise' certifications and are therefore eligible for the corresponding subsidies and preferential policies for high-tech enterprises.

(44) The Chinese glass fibre sector is also supported by the dedicated 14th 5-Year Development Plan for the Glass Fibre Industry, published by the China Fiberglass Industry Association. The Plan guides the development of the whole sector and lays down the basis for governmental guidance of the enterprises active in the glass fibre industry. GFF remains a key product in the Plan and can count on support in various sectors including construction and infrastructure, automotive and transportation, and agriculture and animal husbandry [19].

(45) The GOC further supports and directs the Chinese GFF industry through the 14th 5-Year Building Materials Industry Development Plan. The Plan calls for optimizing China's industrial structure by, inter alia, expanding emerging industries such as glass-based materials and high-performance fibres (including GFF, OMF, GFR and GFY). The Plan foresees ample government funding, taxation, financial, pricing, energy, and environmental protection policies, and support for capital to participate in the mergers, acquisitions, and restructuring of building materials enterprises through various means including preferential lending.

(46) The glass fibre industry has also been directed by the 14th 5-Year Intelligent Manufacturing Development Plan, published by the Chinese Ministry of Industry and Information Technology ('MIIT'). The Plan sets out several goals for the intelligent manufacturing industry and foresees ample financial support, incentive policies and development funds for the supported industries, such as the glass fibre industry.

(47) Similar examples of the supervision and guidance by the Chinese authorities of the sector can be found at the provincial level. Plans at provincial level are detailed and specify the support to the relevant industries/sectors, as well as the timeframes in which the objectives need to be achieved.

(48) For instance, Zhejiang has implemented dedicated plans to develop the glass fibre industry. The 14th 5-Year Plan on Developing New Materials Industry in Zhejiang focusses on high-performance fibre and composite materials for the Tongxiang Economic Development Zone, where Hengshi and CRD are located, 'to create [a] high-performance glass fibre and composite materials industry chain […] and downstream products industry chain, to achieve value chain improvement' [20].

(49) Similarly, the 14th 5-Year Plan of Shandong's Building Materials Industry also foresees support for the glass fibre and composite material industry plans. The Plan aims to 'actively foster leading and backbone enterprises with strong brand influence and marketing appeal, strong integration capabilities and driving effects on industry chains and clusters, and support cross-sector, cross regional, and cross-ownership mergers and reorganization of enterprises' and to 'develop high-performance glass fibres and products [and to] encourage the development of ultra-fine, high-strength, high-modulus, alkali-resistant, low-dielectric, low-expansion, high-silica, degradable, special-shaped cross-section and other high-performance glass fibre and glass fibre products. Focusing on the needs of electronic information, aerospace, new energy, large-scale breeding farms, agricultural greenhouses and other

[18] See Preferential policies of the National High-Tech Industrial Development Zones, p. 12-14. See also Implementing Regulation (EU) 2021/328, recital 60; Implementing Regulation (EU) 2024/357, recital (125).
[19] General 14th 5-Year Development Plan for the Glass Fibre Industry, p. 7.
[20] See Implementing Regulation (EU) 2024/357, recital (105); Implementing Regulation (EU) 2023/1452, recital (55) and footnote 27.

fields, research and develop and promote glass fibre reinforced thermoplastic and thermoset composite products, and glass fibre composite gratings for infrastructure projects' ([21]). It was therefore reasonable to conclude that Taishan Fiberglass, Taian Jingwei Fiberglass, Weihai Guangwei Composites and Feicheng Sanying Fiberglass, all located in Shandong Province, have continued to receive preferential treatment in the framework of this Plan.

(50) Likewise, the 14th 5-Year Plan for High Quality Development of Manufacturing Industry in Chongqing foresees extensive support for new materials and high-performance fibre production ([22]). The Chongqing 14th 5-Year Plan on Developing Strategic and Emerging Industries contains the plans for 'extending the high-performance fibre and composite materials industry chains', as well as 'accelerating the construction of projects such as the […] high-performance glass fibre production line with an annual output of 150 000 tons, and of the production base of ultra-fine glass fibre and composite materials, so as to increase the high-performance glass fibre and composite materials production capacities' ([23]). These measures will benefit GFF production by CPIC, which is located in Chongqing.

(51) Other provinces also foresee support for their glass fibre industry, such as Guangxi, ('high-performance glass-fibre composite materials') ([24]), Hubei ('glass fibre products') ([25]), and Hebei ('glass products' and 'composite materials') ([26]).

(52) GFF producers can count on the support of their local authorities at the municipal level too. For instance, according to the local Plan of Daiyue District of Tai'an City, preferred industrial enterprises such as Taishan Fiberglass will be supported by ensuring the availability of capital, land, environmental protection, talent and other elements to support enterprises in their expansion and development ([27]).

(53) In addition to serving as a blueprint for State-owned banks to provide financial support for Chinese producers of GFF, these laws, plans and Guidelines highlight the strategic vision of the GOC for the GFF industry. The applicant has provided financial reports of some of the Chinese GFF producers which expressly acknowledge this.

(54) The GOC is thus, through its various subsidisation programs, building provincial and national champions which are meant to compete internationally. Besides implementing its general and specific plans on national, regional and local levels through government agencies, the GOC also implements its policies through State-owned enterprises ('SOEs') ([28]).

3.3. **Subsidies and subsidy programmes examined in the current expiry review**

(55) On the basis of the information contained in the request for review, the Memorandum of Sufficiency of Evidence, and the Notice of Initiation, the following schemes, which allegedly involve the granting of subsidies, were investigated:

Direct transfer of funds:

(a) Provision of preferential loans;

(b) Export credit insurance;

(c) Opening and provision of credit lines;

(d) Grants;

Government revenue foregone or not collected that is otherwise due ([29]):

(e) Tax exemption and reduction programmes;

([21]) See Implementing Regulation (EU) 2024/357, recital (103); Implementing Regulation (EU) 2023/1452, recital (55).
([22]) 14th 5-Year Plan for High Quality Development of Manufacturing Industry in Chongqing, p. 69, 71, 72.
([23]) See Implementing Regulation (EU) 2023/1452, recital (55).
([24]) 3-Year Action Plan on Strategic and Emerging Industries in Guangxi, p. 4.
([25]) 14th 5-Year Plan for High Quality Development of New Materials in Hubei, p. 7.
([26]) 14th 5-Year Plan for the Development of Characteristic Industries in Hebei Province, p. 18.
([27]) Daiyue District policies, p. 32; provided in the file for interested parties under save number: t25.006259.
([28]) Decision No 40 of the State Council, Article 17.
([29]) Article 3(1)(a)(ii) of the basic Regulation.

Provision of goods or services for less than adequate remuneration:

(f) Provision of land;

(g) Provision of raw materials;

(h) Provision of electricity.

3.4. **Direct transfer of funds**

3.4.1. *Provision of preferential loans*

(56) In the original investigation, the Commission found that the GOC was subsidising GFF producers through the provision of preferential lending arrangements [30], with subsidy amounts ranging from 2,53 % to 7,39 % for the sampled groups of companies.

State-owned banks acting as public bodies

(57) The original investigation found that this subsidisation took form of preferential loans given by state-owned banks acting as public bodies within the meaning of Article 2(b) read in conjunction with Article 3(1)(a)(i) of the basic Regulation [31].

(58) In addition, the Commission found that, even if the State-owned financial institutions were not to be considered as public bodies, they would be considered entrusted or directed by the GOC to carry out functions normally vested in the government within the meaning of Article 3(1)(a)(iv) of the basic Regulation. This conclusion was reached also in respect of private financial institutions [32].

(59) Finally, the Commission determined that domestic credit ratings awarded to Chinese companies were not reliable, as they underestimated the credit risks of the underlying assets. The ratings were further distorted by the policy objectives to encourage key strategic sectors, such as GFF [33].

(60) No evidence was presented in this investigation to invalidate those conclusions. As pointed out by the applicant, on the other hand, financial institutions in China operate in a general legal environment that directs them to align themselves with the GOC's industrial policy objectives when taking financial decisions.

(61) Chinese State-owned banks have provided preferential lending arrangements to Chinese GFF producers based on political directives from the central or provincial governments, in particular the 5-Year Plans mentioned in section 3.2 above [34], rather than creditworthiness or other market-based factors, with the aims of increasing the competitiveness of Chinese companies vis-à-vis their global competitors [35].

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(30) The original Regulation, recitals (222)-(344).
(31) The original Regulation, recitals (225)-(266).
(32) The original Regulation, recitals (267)-(278).
(33) The original Regulation, recitals (279)-(285).
(34) See, for example, Commission Implementing Regulation (EU) 2022/72 of 18 January 2022 imposing definitive countervailing duties on imports of optical fibre cables originating in the People's Republic of China and amending Implementing Regulation (EU) 2021/2011 imposing a definitive anti-dumping duty on imports of optical fibre cables originating in the People's Republic of China (OJ L 12, 19.1.2022, p. 34, ELI: http://data.europa.eu/eli/reg_impl/2022/72/oj), recital (243); Commission Implementing Regulation (EU) 2017/969 of 8 June 2017 imposing definitive countervailing duties on imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel originating in the People's Republic of China and amending Commission Implementing Regulation (EU) 2017/649 imposing a definitive anti-dumping duty on imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel originating in the People's Republic of China (OJ L 146, 9.6.2017, p. 17, ELI: http://data.europa.eu/eli/reg_impl/2017/969/oj), recitals (83) et seq.; Commission Implementing Regulation (EU) 2017/1187 of 3 July 2017 imposing a definitive countervailing duty on imports of certain coated fine paper originating in the People's Republic of China following an expiry review pursuant to Article 18 of the Regulation (EU) 2016/1037 of the European Parliament and of the Council (OJ L 171, 4.7.2017, p. 134, ELI: http://data.europa.eu/eli/reg_impl/2017/1187/oj), recitals 53 et seq.
(35) Lee, H., Zhigang, L., Coles, T., *Out of China: The activities of China's export credit agencies and development banks in Africa*, available at: https://www.trade-remedies.service.gov.uk/public/case/TS0009/submission/e689f04d-5b69-411a-997b-2a89f4a42588/document/70bcb25d-3b25-48b0-9e42-28812efef8d1/ (accessed on 22 March 2026).

(62) Article 34 of the Bank law, which applies to all financial institutions operating in China, provides that 'commercial banks shall conduct their business of lending in accordance with the needs of the national economic and social development and under the guidance of the industrial policies of the State'.

(63) In addition, Article 15 of the General Rules on Loans provides that 'In accordance with the State's policy, relevant departments may subsidize interests on loans, with a view to promoting the growth of certain industries and economic development in some areas'.

(64) Furthermore, the Temporary Provisions on Promoting Industrial Structure Adjustment (Decision No. 40 2005 of the State Council) ('Decision No 40'), Chapter III refers to 'The Guiding Catalogue for Industry Restructuring' which is composed of three kinds of contents: namely encouraged project contents, limited projects content and eliminated projects content.

(65) According to Article XVII of the Decision No 40, if 'the investment project belongs to the encouragement content shall be examined and approved and put on records according to the relevant national regulations on investment; all financial institutions shall provide credit support according to the credit principles; the self-using equipment imported in the total amount of investment, with the exception of commodities in the Non-exempt Imported Commodities Content of Domestic Invested Projects (amended in 2000) issued by the Ministry of Finance, can be exempt from import duty and import links value-added tax, unless there are new regulations on the non-exempt investment projects content. Other favorite policies on the encouraged industrial projects shall be implemented according to relevant national Regulations'.

(66) Such legal environment is exemplified by EXIM, specifically its public policy mandate established in the 'The Notice of Establishing Export-Import Bank of China' issued by the State Council and the Articles of Association of EXIM. According to its Articles of Association, the State Council directly appoints the Chairman and the Vice Chairman of EXIM bank ([36]). The Board of Supervisors is appointed by the State Council and it is responsible to the State Council ([37]).

(67) Furthermore, the applicant pointed out that, in its 2023 Annual Report, EXIM states that 'ensuring stable growth of China's foreign trade' has remained the bank's top priority, and the Board of Directors has fully implemented national policies throughout the year ([38]). Amongst others, the loans granted by EXIM Bank include loans for 'going global' and the Belt and Road Initiative, preferential exporter buyer credit, foreign trade guarantees, and so on ([39]).

(68) The Commission also previously found that the China Banking and Insurance Regulatory Commission ('CBIRC') has far-reaching approval authority over all aspects of the management of all financial institutions established in China (including privately owned and foreign owned financial institutions) ([40]), such as: approval of the appointment of all managers of the financial institutions (both at the level of headquarters and at the level of local branches), approvals for setting up branches, for starting new business lines or selling new products, etc.

(69) The Commission thus concluded that the specific public policy objectives, as provided in the legal framework set out above, are being implemented by State-owned banks in the exercise of governmental functions with respect to the glass fibre industry, thereby acting as public bodies in the sense of Article 2(b) of the basic Regulation read in conjunction with Article 3(1)(a)(i) of the basic Regulation. Even if the State-owned banks were not to be considered as public bodies, the Commission found that those banks as well as privately owned banks would also be considered entrusted and directed by the GOC to carry out functions normally vested in the government, within the meaning of Article 3(1)(a)(iv) of the basic Regulation.

([36]) Article 8, Articles of Association of the Export-Import Bank of China, 19 March 1994, available at: https://flylib.com/books/en/4.408.1.107/1/ (accessed on 8 May 2026).
([37]) Available online at: http://www.eximbank.gov.cn/aboutExim/profile/zczy/201902/t20190225_8813.html (accessed on 8 May 2026).
([38]) China Export-Import Bank, '2023 Annual Report', p. 6, 54 and 60 (available at: http://english.eximbank.gov.cn/News/AnnualR/2023/ (accessed on 8 May 2026)).
([39]) EXIM Annual Report 2023, p. 6, 54 and 60.
([40]) The original Regulation, recital (243).

Evidence of continued subsidisation

(70) The applicant has provided ample evidence that preferential financing to the GFF sector by State-owned banks has continued after the original investigation.

(71) By the end of June 2021, the balance of the Bank of China's green loans exceeded 1 trillion RMB and has kept growing since. The bank has also assisted clients in issuing 50,9 billion RMB of green bonds in the domestic market, and intends to provide no less than 1 trillion RMB of funds to support green industries during the General 14th 5-Year Plan period.

(72) In September 2021 Zhang Qingsong, the president of the Agricultural Bank of China, announced that the bank 'will ramp up financial support for clean energy, green transportation, green building and energy-saving transformation of traditional industries'. The bank's balance of green credit reached 1,76 trillion RMB by the end of June 2021, up 16,4 % year-on-year. According to its president, the Agricultural Bank of China will also actively develop innovative carbon financial products, including carbon bonds, carbon asset collateralized financing and carbon asset-backed securities.

(73) EXIM bank provides export-contingent loans at preferential rates to Chinese companies that produce new- and high-tech products, such as GFF. The applicant provided evidence on foreign trade loans granted by EXIM in 2021, 2022 and 2023, totalling RMB 2 187 billion, RMB 2 644 billion and RMB 3 016 billion, respectively ([41]). These loans aimed at implementing the goals established in the 13th and 14th 5-Year Plans, in particular the implementation of the Belt and Road Initiative, in which some of the biggest Chinese GFF producers, such as CPIC, Jiangsu Changhai and Jushi China, are actively involved ([42]). In 2023, project loans granted by EXIM amounted to USD 47 billion. By the end of 2023, the outstanding balance of on-lending loans stood at USD 8,9 trillion ([43]).

(74) The applicant also submitted that EXIM assisted exporters through export buyers' credits. Export buyers' credits are provided to foreign companies to finance their import of Chinese products, technologies and services ([44]).

(75) The applicant has also provided annual accounts of major GFF producers, showing, for example, that China National Building Materials Group ('CNBM') received government loans at below-market interest rates which it treated as government grants, and Jushi China had a large loan balance, with interest rates as low as 1,20 % ([45]).

(76) Furthermore, according to the local Plan of Daiyue District of Tai'an City, enterprises such as Taishan Fiberglass will be supported by ensuring the availability of inter alia capital. Accordingly, the Daiyue District set up a 'host bank' system for preferred industrial enterprises, including Taishan Fiberglass. In 2022, under this system, local banks including Industrial Bank and Agricultural Bank of China granted 8,2 billion RMB in credits and 3,2 billion RMB in loans.

(77) The Commission has also established in recent investigations that Chinese state-owned banks provide preferential lending arrangements at below market rates in view of the risk profile of Chinese exporters. The exporting producers would receive revolving loans, which allow them to replace the capital repaid on loans at the maturity date with fresh capital from new loans ([46]).

([41]) EXIM Bank Annual Reports 2021, 2022, and 2023, p. 41, 43, and 55, respectively. Annual reports available at: http://english.eximbank.gov.cn/News/AnnualR/2025eng_1233/ (accessed on 8 May 2026).

([42]) EXIM Bank Annual Report 2022, p. 2, 19 and 49.

([43]) EXIM Bank Annual Report 2023, p. 59.

([44]) EXIM Bank Annual Report 2022, p. 47.

([45]) CNBM Annual Report 2022, p. 176; Jushi China Annual Report 2022, p. 21 and 147; Jushi China Annual Report 2023 H1, p. 12 and 99; provided in the file for interested parties under save number: t25.006259.

([46]) See Implementing Regulation (EU) 2021/328, recitals 82 et seq.; Implementing Regulation (EU) 2022/72, recitals 281 et seq.; Commission Implementing Regulation (EU) 2023/1123 of 7 June 2023 imposing a definitive countervailing duty on imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel originating in People's Republic of China following an expiry review pursuant to Article 18 of Regulation (EU) 2016/1037 of the European Parliament and of the Council (OJ L 148, 8.6.2023, p. 84, ELI: http://data.europa.eu/eli/reg_impl/2023/1123/oj), recitals (49) et seq.; Commission Implementing Regulation (EU) 2023/1647 of 21 August 2023 imposing a definitive countervailing duty on imports of certain coated fine paper originating in the People's Republic of China following an expiry review pursuant to Article 18 of Regulation (EU) 2016/1037 of the European Parliament and of the Council (OJ L 207, 22.8.2023, p. 1, ELI: http://data.europa.eu/eli/reg_impl/2023/1647/oj), recitals (40) et seq.

(78) The applicant submitted that Chinese State-owned banks also provided preferential lending to Chinese GFF producers with a low credit rating via wealth management products ('WMP') to evade capital requirements. WMPs are uninsured investment products that offer fixed return rates well above regulated interest rates. In China WMPs are often used to fund investments in sectors where bank credit is restricted or for companies with low credit ratings.

(79) The applicant provided evidence that Jiangsu Changhai received wealth management products in 2022 and 2023 for a total of RMB 761 million and RMB 751 million, representing more than 25 % and 28 % of its 2022 and 2023 turnover of RMB 3,0 billion and RMB 2,6 billion; CPIC received wealth management products in 2023 and 2024 H1 for a total of RMB 288 million and RMB 138 million, representing approximately 4 % and 4 % of its turnover of RMB 7,1 billion and RMB 3,5 billion ([47]).

(80) During the pre-initiation consultations, the GOC argued that the GFF industry is not a specifically encouraged industry, and that Chinese banks do not limit their loans or specific interest rates to the glass fibre industry or enterprises. However, GOC did not further cooperate with the investigation and did not provide additional evidence in support of that claim. Ample evidence on the file, however, shows that the opposite is the case, as described above.

(81) Therefore, taking into account all the evidence and considerations described in this section, and the fact that there was no evidence that the described practices and policies are no longer in place, the Commission reiterated its conclusion from the original investigation that the Chinese GFF industry continued to be a key industry during the review investigation period, the development of which continues to be actively pursued and directed by the GOC as a strategic policy objective.

Benefit

(82) In the absence of cooperation from the Chinese producers, the Commission had no company-specific information on which the amount of subsidy conferred during the review investigation period could be calculated. On the basis of available information, as described in recitals (56) to (81) above, however, the Commission found no evidence that the preferential lending for producers of GFF in China ceased.

(83) Therefore, without the need to quantify the exact amount of subsidisation conferred through preferential lending, the Commission concluded that the GOC continued to provide preferential loans at favourable interest rates in line with the policy stipulated in specific plans and directives referring to the GFF industry. The direct transfer of funds in the form of preferential loans continued to be available to companies in the GFF industry during the review investigation period.

Specificity

(84) As demonstrated in recitals (34) to (54) above, several legal documents which are specifically targeted at companies in the GFF sector direct the financial institutions. The evidence on file shows that the financial institutions only provide preferential lending to a limited number of industries which comply with the relevant policies of the GOC.

(85) The Commission therefore concluded that the subsidies in the form of preferential lending are not generally available but are specific within the meaning of Article 4(2)(a) of the basic Regulation. Moreover, there was no evidence submitted by any of the interested parties proving that the preferential lending is based on objective criteria or conditions under Article 4(2)(b) of the basic Regulation.

([47]) Jiangsu Changhai Annual Report 2022, p. 9 and 79; Jiangsu Changhai Annual Report 2023, p. 11 and 74; CPIC Annual Report 2023, p. 9 and 151; CPIC Annual Report 2024, p. 8 and 79; provided in the file for interested parties under save number: t25.006259.

Conclusion

(86) In light of the above, the Commission concluded that the Chinese GFF industry continued to benefit from subsidies in the form of preferential loans during the review investigation period. In view of the existence of financial contribution, a benefit to the Chinese exporting producers and specificity, this subsidy scheme continues to be considered countervailable.

3.4.2. *Export credit insurance*

(87) In the original investigation, the Commission found that Chinese exporting producers of GFF benefitted from export credit insurance at preferential rate, with the subsidy rate ranging from 0,23 % to 0,43 %. The Commission found that subsidisation took the form of the provision of export credit insurance at terms more favourable than those available under market conditions and cash rebates of a part of insurance premiums. The evidence on file shows that this scheme continued.

