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COMMISSION IMPLEMENTING REGULATION (EU) 2026/2547

of 13 November 2026

imposing a definitive anti-dumping duty on imports of certain cold-rolled flat steel products originating in India, Japan, Taiwan, Türkiye and Vietnam

THE EUROPEAN COMMISSION,

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

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

Whereas:

1. PROCEDURE

1.1. Initiation

(1) On 18 September 2025, the European Commission ('the Commission') initiated an anti-dumping investigation with regard to imports of certain cold-rolled flat steel products ('CRF') originating in India, Japan, Taiwan, Türkiye and Vietnam ('the countries concerned') on the basis of Article 5 of the basic Regulation. It published a Notice of Initiation in the *Official Journal of the European Union* ([2]) ('the Notice of Initiation').

(2) The Commission initiated the investigation following a complaint lodged on 4 August 2025 by EUROFER ('the complainant'). The complaint was made on behalf of the Union industry of CRF in the sense of Article 5(4) of the basic Regulation. The complaint contained evidence of dumping and of resulting material injury that was sufficient to justify the initiation of the investigation.

1.2. Registration

(3) The Commission made imports of the product concerned subject to registration by Commission Implementing Regulation (EU) 2025/2432 ([3]) ('the registration Regulation').

1.3. Interested parties

(4) In the Notice of Initiation, the Commission invited interested parties to contact it in order to participate in the investigation. In addition, the Commission specifically informed the complainant, other known Union producers, the known exporting producers and the authorities of India, Japan, Taiwan, Türkiye and Vietnam, as well as known importers, suppliers, users, traders, and associations known to be concerned, about the initiation of the investigation and invited them to participate.

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

([1]) OJ L 176, 30.6.2016, p. 21, ELI: http://data.europa.eu/eli/reg/2016/1036/oj.
([2]) Notice of initiation of an anti-dumping proceeding concerning imports of certain cold-rolled flat steel products (CRF) originating in India, Japan, Taiwan, Türkiye and Vietnam (OJ C, C/2025/5025, 18.9.2025, ELI: http://data.europa.eu/eli/C/2025/5025/oj).
([3]) Commission Implementing Regulation (EU) 2025/2432 of 3 December 2025 making imports of certain cold-rolled flat steel products originating in India, Japan, Taiwan, Türkiye and Vietnam subject to registration with a view to allowing the levy of anti-dumping duties on the imports subject to registration (OJ L, 2025/2432, 4.12.2025, ELI: http://data.europa.eu/eli/reg_impl/2025/2432/oj).

(6) On 18 September 2025, Daido Steel Co., Ltd ('Daido'), a Japanese producer of various specialty steel products, including CRF, requested to become an interested party in the investigation, claiming to be affected by the outcome of the investigation, as a producer of the product under investigation which had exported small amounts in the past and which intended to resume exports to the EU in the near future. On 2 October 2025, the Commission rejected Daido's request since, according to the reply to the sampling form for exporting producers, Daido did not export the product concerned during the period of investigation. On 9 October 2025, Daido requested the Hearing Officer to intervene so that the Commission's services recognised Daido's status as an interested party, having a clear interest in the outcome of the investigation, and stating its intention to make a product exclusion request. On 4 December 2025, after having explored the matter thoroughly with the Commission services, the Hearing Officer issued a recommendation regarding Daido's request for interested party status. However, the recommendation did not need to be considered because, on 18 February 2026, the Commission services informed Daido that it was found to be related to the sampled exporting producer in Japan Nippon Steel Corporation ('Nippon Steel') and, thus, Daido could make its representations known in the context of the investigation as part of Nippon Steel's group. On 4 March 2026, Daido filed its product exclusion request, which is addressed below in section 2.4. On 24 August 2026, Daido filed comments on the General Disclosure Document, and thus, was fully allowed to exercise its rights as an interested party.

(7) Following final disclosure, the Turkish exporting producer Tezcan Galvanizli Yapı Elemanları Sanayi ve Tic. A.Ş. ('Tezcan') requested to be considered a non-sampled cooperating exporting producer. The company claimed that the Commission should take into account particular circumstances, namely the fact that Tezcan exported limited quantities to the Union and during the investigation at hand, it was heavily engaged in an expiry review.

(8) The Commission rejected the request. The company was properly informed about the investigation on the day of its initiation. The company however did not provide a sampling reply nor registered as an interested party. In addition to the information on the initiation of the investigation provided by the Commission, the company was made aware of the proceeding by the Government of Türkiye ('GOT'), which collected data from the producers of CRF for the purpose of GOT's reply to the questionnaire on the existence of a particular market situation in Türkiye.

1.4. **Comments on initiation**

1.4.1. *Claims regarding the particular market situation*

(9) At the outset, the Commission noted that the complaint provided sufficient evidence, in the sense of Article 5 of the basic Regulation, of dumping without any particular market situation ('PMS') adjustment to justify the initiation of the investigation. Indeed, as stated in section 3 of the Notice of initiation, the complaint provided sufficient evidence of dumping calculated on the basis of a comparison of the domestic price with the export price (at ex-works level) of the product under investigation when sold for export to the Union, without any adjustments on the account of the PMS alleged by the complainant. The dumping margins resulting from this comparison were significant for all the countries concerned and, as such, constituted sufficient evidence of dumping warranting the initiation of an investigation for all the countries concerned. Also, the provisions of Article 2(3) of the basic Regulation regarding PMS, like all other provisions of that Article, apply to the determination of normal value regardless of the evidence provided in the complaint. Consequently, none of the claims regarding the evidence and allegations of PMS in the complaint can put into question the conclusion with regards to the sufficiency of evidence underlying the initiation of the investigation or the right of the Commission to investigate whether there is a particular market situation in the targeted countries.

1.4.1.1. Claims regarding the 'push-out effect'

(10) The so-called 'push-out effect' is explained in section 3.1.

(11) POSCO VIETNAM Co., Ltd, Ho Chi Minh City ('POSVIET') and Tatmetal Çelik Sanayi ve Ticaret A. Ş., Istanbul ('Tatmetal') alleged that the evidence of PMS included in the complaint with respect to Vietnam and Türkiye was insufficient to constitute prima facie evidence within the meaning of Article 5.2 of the WTO Anti-dumping

Agreement ('ADA'). POSVIET and Tatmetal referred to the conclusions of the WTO Panel in *Australia – Anti-Dumping Measures on Paper* ([4]), which held that '[it] follows from the qualifier "particular" that the market situation must be "distinct, individual, single, specific"'. POSVIET further alleged that WTO Panel in *EU – Cost Adjustment Methodologies II (Russia)* ([5]) stated that the term 'particular' precluded a 'general situation' from qualifying as a particular market situation. POSVIET argued that while a particular market situation did not need to be exclusive to the domestic market of a particular country, it had to be nonetheless a localised phenomenon, i.e. one that manifested within that specific market rather than reflecting a broad or global circumstance. POSVIET and Tatmetal concluded that as the Complainant argued that the Chinese overcapacities quickly fanned out to the rest of the world, it was no longer a situation particular to the domestic markets of the five targeted countries but a diffuse, global trend, which was the type of 'general situation' which WTO Panels excluded.

(12) POSVIET further submitted that the complaint was too general with respect to the product market affected by the alleged push-out effect of Chinese overcapacity, as it referred to 'steel overcapacities (including for CRF) worldwide'. POSVIET submitted that this supposed situation was worldwide and beyond CRF markets, evidenced by complaint's statement that 'global overcapacities have artificially lowered international steel prices worldwide'. POSVIET argued that a market condition affecting such a range of products in most international markets was the very opposite of 'particular'.