Sinosure as a public body

(88) As mentioned in recitals (30) to (33) above, in the absence of cooperation from the GOC, the Commission assessed the continuation of this scheme in accordance with Article 28 of the basic Regulation on the basis of the facts available to it, in particular the request for review and the findings of the original investigation.

(89) In the original investigation, the Commission concluded that Sinosure is a public body within the meaning of Article 2(b) of the basic Regulation. In particular, the conclusion that Sinosure is vested with authority to exercise governmental functions is based on facts available relating to State ownership, formal indicia of government control as well as evidence showing that the GOC continues exercising meaningful control over the conduct of Sinosure.

(90) As also confirmed in other recent investigations ([48]). the government exercises full ownership and financial control over Sinosure. Sinosure is a State sole proprietorship, owned 100 % by the State Council. The Articles of Association state that the business competent department of the company is the Ministry of Finance, and also requires Sinosure to submit financial and accounting reports and the fiscal budget report to the Ministry of Finance for examination and approval.

(91) With regard to government control, as a state sole proprietorship, Sinosure does not have a Board of Directors. As for the Board of Supervisors, all of the supervisors are appointed by the State Council and execute their duties according to the 'Interim Regulation on the Board of Supervisors of Important State-owned Financial Institution.' The senior management of Sinosure is also appointed by the government. Sinosure's website ([49]) shows that the Chairman of Sinosure is the Secretary of the Party Committee, and the majority of the Senior Management are also Members of the Party Committee.

(92) Furthermore, the continued role of Sinosure as a platform for supporting Government policies remains unchanged, as apparent from a joint 2022 call by MOFCOM and Sinosure to 'support to enterprises to deepen traditional export destinations and tap into diversified markets, with a focus on providing credit insurance services for exports to countries along the Belt and Road, emerging markets, and free-trade zone partners' ([50]).

(93) Sinosure continues to be a public body exercising government functions, in particular with regard to encouraged industries. It provides export credit insurance on terms more favourable than the recipient could normally obtain on the market or provides insurance cover that would otherwise not be available at all on the market. Given that the Chinese GFF industry, as part of the high-tech products and new materials industry, is a highly encouraged and export-oriented industry, the Commission concluded that it continues to be supported by Sinosure.

([48]) See, for example, Implementing Regulation (EU) 2022/72, recital (453); Implementing Regulation (EU) 2023/1647, recital (146).
([49]) https://www.sinosure.com.cn/en/Sinosure/Profile/index.shtml (last accessed on 22 March 2026).
([50]) China report, Section 6.6.

Evidence of continued subsidisation

(94) The legal bases for subsidies provided by Sinosure are:

— the Notice on the Implementation of the Strategy of Promoting Trade through Science and Technology by Utilising Export Credit Insurance (Shang JiFa [2004] No. 368), issued jointly by MOFCOM and Sinosure;

— the Export Directory of Chinese High and New Technology Products of 2006;

— the so-called 840 plan included in the Notice by the State Council of 27 May 2009;

— the so-called 421 plan included in the Notice on the issues to implement special arrangements for financing of insurance on the export of large complete sets of equipment, issued jointly by the Ministry of Commerce and the Ministry of Finance on 22 June 2009; and

— the Notice on Cultivation and Development of the State Council on Accelerating Emerging Industries of Strategic Decision (GuoFa [2010] No. 32 of 18 October 2010), issued by the State Council and its Implementing Guidelines (GuoFa [2011] No. 310 of 21 October 2011).

(95) Accordingly, Sinosure provides short-, medium- and long-term export credit insurance, investment insurance and bond guarantees, among other services, on a concessional basis to encouraged industries, such as the glass fibre industry.

(96) The applicant produced evidence in the form of financial accounts of GFF producers which show that at least some continued to benefit from this scheme. For example, Jushi China received export credit insurance of at least RMB 2,4 million and RMB 2,1 million in 2022 H1 and 2023 H1 respectively, which represents 0,01 % and 0,03 % of its 2022 H1 and 2023 H1 turnover ([51]).

Specificity

(97) Subsidies provided under the export credit insurance scheme are specific as they cannot be obtained without exporting and are thus export contingent within the meaning of Article 4(4)(a) of the basic Regulation.

Benefit

(98) In the absence of cooperation from the Chinese producers, the GOC and Sinosure, the Commission had no company-specific information on which the amount of subsidy received during the review investigation period could be calculated.

(99) Based on the evidence available, the Commission concluded that during the review investigation period the export credit insurance on preferential terms kept being provided to the GFF industry, in line with the policy stipulated in specific plans and directives referring to the GFF industry.

Conclusion

(100) In light of the above considerations, and absent any argument to the contrary, the Commission concluded that the GFF in China has continued to benefit from subsidies in the form of export credit insurance on preferential terms. In view of the existence of financial contributions, a benefit conferred and specificity, this subsidy programmes continues to be considered countervailable.

([51]) Jushi China AR 2023 H1, p. 6 and 106; provided in the file for interested parties under save number: t25.006259.

3.4.3. *Opening and provision of credit lines*

(101) The original investigation found that Chinese state-owned financial institutions also provided credit lines at preferential conditions in connection with the provision of financing to GFF exporting producers. These consisted of framework agreements, under which the bank allows the sampled companies to use various debt instruments, such as working capital loans, bank acceptance drafts, documentary bills, other forms of trade financing, etc., within a certain maximum amount ([52]).

(102) The purpose of a credit line is to establish a borrowing limit that the company can use at any time to finance its current operations thus making working capital financing flexible and immediately available when needed. The original investigation showed that exporting producers had credit line agreements with different banks that covered various short-term financing instruments with the purpose to finance operating expenses. Consequently, the Commission considered that in principle, all short-term financing of the sampled companies should be covered by a sort of credit line instrument, including bank acceptance drafts, which are issued on a regular basis to finance current operations.

(103) The applicant provided evidence from the annual reports of several GGF producers showing that they continued to benefit from these schemes. Sinoma has used at least RMB 1,9 million of its RMB 6,3 million credit line, which represents 0,01 % of its 2023 turnover. Several other GFF producers, such as CPIC and PGTex China, obtained bank credit lines from several banks ([53]).

(104) The applicant submitted that the Chinese glass fibre sector remains a highly encouraged industry, as was described above, and pointed to the fact that the Commission has found on multiple occasions that encouraged Chinese industries are benefitting from these subsidy schemes ([54]). There is no evidence that this has stopped being the case in the GFF industry.

Specificity

(105) Credit lines are intrinsically linked to other types of preferential lending such as loans, and thus follow the same specificity analysis as outlined in recitals (84) and (85) above concerning preferential lending schemes.

(106) The Commission therefore concluded that the subsidies in the form of opening and provision credit lines are not generally available but are specific within the meaning of Article 4(2)(a) of the basic Regulation.

([52]) See the original Regulation, recitals (345)-(357).

([53]) Sinoma Annual Report 2023, p. 7 and 189; Sinoma Semi-annual Report 2024, p. 7 and 134; CPIC Semi-annual Report 2024, p. 134; PGTex China Annual Report, p. 109; provided in the file for interested parties under save number: t25.006259.

([54]) See Commission Implementing Regulation (EU) 2018/1690 of 9 November 2018 imposing definitive countervailing duties on imports of certain pneumatic tyres, new or retreaded, of rubber, of a kind used for buses or lorries and with a load index exceeding 121 originating in the People's Republic of China and amending Commission Implementing Regulation (EU) 2018/1579 imposing a definitive anti-dumping duty and collecting definitively the provisional duty imposed on imports of certain pneumatic tyres, new or retreaded, of rubber, of a kind used for buses or lorries, with a load index exceeding 121 originating in the People's Republic of China and repealing Implementing Regulation (EU) 2018/163 (OJ L 283, 12.11.2018, p. 1, ELI: http://data.europa.eu/eli/reg_impl/2018/1690/oj), recitals (295)-(301); the original Regulation, recital (345)-(357); Implementing Regulation (EU) 2021/328, recital (93)-(105); Commission Implementing Regulation (EU) 2021/2287 of 17 December 2021 imposing definitive countervailing duties on imports of aluminium converter foil originating in the People's Republic of China and amending Implementing Regulation (EU) 2021/2170 imposing definitive anti-dumping duties on imports of aluminium converter foil originating in the People's Republic of China (OJ L 458, 22.12.2021, p. 344, ELI: http://data.europa.eu/eli/reg_impl/2021/2287/oj), recitals (317)-(333); Implementing Regulation (EU) 2022/72, recitals (340)-(356); Commission Implementing Regulation (EU) 2019/72 of 17 January 2019 imposing a definitive countervailing duty on imports of electric bicycles originating in the People's Republic of China (OJ L 16, 18.1.2019, p. 5, ELI: http://data.europa.eu/eli/reg_impl/2019/72/oj), recitals (297)-(302).

Benefit

(107) In the absence of cooperation from the Chinese producers and the GOC, the Commission had no company-specific information on which the amount of subsidy received during the review investigation period could be calculated.

(108) Based on the evidence available, the Commission could conclude that during the review investigation period export credit insurance on preferential terms kept being provided to the GFF industry, in line with the policy stipulated in specific plans and directives referring to the GFF industry.

Conclusion

(109) In light of the above considerations, and absent any argument to the contrary, the Commission concluded that the GFF in China has continued to benefit from subsidies in the form of opening and provision of credit lines on preferential terms. In view of the existence of financial contributions, a benefit conferred and specificity, this subsidy programmes continues to be considered countervailable.

3.4.4. *Grants*

(110) The original investigation has found that Chinese GFF producers benefitted from various grants, related to R & D and technological upgrading and innovation, environmental protection grants, and *ad hoc* grants provided by municipal and/or regional authorities [55].

3.4.4.1. Specific grants at national level

3.4.4.1.1. Grants related to technological upgrading, renovation or transformation

(111) In the original investigation, the Commission found that the GFF producers in China benefited from a variety of grants related to R & D, technological upgrading and innovation, such as promotion of R & D tasks under the Science and Technology Support Plans, promotion of investments for Key Industry Adjustment, Revitalisation and Technology Renovation, etc. The applicant alleged that subsidisation via such grants continued also in the review investigation period.

(112) The legal bases for these grants are found, amongst other, in:

— the 14th Five-year Plan on Technological Innovation;

— Guiding Opinions on Promoting Enterprise Technology Renovation, State Council, Guo Fa [2012] 44;

— Industry Revitalization and Technology Renovation Work Plan, issued by NDRC and MIIT, 2015;

— NDRC Notice on 2015 industrial technology R & D Fund allocation plan to high-tech industries;

— Medium to Long-Term Programme on Technological and Scientific Development (2006-2020) promulgated by the State Council in 2006;

— Administrative Measures for National Science and Technology Support Plan as revised in 2011;

— Administrative Measures for National High Technology Research and Development Plan (863 Plan) as revised in 2011;

— Measures for the Administration of Special Funds for the Transformation of Independent Innovation Achievements in Shandong Province;

[55] See recitals (593) to (645) of the original Regulation.

— Interim Measures for the Management of Industrial Transformation and Upgrading (Cai Jian [2012] 567);

— Interim Management Measure on Industrial Upgrading and Efficiency Improving Special Fund (Lu Cai Qi 2014, No. 24);

— Management Measures for Industrial Transformation and Upgrade of Made in China 2025 Funds/Intelligent Manufacturing;

— Notice of the State Council on Issuing the 'Made in China (2025)' (No. 28 [2015]); and

— Intelligent Manufacturing Pilot Demonstration Project.

(113) Moreover, the original investigation found that at local/provincial level, there are special funds for industrial revitalization, special funds for technical transformation, special funds for industrial development, and several notices on allocating special funds for technical renovation.

(114) The applicant provided evidence to show that several Chinese GFF producers continued to benefit from various grants for technological achievements. For instance, Jiangsu Changhai received a number of intelligent manufacturing grants in 2022 and 2023 H1 for a total of RMB 12 million and RMB 5,7 million in 2022 and 2023 H1 respectively, which represents 0,40 % and 0,44 % of its 2022 and 2023 H1 revenue. Jushi China received subsidies in 2022 and 2023 for a total of RMB 197 million and RMB 55 million in 2022 and 2023 respectively, which represents 0,98 % and 0,37 % of its 2022 and 2023 revenue ([56]).

(115) Neither the GOC or any exporting producer provided evidence showing that the GFF industry in China would no longer benefit from these grants. Indeed, given that the GFF industry is an encouraged industry and its development a priority for the GOC, and considering the above evidence, the Commission considered it unlikely that GFF producer would not have continued to receive the aforementioned grants.

3.4.4.1.2. Environmental protection grants: energy saving, conservation and emission grants

(116) In the original investigation, the Commission found that the GFF producers in China benefited from a variety of grants related to environmental protection and reduction of emissions, such as incentives for Environmental Protection and Resource Conservation, Promotion of synergistic resource utilization, Incentive funds for energy conservation projects, Promotion of Energy Management Demonstration Centres, grants related to Air Pollution Improvement Projects, and incentives for circular economy projects. The applicant alleged that subsidisation via such grants continued also in the review investigation period.

(117) The applicant submitted that there is a broad legal framework at national, regional and local level under which these types of grants are provided. A non-exhaustive list of legal bases includes:

— Law of the People's Republic of China on Energy Conservation, version revised and adopted on October 28, 2007, and version amended on July 2, 2016;

— Cleaner Production Promotion Law of the People's Republic of China, Order No. 54 of the President of the People's Republic of China, as amended on 29 February 2012;

— Measures on Clean Production Inspection, Decree No. 38 of the NDRC and Ministry of Environmental Protection, promulgated on 1 July 2016;

([56]) Jiangsu Changhai Annual Report 2022, p. 9 and 192-194; Annex 10, Jiangsu Changhai Annual Report 2023 H1, p. 9 and 128-129; Jushi China Annual Report 2022, p. 6, 149-151, and 155; Jushi China Annual Report 2023, p. 6 and 163-165; provided in the file for interested parties under save number: t25.006259.

— Notice on Printing and Distributing the Interim Measures on the Administration of Subsidy for Energy Saving and Emission Reduction, Ministry of Finance [2015] No. 161;

— Key Points of Energy Conservation and Comprehensive Utilization in Industry in 2015, issued by the MIIT on 3 April 2015.

(118) The applicant provided evidence to show that several Chinese GFF producers continued to benefit from various grants in this category. Jiangsu Changhai received government grants for several green manufacturing and waste projects for a total of RMB 0,6 million and RMB 0,2 million in 2022 and 2023 H1 respectively, which represents 0,02 % and 0,02 % of its 2022 and 2023 H1 revenue. Jushi China received environmental subsidies for a total of RMB 1,7 million and RMB 1,6 million in 2022 and 2023 respectively, which represents 0,01 % and 0,01 % of its 2022 and 2023 revenue ([57]).

(119) Neither the GOC or any exporting producer provided evidence showing that the GFF industry in China would no longer benefit from these grants. Indeed, given that the GFF industry is an encouraged industry and its development a priority for the GOC, and considering the above evidence, the Commission found that GFF producers did not stop receiving the aforementioned grants.

3.4.4.1.3. Conclusion on grants described in sections 3.4.4.1.1 and 3.4.4.1.2 above

(120) In the original investigation, these grants were considered specific within the meaning of Article 4(2)(a) of the basic Regulation since only companies operating in key technologies or in the production of key products as listed in the guidelines and catalogues that are published on a regular basis are eligible to receive them. In particular, the MIIT document of 2015 specifically mentions the building material industry, which includes GFF, as an industry for specific incentives related to energy conservation.

(121) Absent any evidence to the contrary, the Commission concluded that the environmental protection grants are specific on the same grounds.

(122) In the absence of questionnaire replies from the Chinese producers and the GOC, the Commission had no company-specific information on which the amount of grants received during the review investigation period could be calculated.

(123) However, the Commission could conclude that during the review investigation period environmental protection grants kept being provided to the GFF industry, in line with the policy stipulated in specific plans and directives referring to the GFF industry.

(124) In light of the above considerations, and absent any argument to the contrary, the Commission concluded that the GFF in China has continued to benefit from subsidies in the form of above described types of grants. In view of the existence of financial contributions, a benefit conferred and specificity, these subsidy programmes continued to be considered countervailable.

3.4.4.2. Ad hoc grants provided by municipal/regional authorities

(125) In the original investigation, the Commission found that the GFF producers in China received significant one-off or recurring grants from various government levels resulting in the receipt of benefits during the investigation period.

(126) The applicant provided evidence to show that subsidisation via such grants continued also in the review investigation period. The annual report of Hengshi China and Taishan Fiberglass' parent company CNBM Group explicitly mentions that the majority of the government grants it has received are from local government agencies ([58]).

([57]) Jiangsu Changhai Annual Report 2022, p. 9 and 192-194; Annex 10, Jiangsu Changhai Annual Report 2023 H1, p. 9 and 128-129; Jushi China Annual Report 2022, p. 6, 149-151, and 155; Jushi China Annual Report 2023, p. 6 and 163-165; provided in the file for interested parties under save number: t25.006259.

([58]) CNBM Group Annual Report 2023, p. 191; provided in the file for interested parties under save number: t25.006259.

(127) As concerns the legal basis, the original investigation found that such grants were given to the companies by national, provincial, city, county or district government authorities and all appeared to be specific to the sampled companies, or specific in terms of location or type of industry. The level of legal detail for the exact laws under which these benefits were granted was not disclosed by all sampled companies. However, the Commission was sometimes given a copy of a document issued by a government authority, which accompanied the grant of funds.

(128) Neither the GOC or any exporting producer provided any evidence showing that the GFF industry in China would no longer benefit from these grants or that legislative landscape has changed. Indeed, given that the GFF industry is an encouraged industry and its development a priority for the GOC and also identified as such in many regional plans, and considering the evidence collected in the original investigation, described above, the Commission found that GFF producer did not stop receiving the aforementioned grants.

Specificity

(129) In the original investigation, these grants were considered specific within the meaning of Article 4(2)(a) of the basic Regulation given that from the related documents provided by the cooperating exporting producers they are limited to certain companies or specific projects in specific regions and/or the GFF industry. In addition, some of the grants are contingent upon export performance within the meaning of Article 4(4)(a). These grants did not meet the non-specificity requirements of Article 4(2)(b) of the basic Regulation, given that the eligibility conditions and the actual selection criteria for enterprises to be eligible were not transparent, not objective and did not apply automatically.

(130) Absent any evidence to the contrary, the Commission concluded that these *ad hoc* grants are specific on the same grounds.

Benefit

(131) In the absence of cooperation from the Chinese producers and the GOC, the Commission had no company-specific information on which the amount of grants received during the review investigation period could be calculated.

(132) However, based on the evidence available, the Commission could conclude that during the review investigation period environmental protection grants kept being provided to the GFF industry, in line with the policy stipulated in specific plans and directives referring to the GFF industry.

Conclusion

(133) In light of the above considerations, and absent any argument to the contrary, the Commission concluded that the GFF industry in China has continued to benefit from subsidies in the form of above described types of grants. In view of the existence of financial contributions, a benefit conferred and specificity, these subsidy programmes continue to be considered countervailable.

3.5. **Government revenue foregone or not collected that is otherwise due**

(134) In the original investigation, the Commission found that a number of GFF producers benefitted from several tax exemption and reduction programmes. These include, among others, EIT privileges for High and New Technology Enterprises ([59]), EIT offset for research and development expenses ([60]), dividends exemption between qualified resident enterprises ([61]), and land use tax exemption ([62]). The applicant claimed that GFF producers in China continued to benefit from these four programmes and supplied evidence to that end.

([59]) See recitals (541)-(556) of the original Regulation.
([60]) See recitals (557)-(568) of the original Regulation.
([61]) See recitals (569)-(577) of the original Regulation.
([62]) See recitals (584)-(591) of the original Regulation.

3.5.1. *EIT privileges for High and New Technology Enterprises*

(135) According to the Chinese Enterprise Income Tax Law ([63]), high and new technology enterprises to which the state needs to give key support are given a reduced EIT rate of 15 % rather than the standard tax rate of 25 %. The original Regulation confirmed that Chinese GFF producers are qualified as high and new technology enterprises.

(136) The legal basis of this programme is Article 28 of the EIT Law and Article 93 of the Implementation Rules for the Enterprise Income Tax Law of China ([64]), as well as:

— Circular of the Ministry of Science and Technology, Ministry of Finance and the State Administration of Taxation on revising and issuing 'Administrative Measures for the Recognition of High-Tech Enterprises', G.K.F.H. [2016] No. 32;

— Notification of the Ministry of Science and Technology, Ministry of Finance and State Administration of Taxation concerning Revising, Printing and Issuing the Guidance for the Recognition Management of High and New Tech Enterprises, GKFH [2016] No. 195;

— Announcement [2017] No. 24 of the State Administration of Taxation on the Application of Preferential Income Tax Policies to High-tech Enterprises; and

— Guidelines of the Latest Key Priority Developmental Areas in the High Technology Industries (2011), issued by the NDRC, the Ministry of Science and Technology, the Ministry of Commerce and the National Intellectual Property Office.

(137) As was established in the original investigation, companies which can benefit from the tax reduction are part of certain key high and new technology fields supported by the State, as well as the current priorities on high technology fields supported by the State, as listed in the Guidelines of the Latest Key Priority Developmental Areas in the High Technology Industries. These guidelines clearly mention manufacturing technology and key raw materials for glass, including GFF, as a priority area.

(138) To be eligible, the companies need to fulfil the following criteria:

— Their total expenses for R & D must account for a certain proportion of total sales income;

— Their income from high and new technology products must account for a certain proportion of the total sales income;

— The personnel engaged in R & D must account for a certain proportion of the total staff.

(139) Companies benefiting from this measure have to file their income tax return and the relevant annexes. The actual amount of the benefit is included in the tax return.

(140) The applicant provided evidence showing that multiple GFF companies continued to qualify as high-tech enterprises, including for instance the Jiangsu Changhai Group and its subsidiary Changzhou Tianma; Jushi China and its subsidiary Jushi Jiugiang; PGTex China and its subsidiary Hongfa Vertical and Horizontal; CPIC's subsidiary Hongfa New Materials and Zhuhai Zhubo Glass; Jiangsu Juding; Sinoma and its subsidiaries Lianyungang Zhongfu Lianzhong Composite Materials Group Co., Ltd., Zhongfu Lianzhong (Jiuquan) Composite Materials Co., Ltd., Zhongfu Lianzhong (Anyang) Composite Materials Co., Ltd., Zhongfu Lianzhong (Yuxi) Composite Materials Co., Ltd., Taishan Fiberglass Co., Ltd., Taishan Fiberglass Zoucheng Co., Ltd., Taishan Fiberglass Zibo Co., Ltd., Sinoma Science & Technology (Suzhou) Co., Ltd., Sinoma Science & Technology (Chengdu) Co., Ltd., Sinoma Science & Technology (Jiujiang) Co., Ltd., Nanjing Fiberglass Research and Design Institute Co., Ltd., and Jiangsu Hengzhou Special Glass Fiber Materials Co., Ltd.

([63]) Article 28 of the Enterprise Income Tax Law of the People's Republic of China (2018 revision), available at: https://www.chinatax.gov.cn/chinatax/n810341/n810825/c101434/c28479830/content.html (accessed on 8 May 2026).

([64]) Regulation on the Implementation of the Enterprise Income Tax Law of the People's Republic of China (Issued by Order No. 512 of the State Council on December 6, 2007; amended in accordance with the Decision of the State Council to Amend Some Administrative Regulations by Order No. 714 of the State Council on 23 April 2019).

(141) The applicant provided evidence of several GFF producers clearly still benefited from this scheme. In 2022, Hengshi China's and Taishan Fiberglass' parent company CNBM saw a 68,4 % decrease in its income tax expense due to an increase in the number group companies qualifying as High and New Technology companies and subject to a lower income tax rate as a result ([65]). Jushi China explains in its annual report that '[i]f changes in national tax policies in the future result in the company being unable to be recognized as high-tech enterprise or unable to obtain new government subsidies, it will have a great impact on the company's operating performance' ([66]).

(142) Neither the GOC or any exporting producer provided any evidence showing that the GFF industry in China would no longer benefit from these EIT privileges or that the legislative landscape underlying the legal basis has changed.

Specificity

(143) In the original investigation, these EIT privileges were considered specific within the meaning of Article 4(2)(a) of the basic Regulation as the legislation itself limits the application of this scheme only to enterprises that are operating in certain high technology priority areas determined by the State, such as some key technologies within the GFF sector.

(144) Absent any evidence to the contrary, the Commission concluded that these EIT privileges are specific on the same grounds.

Benefit

(145) In the absence of cooperation from the Chinese producers and the GOC, the Commission had no company-specific information on which the amount of EIT privileges received during the review investigation period could be calculated.

(146) However, based on the evidence available, the Commission could conclude that during the review investigation period EIT privileges for High and New Technology Enterprises kept being provided to the GFF industry, in line with the policy stipulated in specific plans and directives referring to the GFF industry.

Conclusion

(147) In light of the above considerations, and absent any argument to the contrary, the Commission concluded that the GFF industry in China has continued to benefit from subsidies in the form of above-described types of EIT privileges. In view of the existence of financial contributions, a benefit conferred and specificity, these subsidy programmes continue to be considered countervailable.

3.5.2. *EIT offset for research and development expenses*

(148) In the original investigation, the Commission found that R & D expenditures incurred to develop new technologies, new products and new crafts, which do not form intangible assets and are accounted into the current term profit and loss, are subject to an additional 50 % deduction after being deducted in full in light of the actual situation. Where the above-mentioned R & D expenditures form intangible assets, they are subject to amortization based on 150 % of the intangible asset costs.

(149) The legal basis for the programme is Article 30(1) of the EIT Law in connection with Article 95 of the Regulations on the Implementation of Enterprise Income Tax Law of China ('EIT Implementing Regulations'), the Implementation Rules for the Enterprise Income Tax Law of China, and the following notices:

— Notice of the Ministry of Finance, the State Administration of Taxation and the Ministry of Science and Technology on Improving the Policy of Pre-tax Deduction of R & D Expenses. (Cai Shui [2015] No. 119);

([65]) See CNBM Annual Report 2023, p. 27; provided in the file for interested parties under save number: t25.006259.
([66]) See Jushi China Annual Report 2022, p. 21; Jushi China Annual Report 2023 H1, p. 12; provided in the file for interested parties under save number: t25.006259.

— Announcement [2015] No. 97 of the State Administration of Taxation on Relevant Issues concerning Policies of Additional Pre-tax Deduction of Research and Development Expenses of Enterprises;

— Announcement 2017 No. 40 of the State Administration of Taxation on Issues Concerning the Eligible Scope of Calculation of Additional Pre-tax Deduction of Research and Development Expenses; and

— Guidelines of the Latest Key Priority Developmental Areas in the High Technology Industries (2011), issued by the NDRC, the Ministry of Science of Technology, the Ministry of Commerce and the National Intellectual Property Office.

(150) As established above, the GFF sector remains a highly encouraged industry, and multiple investigations by the Commission have found that encouraged Chinese industries are benefitting from these subsidy schemes ([67]). Furthermore, applicant points out that according to the Mass Entrepreneurship and Innovation Preferential Subsidies Policy, tax offsets for R & D are one of 83 subsidies available to important industries ([68]).

(151) The applicant also provided evidence that GFF producers continue to invest in their research capabilities and R & D teams within their organisations ([69]). By way of specific example, Jiangsu Changhai increased its R & D spending by almost 26 % between 2021 and 2022, which would make it eligible for the tax reductions of 150 % of these R & D expenses in 2023. This means Jiangsu Changhai could have reduced its taxable income by RMB 197 million for R & D expenses, which represents 7,52 % of its 2023 revenue of RMB 2,6 billion.

(152) Neither the GOC or any exporting producer provided any evidence showing that the GFF industry in China would no longer benefit from these EIT privileges or that the legislative landscape underlying the legal basis has changed.

Specificity

(153) In the original investigation, this EIT offset was considered specific within the meaning of Article 4(2)(a) of the basic Regulation as the legislation itself limits the application of this measure only to enterprises that incur R & D expenses in certain high technology priority areas determined by the State, such as the GFF sector.

(154) Absent any evidence to the contrary, the Commission concluded that this EIT offset is specific on the same grounds.

Benefit

(155) In the absence of cooperation from the Chinese producers and the GOC, the Commission had no company-specific information on which the amount of EIT offset received during the review investigation period could be calculated.

(156) However, based on the evidence available, the Commission could conclude that during the review investigation period the EIT offset kept being provided to the GFF industry, in line with the policy stipulated in specific plans and directives referring to the GFF industry.

Conclusion

(157) In light of the above considerations, and absent any argument to the contrary, the Commission concluded that the GFF industry in China has continued to benefit from subsidies in the form of above described type of EIT offset. In view of the existence of financial contributions, a benefit conferred and specificity, these subsidy programmes continue to be considered countervailable.

([67]) Implementing Regulation (EU) 2019/72, recital (550); Implementing Regulation (EU) 2021/2287, recitals (485) et seq.
([68]) Mass Entrepreneurship and Innovation Preferential Subsidies Policy, subsidies 47 to 49.
([69]) Jiangsu Changhai Annual Report 2022, p. 30-34; Jushi China Annual Report 2022, p. 13; Shandong Annual Report 2022, p. 15 and 20-21; PGTex China Interim Report 2024, p. 105-106.

3.5.3. *Dividends exemption between qualified resident enterprises*

(158) In the original investigation, the Commission found that EIT Law offers income tax preferences to enterprises engaged in industries or projects the development of which is specifically supported and encouraged by the state and, in particular, exempt from tax on income from equity investment, such as dividends and bonuses, between eligible resident enterprises.

(159) The legal basis for the programme is Article 26(2) of the EIT Law, along with the Implementation Rules for the Enterprise Income Tax Law. The Commission did not receive any evidence showing that the subsidy scheme would not have been applicable during the review investigation period or that legal provisions governing it would have changed. On the basis of evidence and facts available, the Commission concluded that the legal basis remains unchanged.

(160) The applicant provided evidence in the expiry review request that multiple GFF producers in China are large corporate groups composed of several Chinese companies and legal entities and would therefore be entitled to continue using this subsidy scheme. Yuntianhua Group and its subsidiary CPIC, the CNBM Group and its subsidiaries Zhenshi Holding, Sinoma, Jushi China and Taishan Fiberglass, and Jiangsu Changhai and its subsidiaries are established under Chinese law and/or have their place of effective management in China. They are part of large corporate groups composed of several companies and legal entities in China.

Specificity

(161) In the original investigation, this tax exemption was considered specific within the meaning of Article 4(2)(a) of the basic Regulation as the legislation itself limits the application of this exemption only to qualified resident enterprises which have the major support of, and the development of which is encouraged by, the State.

(162) Absent any evidence to the contrary, the Commission concluded that this tax exemption is specific on the same grounds.

Benefit

(163) The benefit for the recipients under this scheme would be equal to the tax saving. In the absence of questionnaire replies from the Chinese producers and the GOC, the Commission had no company-specific information on which the amount of EIT offset received during the review investigation period could be calculated.

(164) However, based on the evidence available, the Commission could conclude that during the review investigation period the EIT offset kept being provided to the GFF industry, in line with the policy stipulated in specific plans and directives referring to the GFF industry.

Conclusion

(165) In light of the above considerations, and absent any argument to the contrary, the Commission concluded that the GFF industry in China has continued to benefit from subsidies in the form of above described income tax exemption. In view of the existence of financial contributions, a benefit conferred and specificity, these subsidy programmes continue to be considered countervailable.

3.5.4. *Land use tax exemption*

(166) Pursuant to Chinese law, an organization or an individual using land in cities, county towns and administrative towns and industrial and mining districts shall normally pay urban land use tax. Land use tax is collected by the local tax authorities where the land is used. However, certain categories of land, such as land reclaimed from the sea, land for the use of government institutions, people's organizations and military units for their own use, land for use by institutions financed by government allocations from the Ministry of Finance, land used by religious temples, public parks and public historical and scenic sites, streets, roads, public squares, lawns and other urban public land are exempted from the land use tax.

(167) The legal basis for this programme is:

— Provisional Regulations of the People's Republic of China on Real Estate Tax (Guo Fa [1986] No. 90, as amended in 2011); and

— Interim Regulations of the People's Republic of China on Urban Land Use Tax (Order of the State Council of the People's Republic of China [2013] No. 645).

(168) In the original investigation, the Commission found that the CNBM benefitted from refunds of the payment of land use taxes by the local Land Use Bureau, even though they did not fall under any of the exempted categories as set by the national legislation above ([70]).

(169) The complainant pointed out that this is not, in fact, an isolated case. In several other investigations, the Commission also found that Chinese companies have benefited from this scheme even though they did not fall within one of the exempted categories ([71]). In recent investigations, the Commission found that companies benefit from a reduction by 50 % to 60 %, and even up to 100 % (in the framework of COVID-19 related measures of the GOC), in the land use tax ([72]).

(170) The applicant thus claimed that such practices were unlikely to have been discontinued in the review investigation period. To the contrary, as explained above, the reductions of land use tax were further extended in the context of the COVID pandemic.

(171) In the absence of evidence showing that CNBM group stopped receiving these refunds of the payment of land use taxes by the local land bureau, on the basis of facts available, the Commission concluded that at least CNBM has continued receiving these benefits.

Specificity

(172) The original investigation concluded that the land used by the cooperating exporting producer, which benefitted from the land use tax exemption, did not fall under any of the categories of land that are exempted from land use tax by law. Therefore, it cannot be concluded that these exporting producers met any of the criteria established by the regulations on land use tax. Consequently, the measure exempting these exporting producers from land use tax is specific within the meaning of Article 4(2)(a) of the basic Regulation.

(173) Absent any evidence to the contrary, the Commission concluded that this tax exemption is specific on the same grounds.

Benefit

(174) The benefit for the recipients under this scheme would be equal to the refund of the paid land use tax. In the absence of cooperation from the Chinese producers and the GOC, the Commission had no company-specific information on which the amount of EIT offset received during the review investigation period could be calculated.

(175) However, based on the evidence available, the Commission could conclude that during the review investigation period the EIT offset kept being provided to the GFF industry, in line with the policy stipulated in specific plans and directives referring to the GFF industry.

Conclusion

(176) In light of the above considerations, and absent any argument to the contrary, the Commission concluded that the GFF industry in China has continued to benefit from subsidies in the form of above described tax refund. In view of the existence of financial contributions, a benefit conferred and specificity, these subsidy programmes continue to be considered countervailable.

([70]) See the original Regulation, recitals (584)-(591).
([71]) See e.g. Implementing Regulation (EU) 2018/1690, recital (531); Implementing Regulation (EU) 2021/328, recital 199.
([72]) See e.g. Implementing Regulation (EU) 2021/2287, recitals (508)-(509); Implementing Regulation (EU) 2022/72, recitals (509)-(511).

3.6. **Provision of goods or services for less than adequate remuneration**

3.6.1. *Provision of raw materials*

(177) The applicant alleged that the Chinese exporting producers continued to receive benefit in the form of provision of goods and services for less than adequate remuneration.

(178) In the original investigation the Commission established that, since the groups of companies under investigation were vertically integrated and the main raw material suppliers have been included in the investigation by the Commission. Therefore, the subsidies received at the level of these related suppliers have been integrated into the calculations for each subsidy scheme. However, the current expiry review investigation did not find sufficient evidence to substantiate the allegation of provision of goods for less than adequate remuneration by unrelated suppliers to the GFF producers.

(179) Therefore, the Commission did not find it necessary to examine this scheme.

3.6.2. *Provision of land*

(180) All land in China is owned either by the State or by a collective, constituted of either villages or townships, before the land's legal or equitable title may be patented or granted to corporate or individual owners. All parcels of land in urbanized areas are owned by the State and all parcels of land in rural areas are owned by the villages or townships therein.

(181) Pursuant to the Chinese constitutional law and the Land Law, companies and individuals may however purchase 'land use rights'. For industrial land, the leasehold is normally 50 years, renewable for a further 50 years. In addition, the following documents also contain relevant rules for the provision of land-use rights:

— Property Law of the People's Republic of China (Order of the President of the People's Republic of China No. 62);

— Land Administration Law of the People's Republic of China (Order of the President of the People's Republic of China No. 28);

— Law of the People's Republic of China on Urban Real Estate Administration (Order of the President of the People's Republic of China No. 18);

— Interim Regulations of the People's Republic of China Concerning the Assignment and Transfer of the Right to the Use of the State-owned Land in the Urban Areas (Decree No. 55 of the State Council of the People's Republic of China);

— Regulation on the Implementation of the Land Administration Law of the People's Republic of China (Order of the State Council of the People's Republic of China [2014] No. 653);

— Provision on Assignment of State-owned Construction Land Use Right through Bid Invitation, Auction and Quotation (Announcement No. 39 of the CSRC); and

— Notice of the State Council on the Relevant Issues Concerning the Strengthening of Land Control (Guo Fa (2006) No. 31).

(182) According to Article 10 of the 'Provision on Assignment of State-owned Construction Land Use Right through Bid Invitation, Auction and Quotation', local authorities set land prices according to the urban land evaluation system, which is only updated every three years, and the government's industrial policy.

(183) As was established in the original investigation, prices paid for land use rights ('LUR') in China were not representative of a market price determined by free market supply and demand, since the auctioning system was found to be unclear, non-transparent and not functioning in practice, and prices were found to be arbitrarily set by the authorities. Instead, as mentioned, the authorities set the prices according to the Urban Land Evaluation System, which instructs them to also consider, among other criteria, the industrial policy when setting the price of industrial land.

(184) The original investigation also found that most sampled exporters obtained LURs through direct allocation at negotiated prices, and not competitive bidding. In cases where bidding actually took place, only one bidder participated, and the final price was the same as the starting price. It could not be shown that the initial price was set independently and corresponded to the market value of the land-use right. In addition, some companies received refunds from local authorities after purchasing LURs, while others (e.g., CNBM Group) were allowed to defer payments for years after land use began.

(185) In the review investigation period, the legal framework governing the provision of land use rights in China remained unchanged. Furthermore, the Commission has in recent anti-subsidy investigations established that encouraged industries, of which the GFF industry is one, continue to receive LUR for less than adequate renumeration ([73]).

(186) In the absence of any evidence to the contrary, the Commission concluded that the GFF producers in China continue to benefit from subsidies in the form of land use rights for less than adequate remuneration, thus conferring a benefit upon the recipient companies.

Specificity

(187) As mentioned in recital (183) above, the LUR price set by local authorities has to take into account the government's industrial policy. Within this industrial policy, as described above, the GFF industry is listed as an encouraged industry. In addition, Decision No. 40 of the State Council requires that public authorities ensure that land is provided to encouraged industries. Article 18 of Decision No. 40 makes clear that industries that are 'restricted' will not have access to land use rights.

(188) It follows that the subsidy is specific under Article 4(2)(a) and 4(2)(c) of the basic Regulation because the preferential provision of land is limited to companies belonging to certain industries, in this case the GFF sector, and government practices in this area are unclear and non-transparent.

Benefit

(189) The benefit for the recipients under this scheme equals the difference between the market price they would have paid for the LUR and the price they actually paid. In the absence of cooperation from the Chinese producers and the GOC, the Commission had no company-specific information on which the amount of financial contribution received during the review investigation period could be calculated.

(190) However, based on the evidence available, the Commission could conclude that during the review investigation period the land kept being provided to the exporting producers for less than adequate remuneration, in line with the policy stipulated in specific plans and directives referring to the GFF industry.

Conclusion

(191) In light of the above considerations, and absent any argument to the contrary, the Commission concluded that the GFF industry in China has continued to receive land for less than adequate remuneration. In view of the existence of a financial contribution, a benefit conferred and specificity, these subsidy programmes continue to be considered countervailable.

([73]) Commission Implementing Regulation (EU) 2025/114 of 23 January 2025 imposing a definitive countervailing duty on imports of electric bicycles originating in the People's Republic of China following an expiry review pursuant to Article 18 of Regulation (EU) 2016/1037 of the European Parliament and of the Council (OJ L, 2025/114, 24.1.2025, ELI: http://data.europa.eu/eli/reg_impl/2025/114/oj); Implementing Regulations (EU) 2023/1647 and (EU) 2023/1123.

3.6.3. *Provision of electricity*

(192) In the original investigation, the Commission found that certain key large industrial users of electricity are allowed to purchase electricity directly from power generators instead of buying from the grid, either by signing direct purchasing agreements or being qualified to participate in the 'Market-oriented electricity trading system'. Some of the GFF producers sampled in the original investigation had such treatment. For most of the investigated companies, the prices received through such contracts/trading system were lower than the prices set at provincial level for large industrial clients.

(193) The possibility to enter into such direct contracts or to be qualified to participate in the 'Market-oriented electricity trading system' was, in the original investigation, found not to be open to all large industrial consumers. At national level, the Opinions of the Central Committee of the Communist Party of China and the State Council on Further Deepening the Reform of the Power System specified that 'enterprises that do not conform to the national industrial policy and whose products and processes are eliminated should not participate in direct transactions' ([74]).

(194) The original investigation found that the legislation provided for a selective application of direct transactions on the electricity market to certain industries such as the building materials and high-tech industries. This selective application has the result of applying cheaper prices for electricity by the state to companies from these industries ([75]).

(195) The relevant legal framework in the review investigation period remains unchanged and consists of:

— Circular of the National Development and Reform Commission and the National Energy Administration on Actively Promoting the Market-oriented Power Transactions and Further Improving the Trading Mechanism, Fa Gua Yun Xing [2018] No. 1027, issued on 16 July 2018;

— Several Opinions of the Central Committee of the Communist Party of China and the State Council on Further Deepening the Reform of the Power System (Zhong Fa [2015] No. 9);

— Notice on Taking Efforts on the Construction of Power Market in 2017 of Shandong Economy and Information Technology Committee, LJXDL [2017] No. 93;

— Notice on Amending the 2017 Direct Electricity Trading Rules of the National Energy Administration Shandong Supervision Office, LJNSC [2017] No. 36.

(196) During the pre-initiation consultations, the GOC argued that China's power system has undergone profound market-oriented reforms and that recent Commission investigations have not identified these programmes as subsidies. However, the GOC did not further cooperate with the investigation, nor did it provide additional evidence in support of that claim or demonstrate what these legislative changes might be.

(197) Absent any evidence to the contrary, the Commission concluded that the subsidy scheme continues to apply the same way, granting the select GFF producers the ability to sign direct purchasing agreements or being qualified to participate in the 'Market-oriented electricity trading system' and benefitting from electricity at reduced rates.

Specificity

(198) The original investigation concluded that this subsidy was specific within the meaning of Article 4(2)(a) of the basic Regulation, as the legislation itself limits the application of this scheme only to enterprises that conform with certain industrial policy objectives determined by the State and whose products or process have not been eliminated as not eligible.

(199) Absent any evidence to the contrary, the Commission concluded that this subsidy is specific on the same grounds.

([74]) Several Opinions of the Central Committee of the Communist Party of China and the State Council on Further Deepening the Reform of the Power System (Zhong Fa [2015] No. 9).

([75]) See the original Regulation, recitals (520)-(540).

Benefit

(200) The benefit for the recipients is equal to the electricity price saving, since the electricity was provided at rates below the normal grid price paid by other large industrial users that cannot benefit from the direct supply.

(201) In the absence of cooperation from the Chinese producers and the GOC, the Commission had no company-specific information on which the amount of financial contribution received under this scheme during the review investigation period could be calculated.

(202) However, based on the evidence available, the Commission could conclude that during the review investigation period the electricity kept being provided to the GFF industry at less than adequate remuneration, in line with the policy stipulated in specific plans and directives referring to the GFF industry.