(13) Tatmetal further submitted that in the globality of Chinese cold-rolled flat steel products exports, Türkiye was in the top ten countries of exports, but the imports to Türkiye accounted only for 3,5 % of Chinese exports of the product under investigation. Tatmetal claimed that Türkiye was not vulnerable to the Chinese imports of cold-rolled flat steel products, given that the PRC was only the third biggest import source. Tatmetal further alleged that the complaint did not provide a causal link between Chinese overcapacities and Turkish pricing behaviour of companies manufacturing the product under investigation and that Tatmetal's financial results undermine the premise of the allegations on push-out effect.

(14) The complaint included information on the surge of Chinese imports of CRF into Vietnam and Türkiye from 2019 to 2024 ([6]). Moreover, the complaint included information on the Chinese import share in Vietnam's and Turkish overall imports of CRF ([7]) and on the comparison between price of Chinese imports into Vietnam and Türkiye, Vietnam's and Turkish domestic prices between 2019 and 2024 ([8]) and its effects on Vietnam's and Turkish domestic prices. Moreover, these elements referred also to the investigation period analysed in the complaint (i.e., 2024), to which the financial results of the companies also referred. The complaint included sufficient evidence of a PMS in Vietnamese and Turkish domestic market. Therefore, the Commission dismissed this claim.

(15) The authorities of Taiwan claimed that the evidence of PMS included in the complaint with respect to Taiwan was insufficient to constitute prima facie evidence within the meaning of Article 5.2 of the WTO ADA. According to the authorities of Taiwan, most of the evidence submitted to justify the existence of a PMS did not concern the domestic market in Taiwan, as the complainant put forward with respect to Taiwan only the financial results of two steel producers in Taiwan. These financial results referred to the entire company and/or group and did not specifically concern CRF. Moreover, they referred to 2024, whereas the complainant analysed the period 2015-2020 to determine the adjustment to the profitability needed because of the PMS.

([4]) Panel Report, *Australia – Anti-Dumping Measures on A4 Copy Paper*, WT/DS529/R and Add.1, adopted 28 January 2020, DSR 2020:I, p. 261., paragraph 7.21.
([5]) Panel Report, *European Union – Cost Adjustment Methodologies and Certain Anti-Dumping Measures on Imports from Russia (Second Complaint)*, WT/DS494/R and Add.1, circulated to WTO Members 24 July 2020, appealed 28 August 2020, paragraph 7.180.
([6]) See the open version of the complaint, table after paragraph (234), and paragraph (237).
([7]) See the open version of the complaint, table after paragraph (239).
([8]) See the open version of the complaint, table after paragraph (241).

(16) The complaint included information on the surge of Chinese imports of CRF into Taiwan from 2019 to 2024 ([9]). Moreover, the complaint included information on the Chinese import share in Taiwan's overall imports of CRF ([10]) and on the comparison between price of Chinese imports into Taiwan and Taiwan's domestic prices between 2019 and 2024 ([11]) and its effects on Taiwan's domestic prices. Moreover, these elements referred also to the investigation period analysed in the complaint (i.e., 2024), to which the financial results of the companies also referred. Therefore, the complaint included sufficient evidence of a PMS in Taiwan's domestic market. The benchmark used in the complaint to establish the profitability of steel companies, had Chinese overcapacity not surged the way it did, referred to steel companies in the world, excluding the PRC. Thus, the benchmark referred also to Taiwan's companies. The complainant relied on years 2015, 2017 and 2020, but the data provided included a historical series from 2005 to 2020 ([12]). These profitability data were used merely as a benchmark to determine the profits achievable by steel companies outside the PRC in a scenario where the PRC's overcapacity did not surge the way it did. Thus, they were solely meant to illustrate a possible profit adjustment and perform a simulation of calculation of a profit in normal market conditions. Therefore, the Commission dismissed this claim.

(17) The authorities of Taiwan also contended that variations in profitability of individual companies were irrelevant for the determination that a PMS existed.

(18) The complainant relied on the profitability of two exporting producers in Taiwan for the dumping calculation, and not as evidence of a PMS. In any case, the Commission considered that the variation over time in profitability of an individual company could indeed constitute sufficient evidence of a PMS for the purpose of the complaint. Therefore, the Commission dismissed this claim.

(19) Furthermore, the authorities of Taiwan claimed that the PMS alleged in the complaint found no legal basis under WTO law, as the Panel in Australia – *Anti-Dumping Measures on Paper* emphasized that a PMS 'is focused on the domestic market' of the country concerned, and not in a different country ([13]). According to the authorities of Taiwan, the complaint did not explain why the PMS deriving from the push-out effect of Chinese imports into the countries concerned would only arise in the countries concerned and not in other third countries, including the Union.

(20) The PMS alleged in the complaint with respect to Taiwan is not global overcapacity, nor Chinese overcapacity in general, but rather the push-out effect of Chinese overcapacity which artificially lowered the domestic prices in Taiwan. The complaint thus provided sufficient evidence of PMS specific to Taiwan, as specified in recital (16), as it did for the other four countries concerned. The situation in other third countries, including the Union, was irrelevant for initiation. Therefore, the Commission rejected this claim.

(21) Finally, the authorities of Taiwan claimed that the complaint's methodology of adjusting the profit of domestic producers in Taiwan with out-of-country information from global steel producers was manifestly inconsistent with Article 2.2.2 of the WTO ADA.

(22) The complaint's methodology was based on the fact that the profit achieved by the domestic producers in Taiwan were tainted by the PMS, as the domestic sales data as a whole. Moreover, the information used to make an adjustment were not out-of-country data but rather reflected the actual and hypothetical profit of world companies, potentially including also depressed and hypothetical profitability of Taiwan's producers. Therefore, the Commission rejected this claim.

(23) The Government of Japan ('GOJ') submitted that the claim that there was a PMS in the Japanese market due to the impact of China's excess capacity lacked any evidence.

([9]) See the open version of the complaint, table after paragraph (234), and paragraph (237).
([10]) See the open version of the complaint, table after paragraph (239).
([11]) See the open version of the complaint, table after paragraph (241).
([12]) See annexes to the open version of the complaint 'OPEN_Annex_CRF_Profit adjustment dumping_16.09.25' and 'OECD_GFSEC_Impacts of global excess capacity..._2024'.
([13]) Panel Report, *Australia – Anti-Dumping Measures on Paper*, paragraph 7.36.

(24) The complaint included information on the trend of Chinese imports of CRF into Japan from 2019 to 2024 ([14]). Moreover, the complaint included information on the share of Chinese imports in Japan's overall imports of CRF ([15]) and on the comparison between price of Chinese exports to Japan and Japan's domestic prices between 2019 and 2024 ([16]) and its effects on Japan's domestic prices. Therefore, the complaint included sufficient evidence of a PMS in Japan's domestic market. Therefore, the Commission dismissed this claim.

(25) The GOJ, Nippon Steel, JFE Steel Corporation ('JFE') and Kobe Steel, Ltd. ('Kobe') claimed that there was no PMS in Japan as a result of the Chinese push-out effect. In particular, Nippon Steel, JFE and Kobe claimed that, since the complainant alleged that Chinese overcapacities affected all five countries concerned and acknowledged that Chinese steel overcapacity led to Chinese exports to other third countries, global capacity cannot be a PMS which is 'distinct, individual, single, specific' as requested by the Panel in *Australia – Anti-Dumping Measures on Paper* ([17]). The fact that overcapacity of CRF is not limited to the Japanese market would be shown by the fact that Japan was not among the top 10 export destinations of Chinese CRF in 2024, accounting for only 2,3 % of Chinese exports, according to Comtrade data. They added that the impact was distributed almost evenly across the global economy and is not particular to any one country or group of countries.