Conclusion

(203) In light of the above considerations, and absent any argument to the contrary, the Commission concluded that the GFF industry in China has continued to benefit from subsidies in the form of above described provision of electricity for less than adequate remuneration. In view of the existence of financial contributions, a benefit conferred and specificity, this subsidy program continues to be considered countervailable.

4. **LIKELIHOOD OF CONTINUATION OR RECURRENCE OF SUBSIDISATION: EGYPT**

(204) On the basis of the information contained in the request for review, the Memorandum of Sufficiency of Evidence, Notice of Initiation, and the GOE reply to the Commission's questionnaire, the alleged subsidisation through the following subsidies by the GOE were investigated:

Direct transfer of funds:

(a) Provision of preferential loans;

(b) Support for capital investment;

(c) Export credit insurance;

Government revenue forgone or not collected that is otherwise due:

(d) Enterprise income tax privileges;

(e) VAT exemptions and import tariff rebates for imported equipment;

(f) VAT exemptions and import tariff rebates for imported materials;

Provision of goods or services for less than adequate remuneration:

(g) Provision of land.

(205) The alleged subsidisation in Egypt concerns two related companies: Jushi Egypt Fiberglass Industry S.A.E ('Jushi Egypt') and Hengshi Egypt Fiberglass Fabrics S.A.E ('Hengshi Egypt'). Both companies' parent companies are headquartered in China and are part of CNBM group, ultimately controlled by State-owned Assets Supervision and Administration Commission of the State Council ('SASAC') ([76]). GOE confirmed that these two producers remain the only GFF producers in Egypt.

([76]) See recital (93) of the original Regulation.

(206) The original investigation found that subsidies in the form of government revenue foregone or not collected that is otherwise dues and of provision of land for less than adequate remuneration (under (d), (e), (f), and (g) above) were provided directly by the GOE to Jushi Egypt and/or Hengshi Egypt ([77]). However, direct transfers of funds were found to be provided by the GOC through banks which are state-owned or otherwise directed by the state ([78]). The original investigation found that GOE had acknowledged and adopted these subsidies and they were thus attributed to the GOE as its own subsidies. The GOE was therefore considered to be the granting authority for the purpose of Article 4(1) of the basic anti-subsidy Regulation in respect of these subsidies ([79]). The request for review alleged that the above subsidies continued in the same way.

4.1. **Cooperation from the GOC, GOE, and Egyptian exporting producers**

(207) As already described in section 3.1 above, the GOC did not cooperate with the investigation and specific questionnaires intended for EXIM and Sinosure were not answered.

(208) As mentioned in recitals (19) and (21) above, Jushi Egypt and Henghsi Egypt also did not cooperate in the investigation and did not provide any questionnaire replies. Accordingly, by Note Verbale of 18 March 2026, the Commission informed the GOE of this fact, highlighting that it intended to apply Article 28 of the basic Regulation and base its findings on the facts available in respect of exporting producers, and inviting it to comment. No comments were received on this issue.

(209) The GOE, on the other hand, cooperated with the investigation and provided a questionnaire reply. The questionnaire for the GOE also included a specific questionnaire for TEDA Egypt Investment Co. ('TEDA Egypt'). Initially, the GOE did not submit the specific questionnaire reply for TEDA Egypt. However, the GOE submitted it only after the verification visit. Therefore the Commission determined to apply facts available.

(210) A verification visit also took place at the premises of the following Egyptian government authorities:

— General Authority for Investment ('GAFI'), Cairo, Egypt;

— General Authority of the Suez Canal Economic Zone ('General Authority of the SC Zone'), Suez Canal Economic Zone, Egypt.

(211) However, the Commission considered that even after the verification it had not received full explanations to certain questions raised during the investigation, and certain documents requested were not submitted by the GOE. In addition, even though the visit to TEDA Egypt was originally planned for the verification visit, TEDA Egypt ultimately refused to meet the Commission's team.

(212) Accordingly, on 18 March 2026, the Commission informed the GOE of this fact by a Note Verbale, highlighting that it intended to apply Article 28 of the basic Regulation in respect of the issues which were not fully clarified.

(213) The GOE objected to the application of Article 28 of the basic Regulation, arguing that this should be an exceptional measure which requires demonstrating that the concerned party has deliberately refused to grant access to necessary information or has significantly impeded the investigation. The GOE stressed that it cooperated diligently throughout the investigation and that any difficulties in providing all the requested details stemmed from factual or legal inability to provide the information, rather than an attempt to conceal it.

(214) The GOE further stressed that relying on Article 28 of the basic Regulation cannot be used as a punitive tool aimed at penalising the interested party. Rather, the sole purpose of resorting to facts available under this provision is to allow the Commission to continue its investigation despite the absence of certain data.

([77]) See recitals (810)-(930) of the original Regulation.
([78]) See recitals (726)-(809) of the original Regulation.
([79]) See recitals (647)-(725) of the original Regulation.

(215) Finally, the GOE stressed that the Commission did not provide adequate reasoning to justify the total rejection of actual data, as required under Article 28(4) of the basic Regulation.

(216) In that regard, the Commission clarified that, as was indicated in the Note Verbale of 18 March 2026 and other communication with GOE, the Commission recognised the efforts and diligence with which the GOE cooperated with the Commission and the fact that it provided most of the requested explanations and documents. As was explained in the Note Verbale, the Commission did not intend to completely reject all the data provided. Instead, the Note Verbale was to inform the GOE that the Commission intended to resort to facts available only with regard to the limited number of issues which were not fully clarified, precisely to allow the Commission to continue its investigation despite the absence of certain data.

(217) In connection to that, the Commission highlighted that the Note Verbale was not imputing an attempt at concealing information. In any event, it is immaterial whether certain information and/or documents would be deliberately concealed or could not be provided for technical, factual, or legal reasons. The list of missing information provided with the Note Verbale was a statement of facts without a value judgment, indicating which documents were requested but not received and which explanations the Commission considered incomplete, thus warranting a partial application of facts available limited to those points. Specific elements for which the Commission relied on facts available are detailed in the relevant parts of the below analysis.

4.2. **The Suez Economic and Trade Cooperation Zone**

(218) Jushi Egypt and Henghsi Egypt are located in the China-Egypt Suez Economic and Trade Cooperation Zone ('SETC-Zone'). The zone covers an area of 7,34 km^2, which is divided into a starting area of 1,34 km^2 and an expansion area of 6 km^2.

(219) The original investigation has found that this special economic zone was set up jointly by China and Egypt. The legal and factual background of the setup of the SETC-Zone was described in recitals (647)-(669) of the original investigation.

(220) As determined in the original investigation, the cooperation on setting up the SETC-Zone began in 1990s, with GOE seeking to draw on China's experience in developing special economic zones, in order to establish a similar zone in Egypt. In 1997, the Prime Ministers of China and Egypt signed a memorandum of understanding, in which the two countries 'agree[d] to cooperate in developing the free economic zone in the north of the Gulf of Suez'. Tianjin Teda Investment Holding Co., Ltd. ('Tianjin TEDA'), a Chinese SOE, and several Egyptian SOEs set up the Egypt China Joint Venture Company ('ECJV') to handle initial development of the zone, with Egyptian side holding a 90 % stake in ECJV. Land was transferred to ECJV in 1998, but progress stalled for several years. In 2002 the wider area in which the SETC-Zone is located was classified as a special economic zone, by which the provisions of the Law No. 83/2002 on Economic Zones of a Special Nature ('Law No. 83/2002') became applicable to the SETC Zone.

(221) New incentive to development started in 2006 when China pushed ahead with its 'Go Global Policy' for its companies to invest abroad, leading to MOFCOM to propose the establishment of so-called 'overseas trade and cooperation zones' and the SETC-Zone being declared as one of the first of 18 officially approved such zones. In 2007, MOFCOM organized a tender to appoint developers for these zones, and Tianjin TEDA won the bid for the SETC-Zone.

(222) In 2008, Tianjin TEDA formed a joint venture with the China-Africa Development Fund, setting up China-Africa TEDA Investment Co., Ltd. ('China-Africa TEDA') to serve as the main entity on the Chinese side in developing the zone. China-Africa TEDA and ECJV then set up a new company, TEDA Egypt, to handle the development of the SETC-Zone. As mentioned in recital (218) above, the zone had a starting area of 1,34 km^2, which was expanded by additional 6 km^2 in 2013.

(223) Further progress advanced rapidly, and by the end of 2011 all the infrastructure in the starting area had been completed. The SETC-Zone then continued to be developed under each country's main strategies: Chinese 2013 'Belt and Road Initiative' and Egypt's 2014 'Suez Canal Corridor Development Plan.' In the context of this Plan, the SETC-Zone was officially incorporated into the wider Suez Canal Economic Zone ('SC Zone') in 2015. This entire area of around 461 km^2 was from that moment classified as an 'economic area of special nature' in accordance with Law No. 83/2002 and amendments thereof.

(224) During the State visit of Xi Jinping to Egypt in January 2016, the two governments also signed the 'Agreement between the Ministry of Commerce of the People's Republic of China and the General Authority for the Suez Canal Economic Zone of the Arab Republic of Egypt on the Suez Economic and Trade Cooperation Zone' ('the Cooperation Agreement'). This purpose of this agreement was to codify established practice and formalise the Chinese-Egyptian cooperation within the framework of the 'One Belt, One Road' initiative, including the GOC's support to companies abroad.

(225) Finally, a Cooperation Agreement between GOE and GOC was also signed in 2016, as a written framework for cooperation in the SETC-Zone, to formalize it within the framework of the 'One Belt, One Road' initiative. The agreement specifically recognised the SETC Zone as China's overseas economic and trade cooperation zone which is entitled to relevant policy support and facilitation provided by the GOC. Three-level consultation mechanism was also established, involving various governmental departments from both nations to facilitate its implementation.

(226) In the original investigation the Commission found that the GOE endorsed the granting of preferential financial support by the GOC to the producers located in the SETC Zone, in line with the agreed commitments to develop and support the economic activities within the zone. The Commission thus concluded that financial contributions in the form of preferential financing from Chinese public bodies to Jushi Egypt and Hengshi Egypt can be attributed to the GOE as the government of the country of origin or export under Article 3.1(a) of the basic Regulation ([80]).

(227) During the pre-initiation consultations held with the GOE and the GOC, both governments argued that the investigation of such 'cross-country' subsidies breached the WTO Agreement on Subsidies and Countervailing Measures ('SCM Agreement') and that there was no evidence that Egypt had 'acknowledged and adopted' Chinese subsidies. The GOE repeated these claims throughout the investigation, claiming that there is no legal basis either in the SCM Agreement or in the basic Regulation to attribute to the GOE financial support provided from China to Jushi Egypt and Henghsi Egypt.

(228) During the course of this investigation, the report of the panel in *European Union – Countervailing Duties on Stainless Steel Cold-Rolled Flat Products from Indonesia (DS616)* was published. The panel found that attributing financial contributions provided by one government (Chinese state entities) to the government of another country (Indonesia) violates the SCM Agreement. The GOE claimed that the Panel's findings validated its arguments on illegality of described attribution under the SCM Agreement and that the Commission should therefore terminate this investigation.

(229) However, the Commission has appealed the above findings of the panel, with no final decision yet delivered within the WTO framework. Therefore, the panel's findings from DS616 case do not constitute a relevant precedent at this time. At the same time, in joined cases C-269/23P and C-272/23P ([81]) following an appeal against the original Regulation as well as Commission Implementing Regulation (EU) 2020/870 ([82]), the Court of Justice ruled that a financial contribution given by the government of a country A to exporting entities established in country B can, in fact, be attributed to country B under certain conditions.

([80]) See, in particular, recitals (684)-(699) of the original Regulation.

([81]) Judgment of 28 November 2024, *Hengshi Egypt Fiberglass Fabrics SAE and Jushi Egypt for Fiberglass Industry SAE*, joined cases C-269/23P and C-272/23P, ECLI:EU:C:2024:984.

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

(230) The Court of Justice held that under Articles 2 and 6 of the basic Regulation, a subsidy may take the form of a foreign investment, made by the government of a given third country (country A), in one or more companies established in another third country (country B), provided that the conduct of the latter country's government permits the inference that they granted that financial contribution to those companies, by formally granting it to them or by allowing them in practice to benefit from it ([83]). That may be the case, in particular, where the establishment of legislation, the adoption of a decision, the grant of an authorisation or the use of any other measure by country B is necessary to enable those companies to obtain, in the territory of the country B, a financial contribution from country A, whether that need is legal or arises from the fact that country A has, in practice, made entitlement to that financial contribution subject to such legislation, decision, authorisation or other measure.

(231) As established in the original Regulation, the GOC and the GOE closely cooperated in establishing the SETC-Zone as a zone with special legal and economic features, which enabled the GOC to pursue the aims of outward expansion of its industries under the 'Belt and Road' initiative and 'going out' policies, and to confer the facilities inherent to these initiatives. Such efforts by the GOE to set up the SETC-Zone, and extensive coordination with the GOC in relation thereto, clearly amount to conduct that permits the inference that the GOE granted those financial contributions to Jushi Egypt and Hengshi Egypt, by allowing them in practice to benefit from it in the framework of the described cooperation.

(232) While the Commission partially relied on facts available when reaching its conclusions on the legal and factual framework of the setup of SETC-Zone ([84]), no new evidence was submitted or otherwise available that would invalidate any of the conclusions reached in relation thereto. The Commission therefore maintained that provision of financial support by the GOC to Jushi Egypt and Hengshi Egypt can be attributed to the GOE on the basis of the evidence available.

(233) Following the disclosure, the GOE repeated its claims that attributing to the GOE any financial support provided from China to Jushi Egypt and Henghsi Egypt is contrary to the provisions of the SCM Agreement and the basic Regulation, as confirmed in the DS616 case.

(234) The Commission highlighted that it has already explained in recitals (227) to (230) that the panel's findings in DS616 do not constitute a relevant precedent since the Commission has appealed those findings. At the same time, as described in the same recitals, the Court of Justice confirmed that such attribution is possible under the basic Regulation.

(235) In the absence of new arguments to the contrary, the Commission therefore dismissed the GOE's claims.

4.3. **Direct transfer of funds**

4.3.1. *Provision of preferential loans*

(236) The original investigation found that Jushi Egypt received subsidies through provision of preferential lending arrangements from Chinese policy banks, acting as public bodies within the meaning of Articles 2(b) and 3 of the basic Regulation. These loans were provided both directly to Jushi Egypt by China Development Bank ('CDB') and EXIM ([85]), and as inter-company loans from its mother company, Jushi China ([86]). In the latter case, rather than Jushi Egypt getting the loans directly from the Chinese banks, Jushi China obtained the preferential financing from these institutions and then allocated the benefit of those loans to its manufacturing activities in Egypt (Jushi Egypt).

([83]) Judgment of 28 November 2024, *Hengshi Egypt Fiberglass Fabrics SAE and Jushi Egypt for Fiberglass Industry SAE*, joined cases C-269/23 P and C-272/23 P, ECLI:EU:C:2024:984, paragraphs 69-101.

([84]) See Section 4.2.2 of the original Regulation.

([85]) See recitals (726)-(744) of the original Regulation.

([86]) See recitals (745)-(757) of the original Regulation.

(237) In this investigation, in the absence of cooperation from the GOC, any of the State-owned banks in China for which the Commission sent specific questionnaires to the GOC, or any of exporting producers in China or Egypt, the Commission relied on facts available to determine whether the Egyptian exporting producers continue to benefit from provision of preferential loans.

State-owned banks acting as public bodies

(238) As explained in recitals (56) to (69) above, the Commission concluded that the specific public policy objectives are being implemented by State-owned banks in the exercise of governmental functions with respect to the glass fibre industry, particularly EXIM, thereby acting as public bodies in the sense of Article 2(b) of the basic Regulation read in conjunction with Article 3(1)(a)(i) of the basic Regulation. Even if they were not to be considered public bodies, the Commission found that those banks, as well as privately owned banks, would also be considered entrusted and directed by the GOC to carry out functions normally vested in the government, within the meaning of Article 3(1)(a)(iv) of the basic Regulation.

(239) Additional legal context also applies to the loans provided by EXIM and CDB to Jushi Egypt, established already in the original investigation ([87]).

(240) China-Africa TEDA and EXIM signed a Strategic Cooperation MOU on 6 November 2009, putting forward a package plan with a total amount of up to 6 billion RMB to carry out overall strategic cooperation in overseas trade and economic cooperation zones.

(241) On 7 November 2009, six African cooperation zones of economy and trade, among which the SETC-Zone, signed the Joint Meeting Pact between the Chinese Overseas (African) Economy and Trade Cooperation Zones and the China Africa Development Fund ('CADF'), a subsidiary of the CDB.

(242) Furthermore, in 2013, MOFCOM issued a 'Notice on Aspects related to the China Development Bank support to the establishment and development of overseas economic and trade cooperation zones'. According to this Notice, MOFCOM and CDB will 'provide policy support for investment and financing for enterprises and enterprises entering the zone in eligible cooperation zones'. CDB will 'clarify the basic conditions for priority financing in the cooperation zone in accordance with the requirements of the Ministry of Commerce and the Ministry of Finance', and will 'selectively support the projects under construction and cooperation projects that MOFCOM has paid close attention to with the host governments of the cooperation zone'.

(243) In addition, Article 4 of the 2016 Cooperation Agreement signed between China and Egypt states that 'the Chinese Government identifies the Cooperation Zone as China's overseas economic and trade cooperation zone. The Cooperation Zone […] is entitled to relevant policy support and facilitation provided by the Chinese Government for overseas economic and trade cooperation zones'. In addition, according to Article 5, the Chinese Government shall also support the Cooperation Zone by 'encouraging relevant financial institutions to provide financing facility for […] investment projects located within the Cooperation Zone, provided that the lending conditions and the loan use requirements are met'.

(244) Furthermore, Article 2(IV) of the 'Cooperation Agreement on the Establishment of a Management Committee for China-Egypt Suez Economic and Trade Cooperation Zone', implementing the above-mentioned agreement, further specifies that the established Management Committee shall 'try the utmost efforts to implement all incentive policies of the Chinese and Egyptian laws and regulations in a smooth manner' and article 2(V) adds that it shall 'coordinate and facilitate relevant financial institutions, including but not limited to banking institutions, insurance institutions and various funds which provide credit support for the Cooperation Zone and residential enterprises, and help the Cooperation Zone and residential enterprises to explore more financing channels'.

([87]) See recitals (729) to (735) of the original Regulation.

(245) In light of the above and in absence of any evidence to the contrary, the Commission concluded that Chinese State-owned financial institutions, including EXIM and CDB, implemented the legal framework set out above in the exercise of governmental functions with respect to the GFF sector, and particularly foreign subsidiaries of Chinese companies established in the SETC-Zone. Therefore, they were public bodies in the sense of Article 2(b) of the basic Regulation read in conjunction with Article 3(1)(a)(i) of the basic Regulation and in accordance with the relevant WTO case-law. Even if they were not to be considered public bodies, the Commission held that they would be considered entrusted or directed by the GOC to carry out functions normally vested in the government within the meaning of Article 3(1)(a)(iv) of the basic Regulation.

Evidence of continued subsidisation

(246) Specific loan agreements and details of inter-company loans between Jushi entities are not publicly available information and have not been made available to the Commission. The exact nature, number, amount, and preferential terms of these loans could therefore not be precisely determined. However, there was no evidence to proving that subsidisation under this scheme was discontinued. To the contrary, facts available showed that subsidisation under this scheme continued in the review investigation period.

(247) Namely, in the original investigation, the Commission found that CDB and EXIM granted two loans to Jushi Egypt for a total amount of 200 million USD. The first loan, (from 2012) was used to finance the start-up of the plant, while the second loan (from 2016) corresponded to an expansion project for an additional production line ([88]). These loans in themselves were found to not have been sufficient to cover the total financing needs to develop the manufacturing activities, however. Thus, over the period 2014-2018, Jushi China also provided to Jushi Egypt a series of inter-company loans, totalling at 260 million USD ([89]).

(248) Evidence collected in this investigation showed that Jushi Egypt was engaged in another production capacity expansion project during the period considered. Financial accounts of Jushi China showed that Jushi Egypt was one of its overseas entities which had a production line construction project underway. The investigation also found that Jushi Egypt bought at least one additional plot of land after the original investigation for the expansion of its facilities ([90]), requiring large amount of funds.

(249) GOE confirmed that no Egyptian banks provided any loans to Jushi Egypt or Hengshi Egypt during the period concerned, from which it can be inferred that Jushi Egypt must have continued to rely on loans from CDB and EXIM banks, intra-company loans from its mother company, or both, as its source of financing such large expenditures.

(250) At the same time, as established in recitals (70) to (81) above, Chinese GFF producers have continued benefitting from large amounts of preferential financing from State-owned banks, including loans for Jushi China.

(251) The Commission has also consistently found in several recent investigations that encouraged industries, such as the GFF industry, receive countervailable subsidies in the form of preferential financing from State-owned banks ([91]).

([88]) See recital (726) of the original Regulation.
([89]) See recitals (745) and (746) of the original Regulation.
([90]) See recital (350) below.
([91]) See, for example, Commission Implementing Regulation (EU) 2024/2754 of 29 October 2024 imposing a definitive countervailing duty on imports of new battery electric vehicles designed for the transport of persons originating in the People's Republic of China (OJ L, 2024/2754, 29.10.2024 ELI: http://data.europa.eu/eli/reg_impl/2024/2754/oj), recital (276); Commission Implementing Regulation (EU) 2025/61 of 15 January 2025 imposing a definitive countervailing duty on imports of certain pneumatic tyres, new or retreaded, of rubber, of a kind used for buses or lorries, with a load index exceeding 121 originating in the People's Republic of China following an expiry review pursuant to Article 18 of Regulation (EU) 2016/1037 of the European Parliament and of the Council (OJ L, 2025/61, 16.1.2025, ELI: http://data.europa.eu/eli/reg_impl/2025/61/oj), recital (93); Implementing Regulation (EU) 2025/114, recital (77).

(252) The Commission therefore concluded on the basis of facts available that Jushi Egypt continued to receive preferential loans from CDB and EXIM banks, from its mother company, or both.

Benefit

(253) In the absence of cooperation from the GOC, Chinese exporting producers, and Egyptian exporting producers as their subsidiaries, the Commission had no company-specific information on which the amount of subsidy received during the review investigation period could be calculated.

(254) However, based on the evidence available, the Commission could conclude that during the review investigation period preferential loans kept being provided to Jushi Egypt, in line with the policy stipulated in specific plans and directives referring to the GFF industry.

Specificity

(255) As described in sections 4.1 and 4.2 above, the Commission concluded the GOE was the granting authority with respect to the preferential financing. The GOE allowed Jushi Egypt to in practice benefit from such preferential financing in the framework of the described cooperation with the GOC, acknowledging and adopting the designation by the GOC of the SETC Zone as an overseas investment territory under Article 4 of the Cooperation Agreement and endorsed the fully-fledged implementation thereof by, inter alia, the GOC's provision of preferential financing.

(256) Within that framework, these subsidies were limited to the companies set up in the SETC Zone. The Commission therefore concluded that these were regional subsidies within the meaning of Article 4(3) of the basic Regulation and falling within the jurisdiction of the granting authority in accordance with Articles 4(2) through (4) of the basic Regulation.

Conclusion

(257) In light of the above considerations, and absent any evidence to the contrary, the Commission concluded that Jushi Egypt continued to receive countervailable subsidies in the form of preferential financing from Chinese State-owned banks, either in the form of direct loans or in the form of intra-company loans from its mother company, Jushi China.

4.3.2. *Support for capital investment*

(258) The original investigation found that Jushi Egypt also benefited from countervailable subsidies in the form of grants, channelled to it by CNBM, a state-controlled entity, by way of paid-in capital injections and transfer of funds through other types of capital accounts. These funds were needed in addition to above described direct and intra-company loans to cover the financial needs of Jushi Egypt's investments ([92]).

(259) The original investigation found that, between 2012 and the original investigation period, Jushi Egypt's capital increased to 162 million USD. The financial statements for Jushi China, which the applicant submitted in this investigation, showed that the base capital of Jushi Egypt remained stable between the original investigation period and the review investigation period. The available evidence therefore showed that no additional equity injections to Jushi Egypt took place over the period concerned.

(260) However, in the original investigation, the Commission calculated the subsidisation amount in the original investigation period in the following way. The Commission used the average useful life of the assets of Jushi Egypt to amortise the grant amount, on the assumption that the funding through equity injections was used to fill the gap for the investment projects. Amortization period of twelve years was used. Therefore, the benefit calculated in the original investigation for the capital injections still applied in the review investigation period. This subsidy remained specific as described in Section 4.2.3.3 of the original Regulation.

([92]) See recitals (758)-(804) of the original Regulation.

(261) In the absence of cooperation of Jushi Egypt, the Commission had no information on the turnover of GFF sales on which the amount of benefit applicable in the review investigation period could be calculated. As explained, the Commission could conclude that during the review investigation period Jushi Egypt continued to benefit from the support for capital investments just as in the original investigation.

(262) In light of the above considerations, the Commission concluded that Jushi Egypt continued to receive countervailable subsidies in the form of paid-in capital injections and transfer of funds through other types of capital accounts.

4.3.3. *Export credit insurance*

(263) In the original investigation, the Commission found that Jushi Egypt also benefited from countervailable subsidies in the form of an export credit provided by Sinosure in the framework of an agreement signed by Jushi China, which covered also exports made by Jushi Egypt. The original investigation has found that Sinosure is owned by the Chinese Government, which exercises meaningful control and hence constitutes a public body, or is, in any event, entrusted or directed by the GOC, as well as that export credit insurance premiums paid to Sinosure by the GFF producers in China were based on preferential terms. The same conclusions were reached in this investigation too (see section 3.4.2 above).

(264) The original investigation also found that the premium requested for exports from Egypt did not differ from the premium for exports from China. This showed that country risk was not taken into account by Sinosure when determining its price for the export credit insurance, and that the findings applicable to the exports of Jushi China also apply to Jushi Egypt. The original investigation also found this subsidy to be specific, as it is export contingent within the meaning of Article 4(4)(a) of the basic Regulation.

(265) However, notwithstanding the countervailability of this programme, the Commission in the original investigation decided not to investigate it further, as any benefit under this programme would have been minimal.

(266) In light of this and the fact that the Commission would not be able to calculate any subsidy margin in the review investigation period in the absence of questionnaire replies, the Commission decided that it was not necessary to examine this scheme in this expiry investigation, without prejudice to findings of its countervailability.

4.3.4. *Comments on disclosure*

(267) In its comments on the disclosure, in line with its comments already described in recital (233), the GOE repeated the claim that no financial contributions were demonstrated to have been provided to the Egyptian exporting producers by Egyptian public bodies or by private entities entrusted or directed by the GOE.

(268) As no new arguments or evidence were presented to invalidate any of the conclusions reached in Sections 4.2 and 4.3 above, the Commission dismissed these claims.

4.4. **Government revenue forgone or not collected that is otherwise due**

4.4.1. *VAT exemptions and import tariff rebates for imported equipment*

Findings of the original investigation

(269) The original investigation has found that Jushi Egypt and Henghsi Egypt benefitted from an exemption from VAT and import tariffs for imports of equipment used in the production process of the companies located in the SC Zone ([93]).

([93]) See recitals (870)-(901) of the original Regulation.

(270) The original investigation found that, according to Article 22 of Law No. 83/2002, as amended by Law No. 27/2015 Amending some Provisions of Law of Economic Zone of Special Nature issued by Law No. 83/2002 ('Law No. 27/2015'), the SC Zone is part of a separate customs area in Egypt. According to Article 42 of Law No. 83/2002, imported equipment, tools, or apparatus shall be exempted from import taxes and duties as long as they are allocated to produced goods or services for the licensed activity within the SC Zone.

(271) As concerns VAT treatment, the original investigation found that companies located outside of the SC Zone pay import VAT upfront and net it against the VAT on their domestic sales or, if applicable, apply for a refund when finished goods are exported. For companies located in the SC Zone, VAT is withheld and is thus initially not charged. Tax authorities only retained a right to reclaim VAT afterwards.

(272) The original investigation found that companies located in mainland Egypt (outside the SC Zone) which buy machines subject to the applicable VAT rate should utilize the amounts of VAT they pay as a credit against future payments. However, where the credit balance is retained for more than 6 consecutive tax periods (months), which will be the case for companies heavily engaging in exports which thus cannot offset input VAT as a credit against future payments, the registered person shall apply for a refund of outstanding balance. The Egyptian Tax Authority should check the correctness of the balance and refund within 45 days of the date of submitting the application.

(273) In the original investigation the Commission considered that the amount of import taxes and duties which companies in the SC Zone are exempted from constituted a countervailable financial contribution taking into account that any equipment used in the manufacturing of products, including the product under review, will in all likelihood be used for its entire useful life within the Egyptian territory without being re-exported or sold domestically. There is therefore no rationale for granting an exemption from taxes or duties on import of such equipment, other than benefiting the companies located in the SC Zone. This therefore constitutes revenue forgone in the amounts of import taxes and duties not collected on import of such equipment. ([94]) In order to ensure that the countervailable amount only covered the investigation period the benefit received was amortized over the useful life of the equipment.

(274) As concerns VAT treatment of machinery imported for production in SC Zone, in the original investigation the Commission considered withheld VAT as benefit only insofar as withholding it has had a positive impact on a cash flow of a company in SC zone, as opposed to companies in the rest of Egypt, which would have to pay the VAT upfront ([95]). As a result, the cash flow benefit on the VAT withheld was considered to be equivalent to the average interest rate on deposits in Egypt during the original investigation period, applied to the VAT amounts which were withheld for goods purchased since 2017.

(275) The Commission therefore examined whether this legal framework was still in place and if Jushi Egypt and Hengshi Egypt continued to benefit from this scheme in the review investigation period.

Legal basis

(276) The core legal framework relevant for this scheme remained unchanged, although customs procedural framework has been modernised. New Customs Law No. 207 was enacted in 2020 ('Law No. 207/2020'), replacing the old Law No. 66 of 1963. The new Law No. 207/2020, which applies nationally, unified customs procedures (including those for special economic zones) and consolidated tax exemptions that were scattered under different laws. The GOE highlighted, however, that the Law No. 207/2020 did not alter the specific customs duty regime that applies in the SC Zone.

([94]) See, in particular, recitals (878) and (899) indent (1) of the original Regulation.
([95]) See, in particular, recitals (895) and (899) indent (2) of the original Regulation.

(277) Therefore, the Commission concluded the materially relevant legislation in Egypt in the review investigation period remained the same as in the original investigation:

— Law No. 83/2002;

— Law No. 27/2015;

— Investment Law No. 72 of 2017 ('Law No. 72/2017');

— The Prime Minister's Draft Resolution No. (2310) of 2017 Concerning issuing the Executive Regulations of Investment Law Issued by virtue of Law No. 72 of 2017;

— Value Added Tax Law No. (67) of 2016 ('Law No. 67/2016');

— Executive Regulations of the VAT Law, Decree of the Ministry of Finance No. 66/2017.

Evidence of continued subsidisation

(278) The rules governing the exemption from import taxes and duties of machinery imported into SC Zone, as well as its special VAT treatment, compared to the rest of Egypt, as described in recitals (270) to (273) above thus remained unchanged from the original investigation.

(279) To calculate the subsidy amount under this scheme in the original investigation period, the Commission amortized the benefit received over the useful life of the equipment that Jushi Egypt and Hengshi Egypt imported. Almost all of the equipment on which these calculations were based in the original investigation was still being depreciated in the review investigation period. Therefore, as a mathematical necessity, these two exporting producers continued to receive benefit under this scheme concerning that equipment also in the review investigation period.

(280) The GOE provided to the Commission listings of equipment that Jushi Egypt and Hengshi Egypt imported into the SC Zone during the period concerned, showing that both companies imported certain new machinery. As the legal framework has not changed from the original investigation, the Commission concluded that both companies benefitted from this scheme with regard to that equipment in the same way as in the original investigation.

Specificity

(281) The GOE claimed that this scheme could not be considered a subsidy, as exemptions from import duties and VAT treatment for capital goods are non-specific investment incentives under Egyptian law.

(282) However, as was established both in the original investigation and in this section above, Article 42 of Law No. 83/2002 specifically provides for an exemption of import duties on equipment, tools, or apparatus as long as they are allocated to produced goods or services for the licensed activity within the SC Zone. This exemption is not applicable for importation of equipment into the rest of Egypt.

(283) As concerns the special VAT treatment, as was explained in recitals (274) and (280) above, just as in the original investigation, the Commission considered that the fact that VAT on equipment imported into the SC Zone could be withheld resulted in a positive impact on a cash flow of a company in SC zone, as opposed to companies in the rest of Egypt which would have to pay the VAT upfront. The Commission therefore found no reason to change its conclusions.

(284) The Commission thus concluded that this subsidy continued to be specific within the meaning of Article 4(2)(a) of the basic Regulation, as it is not generally applicable in Egypt, and applies only to the companies located in Economic Zones of a Special Nature, such as the SC Zone.

Benefit

(285) Considering the absence of cooperation from Jushi Egypt and Hengshi Egypt, it was not possible to calculate the exact amount of benefit conferred. However, as explained in recitals (279) and (280) above, the Commission could conclude that during the review investigation period the two exporting producers continued to benefit from the above described VAT exemption and import tariff rebate privileges.

Conclusion

(286) In light of the above considerations, and absent any argument to the contrary, the Commission concluded that the GFF producers in Egypt continued to benefit from this scheme. In view of the existence of a financial contribution, a benefit conferred and specificity, this subsidy programme continues to be considered countervailable.

4.4.2. *VAT exemptions and import tariff rebates for imported materials*

Findings of the original investigation

(287) In the original investigation, the Commission found that companies operating in a special economic zone, such as the SC Zone, where Jushi Egypt and Hengshi Egypt are located, benefitted from VAT exemptions and import tariff rebates for imported materials ([96]).

(288) According to Article 42 of Law No. 83/2002, imported raw materials, supplies, spare parts, and any other material or components imported from overseas shall be exempted from payment of taxes and duties as long as they are allocated to produced goods or services for the licensed activity within the SC Zone. On the other hand, all taxes and duties need to be paid for any products released into the domestic market outside of the SC Zone. However, considering that the SC Zone is part of a separate customs area, as mentioned in recital (270) above, all taxes and duties need to be paid for any products released into the domestic Egyptian market outside of the SC Zone.

(289) In the original investigation the Commission found that, in line with the provisions of the Law No. 83/2002, both exporting producers had received waivers for import duties on input materials used in the production of exported product concerned. Such a setup corresponds to a duty drawback scheme as described in Annex I(i) of the basic Regulation. Pursuant to point (i) of Annex I, substitution drawback systems can constitute an export subsidy to the extent that they result in an excess drawback of the import charges levied initially on the imported inputs for which drawback is being claimed.

(290) The Commission concluded in the original investigation that a duty drawback monitoring system, which could verify that no excess drawback of the import charges was taking place, had not been effectively applied during the original investigation period ([97]). The Commission therefore considered this duty drawback scheme countervailable.

(291) VAT treatment of imported materials was found to be the same as for imported machinery described in section 4.4.1 above: VAT on imported goods is withheld instead of being paid upfront in the SC Zone. Tax authorities only retain a right to reclaim VAT afterwards.

(292) In this investigation the Commission thus sought to examine whether a reliable verification system to check that no excess drawback of the import charges was taking place existed during the review investigation period, whether the legal framework governing VAT exemptions on imported materials remained in place, and whether Jushi Egypt and Hengshi Egypt continued to benefit from this scheme in the review investigation period.

([96]) See the original Regulation, recitals (902)-(930).
([97]) See, in particular, recitals (907)-(915) and (922)-(923) of the original Regulation.

Legal basis

(293) Just as was the case regarding the importation of equipment into the SC Zone, as explained in recitals (276) and (277) above, the legal framework relevant for this scheme remained unchanged, but the customs procedural framework has been modernised. The introduction of the new customs Law No. 207/2020 and the relevant by-laws introduced novelties into the functioning of customs procedures. The legislation relevant for the examination of this scheme in the review investigation period therefore was:

— Law No. 207/2020;

— Decree of the Chairman of Customs Authority No. 34 of 2020 ('Decree No. 34/2020') on establishing a dedicated Committee to oversee goods entering and leaving the SC Zone (the 'SC Zone Customs Committee');

— Law No. 83/2002;

— Law No. 27/2015;

— Law No. 72/2017;

— The Prime Minister's Draft Resolution No. (2310) of 2017 Concerning issuing the Executive Regulations of Investment Law Issued by virtue of Law No. 72 of 2017;

— Law No. 67/2016;

— Executive Regulations of the VAT Law, Decree of the Ministry of Finance No. 66/2017.

Continuation of subsidisation

(294) The rules on the exemption from import taxes and duties of materials imported into SC Zone, as well as its special VAT treatment compared to the rest of Egypt, described in recital (291) above, as governed by the Law No. 83/2002 and other material legislation specifically relating to special economic zones such as the SC Zone, thus remained unchanged from the original investigation.

(295) Concerning the collection of import taxes and duties on input materials, as explained above and confirmed by the GOE, SC Zone is considered a separate customs area and importation of raw materials into the Zone is not subject to payment of customs duties, which are suspended. Instead, only if the final products are subsequently imported into Egypt, the import duties on raw materials are paid by the customer in Egypt, based on the value of the imported products.

(296) In its questionnaire reply and subsequent exchanges with the Commission, the GOE explained that the new customs Law No. 207/2020 unified customs procedures, including those for special economic zones. The main change was the procedural modernisation, specifically the introduction and mandatory implementation of the Advanced Cargo Information ('ACI') system through the IT platform/interface called 'Nafeza', which digitises the tax collection and assessment process.

(297) The GOE explained that the General Authority for the SC Zone has access to specific modules of this system, relevant to approve permits and monitor stocks for companies in the SC Zone, ensuring integration between the SC Zone's approvals and Customs Authority's clearances. The GOE explained that Nafeza system automatically calculates duties and VAT on imported inputs, but noted that the companies in the SC Zone are exempted from paying these levies.

(298) The GOE also explained that the General Authority of the SC Zone and the Customs Authority monitor the destination of finished products from the SC Zone with the help of 'destination certificates'. Producers in the SC Zone need to submit such certificates both for sales of finished products into the domestic market in Egypt and for exports. The Customs Authority calculates the proportion of domestic sales out of all sales recorded for a given producer, and determines the tax burden on imported inputs on that basis. The GOE explained that Customs Authorities keep company-specific files for these calculations.

(299) In addition, considering that the SC Zone is a separate customs area in Egypt, a dedicated SC Zone Customs Committee was established by the Decree No. 34/2020, to monitor inputs imported into and products exported out of the SC Zone. The GOE claimed that with the new IT infrastructure, the General Authority can track the inventory of companies within the SC Zone in real time. Production formulations of final products provided by the producers are relied on to determine the amount of import duties that need to be paid on imports of inputs when the downstream product is sold into the Egyptian market.

(300) Finally, the GOE also claimed that post-clearance audits are undertaken to verify what was declared at the time of customs clearance or exportation corresponds to what is actually recorded in the companies' accounts and records. However, such audits did not take place at Jushi Egypt or Hengshi Egypt during the review investigation period.

(301) The legal and procedural framework for a duty drawback monitoring system thus seemed to be in place. The Commission was, however, unable to verify whether it effectively operates in practice.

(302) First, the GOE provided the inbound and outbound transaction summaries of the companies Jushi Egypt and Hengshi Egypt for the financial years 2023-24 and 2024-25. This information was, however, limited to the overall weight and value of all inputs imported and exports of products in the period. These files showed that certain sales of final product to domestic Egyptian market took place. However, these files did not show any calculations of the amount of import duties that would need to be paid on inputs used in production of these products, described in recital (298) above.

(303) The GOE was requested in the deficiency letter to provide company-specific files mentioned in recital (298) above for Jushi Egypt and Hengshi Egypt, showing the calculation of the amounts of VAT and import duties to be paid on imported raw materials used in production of goods which have been sold on the domestic market. However, the GOE provided to the Commission a file only after the verification visit which listed all the transactions of imported materials and the amount of duties and VAT which would normally have to be paid on those imports, had they not been imported into the SC Zone. While the details and authenticity of this document could not be further verified since it was submitted only after the verification visit, it did appear to corroborate the existence of a system that calculates duties and VAT that would normally have to be on imported inputs into the SC Zone, described in recital (297) above.

(304) However, the Commission received no documents which would show the calculations of the VAT and import duties that were levied on imported inputs used in production of goods which were sold to the Egyptian domestic market by Jushi Egypt or Hengshi Egypt. Furthermore, no evidence was presented to show that such calculations would be based on bills of materials, product formulations, or other methods on the basis of which such amounts could be properly calculated.

(305) Second, during the verification visit, it was not possible for the Commission's team to see the functioning and interface of Nafeza system as described above. Therefore, the Commission was not able to verify how the system actually works and that import duties drawbacks could be or were being effectively monitored through the system.

(306) Third, no documentary evidence was provided that the GOE performed any on-spot checks or audit of Jushi Egypt's or Hengshi Egypt's inventories of input materials in the review investigation period.

(307) The Commission was therefore not able to confirm that a reliable verification system to monitor and prevent excess drawback of the import charges exists or is being effectively implemented. This was communicated to the GOE by means of a Note Verbale ([98]), highlighting that the Commission intends to apply Article 28 of the basic Regulation and base its conclusions on the facts available with regard to this point.

([98]) See recitals (212)-(217) above.

(308) In their comments objecting to the application of Article 28 of the basic Regulation (see recital (213) above), the GOE claimed that the files with company-specific calculations of VAT and customs duty mentioned in recital (298) above constitute internal company documents and were not in possession of the General Authority of the SC Zone. However, the Commission found that this not in line with previous explanations: the GOE stated in its questionnaire reply that the Customs Authority keeps these files. They could have, therefore, been provided in the course of the investigation.

(309) The GOE also claimed that, during the verification visit, the Commission's team was granted access to the Customs Administration staff at the premises of the General Authority and was allowed to view Nafeza interface. The Commission did not dispute that: the Commission's team was indeed allowed access to the staff to discuss and observe the functioning of the system. However, it was explained by Customs Administration staff that the Nafeza system functionalities which show how the GOE calculates and monitors the collection of VAT and import duties could not be accessed from that station. The Commission was therefore unable to verify the functioning of the system in real time during the verification visit.

(310) Therefore, as described above, despite the legislative framework for monitoring the duty drawback system apparently being in place, no evidence has been submitted showing that such a framework was effectively applied in practice. The Commission therefore concluded the duty exemption scheme does not have all the characteristics of a permissible duty drawback system within the meaning of Article 3(1)(a)(ii) of the basic Regulation, nor does the scheme conform to the rules laid down in Annex I item (I) and Annex II (definition and rules for drawback) of the basic Regulation. It was not demonstrated that there is an effective system or procedure in place to confirm which inputs are consumed in the production of the products sold to the domestic market and in what amounts. In addition, the GOE does not appear to carry out an examination or an audit of actual inputs involved.

(311) As concerns the VAT treatment of imported materials, even if such a system would be in place, the Commission considered, just as in the original investigation, that the fact that VAT on raw materials imported into the SC Zone could be withheld resulted in a positive impact on a cash flow of companies in the SC Zone. Companies in the rest of Egypt which have to pay the VAT upfront would not have this positive impact on their cast flow. The Commission found no reason to change its conclusions in that regard.

(312) As mentioned in above recitals, the GOE's listings of transactions showed that Jushi Egypt and Hengshi Egypt imported raw materials into the SC Zone during the period concerned, and that they made some sales to the domestic Egyptian market. As the legal framework governing VAT exemption has not changed from the original investigation, and no reliable verification system to monitor and prevent excess drawback of the customs duties for imports of raw materials was shown to exist, the Commission concluded that both companies benefitted from this scheme in the same way as in the original investigation.