(26) The PMS alleged in the complaint with respect to Japan was not Chinese overcapacity in general, but rather the push-out effect of Chinese overcapacity which artificially lowered the domestic prices in Japan. The Commission further noted that the complaint provided sufficient evidence of PMS specific to Japan, as specified in recital (24). The situation in other third countries was irrelevant for initiation. Therefore, the Commission dismissed this claim.

(27) The GOJ and POSVIET argued that the Japanese and Vietnamese markets did not have artificially low prices, and Nippon Steel, JFE, Kobe and POSVIET claimed that the complainant did not provide any evidence that domestic prices were artificially reduced so that firms were incentivised to sell in third countries rather than domestically. In this respect, Nippon Steel, JFE and Kobe reported that the average import price of CRF into Japan and Vietnam was in line, and in fact higher, than the world average in 2024, based on Comtrade data. POSVIET further alleged that the complaint did not address the input materials, but rather the downstream product and that it was economically unsound to consider that prices of CRF in the targeted countries would be artificially low merely because import prices of CRF from China were allegedly artificially low. POSVIET also stressed that the import share of Chinese CRF into the targeted countries was rather low for some countries, between 12 % in India and 78 % in Taiwan. POSVIET submitted that the import shares were not enough to transmit 'artificially low prices' from China to an importing market.

(28) The complainant provided a comparison between the price of Chinese exports to Japan and Vietnam, and Japan's and Vietnam's domestic prices between 2019 and 2024 ([18]) and information on the share of Chinese imports in Japan's and Vietnam's overall imports of CRF ([19]), which suggested that Chinese imports exerted pressure on the market. Moreover, the complainant reported that Japan's and Vietnam's steel exports to the Union increased despite the fact that overall steel exports decreased ([20]). Therefore, the complainant provided sufficient evidence to demonstrate that Chinese overcapacities artificially decreased domestic prices. Therefore, the Commission rejected this claim.

(29) Nippon Steel, JFE and Kobe contested the analysis of the complainant aimed at showing an increase in Chinese imports into Japan since 2020, despite the exceptional circumstances of that year. According to them, the analysis of the trend should start in 2019 and would show that in 2024 they were still lower than in 2019, based on Japan's statistics.

([14]) See the open version of the complaint, table after paragraph (234), and paragraph (237).
([15]) See the open version of the complaint, table after paragraph (239).
([16]) See the open version of the complaint, table after paragraph (241).
([17]) Panel Report, *Australia –Anti-Dumping Measures on Paper*, paragraph 7.22.
([18]) See the open version of the complaint, table after paragraph (241).
([19]) See the open version of the complaint, table after paragraph (239).
([20]) See the open version of the complaint, paragraphs (398)-(399).

(30) Nippon Steel, JFE and Kobe relied on an extraction including the imports from the Republic of Korea ('Korea', marked by Japan's statistics code 103) into Japan, rather than from the PRC (marked by Japan's statistics code 105) into Japan. Therefore, the Commission dismissed this claim.

1.4.1.2. Claims regarding the cost-related PMS in Vietnam

(31) The Trade Remedies Authority of Vietnam ('TRAV') alleged that the evidence in the complaint was inaccurate and outdated with regard to the situation of the CRF industry in Vietnam. The TRAV clarified that the Vietnamese government did not participate in the Section 20 of the Canadian report and that the determinations were based on facts available and that the determinations were reversed by two subsequent reviews, in carbon steel welded pipe ([21]) and corrosion-resistant steel ([22]).

(32) The complaint provided evidence of several measures in Vietnam that affected the cost of production in CRF ([23]). Therefore, it contained sufficient evidence that there were measures in place that might create a PMS in Vietnam and the Commission rejected the claim. The investigation will determine whether such measures are still in place and their impact on the cost of production in CRF, where appropriate.

1.4.1.3. Claims regarding the proper comparison

(33) POSVIET and Tatmetal recalled the conclusions of the WTO Panel in *Australia – Anti-Dumping Measures on Paper*, which held that the '"proper comparison" language calls for an assessment in respect of the comparison of domestic and export prices' and that such assessment of comparability was distinct from the question of whether a particular market situation existed. Therefore, even if a particular market situation existed *(quod non)*, it could not be presumed that the domestic sales do not permit a proper comparison. With regard to the conclusions of the WTO Panel, POSVIET and Tatmetal submitted that the complaint did not provide evidence to suggest that domestic prices in the targeted countries did not permit a proper comparison.

(34) The Commission noted that the complaint provided sufficient evidence that the profits of domestic producers in the five countries concerned were depressed because of the push-out effect of Chinese overcapacity, which artificially lowered domestic prices in those respective domestic markets. The alleged PMS therefore affected only domestic prices thereby not permitting a proper comparison between domestic prices and export sales. The argument was rejected.

(35) The authorities of Taiwan also recalled that, for the purpose of invoking the existence of a PMS, it must be demonstrated that such situation had the effect of rendering domestic sales unfit to permit a proper comparison with the export price. Thus, they claimed that none of the evidence provided in the complaint suggested that the PMS prevented a proper comparison. In fact, according to the authorities of Taiwan, based on the evidence of the complaint all profits realized by steel producers worldwide were affected by the PMS caused by global overcapacity, with the consequence that the PMS would not prevent a proper comparison.

(36) The Commission noted that the complaint provided sufficient evidence that profits of Taiwan's domestic producers were depressed because of the push-out effect of Chinese overcapacity, which artificially lowered domestic prices in Taiwan, not as a consequence of global overcapacity. The alleged PMS therefore affected only domestic prices thereby not permitting a proper comparison between domestic prices and export sales. Therefore, the argument was rejected.

(37) Nippon Steel. JFE and Kobe claimed that the requirement that the PMS, if established, must render domestic sales improper for a comparison with the export price, was not discussed in the complaint.

([21]) CSWP3 2018 IN FD SOR 31 January 2019.
([22]) COR2 2019 IN FD SOR 30 October 2020.
([23]) See section 4.4.1 of the open version of the complaint.

(38) The Commission noted that the requirement for a proper comparison is recalled in the complaint ([24]) and supports the construction of the normal value by way of a profit adjustment. Therefore, this claim was rejected.

1.4.1.4. Other claims regarding the particular market situation

(39) The authorities of Taiwan claimed that steel producers in Taiwan were often vertically integrated and, thus, not dependent on Chinese imports of raw materials. This structure allowed Taiwan's industry to remain competitive when faced with third-country imports.

(40) The authorities of Taiwan also claimed Taiwan is a market economy where prices are set according to normal conditions of competition, without government intervention. So, the Commission should rely on domestic prices of CRF, as it did in the latest investigation on imports of certain hot-rolled stainless steel sheets and coils originating, inter alia, in Taiwan ([25]). The authorities of Taiwan raised the fact that the request and the notice of initiation of the expiry review of these anti-dumping measures, ongoing at the time of the current investigation, did not refer to any PMS in Taiwan, lack of representativity of domestic sales or profit distortions.