Specificity

(313) As was established also in the original investigation, excess remissions are specific within the meaning of Article 4(2)(a) of the basic Regulation as they are not generally applicable in Egypt, and apply only to the companies located in the SC Zone. Similarly, the cash-flow benefit from the VAT exemption is specific since the legislation limits the VAT exemption only to enterprises that are located within the SC Zone.

(314) The Commission thus concluded that this subsidy continued to be specific within the meaning of Article 4(2)(a) of the basic Regulation, as it is not generally applicable in Egypt, and applies only to the companies located in Economic Zones of a Special Nature, such as the SC Zone.

Benefit

(315) Considering the absence of cooperation from Jushi Egypt and Hengshi Egypt, it was not possible to calculate the exact amount of benefit conferred. However, as explained in recital (312) above, the Commission could conclude that during the review investigation period the two exporting producers continued to benefit from the above described VAT exemption and import tariff rebate privileges.

(316) The GOE also claimed that, as confirmed by WTO Appellate Body in *EU – PET (Pakistan)* (DS486), in the context of duty drawback schemes, the financial contribution element of the subsidy is limited to the excess remission or drawback of import charges on inputs and does not encompass the entire amount of the remission or drawback of import charges.

(317) The Commission, however, did not consider this claim pertinent as, in the absence of cooperation from the exporting producers it could not calculate the level of subsidy margins. Even if these could be calculated, the Commission cannot in any event change the level of subsidy margins in expiry review investigations from the margins that were established in the original investigation The Commission merely examines if the same schemes are still in place, i.e., if there is a likelihood of continuation or recurrence of subsidisation. If these findings are affirmative, the level of duties calculated in the original investigation will be applied unchanged. Finally, in its calculations in the original investigation the Commission did, in fact, countervail only the excess drawback of the import charges, i.e. the charges which ought to have been levied on input materials processed into GFF which was then sold to the domestic market in Egypt ([99]). The Commission therefore dismissed this argument as moot.

Conclusion

(318) In light of the above considerations, and absent any argument to the contrary, the Commission concluded that the GFF producers in Egypt continued to benefit from this scheme. In view of the existence of a financial contribution, a benefit conferred and specificity, this subsidy programme continues to be considered countervailable.

4.4.3. *Enterprise income tax privileges*

Findings of the original investigation

(319) The original investigation has found that Jushi Egypt and Henghsi Egypt benefitted from enterprise income tax privileges ([100]), based on a special accounting standard and a special tax rule for treating foreign exchange differences, which were introduced by the GOE. As explained in recital (860) of the original Regulation, this legislation was introduced in order to address sudden currency fluctuations caused by the introduction of a floating exchange rate for the EGP in 2016. As a result of these rules, companies were allowed to deduct foreign exchange differences due to the devaluation of the EGP from their taxable income more extensively.

(320) Although this legislation was generally applicable to all companies in Egypt and was meant to offset the negative effects of the devaluation of the Egyptian currency, it *de facto* created a substantial benefit for the companies that are export oriented and operate their business almost entirely in foreign currencies such as USD or EUR, which was found to be the case for Jushi Egypt and Hengshi Egypt. This category of companies did not incur any actual loss as a consequence of the devaluation of the EGP, but could benefit from the special accounting standard issued by the GOE for tax purposes. On the other hand, Egyptian companies operating their business in EGP have suffered actual losses that had a real impact on their business, which was addressed by the special tax rule issued by the GOE.

(321) The Commission therefore examined whether the relevant legislation was still applicable and if Jushi Egypt and Hengshi Egypt continued to benefit from this scheme in the review investigation period.

Legal basis

(322) The GOE confirmed that the rules concerning corporate taxation remain the same as they were in the original investigation. The GOE also confirmed that the special accounting treatment has continued, with decrees in 2022, 2023, and 2024 reintroducing/extending this accounting standard. The legal basis applicable during the period considered therefore were:

— The Income Tax Law as enacted by law No. 91 of 2005; and

— Prime Ministerial Decree No. 4706 of 2022, and subsequent amendments thereof (Prime Ministerial Decree No. 1847 of 2023, and Prime Ministerial Decree No. 1711 of 2024).

([99]) See recitals (908) and (922) of the original Regulation.
([100]) See recitals (859)-(869) of the original Regulation.

Continuation of subsidisation

(323) Apart from limited amendments, the rules on corporate income tax have, thus, not substantively changed from the original investigation. As concerns the accounting standard itself, the GOE explained that the currency devaluation which took place in the period considered resulted in abnormal currency fluctuations. For that reason, the GOE reintroduced the Annex 'The Effects of Changes in Currencies Exchange Rates' to the Egyptian Accounting Standard (EAS) No. 13.

(324) The Commission thus concluded that rules allowing companies to deduct foreign exchange differences due to the devaluation of the EGP from their taxable income, as established in the original investigation, applied to the same effect in the review investigation period.

(325) The Commission then sought to establish whether Jushi Egypt and Hengshi Egypt continued to operate their business almost entirely in foreign currencies. Given non-cooperation from the two producers, the Commission resorted to the use of facts available.

(326) As has been established in section 4.3.1 above, Jushi Egypt continued to receive preferential loans from Chinese State-owned banks and/or its mother company. As established in recitals (280) and (312) above, they continue to import their equipment and raw materials. Finally, the inbound and outbound transaction summaries for the two producers for the financial years 2023-24 and 2024-25 which the GOE provided showed that a vast majority of their production is intended for export. In light of this, and absent any evidence to the contrary, the Commission concluded that Jushi Egypt and Henghsi Egypt continue to conduct their business almost entirely in foreign currencies.

Specificity

(327) Tho GOE claimed that this scheme could not be considered a subsidy, as it concerns a general accounting rule applicable to all companies in Egypt, which was introduced as a regulatory response to hyperinflationary pressures.

(328) The Commission did not dispute the fact that this rule is generally applicable to all companies in Egypt. However, as in the original investigation, the Commission maintained that the companies that are mainly export oriented and operate their business almost entirely in foreign currencies such as USD or EUR benefited disproportionately from this legislation.

(329) Namely, export-oriented companies which conduct their business mostly in foreign currencies would not incur any significant actual losses as a consequence of the devaluation of the EGP, since the exchange rate losses suffered on their purchases/liabilities in USD could be offset by the exchange rate gains on their sales in USD. As a result, instead of offsetting a loss, this legislation actually created a tax benefit, which this type of companies could specifically benefit from.

(330) The Commission thus concluded that this subsidy continued to be *de facto* specific to the exporting producers Jushi Egypt and Hengshi Egypt, in accordance with Article 4(2)(c) of the basic Regulation, as this subsidy is used predominantly by a limited group of companies operating almost exclusively in foreign currencies.

Benefit

(331) As explained in recital (329), the benefit conferred on the recipients is equal to the tax benefit incurred under this scheme.

(332) Considering the absence of cooperation from Jushi Egypt and Hengshi Egypt, it was not possible to calculate the exact amount of benefit conferred. However, based on the evidence available, the Commission could conclude that during the review investigation period the two exporting producers continued to benefit from the above described income tax privileges.

Conclusion

(333) In light of the above considerations, and absent any argument to the contrary, the Commission concluded that the GFF producers in Egypt continued to benefit from this scheme. In view of the existence of a financial contribution, a benefit conferred and specificity, this subsidy programme continues to be considered countervailable.

4.4.4. *Comments on disclosure*

(334) First, in its comments on disclosure, the GOE reiterated the claim the VAT regime applicable in the Suez Canal Economic Zone forms part of Egypt’s general taxation system and does not constitute government revenue otherwise due that is forgone. The GOE did not bring forward, however, any additional arguments or evidence to invalidate any of the conclusions the Commission reached in sections 4.4.1 and 4.4.2 above as concerns the VAT treatment of materials and machinery imported into the SC Zone. This claim was therefore rejected.

(335) Second, similarly to the above claim, the GOE reiterated its claim that the customs regime operates under a comprehensive monitoring and verification mechanism, and that the Commission failed to demonstrate any excess remission of duties taking place, without additional arguments or evidence to contest the Commission’s conclusions outlined in sections 4.4.1 and 4.4.2 above.

(336) The Commission already explained why the exemption of machinery imported into the SC Zone from import duties and taxes constitutes revenue forgone ([101]) and why it did not consider that a reliable verification system to monitor and prevent excess drawback of the import charges on imported materials exists or is being effectively implemented ([102]). The Commission therefore rejected these claims as unfounded.

(337) Finally, the GOE claimed the tax treatment of foreign exchange losses, described in section 4.4.3 above, was adopted as a general response to exceptional macroeconomic circumstances, and it thus neither confers a specific benefit nor constitutes a countervailable subsidy. The GOE did not, however, bring forward any additional arguments or evidence in support of that claim. That claim too was, therefore, rejected.

4.5. **Provision of land for less than adequate remuneration**

Findings of the original investigation

(338) The original investigation has found that Jushi Egypt and Henghsi Egypt received land at less than adequate remuneration. In particular, Juhsi Egypt bought land from the ECJV and its successor TEDA Egypt, while Hengshi Egypt rented buildings from TEDA Egypt at prices set in a non-transparent manner by public bodies or private bodies entrusted or directed by the state.

(339) This investigation confirmed that the rules governing land use in the SC Zone have not changed since the original investigation. With the promulgation of Law No. 83/2002, the ownership of all state land in the SC Zone was vested with the General Authority. Since the adoption of Law No. 27/2015, it is no longer possible to purchase the full ownership of land from the General Authority. The General Authority gives only usufruct rights of the land to the Main Development Company (‘MDC’), an Egyptian developer. The MDC then puts the usufruct of the land up for bidding to sub-developers such as TEDA Egypt. These sub-developers subsequently rent out the land to the companies located in the zone.

(340) However, entities which owned land in the area prior to these legislative changes, retained and could transfer the ownership of that land. Jushi Egypt could thus buy a plot of land from TEDA Egypt in 2011, when it began setting up its plant. TEDA Egypt acquired this plot from its predecessor, ECJV, who in 1998 acquired it from the Suez Governorate at a low price (less than 1 USD/m^2), and without any bidding procedure. Following the initial purchase in 1998, TEDA Egypt invested in basic infrastructure to make the undeveloped desert land viable for industrial projects.

([101]) See, in particular, recital (273) above.
([102]) See, in particular, recitals (301) to (310) above.

(341) In the original investigation the Commission also concluded that ECJV and TEDA Egypt were public bodies within the meaning of Articles 3 and 2(b) of the basic Regulation ([103]). Even if they had not been public bodies, they would at least have been considered entrusted or directed by the GOC and the GOE to carry out functions normally vested in the government within the meaning of Article 3(1)(a)(iv) of the basic Regulation. Thus, their conduct would be attributed to the GOE in any event ([104]).

(342) In addition, Jushi Egypt purchased another plot of land from another Egyptian development company – Wadi Degla – in 2016. The Commission considered that this developer had also been entrusted or directed by the State in the sense of Article 3(1)(a)(iv), first indent of the basic Regulation to pursue governmental policies and provide land at a preferential price to Jushi Egypt ([105]).

(343) As concerns Hengshi Egypt, the original investigation found that this company was renting land from TEDA Egypt at prices less than half of what is charged by competitors in the SC Zone ([106]).

(344) The Commission therefore concluded that both companies were receiving a benefit from the GOE in the original investigation period, in the form of provision of land for less than adequate remuneration, which should be considered a subsidy within the meaning of Article 3(1)(a)(iii) and Article 3(2) of the basic Regulation The programme was found to be specific within the meaning of Article 4(2)(a) as it had been directed only to certain companies in a particular geographical area ([107]).

Legal basis

(345) The legal framework remained the same as in the original investigation:

— Law No. 83/2002;

— Law No. 27/2015;

— Law No. 8 of 1997 On Investment Guarantees and Incentives ('Law No. 8/1997');

— Investment Law as Enacted by Law No. 72 of 2017;

— The Prime Minister's Draft Resolution No. (2310) of 2017 Concerning issuing the Executive Regulations of Investment Law Issued by virtue of Law No. 72 of 2017.

Continuation of subsidization

(346) As explained in recital (339) above, the rules governing land use in the SC Zone have not changed since the original investigation, which was confirmed by the GOE. The General Authority of the SC Zone cannot sell the land that it owns in the SC Zone, but allocates it by means of usufruct or concessions to the development companies, who then market and develop the land, and grant use rights on this land to production companies for a price they consider appropriate.

(347) TEDA Egypt has usufruct over the land it develops, as was already established in the original investigation. A committee of experts periodically valuates the land, which serves as the basis on which the General Authority establishes the price in usufruct contracts.

([103]) See recitals (816)-(823) of the original Regulation.
([104]) See recital (821) of the original Regulation.
([105]) See recitals (824)-(832) of the original Regulation.
([106]) See recitals (833)-(835) of the original Regulation.
([107]) See recitals (836)-(838) of the original Regulation.

(348) In the original investigation, the subsidy amount for Jushi Egypt was calculated by comparing the prices that Jushi Egypt paid per square meter of land in 2011 and 2016 with a benchmark price. This benchmark price was calculated on the basis of the usufruct contract for the 6 km^2 expansion zone signed between TEDA Egypt and the SC Zone and a 2016 real estate valuation by the committee of experts, which established a pricing map for the usufruct of land in the SC Zone. From this pricing map the average yearly value of usufruct for the land in SC Zone was calculated. This average yearly price for usufruct was then multiplied by the duration of the said usufruct (50 years), and appropriate amounts for the costs of infrastructure works and profit of the developer were added, to calculate the benchmark price ([108]).

(349) Considering that the benchmark price was calculated on the basis of a usufruct of a duration of 50 years, the benefit for Jushi Egypt's purchase of land continues to be applicable for that period of time. Jushi Egypt thus continued to benefit from this scheme in the review investigation period also.

(350) This investigation has furthermore shown that Jushi Egypt bought at least one additional plot of land after the original investigation. Evidence submitted by the applicant showed that Jushi Egypt purchased a plot of land of around 60 000 square meters from TEDA Egypt in 2023.

(351) As concerns Henghsi Egypt, during the verification visit at the General Authority of the SC Zone, the GOE confirmed that, as far as they were aware, the status of Hengshi Egypt in terms of land use and rental of buildings remained the same as it was in the original investigation.

(352) The Commission requested from the GOE any contracts related to rental of the land/usufruct to Hengshi Egypt and new purchases of land by Jushi Egypt, but none were submitted. Further examination of the situation was also not possible due to non-cooperation from the two exporting producers and TEDA Egypt.

(353) The Commission informed the GOE on this matter by Note Verbale of 18 March 2026 ([109]), indicating that it may resort to the application of Article 28 of the basic Regulation and base its findings on facts available in this regard.

(354) Following this Note Verbale, the GOE submitted two land purchase contracts from 2020 ([110]), by which the company Huamei Egypt for New Composite Materials S.A.E. ('Huamei Egypt') appears to have bought a plot of land from Hengshi Egypt and a plot of land from TEDA Egypt.

(355) The Commission noted that no information had been provided in the course of the investigation about Huamei Egypt and its relation to the Jushi Egypt and Hengshi Egypt, nor information that would show that Hengshi Egypt acquired ownership of any land since the original investigation. In any event, the Commission did not consider these transactions pertinent to the determination of whether or not Henghsi Egypt continues to rent some land from TEDA Egypt and under what conditions, nor if they, more broadly, continue to receive land for less than adequate remuneration from the State.

(356) The Commission therefore considered that it had not received the requested documentation and necessary information relating to the new acquisition of land by Jushi Egypt. However, in light of considerations from recitals (348) to (349) above, which clearly show that Jushi Egypt continued to benefit from the provision of land at less than adequate remuneration, the Commission did not find it necessary for the purposes of this expiry review to make a definitive conclusion on whether or not this purchase was also done at less than adequate remuneration.

(357) Similarly, the Commission considered that it had not received necessary information relating to the land use by Hengshi Egypt. Therefore, on the basis of facts available, particularly the fact that Henghsi Egypt keeps operating in the SC Zone and that its sister company, Jushi Egypt, kept benefitting from provision of land at less than adequate remuneration, purchased from TEDA Egypt, as well as earlier statements of the GOE that the status of Hengshi Egypt in terms of land use and rental of buildings remained the same as it was in the original investigation, the Commission concluded that Hengshi Egypt continues to benefit from provision of land for less than adequate remuneration.

([108]) See recitals (839)-(851) of the original Regulation.
([109]) See recitals (211) and (212) above.
([110]) Provided in the file for interested parties under save number: t25.002279.

Conclusion

(358) Considering the absence of cooperation from Jushi Egypt and Hengshi Egypt, it was not possible to calculate the exact amount of benefit conferred. However, based on the evidence outlined in recitals (347) to (357) above, the Commission could conclude that during the review investigation period the two exporting producers continued to benefit from provision of land at less than adequate remuneration.

(359) The subsidy was considered specific within the meaning of Article 4(2)(a) of the basic Regulation, since the provision of land to companies in the SETC-Zone for less than adequate remuneration is reserved to certain companies in a particular geographical area.

(360) In light of the above considerations, and absent arguments to the contrary, the Commission concluded that the GFF producers in Egypt continued to benefit from this scheme. In view of the existence of a financial contribution, a benefit conferred and specificity, this subsidy programme continues to be countervailable.

Comments on disclosure

(361) In its comments on disclosure, the GOE reiterated its position that the Commission has failed to establish that land sales or lease agreements within the Suez Canal Economic Zone were provided for less than adequate remuneration, while also claiming that the benchmarks prices that the Commission relied on in the original investigation did not reflect the prevailing market conditions.

(362) The GOE did not bring forward any new arguments or evidence to invalidate the Commission's conclusions outlined in this section, nor to demonstrate that the benchmark price did not reflect prevailing market conditions. At the same time, the Commission has described in detail why it considered the calculated benchmark price appropriate for a developed plot of land in that area ([111]).

(363) The Commission therefore rejected these claims as unfounded.

5. **OVERALL CONCLUSION ON CONTINUATION OF SUBSIDISATION**

(364) For the Chinese exporting producers, in the original investigation the Commission established a countervailable *ad valorem* subsidy rate ranging from 17,0 % and 30,7 % for the sampled cooperating companies. It further established countervailable subsidies for non-sampled cooperating companies of 24,8 % or 30,7 %, depending on whether they cooperated both with the original investigation and the parallel anti-dumping investigation, or just with the anti-dumping investigation but not the original anti-subsidy investigation. The Commission also established a country wide duty rate for all other exporting producers of 30,7 %.

(365) For exporting producers in Egypt, in the original investigation the Commission established a countervailable *ad valorem* subsidy rate of 10,9 %.

(366) Given the Commission's findings in respect of the various subsidy schemes and programmes examined in sections 3 and 4 above, the Commission concluded that GFF producers in China and their subsidiaries in Egypt continued to benefit from countervailable subsidies at a level above *de minimis* during the review investigation period.

(367) The Commission thus also examined the likelihood of continuation of subsidised imports from the countries concerned should the measures be repealed. The following additional elements were analysed; the production capacity and spare capacity in the China and Egypt and the attractiveness of the Union market.

5.1. **Production capacity and spare capacity in China and Egypt**

(368) Due to the lack of cooperation from the GOC and exporting producers in both China and Egypt, the findings on production capacities and spare capacities were based on facts available, specifically, the information provided in the expiry review request.

([111]) See recitals (840)-(850) of the original Regulation.

(369) The applicant provided evidence that the total production capacity of GFF in China was about 1 400 000 tonnes in the review investigation period, with around 800 000 tons of overcapacity. After deduction of domestic demand and total exports, the Chinese producers' free capacity available for the Union market was estimated at about 700 000 tonnes, which is 5 times more that the total Union consumption.

(370) As concerns Egyptian capacities, evidence shows that the only two GFF producers in Egypt (Hengshi Egypt and Jushi Egypt) were set up with the aim to supply the Union market. Hengshi Egypt and Jushi Egypt belong to the same group of companies incorporated in China, and they are both located in the China-Egypt Suez Economic and Trade Cooperation Zone. They are ultimately controlled by a Chinese government agency and were set up under a strategy to foster China's outward expansion.

(371) While Jushi Egypt was set up with the primary goal to export GFR to the EU, Hengshi Egypt was subsequently set up to complement its product portfolio with GFF. As of 2017, Hengshi's GFF capacity, estimated by the applicant, stands at 30 000 tons, or at 22 % of total Union consumption.

(372) In addition, the applicant has shown that the Union has been one of the main destinations for Egyptian GFF from 2022 onwards, while Egyptian domestic market for GFF is minimal, with a demand of no more than 1 500 tons annually.

(373) The Commission therefore concluded that Chinese and Egyptian producers have sufficient capacities that they would be ready to deploy to sharply increase their exports to the Union market if the measures are allowed to lapse.

5.2. **Attractiveness of the Union market**

(374) Despite both anti-dumping and countervailing duties in force, which come in addition to the conventional import duties in the case of China (ranging between 5 % and 7 % for different customs codes which the product concerned falls under), Chinese and Egyptian exporting producers continued to export to the Union. Import volumes from both countries have even increased in absolute terms during the period considered: Chinese import volumes increased by 102 % and Egyptian by 115 %.

(375) GTA export data showed that the prices of Chinese exports to the Union, before shipping costs and duties, were around 15 % higher than the weighted average export prices to the ten largest export markets. Considering the importance of the Union market for Chinese and Egyptian exporting producers, and that Chinese exporting producers are able to sell at such prices to the Union even despite the measures in force, it is clear that the Union market remains highly attractive.

(376) In addition, the existence of circumvention and absorption practices, which were addressed by amendments to the measures outlined in section 1.1 above, further shows the attractiveness of the Union market.