(41) In addition, the authorities of Taiwan claimed that a finding of PMS cannot be based on global price phenomena driven by a third country not targeted by the investigation. The authorities of Taiwan raised concerns of compliance with WTO rules of such an interpretation of the notion of PMS, particularly if such an interpretation was not supported by clear evidence of State intervention and consequential market distortions specific to Taiwan's market. In this respect, the authorities of Taiwan referred to a precedent where a PMS was associated with identifiable forms of government influence ([26]), as well as a case where the Commission rejected a claim of existence of PMS in relation to a steel product ([27]).

(42) In this respect, EUROFER submitted that the decisive factor does not lie in the nature of the situation itself, but in the effect and impact it produces on the market. Concretely, it is not the Chinese overcapacity itself that creates a particular situation, but rather its effect on each of the countries concerned.

(43) Nippon Steel, JFE and Kobe claimed that Japan was not particularly vulnerable to Chinese imports of CRF because the share reported in the complaint was lower compared to that into Taiwan or Vietnam.

(44) Nippon Steel, JFE and Kobe added that the Japanese industry is systematically shielded from the effects of Chinese overcapacity by the trade defence measures imposed by the GOJ and referred to a number of measures and the GOJ's ongoing monitoring.

(45) EUROFER contested this reading stating that such protection had not been sufficient to assuage the concerns of Japan's industry by referring to a number of public statements of representatives of Japanese steel companies and trading houses.

(46) Nippon Steel, JFE and Kobe claimed also that Japan's steel market was structurally insulated from penetration by Chinese imports as a result of consumer requirements for a high-quality product, that the Chinese industry typically does not offer, notably in the Japanese automotive sector, and of the highly-specific manner in which business is done on the Japanese market, characterised by the involvement of trading companies, which developed long-standing and highly defined relationships with the Japanese producers.

([24]) See the open version of the complaint, paragraphs (58) and (191).

([25]) Commission Implementing Regulation (EU) 2020/508 of 7 April 2020 imposing a provisional anti-dumping duty on imports of certain hot rolled stainless steel sheets and coils originating in Indonesia, the People's Republic of China and Taiwan (OJ L 110, 8.4.2020, p. 3, ELI: http://data.europa.eu/eli/reg_impl/2020/508/oj).

([26]) Panel Report, *EU – Cost Adjustment Methodologies II (Russia)*, paragraph 7.40.

([27]) Commission Implementing Regulation (EU) 2025/1919 of 25 September 2025 imposing a definitive anti-dumping duty and definitively collecting the provisional duty imposed on imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel originating in Egypt, Japan and Vietnam, and terminating the investigation on imports thereof originating in India (OJ L, 2025/1919, 26.9.2025, ELI: http://data.europa.eu/eli/reg_impl/2025/1919/oj), recitals (132)-(137).

(47) Nippon Steel also argued in the sensitive version of its comments that, due to the features of the Japanese market described in recitals (44) and (46), domestic prices in Japan were artificially higher.

(48) Nippon Steel, JFE and Kobe also raised the fact that Japan's industry did not contribute to global overcapacities in the steel sector, as domestic steel capacity in Japan declined between 2019 and 2024, based on Organisation for Economic Co-operation and Development ('OECD') data, in contrast to Vietnam, where capacity increased. Moreover, at international level, the GOJ participated in trilateral discussions with the Union and the United States of America to address the global steel excess capacity and is a longstanding and proactive member of the Global Forum on Steel Excess Capacity ('GFSEC').

(49) The TRAV submitted that the allegation in the complaint that the presence of Chinese cold-rolled flat products in Vietnam at low prices forced domestic cold-rolled flat producers to reduce their domestic selling prices to unsustainable levels in order to compete with the prices of Chinese cold-rolled flat was factually incorrect, as imports of cold-rolled flat steel products from China into Vietnam are subject to anti-dumping duties since 2020 and that the measures were extended in December 2025.

(50) The GOJ requested that domestic sales and export price be compared appropriately. In this respect, Nippon Steel, JFE and Kobe also argued that, even if the Commission established the existence of a PMS in Japan's market, this would not automatically prevent a proper comparison of the domestic price and of the export price because the push-out of Chinese overcapacity in the steel sector affected both the Japanese and the Union market to the same extent. According to them, this stems from the nature of the alleged PMS, as the overcapacity in the steel sector and, in particular, in China, has worldwide effects and impacts the global economy, as acknowledged by the complainant. To support this, they compared the total volume of imports of CRF into Japan and into the Union and stated that they were similar. According to them, also the protection from Chinese imports is similar. Japan would be protected by the factors indicated at recitals (44) and (46), whereas the Union by anti-dumping duties on imports of CRF originating, inter alia, in the PRC ([28]) and by the safeguard measures on certain steel products ([29]). However, according to them, these measures have proven ineffective at addressing overcapacity given that Union consumption decreased while the tariff-rate quota volumes have increased through yearly liberalization. This would be confirmed by the Commission's proposal to address the negative trade-related effects of global overcapacity on the Union steel market ([30]).

(51) On the contrary, EUROFER deemed a proper comparison analysis to be unnecessary in the circumstances of this case, because it is not the same particular market situation which affects the export prices, but a different economic phenomenon (i.e., the effect of Chinese overcapacities on the Union market). In EUROFER's view, dumping exactly consisted of choosing to set export prices at a lower level than normal value prices, economic dynamics on the export markets notwithstanding. Moreover, such a parallel analysis is not carried out by the Commission for other reasons to construct the normal value. For instance, if the Commission considers that all domestic sales are sold at a loss and as such not in the ordinary course of trade, it cannot decide to use actual sales data because all sales on the Union market are also sold at a loss. In EUROFER's opinion, the latter element is irrelevant.

([28]) Last imposed by means of Commission Implementing Regulation (EU) 2022/2068 of 26 October 2022 imposing a definitive anti-dumping duty on imports of certain cold-rolled flat steel products originating in the People's Republic of China and the Russian Federation following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council (OJ L 277, 27.10.2022, p. 149, ELI: http://data.europa.eu/eli/reg_impl/2022/2068/oj).

([29]) Commission Implementing Regulation (EU) 2019/159 of 31 January 2019 imposing definitive safeguard measures against imports of certain steel products (OJ L 31, 1.2.2019, p. 27, ELI: http://data.europa.eu/eli/reg_impl/2019/159/oj).

([30]) Proposal for a Regulation of the European Parliament and of the Council addressing the negative trade-related effects of global overcapacity on the Union steel market (COM(2025) 726 final, 7.10.2025).

(52) In addition, Nippon Steel, JFE, Kobe and Tatmetal claimed that even if the conditions under Article 2(3) of the basic Regulation were met, the Commission could not disregard the actual profits of Nippon Steel and Tatmetal on its domestic sales in the ordinary course of trade, as per the chapeau of Article 2(6), since Article 2(3) only allowed the Commission to construct the normal value. Indeed, according to them, if there is actual data on production and sales in the ordinary course of trade the Commission must use this data to establish the amount of profit, as explained by the Court in Goldstar v Council ([31]) and by several WTO rulings ([32]). According to them, profit on actual domestic sales in the ordinary course of trade could be disregarded when constructing the normal value under Article 2(6) of the basic Regulation only in the absence of domestic sales in the ordinary course of trade. In this respect, the Commission could not conflate the ordinary course of trade with a PMS to disregard the profit made on domestic sales in the ordinary course of trade, as the two would be distinct concepts as demonstrated by the use of the term 'or' between them in Article 2(3) of the basic Regulation. Based on NutraSweet v Council ([33]), Nippon Steel, JFE and Kobe argued that the ordinary course of trade test related to the character of the sales themselves and not to that of the market in which a company operated. Nippon Steel, JFE, Kobe and Tatmetal also referred to Council v Alumina ([34]). The fact that this might lead to a constructed normal value equal to the domestic sales prices disregarded because of the PMS would be irrelevant according to Nippon Steel, JFE and Kobe, who referred to Hansol ([35]).

(53) EUROFER disagreed and considered that the domestic sales in a market affected by a particular market situation would not be in the ordinary course of trade, preventing the Commission from relying on the actual prices. EUROFER also argued that neither Council v Alumina, nor NutraSweet v Council supported the conclusion that the ordinary course of trade test related to the character of the sales themselves and not that of the market in which a company operates.

(54) Nippon Steel reiterated that EUROFER conflated the concepts of ordinary course of trade and PMS, which were distinct in Article 2(3) of the basic Regulation, and that the point that the ordinary course of trade test related to the character of the sales themselves was made clear in *NutraSweet v Council* ([36]). In contrast, Council Regulation (EC) No 1972/2002 ([37]), which first introduced the concept of PMS in the basic Regulation, indicated that the policy rationale behind the introduction of PMS was a focus on broader, structural conditions within a market, rather than sales by a specific company ([38]). Furthermore, Nippon Steel raised the fact that there is no reference to PMS in Article 2(6) of the basic Regulation, which uses instead the term 'ordinary course of trade'. Nippon Steel also claimed that profits of sales made in the ordinary course of trade had to be used, based on the Panel Report

([31]) Judgment of 13 February 1992, *Goldstar Co. Ltd v Council of the European Communities*, C-105/90, ECLI:EU:C:1992:69, paragraphs 35-38.

([32]) Panel Report, *Australia – Anti-Dumping and Countervailing Duty Measures on Certain Products from China*, WT/DS603/R and Add.1, adopted 26 April 2024, paragraphs 7.115-7.116; Panel Report, *Pakistan – Anti-Dumping Measures on Biaxially Oriented Polypropylene Film from the United Arab Emirates*, WT/DS538/R and Add.1, circulated to WTO Members 18 January 2021, appealed 22 February 2021, paragraphs 7.147-7.148; Appellate Body Report, *European Communities – Anti-Dumping Duties on Imports of Cotton-Type Bed Linen from India*, WT/DS141/AB/R, adopted 12 March 2001, DSR 2001:V, p. 2049, paragraph 81; and Appellate Body Reports, *China – Measures Imposing Anti-Dumping Duties on High-Performance Stainless Steel Seamless Tubes ('HP-SSST') from Japan / China – Measures Imposing Anti-Dumping Duties on High-Performance Stainless Steel Seamless Tubes ('HP-SSST') from the European Union*, WT/DS454/AB/R and Add.1 / WT/DS460/AB/R and Add.1, adopted 28 October 2015, DSR 2015:IX, p. 457, paragraphs 5.25-5.27.

([33]) Judgment of 3 May 2001, *Ajinomoto Co., Inc. and The NutraSweet Company v Council of the European Union and Commission of the European Communities*, joined cases C-76/98 P and C-77/98 P, ECLI:EU:C:2001:234, paragraph 38.

([34]) Judgment of 1 October 2014, *Council of the European Union v Alumina d.o.o.*, C-393/13 P, ECLI:EU:C:2014:2245, paragraph 30.

([35]) Order of 13 June 2024, *Hansol Paper Co. Ltd v European Commission*, T-199/23, ECLI:EU:T:2024:388, paragraph 63.

([36]) Joined cases C-76/98 P and C-77/98 P, *NutraSweet v Council*, paragraph 38.

([37]) Council Regulation (EC) No 1972/2002 of 5 November 2002 amending Regulation (EC) No 384/96 on the protection against dumped imports from countries not members of the European Community (OJ L 305, 7.11.2002, p. 1, ELI: http://data.europa.eu/eli/reg/2002/1972/oj).

([38]) Regulation (EC) No 1972/2002. recital (3).

in *EC – Salmon (Norway)* ([39]). Nippon Steel argued that, even in cases where sales of a given product are of an insufficient volume to warrant the use of domestic sales, the Commission would still use the profitability of those sales that are in the ordinary course of trade, in accordance with Article 2(6) and *PT Musim Mas v Commission* ([40]). In Nippon Steel's view, this should apply also when disregarding domestic prices because of a PMS and the complainant did not show that domestic sales of Japanese producers were not in the ordinary course of trade.

(55) Furthermore, Nippon Steel, JFE and Kobe claimed that, should the Commission nonetheless decide to have recourse to Article 2(6), subparagraph (c), it would be under an obligation to calculate the profit cap to ensure that it is not exceeded, as recalled by the Panel in EU – Footwear (China) ([41]) and EU – Biodiesel (Indonesia) ([42]). Thus, the Commission should provide interested parties with an indication of what the cap is and how it established it. Finally, they recalled that 'profit normally realized' referred to profits that are regularly or usually realized.

(56) In this respect, EUROFER argued that the Commission should have recourse to subparagraph (c) because subparagraph (a) could not be used because the PMS affected all sales, subparagraph (b) could not be used because the distortive effects of Chinese overcapacities on steel products could apply to a wide range of steel products and no other products resembled closely enough the specificities of CRF.

(57) Nippon Steel responded with comments provided only in the sensitive version relating to possible profits to be applied.

(58) JSW Steel Limited and its related companies ('JSW') disagreed with the complainant that Article 2(3) of the basic Regulation provided a legal basis for adjusting the costs for the calculation of the normal value even if the Commission established a PMS in India. JSW claimed that under the basic Regulation, the existence of a PMS under its Article 2(3), would only allow using the constructed normal value, calculated on the basis of the cost of production, instead of the actual sales prices.

(59) JSW claimed that establishing a PMS in the Indian market in general would not be sufficient and that the Commission would need to demonstrate that JSW was actually affected by the alleged PMS. Furthermore, JSW claimed that it was not affected by any of the alleged PMS.

(60) On iron ore, JSW claimed that there were no export restrictions on iron ore with an iron content below 58 % and that the complainant had not demonstrated how any measures in India had depressed the domestic price of iron ore as compared to the export price. JSW also claimed that as regards iron ore with an iron content above 58 %, the quantities that JSW had imported were not affected by an eventual PMS. Furthermore, JSW also claimed that the price at which JSW purchased domestic iron with an iron above 58 % was in line with the import price. Finally, as regards the captive use of iron ore, JSW claimed that the price it paid was above the market price and that the only benefit for JSW of the captive use was security of supply.

(61) On coal, JSW submitted that the complaint did not differentiate between the coking coal which is a direct input in the steel making process and non-coking coal which is used in energy production. JSW claimed that since these two products were not interchangeable and the markets for these two products were distinct, the Commission should disregard the claim that there was a PMS for coal in India. JSW also claimed it imported most of the coking coal it needed since there was insufficient availability of domestic coking coal and its quality was insufficient for steel making. Finally, JSW claimed that JSW's purchase prices of coking coal were comparable with international prices which demonstrated that there was no downward effect on Indian import prices as a result of domestic policy.

([39]) Panel Report, *European Communities – Anti-Dumping Measure on Farmed Salmon from Norway*, WT/DS337/R, adopted 15 January 2008, and Corr.1, DSR 2008:I, p. 3, paragraph 7.298.

([40]) Judgment of 2 July 2025, *PT Musim Mas v Commission*, T-176/23, ECLI:EU:T:2025:662, paragraph 116.