5.3. **Conclusion**

(377) As outlined above, continuation of subsidization was found for both Egypt and China. Considering the significant spare capacity in China and the size of capacities in Egypt, as well as the attractiveness of the Union market and previous circumvention practices, the Commission concluded that allowing measures to lapse would likely lead to the continuation of subsidised imports entering the Union market in substantial quantities.

5.4. **Comments on disclosure**

(378) In its comments on disclosure, the GOE claimed that the Commission's findings concerning the alleged continuation of the subsidy programmes in Egypt were not supported by sufficient factual or legal evidence, as the Commission relied in several instances on the conclusions from the original investigation, without establishing, on the basis of positive evidence, that the legal requirements for countervailable subsidies continue to be fulfilled during the review investigation period.

(379) The Commission disagreed with that claim. As described throughout the analysis of each of the alleged subsidies in section 4 above, the Commission relied on all the evidence available to it, including the evidence presented by the GOE. However, in the absence of any cooperation from the exporting producers in Egypt, as well as incompleteness of certain provided information, described in relevant sections above, the Commission had to also rely on facts available to reach its conclusions, pursuant to Article 28 of the basic Regulation. These included, where appropriate, the findings of the original investigation.

(380) At the same time, relying on the findings of the original investigation was in some cases unavoidable in order to conduct an appropriate analysis. This is particularly true in the case of subsidies calculated in the original investigation from which the exporting producers continued to benefit in the review investigation period as a mathematical necessity of those calculations ([112]).

(381) The Commission therefore dismissed this claim as unfounded.

6. **INJURY**

6.1. Definition of the Union industry and Union production

(382) Based on information available to the Commission, the like product was manufactured by 18 producers in the Union during the period considered. They constitute the 'Union industry' within the meaning of Article 4(1) of the basic Regulation.

(383) The total Union production during the review investigation period was established at 100 653 tonnes. 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 applicant,

— the verified data of the sampled Union producers.

As indicated in recital (17) above, two Union producers were selected in the sample. They represented [30 %-40 %] of the total Union production of the like product.

6.2. Union consumption

(384) The Commission established the Union consumption on the basis of the macroeconomic questionnaire reply and Eurostat import data.

(385) Union consumption developed as follows:

Table 1

Union consumption (in tonnes)

	2021	2022	2023	Review Investigation period
Union consumption	120 045	133 260	138 175	136 112
Index	*100*	*111*	*115*	*113*

Source: Eurostat, macroeconomic questionnaire reply.

(386) Union consumption increased by 11 % between 2021 and 2022, driven by the recovery and rebuilding of stocks at downstream industries after the pandemic.

([112]) See VAT exemptions and import tariff rebates for imported equipment in section 4.4.1, and in particular recital (286), and the provision of land for less than adequate remuneration in section 4.5, and in particular recital (349).

(387) Between 2022 and review investigation period, Union consumption evolved under the influence of two opposing trends. On the one hand, demand from wind turbine and blade manufacturers decreased, as those producers faced increased competitive pressure from Chinese imports into the Union. On the other hand, demand from other end-use markets, in particular the cured-in-place pipe lining ('CIPP') sector, increased. Overall, these opposing developments resulted in a stabilization of Union consumption, which fluctuated within a narrow range after 2021.

6.3. **Imports from the countries concerned**

6.3.1. *Volume and market share of the imports from the countries concerned*

(388) The Commission established the volume of imports on the basis of data from Eurostat. The market share of the imports was established on the basis of the import volume and the total Union consumption.

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

Table 2

Import volume and market share

	2021	2022	2023	Review Investigation period
Volume of imports from China and Egypt (tonnes)	6 778	9 871	9 570	13 859
Index	*100*	*146*	*141*	*204*
Market share (%)	6	7	7	10
Index	*100*	*131*	*123*	*180*
Volume of imports from China (tonnes)	5 611	5 535	4 693	11 345
Index	*100*	*99*	*84*	*202*
Market share (%)	5	4	3	8
Index	*100*	*89*	*73*	*178*
Volume of imports from Egypt (tonnes)	1 168	4 336	4 877	2 514
Index	*100*	*371*	*418*	*215*
Market share (%)	1	3	4	2
Index	*100*	*335*	*363*	*190*

Source: Eurostat.

(390) The volume of imports from China and Egypt increased respectively by 102 % and 115 % over the period considered.

(391) During the period considered, the Union consumption increased by only 13 %. As a result, the countries concerned increased their market share: from 5 % to 8 % for China, from 1 % to 2 % for Egypt.

6.3.2. *Prices of the imports from the countries concerned and price undercutting*

(392) The Commission established the prices of imports from countries concerned on the basis of Eurostat import data.

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

Table 3

Import prices (EUR/tonne)

	2021	2022	2023	Review Investigation period
China and Egypt	1 640	2 022	1 982	1 687
Index	*100*	*123*	*121*	*103*
China	1 770	2 494	2 331	1 744
Index	*100*	*141*	*132*	*99*
Egypt	1 015	1 421	1 647	1 431
Index	*100*	*140*	*162*	*141*

Source: Eurostat – Prices provided on a cost, insurance, freight (CIF Union frontier level) basis.

(394) The weighted average price of imports from the countries concerned on the Union market increased by 23 % from 2021 to 2022, stayed stable in 2023 and decreased in the review investigation period approximately to the level of 2021.

(395) In relation to the consideration of price undercutting during the investigation period, the non-cooperation of exporting producers and the consequent lack of transactional data made the calculation of the actual price undercutting (type by type comparisons) impossible. In particular, given the statistical nature of the data, average import prices do not capture product mix differences, which are inherently substantial for the product under review. This is illustrated by the evidence obtained from Union producers, whose sales prices vary considerably across product types. Thus, the exporting producers' failure to cooperate created the very evidential gap that prevented the Commission from calculating undercutting.

(396) In these circumstances, since the import statistics could not be used to conclude that there was no undercutting during the investigation period, other elements had to be considered. In particular, the Commission could infer the existence of significant price effects of imports from the countries concerned from the facts available on the record.

(397) During the period considered, the volume of imports from the countries concerned increased at a higher pace as compared to the moderate rise in Union consumption. The increase in imports from the countries concerned contributed to the erosion of the Union industry's sales volume and market share, as well as to the Union's industry chronic inability to raise its prices to cover its costs. In such a scenario, facts available thus point to the existence of price undercutting and price suppression.

6.4. **Imports from third countries other than China and Egypt**

(398) Imports of GFF from third countries other than China and Egypt originated mainly in India, Türkiye and Thailand.

(399) The aggregated volume of imports into the Union as well as the market share and price trends for imports of GFF from other third countries developed as follows:

Table 4

Imports from third countries

Country		2021	2022	2023	Review Investigation period
India	Volume (tonnes)	6 402	5 866	10 783	15 384
	Index	*100*	*92*	*168*	*240*
	Market share (%)	5	4	8	11
	Average price (EUR/ unit of measurement)	1 479	1 850	1 786	1 753
	Index	*100*	*125*	*121*	*119*
Türkiye	Volume (tonnes)	3 161	19 540	10 524	8 151
	Index	*100*	*618*	*333*	*258*
	Market share (%)	3	15	8	6
	Average price (EUR/tonne)	1 448	1 809	2 078	1 791
	Index	*100*	*125*	*144*	*124*
Thailand	Volume (tonnes)	229	3 014	5 246	3 968
	Index	*100*	*1 314*	*2 288*	*1 730*
	Market share (%)	0	2	4	3
	Average price (EUR/tonne)	1 388	1 794	1 338	1 208
	Index	*100*	*129*	*96*	*87*
Other third countries	Volume (tonnes)	11 665	5 919	3 796	5 044
	Index	*100*	*51*	*33*	*43*
	Market share (%)	10	4	3	4
	Average price (EUR/tonne)	1 641	3 587	3 126	2 905
	Index	*100*	*219*	*191*	*177*
Total of all third countries except China and Egypt	Volume (tonnes)	21 457	34 340	30 349	32 547
	Index	*100*	*160*	*141*	*152*

Country		2021	2022	2023	Review Investigation period
	Market share (%)	18	26	22	24
	Average price (EUR/tonne)	1 561	2 121	1 978	1 875
	Index	*100*	*136*	*127*	*120*

Source: Eurostat – prices provided on a cost, insurance, freight (CIF Union frontier level) basis.

(400) The Commission examined the evolution of the volumes, CIF prices and duty paid ('DDP') prices of imports from third countries. The duty paid price was obtained by adding the applicable conventional and anti-dumping duty to the CIF price.

(401) Regarding India, the volume of imports increased significantly during the period considered and reached a market share of 11 % during the review investigation period. Throughout the period considered, the average CIF and DDP prices of imports from India were significantly lower than the average Union industry sales price and cost of production. In the review investigation period, the prices at DDP level were lower by 16 % and 24 %, respectively.

(402) Regarding Türkiye, the volume of imports was multiplied by six between 2021 and 2022 to reach a market share of 15 % in 2022. In September 2022, following the anti-circumvention investigation mentioned in recital (4) above [113], the Commission extended the anti-dumping measures to imports of GFF consigned from Türkiye, whether declared as originating in Türkiye or not, with the exception of those exported by some specific Turkish companies. Imports from Türkiye started decreasing in 2023 but still represented a market share of 6 % during the review investigation period. Throughout the period considered, the average CIF and DDP prices of imports from Türkiye were significantly lower than the average Union industry sales price and cost of production. In the review investigation period, the prices at DDP were lower by 14 % and 22 % respectively.

(403) Regarding Thailand, the volume of imports started from a very low base of 229 tonnes in 2021 and reached a market share of 3 % during the review investigation period. Throughout the period considered the average CIF and DDP prices of imports from Thailand were significantly lower than the average Union industry sales price and cost of production. In the review investigation period, the prices at DDP level were lower by 42 % and 48 %, respectively.

(404) The total volume of imports from other third countries decreased over the period considered and their market share went from 10 % to 4 %. From 2022 to the review investigation period, the average CIF price of imports from other third countries was significantly higher than the average Union industry sales price and cost of production.

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

6.5.1. *General remarks*

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

(113) Commission Implementing Regulation (EU) 2022/1477 of 6 September 2022 extending the definitive anti-dumping duty imposed by Implementing Regulation (EU) 2020/492, as amended by Implementing Regulation (EU) 2020/776, on imports of certain woven and/or stitched glass fibre fabrics originating in the People's Republic of China and Egypt to imports of certain woven and/or stitched glass fibre fabrics consigned from Turkey, whether declared as originating in Turkey or not (OJ L 233, 8.9.2022, p. 1, ELI: http://data.europa.eu/eli/reg_impl/2022/1477/oj).

(406) As mentioned in recital (17) above, sampling was used for the assessment of the economic situation of the Union industry.

(407) For the injury determination, the Commission distinguished between macroeconomic and microeconomic injury indicators.

(408) The Commission evaluated the macroeconomic indicators on the basis of verified data contained in the reply to the macroeconomic questionnaire submitted by the applicant. The Commission evaluated the microeconomic indicators on the basis of data contained in the questionnaire replies from the sampled Union producers. Both sets of data were found to be representative of the economic situation of the Union industry.

(409) Taking into account that the micro indicators used in the injury analysis were sourced from only two sampled Union producers, the figures established on the basis of this data presented below are given in ranges in order to protect confidentiality of the Union producers' data.

(410) The macroeconomic indicators are: production, production capacity, capacity utilisation, sales volume, market share, growth, employment, productivity, magnitude of the subsidy rates, and recovery from past subsidisation.

(411) The microeconomic indicators are: average unit prices, unit cost, labour costs, inventories, profitability, cash flow, investments, return on investments, and ability to raise capital.

6.5.2. *Macroeconomic indicators*

6.5.2.1. Production, production capacity and capacity utilisation

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

Table 5

Production, production capacity and capacity utilisation

	2021	2022	2023	Review Investigation period
Production volume (tonnes)	113 426	104 578	111 728	100 653
Index	*100*	*92*	*99*	*89*
Production capacity (tonnes)	251 530	235 308	231 444	246 427
Index	*100*	*94*	*92*	*98*
Capacity utilisation (%)	45	44	48	41
Index	*100*	*99*	*107*	*91*

Source: Macroeconomic questionnaire reply.

(413) The production volume of Union producers fluctuated but showed an overall decline of 11 % during the period considered. This was due to a decrease in demand from wind blade makers who are themselves exposed to Chinese competition. This decrease in demand was partially compensated by demands in other sectors mentioned in recital (387). However, production runs to serve these other sectors are shorter, resulting in more frequent machine reconfiguration and longer machines idle time, which impacts negatively the capacity utilisation.

(414) Production capacity globally decreased by only 2 % over the period considered and, consequently, capacity utilization decreased by 9 %. Low capacity utilisation, driven by the inability to sell sufficient volumes at viable prices, contributed to precarious situation of the Union industry.

6.5.2.2. Sales volume and market share

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

Table 6

Sales volume and market share

	2021	2022	2023	Review Investigation period
Total Sales volume on the Union market (tonnes)	91 810	89 049	98 257	89 706
Index	*100*	*97*	*107*	*98*
Market share (%)	76	67	71	66
Index	*100*	*87*	*93*	*86*

Source: Macroeconomic questionnaire reply.

(416) The sales volume on the Union market remained stable in 2022 compared to 2021 and then increased by 10 percentage points in 2023. In the review investigation period, however, sales dropped by 8 551 tonnes or 9 percentage points on a yearly basis. Over the period considered, sales decreased by 2 % while the Union consumption increased by 13 %, which resulted in a decrease of Union industry's market share from 76 % to 66 % over the period considered. Not only the Union industry did not benefit from the growing Union market, but it even lost a significant part of its market share.

6.5.2.3. Growth

(417) The investigation showed that the Union industry could not maintain their market share in a context of growing demand, contrary to the countries concerned which gained market share during the period considered.

6.5.2.4. Employment and productivity

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

Table 7

Employment and productivity

	2021	2022	2023	Review Investigation period
Number of employees	1 106	1 114	1 154	1 126
Index	*100*	*101*	*104*	*102*
Productivity (tonnes/employee)	103	94	97	89
Index	*100*	*92*	*94*	*87*

Source: Macroeconomic questionnaire reply.

(419) Employment remained relatively stable during the period considered.

(420) With employment remaining broadly stable and production volumes declining, labour productivity deteriorated by 13 % over the period considered. As explained in recital (413), demand progressively shifted towards products manufactured in smaller series, requiring more frequent machine reconfigurations, which in turn increased idle time and also negatively impacted productivity.

6.5.2.5. Magnitude of the subsidy margin and recovery from past subsidisation

(421) Both the Chinese and Egyptian subsidy margins were significantly above the *de minimis* level.

(422) Volumes of imports from the countries concerned increased significantly during the period considered.

(423) Despite the countervailing measures in place, most injury indicators deteriorated during the period considered and the Union industry was in a precarious situation during the review investigation period.

6.5.3. *Microeconomic indicators*

6.5.3.1. Prices and factors affecting prices

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

Table 8

Sales prices and cost of production in the Union (EUR/tonne)

	2021	2022	2023	Review Investigation period
Average unit sales price in the Union	[1 900-2 200]	[2 200-2 500]	[2 200-2 500]	[2 100-2 400]
Index	*100*	*112*	*116*	*109*
Unit cost of production	[1 900-2 200]	[2 300-2 600]	[2 400-2 700]	[2 300-2 600]
Index	*100*	*118*	*126*	*120*

Source: Questionnaire replies of the sampled Union producers.

(425) The average Union industry sales price was below the average unit cost of production during the entire period considered. The highest unit sales price was reached in 2023 because the price was quoted in agreements signed in 2022 on the basis of high energy costs.

(426) During the period considered, the Union industry's sales price increased by 9 %. This only partially offset the 20 % increase in the cost of production over the same period, leading to a deterioration of its profitability.

6.5.3.2. Labour costs

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

Table 9

Average labour costs per employee

	2021	2022	2023	Review Investigation period
Average labour costs per employee (EUR)	[57 000-62 000]	[61 000-66 000]	[62 000-67 000]	[61 000-66 000]
Index	*100*	*105*	*109*	*106*

Source: Questionnaire replies of the sampled Union producers.

(428) The average labour cost per employee increased by 6 % over the period considered.

6.5.3.3. Inventories

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

Table 10

Inventories

	2021	2022	2023	Review Investigation period
Closing stocks (tonnes)	[5 300-5 800]	[4 200-4 700]	[5 500-6 000]	[7 500-8 000
Index	*100*	*79*	*102*	*139*
Closing stocks as a percentage of production (%)	[15-20]	[10-15]	[15-20]	[20-25]
Index	*100*	*84*	*111*	*140*

Source: Questionnaire replies of the sampled Union producers.

(430) Following a decrease in 2022 due to COVID-related rebalancing, stock level increased again reaching [20 %-25 %] of production by the end of the review investigation period. Increasing stock levels indicate that the Union industry was producing goods it could not sell at viable prices or in sufficient quantities. This directly reflects a deterioration in the competitive position of the industry.

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

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

Table 11

Profitability, cash flow, investments and return on investments

	2021	2022	2023	Review Investigation period
Profitability of sales in the Union to unrelated customers (% of sales turnover)	[0-3]	[(- 2)-- 1]	[(- 7)-(- 4)]	[(- 10)-(- 7)]
Index	*100*	*- 50*	*- 228*	*- 364*
Cash flow (EUR)	[550 000-600 000]	[3 000 000-3 500 000]	[(- 5 400 000)-(- 4 900 000)]	[(- 6 600 000)-(- 6 100 000)]
Index	*100*	*545*	*- 881*	*- 1 104*
Investments (EUR)	[1 600 000-1 900 000]	[1 700 000-2 000 000]	[1 900 000-2 200 000]	[2 000 000-2 300 000]
Index	*100*	*106*	*120*	*125*
Return on investments (%)	[5-10]	[(- 5)-0]	[(- 20)-(- 15)]	[(- 30)-(- 25)]
Index	*100*	*- 52*	*- 246*	*- 414*

Source: Questionnaire replies of the sampled Union producers.

(432) 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. As shown in table 8, the unit cost of production increased faster than the unit sales price and therefore profitability continuously and significantly deteriorated during the period considered.

(433) The net cash flow is the ability of the Union producers to self-finance their activities. Except for 2022, where post-covid rebalancing of stocks influenced cash flow positively, this injury indicator deteriorated during the period considered and ended significantly negative in the review investigation period. The decreasing cash flows also decreased the ability to raise capital.

(434) Investment increased over the period considered by 25 %. They were found to be mainly related to replacement, rationalisation and compliance with environmental and social legislation.

(435) The return on investments is the profit in percentage of the net book value of investments. It started positively in 2021, then fell continuously during the period considered and dropped below -25 % in the review investigation period.

(436) Despite the downward trend in cash flow and return on investment, the Union industry was able to finance the investments needed, as described in recital (434).

6.6. **Conclusion on injury**

(437) Most injury indicators showed a negative trend during the period considered.

(438) The production of the Union industry declined over the period considered and the sales in the Union market decreased by 2 % despite the increase by 13 % of Union consumption. This resulted in a loss of market share, which fell from 76 % in 2021 to 66 % in the review investigation period. This loss in market share in a growing market benefitted China and Egypt and other third countries over the period considered.

(439) The loss of market share for the Union industry on the Union market was aggravated by the decrease by 49 % of the export sales over the period considered as shown in table 12 below.

(440) The production capacity of the Union industry declined by 2 % over the period considered and capacity utilisation decreased from 45 % to 41 %, due to the decrease in production.

(441) Employment remained stable over the period considered. Productivity developed in line with the changes in production and decreased by 13 % over the period considered.

(442) The unit cost of production increased by 20 % over the period considered.

(443) The average sales price of Union producers increased only by 9 % in a market subject to pressure from low prices, an insufficient increase to match the increase in production costs.

(444) The profitability of the Union industry declined continuously during the period considered, reaching the range of [-7 to -10 %] in the review investigation period.

(445) On the basis of the above, the Commission concluded that the Union industry suffered material injury within the meaning of Article 3(5) of the basic Regulation during the review investigation period.

7. **CAUSATION**

(446) In accordance with Article 3(6) of the basic Regulation, the Commission examined whether the subsidised imports from the countries concerned caused material injury to the Union industry. In accordance with Article 3(7) of the basic Regulation, the Commission also examined whether other known factors could at the same time have injured the Union industry.

7.1. **Effects of the subsidised imports**

(447) As explained in section 6.3.2, despite the anti-dumping and anti-subsidy measures, the volume of Chinese and Egyptian imports increased over the period considered, with their market share increasing from 6 % in 2021 to 10 % during the review investigation period.

(448) The sustained increase in market share of imports at dumped prices from Egypt and China over the period considered placed the Union industry under compounding price and volume pressure. The consequent decline in sales volumes and price suppression is a direct cause of the injury suffered by the Union industry during the review investigation period.

7.2. **Effects of other factors**

7.2.1. *Imports from other third countries*

(449) The volume of imports from other third countries developed over the period considered as shown in Table 4.

(450) Recitals (401) to (403) show that the average duty paid prices of imports from India, Türkiye and Thailand were significantly lower than the average duty paid prices of Chinese and Egyptian imports in 2023 and the review investigation period. In view of their large market share and their low average duty paid prices, the Commission concluded that the imports from India, Türkiye and Thailand also exerted a price pressure and contributed to the injury suffered by the Union industry. However, because the imports from China and Egypt almost doubled over the period considered, with significant increase particularly between 2023 and the review investigation period at prices exerting significant price pressure, the Commission concluded that imports from third countries did not change this fact and did not attenuate the causal link.

7.2.2. *Export performance of the Union industry*

(451) The total volume of exports of the Union industry and the average export sales prices of the sampled Union producers developed over the period considered as follows:

Table 12

Export performance of the sampled Union producers

	2021	2022	2023	Review investigation period
Export volume (tonnes)	[19 000-23 000]	[14 000-18 000]	[11 000-15 000]	[9 000-13 000]
Index	*100*	*76*	*62*	*51*
Average price (EUR/tonne)	[2 000-2 400]	[2 800-3 200]	[2 800-3 200]	[2 600-3 000]
Index	*100*	*135*	*132*	*124*

Source: Macroeconomic questionnaire reply and questionnaire replies of the sampled Union producers.