([41]) Panel Report, *European Union – Anti-Dumping Measures on Certain Footwear from China*, WT/DS405/R, adopted 22 February 2012, DSR 2012:IX, p. 4585, paragraphs 7.299-7.300.

([42]) Panel Report, *European Union – Anti-Dumping Measures on Biodiesel from Indonesia*, WT/DS480/R and Add.1, adopted 28 February 2018, DSR 2018:II, p. 605, paragraph 7.51.

(62) On scrap, JSW submitted that the allegation of a PMS on coal was at odds with a PMS on scrap since a PMS on coal would have reduced demand for scrap. JSW claimed that the complainant did not demonstrate how the Indian measures related to scrap, such as the 15 % export duty, contributed to lower scrap prices. JSW also claimed that several other countries including the Union had also put in place measures to support the update of scrap and that the complainant had not established how the Indian measures were particular or distinctive, which JSW claimed was necessary for establishing a PMS.

(63) JSW claimed that even if there was a PMS, the Commission should assess if the PMS would allow a proper comparison between domestic and export sales. JSW further claimed that JSW had the same cost of production regardless of whether the product concerned was sold domestically or exported. JSW also claimed that the relevant inputs were inserted into the furnace without distinguishing their source, which is further confirmed by the fact that when producing upstream products such as hot rolled coils, the production lines did not know if the coil would be further converted into CRF or sold as such.

(64) JSW disagreed with the allegations of the complainant that large volumes of Chinese imports of the PUI had depressed prices in the Indian domestic market undermining the ability of Indian producers to sell profitably and that as result, Indian producers had redirected output to the Union market. JSW claimed that this push-out effect alleged by the complainant was not particular to India and did not have demonstrable effects on prices, on trade patterns or on the profitability of Indian producers. JSW further claimed that its profit in the domestic market had not been affected by Chinese overcapacity and that its sales volume remained high both in the domestic and the export markets. As regards prices, JSW claimed that the trend in the domestic market had been similar to the export markets. In addition, JSW submitted that Chinese imports are very low compared to other importing countries (3-12 % of the total imports), that Chinese imports only represent 0,2-0,3 % of the domestic consumption and that Chinese import trends lag behind domestic consumption trends. Finally, JSW claimed that India had in place trade defence measures against the PUI.

(65) JSW claimed that Article 2(3) of the basic Regulation required that the alleged PMS had to render the domestic price improper for a comparison with the export price. JSW further claimed that these two prices were comparable since India had effective trade defence measures in place against the PUI and unlike many other countries had been experiencing an increased domestic demand.

(66) JSW disagreed with the complaint that if a PMS is established, the Commission could adjust the profit when determining the normal value. JSW claimed that the Commission has no legal basis to disregard the actual profit that JSW made on its domestic sales for constructing the normal value. Finally, JSW added that even if the Commission were to rely on Article 2(6) of the basic Regulation, the Commission must indicate to interested parties what the cap is and establish it to ensure that the amount of profit used does not exceed the profit normally realised by other exporters or producers on sales of products of the same general category in the domestic market of the country of origin.

(67) The TRAV submitted that, in a recent Union anti-dumping investigation concerning the imports of hot-rolled flat steel products from Vietnam, the Union was not able to establish the existence of distortions of the raw materials. The TRAV alleged that the same conclusion applied to cold-rolled flat steel, as cold-rolled flat steel is produced from hot-rolled steel. The TRAV submitted that the complaint contained legal and factual errors. The TRAV further alleged that Vietnam's policies on mineral exports are designed to ensure sustainable management and efficient utilization of the country's natural resources, in full conformity with national laws and international commitments, such as Article XX of the GATT 1994.

(68) POSVIET also submitted that the Commission concluded in the anti-dumping investigation concerning imports of certain hot-rolled flat steel products ('HRF') originating in Vietnam, Japan, India, and Egypt ('*HRF* investigation') ([43]) that the existence of a particular market situation in Vietnam could not be established. The TRAV submitted that the majority of hot-rolled flat steel products used by Vietnamese domestic industry is sourced from domestic producers, such as Hoa Phat Dung Quat Steel Corporation of Formosa Ha Tinh Steel Corporation. POSVIET further alleged that, since the complaint in the present investigation was based on the same evidentiary basis, inter alia in respect of domestic prices of coking coal, iron ore and steel scrap, the Commission should also find it insufficient to establish the existence of a particular market situation in Vietnam. POSVIET also referred to the General Court's findings in Biodiesel ([44]), which addressed the Commission's assessment of Indonesia's Differential Export Tax (DET) system's impact on domestic crude palm oil (CPO) prices and the related conditions to be demonstrated for the distorted prices of raw materials on the domestic market.

(69) With respect to the measures relating to iron ore, steel scrap and coking coal, the TRAV and POSVIET alleged that the complainant did not provide any evidence that these measures effectively resulted in distortions on the domestic market for raw materials and that the mere existence of export taxes or other policy initiatives cannot automatically justify a finding that prices are artificially low. The TRAV and POSVIET also disagreed that vertically integrated companies, the campaign 'Vietnamese people prioritize using Vietnamese products' constituted a particular market situation. The TRAV also refused any involvement in management and price setting of enterprises engaged in the production and export of cold-rolled flat steel products and clarified that the 'Steel Industry Development Strategy to 2030 with a vision to 2050' was terminated in 2018. And lastly, POSVIET disagreed that the fact that prices of HRF were artificially low in China, quod non, did not mean that prices of HRF in Vietnam were artificially low merely by virtue of trade.

(70) The comments from interested parties in recitals (39) to (69) were irrelevant for the initiation of the investigation. Indeed, all those comments were about matters that could only be determined during the investigation and not about the evidence in the complaint. Consequently, the Commission took note of them. The Commission's findings in the investigation on all those matters in the investigation are provided, where relevant, under the corresponding sections of this Regulation.

1.4.2. *Claims regarding the volume of imports and cumulation*

(71) Several interested parties, namely the Government of Türkiye ('GOT'), POSVIET, Nippon Steel & JP, and the Taiwanese corporations, challenged the sufficiency and comparability of import volumes for cumulation.

(72) The GOT and Nippon Steel & JP argued that imports were not significant under Article 5(7) and Article 3(4) of the basic Regulation, citing low or fluctuating market shares. POSVIET similarly claimed that imports were negligible. They also argued that export levels were structurally constrained and that cumulation was inappropriate due to differences in import conditions, product characteristics, and competitive situations.

(73) The Commission considered that, at the stage of initiation, Article 5(3) of the basic Regulation requires sufficient evidence of imports, not a conclusive assessment of their precise impact.

(74) The complaint provides sufficient evidence that imports from the countries concerned entered the Union market in significant volumes and compete with the Union product under similar conditions of competition, as both imported and Union products target the same end-users focusing on similar market segments, thereby ensuring direct substitutability.

([43]) Implementing Regulation (EU) 2025/1919.

([44]) Cases T-120/14, *PT Ciliandra Perkasa v Council* and T-121/14, *PT Pelita Agung Agrindustri v Council*, Judgments of the General Court of 15 September 2016 ('Biodiesel'). See also Cases T-112/14 to T-116/14 and T119/14, Judgment of the General Court of 15 September 2016.

(75) In addition, there is no indication at this stage that cumulation would distort the injury analysis. On the contrary, the prima facie evidence suggests that the imports concerned are present simultaneously on the Union market and exert concurrent price pressure.

(76) Accordingly, the conditions for cumulation are met at initiation stage. The arguments were therefore rejected.

(77) Following disclosure, Nippon Steel Corporation, JFE Steel Corporation and Kobe Steel, Ltd. (the 'Japanese Producers') reiterated their arguments concerning the sufficiency and comparability of import volumes for the purpose of cumulation. They considered that these arguments had not been sufficiently addressed by the Commission and requested that they be addressed in the definitive findings. In this respect, several interested parties, from countries for which no PMS affecting the reliability of domestic sales prices was found, claimed that their imports should not have been cumulatively assessed, with imports from the other countries concerned. They argued that, since a PMS was found in certain other countries, the Commission should not have cumulated imports from their countries of origin with imports from the PMS affected countries, without properly accounting for this difference in the cumulation assessment.

(78) The Commission noted that a particular market situation is assessed for establishing normal value. This assessment is unrelated to the separate evaluation under Article 3(4), which concerns the competitive conditions between imported products on the Union market and between those imports and the Union industry. Article 2(3) focuses on the situation in the domestic market of the exporting countries; Article 3(4) focuses on competition within the Union. Therefore, PMS findings for some exporting countries do not, on their own, indicate dissimilar market behaviour on the Union market.

(79) The Commission also noted that cumulation requires determining whether the imported products share similar physical characteristics and interchangeable end uses, and whether exporters display similar market behaviour and a comparable competitive relationship with the Union industry. This assessment relies on elements such as simultaneous market presence, comparable pricing, overlapping sales channels and customers, and similar trends in import volumes and market shares. The investigation showed that imports from Japan and the other countries concerned were present on the Union market during the investigation period, targeted the same end users and market segments, were directly substitutable with the Union product, and exerted concurrent price pressure.

(80) The Commission, therefore, confirmed their inclusion in the cumulative injury analysis and rejected the claim.

1.4.3. *Claims regarding the absence of injury to the Union industry*

(81) Interested parties submitted that the evidence on injury was insufficient or not representative of material injury within the meaning of Article 3 of the basic Regulation. The GOT, Nippon Steel & JP and the Taiwanese corporations argued that in the complaint the Union industry maintained a strong market position, with stable or high market shares, and that indicators such as capacity, production and investment did not show material deterioration. POSVIET submitted that the Union industry remained resilient despite adverse market conditions, including post-pandemic normalisation and increased costs. They also submitted that the complaint did not contain sufficient prima facie evidence regarding several injury indicators, including productivity, return on investment, cash flow, wages, growth and capital-raising ability, and that initiation should therefore not have been warranted.

(82) The Commission recalled that Articles 5(2) and 5(3) of the basic Regulation require only sufficient evidence reasonably available to justify initiation. The complaint contained relevant evidence concerning key injury factors affecting the Union industry, including declining profitability, price pressure and weakening performance indicators. The existence of certain resilient indicators, such as stable market shares, does not preclude a finding of material injury where other indicators show negative developments. The absence of data on all indicators cited by POSVIET therefore did not invalidate the initiation. The arguments were accordingly rejected.

1.4.4. *Claims on causation*

(83) The GOT, Nippon Steel & JP, the Taiwanese corporations and POSVIET, contested the existence of a causal link between the alleged dumped imports and the injury suffered by the Union industry. They argued that performance deterioration was driven primarily by other factors like declining consumption, increased energy and raw material costs, post-pandemic adjustments and strategic decisions by Union producers.

(84) The Commission recalled that, at initiation stage, Article 5(3) requires only sufficient evidence of a potential causal link, not a definitive determination under Article 3(6) and (7). The complaint provided evidence of simultaneous imports from the countries concerned and deterioration in Union industry performance, including price pressure indicators. Alternative explanations submitted by these parties are relevant for the investigation phase but do not negate a prima facie causal link. The arguments were therefore rejected.

1.4.5. *Claims on the level of measures and methodology (target profit, adjustments)*

(85) Several interested parties contested aspects of the calculation of the injury margin and construction of normal value provided in the complaint. They argued that the target profit was excessive and not representative of normal market conditions, and that inclusion of costs related to the Emission Trading Scheme ('ETS') could result in double counting. The GOT and Nippon Steel & JP further challenged investment-related adjustments and cost allocation methodologies.

(86) The Commission considered that, at initiation stage, the complainant is required to provide reasonable estimations based on available evidence. Methodological determinations, including target profit selection, ETS cost treatment and adjustment methodologies, are complex technical issues subject to verification during the investigation. The arguments raised by the GOT, Nippon Steel & JP, the Taiwanese corporations and POSVIET therefore concerned matters that cannot be conclusively assessed at initiation stage and were accordingly rejected.

1.4.6. *Claims on raw material distortions*

(87) POSVIET submitted that the conditions for the application of Article 7(2a) of the basic Regulation were not met, arguing that Vietnam relied on imported raw materials purchased at international market prices and that no significant distortions were demonstrated. The TRAV further informed that the domestically mined raw materials needed in the production of hot-rolled coils did not meet the requirements of the steel industry and could not, in general, have been used in the manufacturing process of hot-rolled coils.

(88) The Commission recalled that at initiation stage only sufficient evidence is required indicating the existence of significant raw material distortions affecting production costs in the exporting country and potentially the effectiveness of the lesser duty rule. It noted that the complaint contained such sufficient evidence, including information on relevant market conditions and factors potentially affecting raw material pricing and cost structures in the exporting countries.

(89) The Commission further considered that the assessment of such distortions requires a comprehensive analysis of market structure, pricing conditions, and possible state influence, which cannot be conclusively carried out at initiation stage. The arguments by POSVIET were therefore rejected.

1.4.7. *Claims on Union interest*

(90) Certain parties, namely the GOT, Nippon Steel & JP, the Taiwanese corporations and BSH Hausgeräte GmbH, submitted that the imposition of measures would not be in the Union interest within the meaning of Article 21 of the basic Regulation. They argued that measures would increase input costs for downstream industries, including automotive, machinery and household appliances sectors, and negatively affect competitiveness, employment and supply chain stability.

(91) The Commission recalled that the Union interest assessment under Article 21 is not conducted at the stage of initiation but only at the stage of provisional or definitive measures. Consequently, the arguments submitted by the GOT, Nippon Steel & JP, the Taiwanese corporations and BSH Hausgeräte GmbH were rejected.

1.5. **Sampling**

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

Sampling of Union producers

(93) In its Notice of Initiation, the Commission stated that it had provisionally selected a sample of Union producers. The Commission selected the sample on the basis of the highest representative production and sales volumes whilst ensuring a geographical spread. The Commission invited interested parties to comment on the provisional sample, but no comments were received.

(94) As a result, the final sample consisted of three Union producers located in three different Member States. It accounts for more than 24 % of the estimated total volume of production and 17 % of the estimated sales of the like product on the free market in the Union. The sample is representative of the Union industry.

Sampling of unrelated importers

(95) To decide whether sampling is necessary and, if so, to select a sample, the Commission asked unrelated importers to provide the information specified in the Notice of Initiation.

(96) No unrelated importers provided the requested information and agreed to be included in the sample.

Sampling of exporting producers

(97) To decide whether sampling was necessary and, if so, to select a sample, the Commission asked all exporting producers in India, Japan, Taiwan, Türkiye and Vietnam to provide the information specified in the Notice of Initiation. In addition, the Commission asked the Mission of the Republic of India to the Union, the Mission of Japan to the Union, the Taipei Representative Office in the Union, the Mission of the Republic of Türkiye to the Union and the Mission of the Socialist Republic of Viet Nam to the Union to identify and/or contact other exporting producers, if any, that could be interested in participating in the investigation.