(452) On third country markets, the Union producers were exposed to fierce competition regarding wind products and increasingly squeezed into narrower markets, such as the CIPP and the leisure (boat hulls, mobile home) markets, characterised by higher prices but also by higher costs of production.

(453) Export performance deteriorated continuously during the period considered, resulting in 49 % decrease of the export volume.

(454) Because the Union industry's sales were largely geared towards the Union market and not predominantly towards exports, the Commission concluded that the export performance of the Union industry did not attenuate the causal link.

7.3. **Conclusion on causation**

(455) Based on the above, the Commission concluded that the Chinese and Egyptian subsidised exports caused the material injury suffered by the Union industry. At the same time, third country imports also contributed to the injury suffered by the Union industry during the review investigation period. However, the Commission concluded that those factors, individually or collectively, did not attenuate the causal link between the dumped Chinese and Egyptian imports and the injury suffered by the Union industry during the review investigation period.

8. **LIKELIHOOD OF CONTINUATION AND/OR RECURRENCE OF INJURY**

(456) The Commission concluded that the Union industry suffered material injury during the review investigation period.

(457) The Commission concluded that Chinese and Egyptian imports caused injury to the Union industry during the review investigation period with third country imports contributing to an extent to material injury. Therefore, the Commission assessed, in accordance with Article 11(2) of the basic Regulation, whether there would be a likelihood of continuation or recurrence of injury caused by the subsidised imports from China and Egypt if the measures against these countries were allowed to lapse.

(458) In this regard, the Commission examined the production capacity and spare capacity in the countries concerned, the attractiveness of the Union market and likely price levels of imports from the countries concerned in the absence of countervailing measures, and their impact on the Union industry.

8.1. **Production capacity and spare capacity in China and Egypt**

(459) As explained in recital (369) above, the total production capacity of GFF in China was about 1 400 000 tonnes in the review investigation period. After deduction of domestic demand and total exports, the Chinese producers' free capacity available for the Union market is about 700 000 tonnes, which is five times more than the total Union consumption.

(460) As explained in recitals (370) to (372) above, production capacity of GFF in Egypt is at least 30 000 tonnes, or around 22 % of total consumption in the Union, while Egyptian domestic market for GFF appears to be minimal.

(461) Therefore, it can be concluded that there is substantial spare capacity in China and substantial capacity in Egypt that can be directed to the Union market in even larger quantities at subsidised prices if countervailing measures are allowed to lapse.

8.2. **Attractiveness of the Union market**

(462) As already explained in section 5.2 above, the attractiveness of the Union market is proved by the fact that despite the relatively high level of anti-dumping and countervailing duties in force, which come in addition to the conventional import duty ranging between 5 % and 7 % for imports from China, the Union remained one of the main export markets for Chinese and Egyptian exporting producers, and they even increased their export volume during the period considered, by 102 % for China and 115 % for Egypt, with Chinese exports to the Union able to fetch high prices compared to other markets, even despite the measures in force.

(463) Further evidence of the attractiveness of the Union market is provided by the existence of the following circumvention and absorption practices during the period considered which were addressed by the Regulations referred to in Section 1.1 above:

— anti-dumping duties imposed on imports of GFF originating in China and Egypt were found to be circumvented by imports consigned from Türkiye,

— anti-dumping duties imposed on imports of GFF originating in China were found to be circumvented by imports consigned from Morocco, and

— the Egyptian exporting producer was found to absorb the anti-dumping duties by significantly decreasing its export price to the Union.

8.3. **Likely price levels of imports in the absence of anti-dumping measures**

(464) As shown in Table 3, import prices at CIF level into the Union from China during the review investigation period were 1 744 EUR/tonne, which is lower than the average sales price of the Union industry [2 100-2 400] EUR/tonne shown in Table 8, and also below their cost of production [2 300-2 600] EUR/tonne.

(465) In the absence of countervailing measures, with only anti-dumping measures in place, Chinese imports would have entered the Union at even lower prices. The undercutting would in reality be expected to be even higher as explained in recital (397).

(466) As shown in Table 3, import prices at CIF level into the Union from Egypt during the review investigation period were 1 431 EUR/tonne, which is lower than the average sales price of the Union industry [2 100-2 400] EUR/tonne shown in Table 8, and also below their cost of production [2 300-2 600] EUR/tonne.

(467) In the absence of countervailing measures, with only anti-dumping measures in place, Egyptian imports would have entered the Union at even lower prices.

(468) Therefore, it is likely that without countervailing duties, the Chinese and Egyptian imports would have an even greater negative impact on the Union prices.

(469) This finding clearly shows that in any case there would be likelihood of recurrence of injury caused by imports, which in addition would likely to arrive in significantly higher quantities should the measures lapse.

8.4. **Conclusion**

(470) Based on the foregoing analysis, the Commission concluded that the Union industry has suffered material injury caused by subsidised imports originating in China and Egypt. Furthermore, and without prejudice to that finding, the Commission established that there is a clear risk of recurrence of material injury caused by those imports if measures are allowed to lapse. Should measures not be extended, subsidised imports from both origins would in all likelihood return in substantially higher volumes and at injurious prices. The extension of measures is therefore warranted both on the grounds of continued injury caused by imports form the countries concerned and, independently, on the grounds of risk of recurrence of such injury.

9. **UNION INTEREST**

(471) In accordance with Article 21 of the basic Regulation, the Commission examined whether maintaining the existing countervailing measures would be against the interest of the Union as whole. The determination of the Union interest was based on an appreciation of all the various interests involved, including those of the Union industry, importers, users and suppliers.

9.1. **Interest of the Union industry**

(472) The investigation showed that, should the measures expire, this would likely have a significant negative effect on the Union industry. The Union industry's situation, already in a precarious situation, would quickly deteriorate in terms of lower sales volumes and sales prices resulting in a strong decrease in profitability, potentially threatening its survival.

(473) Therefore, maintaining the countervailing measures in force is in the interest of the Union industry.

9.2. **Interest of unrelated importers**

(474) The Commission contacted all known unrelated importers and invited them to cooperate in this investigation. No importer cooperated.

(475) In the original investigation, a single importer cooperated and was found to import negligible volumes of GFF.

(476) In the original as well as in this investigation, it was found that most high volume users are requiring specific GFF made to order and therefore GFF is not a commodity that is regularly imported in large volumes by independent importers.

(477) Therefore, the Commission concluded that the measures currently in force had no substantial negative effect on the financial situation of importers and that the continuation of the measures would not, or only marginally, affect them.

9.3. **Interest of users**

(478) The Commission contacted all known users in this review investigation and invited them to cooperate. No user cooperated, which confirms that users were not very negatively impacted by the existing measures.

(479) In the review investigation period, the production capacity of the Union industry (246 427 tonnes) is larger than Union consumption (136 112 tonnes). The global capacity utilization of the Union industry during the review investigation period was 41 %. In particular, the two sampled companies, which are certified suppliers of GFF for the wind industry, have both significant spare capacity and could serve additional demand. In addition, the Union industry is composed of more than ten groups or companies, which makes the Union industry competitive.

(480) The review investigation also showed that the countervailing measures did not block imports from China and Egypt which together represented a market share of 10 % during the review investigation period. In addition, other third countries increased their market share from 18 % to 24 % in the review investigation period.

(481) The Commission therefore concluded that the continuation of measures would not jeopardise supply stability.

(482) The original investigation showed [114] that GFF represented between 4 % and 14 % of the total cost of manufacturing of a turbine blade, and that blades are not sold separately but as part of wind turbines and that wind turbine producers regularly sell additional material and services to the wind park developers. Therefore, the Commission calculated the cost of GFF in proportion to the total cost of a wind turbine and in the total cost of building an entire wind park. Consequently, the proportion of GFF in the costs of wind turbine producers was established at between 0,1 % and 2 %. In the original investigation, the Commission concluded that any cost increase due to countervailing duties could either be passed on the wind park developers or could be absorbed by the wind turbine producers.

(483) The present investigation showed that the Union industry price during the period considered was on average only [5-6] % higher than the average price in the period considered of the original investigation i.e. between 2015 and 2018. It can therefore be concluded that the countervailing measures had a minor impact, if any, on the price of GFF.

(484) The Commission therefore concluded that the continuation of measures would not affect the competitiveness of the wind energy industry.

(485) Since the measures do not jeopardise GFF supply stability nor competitiveness as concluded in recitals (481) and (484), they are not expected to encourage production relocation and are compatible with the Union's renewable energy objectives.

(486) In the original investigation, several users from the ski industry argued that the existence of GFF producers in the Union was essential to their supply stability, as they required a local partner for close cooperation in designing tailor-made GFF.

(487) Therefore, the Commission concluded that there were no compelling reasons not to maintain the measures as far as the interest of users are concerned.

9.4. **Interest of cutting and kitting service providers**

(488) The original and present investigations showed that the Union industry and users make use of the services of external service providers, commonly referred to as cutters and kitters. Cutting consists of receiving GFF in rolls and cutting the fabrics to required dimension. Kitting consists of assembling the cut GFF layers and packaging them in tailored kits that facilitate manufacturing in the downstream industry.

(489) In the present investigation, no cutting or kitting service provider came forward.

(490) The original investigation estimated employment at cutting service providers in the Union at approximately 2 000 and found that Chinese and Egyptian exporting producers increasingly integrated cutting and kitting services in their services. There was no indication that the situation changed. In case the measures were repealed, these service providers would therefore lose a substantial part of their business.

(491) Therefore, the Commission concluded that the continuation of measures is in the interest of the Union cutting and kitting service providers.

9.5. **Interest of suppliers**

(492) Union producers of glass fibre rovings, i.e. the main raw materials to produce GFF, did not cooperate in this investigation. However, it is clearly in their interest that measures protecting their customers are maintained.

[114] See recitals (480) and (481) of Implementing Regulation (EU) 2020/492.

9.6. **Conclusion on Union interest**

(493) On the basis of the above, the Commission concluded that there were no compelling reasons of the Union interest against the maintenance of the existing measures on imports of GFF originating in the countries concerned.

10. **COUNTERVAILING MEASURES**

(494) On the basis of the conclusions reached by the Commission on continuation of subsidy, risk of recurrence of injury, and Union interest, the countervailing measures on imports of GFF from China end Egypt should be maintained.

(495) To minimise the risks of circumvention due to the difference in countervailing duty rates for Chinese exporting producers, special measures are needed to ensure the application of the individual duties and exemptions. The application of individual duties or exemptions is only applicable upon presentation of a valid commercial invoice to the customs authorities of the Member States. The invoice must conform to the requirements set out in Article 1(7) of this Regulation. Until such invoice is presented, imports should be subject to the countervailing duty applicable to 'all other companies' in China.

(496) While presentation of this invoice is necessary for the customs authorities of the Member States to apply the individual rates of countervailing duty and exemptions 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(7) 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 or exemption is justified, in compliance with customs law.

(497) Should the exports by one of the companies benefiting from lower individual countervailing duty rates increase significantly in volume after the imposition of the measures concerned, such an increase in volume could be considered as constituting in itself a change in the pattern of trade due to the imposition of measures within the meaning of Article 23 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 rates and the consequent imposition of a country-wide duty.

(498) The individual company countervailing duty rates specified in this regulation are exclusively applicable to imports of the product under review originating in China and Egypt and produced by the named legal entities. Imports of the product under review produced by any other Chinese or Egyptian company not specifically mentioned in the operative part of this regulation, including entities related to those specifically mentioned, should be subject to the duty rate applicable to 'all other imports' originating in China or Egypt, respectively. They should not be subject to any of the individual duty rates.

(499) A company may request the application of these individual duty rates if it changes subsequently the name of its entity. The request must be addressed to the Commission ([115]). The request must contain all the relevant information enabling to demonstrate that the change does not affect the right of the company to benefit from the duty rate which applies to it. If the change of name of the company does not affect its right to benefit from the duty rate which applies to it, a regulation about the change of name will be published in the *Official Journal of the European Union*.

(500) In view of Article 109 of Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council ([116]) when an amount is to be reimbursed following a judgment of the Court of Justice of the European Union, the interest to be paid should be the rate applied by the European Central Bank to its principal refinancing operations, as published in the C series of the *Official Journal of the European Union* on the first calendar day of each month.

(501) The measures provided for in this regulation are in accordance with the opinion of the Committee established by Article 15(1) Regulation (EU) 2016/1036 of the European Parliament and of the Council ([117]).

([115]) European Commission, Directorate-General for Trade and Economic Security, Directorate G, Rue de la Loi/Wetstraat 170, 1040 Bruxelles/Brussel, BELGIQUE/BELGIË.

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

([117]) 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 (OJ L 176, 30.6.2016, p. 21, ELI: http://data.europa.eu/eli/reg/2016/1036/oj).

HAS ADOPTED THIS REGULATION:

Article 1

1. A definitive countervailing duty is hereby imposed on imports of fabrics of woven, and/or stitched continuous filament glass fibre rovings and/or yarns with or without other elements, excluding products which are impregnated or pre-impregnated (pre-preg), and excluding open mesh fabrics with cells with a size of more than 1,8 mm in both length and width and weighing more than 35 g/m^2, currently classified under CN codes ex 7019 61 00, ex 7019 62 10, ex 7019 62 90, ex 7019 63 00, ex 7019 64 00, ex 7019 65 00, ex 7019 66 00, ex 7019 69 10, ex 7019 69 90 and ex 7019 90 00 (TARIC codes 7019 61 00 81, 7019 61 00 83, 7019 61 00 84, 7019 62 10 81, 7019 62 10 83, 7019 62 10 84, 7019 62 90 81, 7019 62 90 83, 7019 62 90 84, 7019 63 00 81, 7019 63 00 83, 7019 63 00 84, 7019 64 00 81, 7019 64 00 83, 7019 64 00 84, 7019 65 00 81, 7019 65 00 83, 7019 65 00 84, 7019 66 00 81, 7019 66 00 83, 7019 66 00 84, 7019 69 10 81, 7019 69 10 83, 7019 69 10 84, 7019 69 90 81, 7019 69 90 83, 7019 69 90 84, 7019 90 00 81, 7019 90 00 83 and 7019 90 00 84) and originating in the People's Republic of China and the Arab Republic of Egypt.

2. The rate of the definitive countervailing duty applicable to the net, free-at-Union- frontier price, before duty, of the product described in paragraph 1 and manufactured by the companies listed below, shall be as follows:

Country of origin	Company	Countervailing duty (%)	TARIC additional code
People's Republic of China	Jushi Group Co. Ltd; Zhejiang Hengshi Fiberglass Fabrics Co. Ltd; Taishan Fiberglass Inc.	30,7	C531
	PGTEX China Co. Ltd; Chongqing Tenways Material Corp.	17,0	C532
	Other companies that cooperated in both the original anti-subsidy and the original anti-dumping investigations listed in Annex I	24,8	See Annex I
	Other companies that cooperated in the original anti-dumping investigation but not in the original anti-subsidy investigation listed in Annex II	30,7	See Annex II
	All other imports originating in the People's Republic of China	30,7	C999
Arab Republic of Egypt	Jushi Egypt For Fiberglass Industry S.A.E; Hengshi Egypt Fiberglass Fabrics S.A.E	10,9	C533
	All other imports originating in the Arab Republic of Egypt	10,9	C999

3. The definitive countervailing duty applicable to imports originating in the People's Republic of China as set out in paragraph 2, is hereby extended to imports of fabrics of woven, and/or stitched continuous filament glass fibre rovings and/or yarns with or without other elements, excluding products which are impregnated or pre-impregnated (pre-preg), and excluding open mesh fabrics with cells with a size of more than 1,8 mm in both length and width and weighing more than 35 g/m² consigned from Morocco, whether declared as originating in Morocco or not (TARIC codes 7019 61 00 81, 7019 62 10 81, 7019 62 90 81, 7019 63 00 81, 7019 64 00 81, 7019 65 00 81, 7019 66 00 81, 7019 69 10 81, 7019 69 90 81 and 7019 90 00 81). The extended duty is the countervailing duty applicable to 'all other imports originating in the People's Republic of China'.

4. The definitive countervailing duty applicable to imports originating in the People's Republic of China and the Arab Republic of Egypt as set out in paragraph 2, is hereby extended to imports of fabrics of woven, and/or stitched continuous filament glass fibre rovings and/or yarns with or without other elements, excluding products which are impregnated or pre-impregnated (pre-preg), and excluding open mesh fabrics with cells with a size of more than 1,8 mm in both length and width and weighing more than 35 g/m² consigned from Türkiye, whether declared as originating in Türkiye or not (TARIC codes 7019 61 00 83, 7019 62 10 83, 7019 62 90 83, 7019 63 00 83, 7019 64 00 83, 7019 65 00 83, 7019 66 00 83, 7019 69 10 83, 7019 69 90 83 and 7019 90 00 83), with the exception of those produced by the companies listed below:

Country	Company	TARIC additional code
Türkiye	Saertex Turkey Tekstil Ltd. Şti.	C115
Türkiye	Sonmez Asf Iplik Dokuma Ve Boya San Tic A. Ş.	C116
Türkiye	Telateks Tekstil Ürünleri Sanayi ve Ticaret Anonim Şirketi Telateks Dış Ticaret ve Kompozit Sanayi Anonim Şirketi	C117
Türkiye	Fibroteks Dokuma Sanayi Ve Ticaret AS	899G

The extended duty is the countervailing duty applicable to 'all other imports originating in the People's Republic of China'.

5. The definitive countervailing duty applicable to imports originating in the People's Republic of China and the Arab Republic of Egypt as set out in paragraph 2, is hereby extended to fabrics of woven and/or stitched continuous filament glass fibre rovings and/or yarns with or without other elements, excluding products which are impregnated or pre-impregnated (pre-preg), and excluding open mesh fabrics with cells with a size of more than 1,8 mm in both length and width and weighing more than 35 g/m² (TARIC codes 7019 61 00 81, 7019 61 00 83, 7019 61 00 84, 7019 62 10 81, 7019 62 10 83, 7019 62 10 84, 7019 62 90 81, 7019 62 90 83, 7019 62 90 84, 7019 63 00 81, 7019 63 00 83, 7019 63 00 84, 7019 64 00 81, 7019 64 00 83, 7019 64 00 84, 7019 65 00 81, 7019 65 00 83, 7019 65 00 84, 7019 66 00 81, 7019 66 00 83, 7019 66 00 84, 7019 69 10 81, 7019 69 10 83, 7019 69 10 84, 7019 69 90 81, 7019 69 90 83, 7019 69 90 84, 7019 90 00 81, 7019 90 00 83 and 7019 90 00 84), which are re-exported within the meaning of the Union Customs Code to an artificial island, a fixed or floating installation or any other structure in the continental shelf of a Member State or the exclusive economic zone declared by a Member State pursuant to UNCLOS.

6. The definitive countervailing duty applicable to imports originating in the People's Republic of China and the Arab Republic of Egypt as set out in paragraph 2, is hereby extended to fabrics of woven and/or stitched continuous filament glass fibre rovings and/or yarns with or without other elements, excluding products which are impregnated or pre-impregnated (pre-preg), and excluding open mesh fabrics with cells with a size of more than 1,8 mm in both length and width and weighing more than 35 g/m² (TARIC codes 7019 61 00 81, 7019 61 00 83, 7019 61 00 84, 7019 62 10 81, 7019 62 10 83, 7019 62 10 84, 7019 62 90 81, 7019 62 90 83, 7019 62 90 84, 7019 63 00 81, 7019 63 00 83, 7019 63 00 84, 7019 64 00 81, 7019 64 00 83, 7019 64 00 84, 7019 65 00 81, 7019 65 00 83, 7019 65 00 84, 7019 66 00 81, 7019 66 00 83, 7019 66 00 84, 7019 69 10 81, 7019 69 10 83, 7019 69 10 84, 7019 69 90 81, 7019 69 90 83, 7019 69 90 84, 7019 90 00 81, 7019 90 00 83 and 7019 90 00 84), which are received on an artificial island, a fixed or floating installation, or any other structure in the continental shelf of a Member State or the Exclusive Economic Zone declared by a Member State pursuant to UNCLOS, and do not fall within paragraph 5.

7. The application of the individual countervailing duty rates specified for the companies in paragraph 2 and exemptions from extensions of the measures after anti-circumvention investigation mentioned in paragraph 4 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 under review] sold for export to the European Union covered by this invoice was manufactured by [company name and address] [TARIC additional code] in [country concerned]. I declare that the information provided in this invoice is complete and correct*.' Until such invoice is presented, the duty applicable to all other imports originating in the relevant country shall apply.

8. In cases where the countervailing duty has been subtracted from the anti-dumping duty for certain exporting producers, refund requests under Article 21 of Regulation (EU) 2016/1037 shall also trigger the assessment of the dumping margin for that exporting producer prevailing during the refund investigation period. The amount to be reimbursed to the applicant for refund cannot exceed the difference between the duty collected and the combined countervailing and anti-dumping duty established in the refund investigation.

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

Article 2

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

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

Done at Brussels, 7 August 2026.

For the Commission
The President
Ursula VON DER LEYEN

ANNEX I

Other companies that cooperated in both the original anti-subsidy and the original anti-dumping investigations

Name of the Company	TARIC additional code
Changshu Dongyu Insulated Compound Materials Co., Ltd	B995
Changzhou Pro-Tech Industry Co., Ltd	C534
Jiangsu Changhai Composite Materials Holding Co., Ltd	C535
Neijiang Huayuan Electronic Materials Co., Ltd	C537
NMG Composites Co., Ltd	C538
Zhejiang Hongming Fiberglass Fabrics Co., Ltd	C539

ANNEX II

Other companies that cooperated in the original anti-dumping investigation but not in the original anti-subsidy investigation

Name of the Company	TARIC additional code
Jiangsu Jiuding New Material Co., Ltd	C536