(98) Four exporting producers in India provided the requested information and agreed to be included in the sample. In accordance with Article 17(1) of the basic Regulation, the Commission selected a sample of one exporting producer on the basis of the largest representative volume of exports to the Union which could reasonably be investigated within the time available. The sampled exporting producer represented [90 %-100 %] of the estimated total quantity exported to the Union from India in the investigation period. In accordance with Article 17(2) of the basic Regulation, all known exporting producers and the authorities of India were consulted on the selection of the sample. No comments were submitted.

(99) Five companies in Japan provided the requested information and agreed to be included in the sample. One of them, Daido, did not report any export sales to the Union during the investigation period. However, later during the investigation, the Commission deemed this company to be related to the sampled exporting producer, as indicated in recitals (271) to (273). Moreover, another one reported '0' for production, production capacity, domestic and export sales during the investigation period and the other years requested in the sampling form, so that it could not be considered a producer in Japan. In accordance with Article 17 (1) of the basic Regulation, the

Commission selected a sample of one exporting producer on the basis of the largest representative volume of exports to the Union which could reasonably be investigated within the time available. The sampled exporting producer represented [80 %-90 %] of the estimated total quantity exported to the Union from Japan in the investigation period. In accordance with Article 17(2) of the basic Regulation, all known exporting producers and the authorities of Japan were consulted on the selection of the sample. No comments were submitted.

(100) Three exporting producers in Taiwan, belonging to two groups, provided the requested information and agreed to be included in the sample. In accordance with Article 17 (1) of the basic Regulation, the Commission selected a sample of two exporting producers, belonging to one group, on the basis of the largest representative volume of exports to the Union which could reasonably be investigated within the time available. The sampled exporting producers represented [60 %-70 %] of the estimated total quantity exported to the Union from Taiwan in the investigation period. In accordance with Article 17(2) of the basic Regulation, all known exporting producers and the authorities of Taiwan were consulted on the selection of the sample. No comments were submitted.

(101) Six exporting producers in Türkiye provided the requested information and agreed to be included in the sample. In accordance with Article 17(1) of the basic Regulation, the Commission selected a sample of two exporting producers on the basis of the largest representative volume of exports to the Union which could reasonably be investigated within the time available. The sampled exporting producers represented [50-60] % of the estimated total quantity exported to the Union from Türkiye in the investigation period. In accordance with Article 17(2) of the basic Regulation, all known exporting producers and the authorities of Türkiye were consulted on the selection of the sample. No comments were submitted.

(102) Three exporting producers in Vietnam provided the requested information and agreed to be included in the sample. In accordance with Article 17(1) of the basic Regulation, the Commission selected a sample of one exporting producer on the basis of the largest representative volume of exports to the Union which could reasonably be investigated within the time available. The sampled exporting producer represented [80-90] % of the estimated total quantity exported to the Union from Vietnam in the investigation period. In accordance with Article 17(2) of the basic Regulation, all known exporting producers and the authorities of Vietnam were consulted on the selection of the sample. No comments were submitted.

1.6. **Questionnaire replies and verification visits**

(103) As announced in the Notice of Initiation, the Commission sent specific questionnaires to investigate the allegations of PMS due to the push-out effect created by Chinese imports to the authorities of all the countries concerned. These questionnaires requested information that the Commission considered necessary to investigate the alleged push-out effect, such as for example the volumes, prices and market shares of imports and domestic sales in the countries concerned. Such information was requested for the period from 1 January 2022 to 30 June 2025, the same period used for the determination of dumping and injury in the investigation (see recital (107)). The Commission also sent specific questionnaires to investigate the allegations of PMS due to measures on specific inputs for CRF to the Governments of India and Vietnam.

(104) Furthermore, the complainant provided in the complaint sufficient evidence of potential raw material distortions in India and Vietnam regarding the product concerned. Therefore, as announced in the Notice of Initiation, the investigation covered those alleged raw material distortions to determine whether to apply the provisions of Article 7(2a) and 7(2b) of the basic Regulation with regard to India and Vietnam. For this reason, the Commission sent additional questionnaires in this regard to the Governments of India and Vietnam.

(105) The Commission sent questionnaires also to the sampled Union producers, the sampled exporting producers, the known unrelated importers and users. The same questionnaires were made available online ([45]) on the day of initiation.

([45]) https://tron.trade.ec.europa.eu/investigations/case-view?caseId=2812.

(106) The Commission sought and verified all the information deemed necessary for a determination of dumping, resulting injury, Union interest, the existence of PMS and of raw material distortions within the meaning of Article 7(2)(a) of the basic Regulation. Verification visits pursuant to Article 16 of the basic Regulation were carried out at the premises of the authorities of all the countries concerned and of the following companies:

Union producers:

— ArcelorMittal, Gent, Belgium

— ArcelorMittal, Asturias, Spain

— Thyssenkrupp Steel Europe AG, Duisburg, Germany

Exporting producers in India:

— JSW Steel Limited, Mumbai

— JSW Steel Coated Products Limited, Mumbai

Exporting producer in Japan:

— Nippon Steel Corporation, Tokyo

Related traders:

— Marubeni-Itochu Steel Inc., Tokyo, Japan

— Metal One Corporation, Tokyo, Japan

— Nippon Steel Trading Corporation, Tokyo, Japan

— Sumitomo Corporation Global Metals Co., Ltd., Tokyo, Japan

— Steel Center Co., Ltd., Tokyo, Japan

— NST Coil Center Co., Ltd., Tokyo, Japan

Related importers in the Union:

— Marubeni-Itochu Steel Europe GmbH, Düsseldorf, Germany

— Nippon Steel Trading Austria GmbH, Vienna, Austria

Exporting producers in Taiwan:

— China Steel Corporation, Kaohsiung

— Chung Hung Steel Corporation, Kaohsiung

Related trader:

— China Steel Structure Co., Ltd., Kaohsiung, Taiwan

Exporting producers in Türkiye:

— Borçelik Çelik Sanayi Ticaret A.Ş., Bursa

— Tatmetal Çelik Sanayi ve Ticaret A. Ş., Istanbul

Related trader:

— ArcelorMittal Çelik Ticaret A.Ş., Istanbul, Türkiye

Related importers in the Union and/or suppliers of raw materials (online remote cross-checks were performed):

— ArcelorMittal Flat Carbon Europe S.A., Luxembourg, Luxembourg

— Bamesa Oțel, S.A., Topoloveni, Romania

Exporting producer in Vietnam:

— POSCO VIETNAM Co., Ltd, Ho Chi Minh City

Related processing centre and trader:

— POSCO Vietnam Processing Center Joint Stock Company, Phuoc An, Vietnam

Related trader:

— POSCO International Corporation, Seoul, Republic of Korea

Related supplier of raw materials:

— POSCO Co. Ltd., Seoul, Republic of Korea

Related importer in the Union:

— POSCO INTERNATIONAL Deutschland GmbH, Eschborn, Germany

1.7. **Investigation period and period considered**

(107) The investigation of dumping and injury covered the period from 1 July 2024 to 30 June 2025 ('the investigation period'). The examination of trends relevant for the assessment of injury covered the period from 1 January 2022 to the end of the investigation period ('the period considered').

(108) Following disclosure, the Japanese Producers argued that 2022 was not an appropriate starting year for the injury assessment, given that the strong post-COVID economic recovery continued into the first half of that year. In their view, the favourable market conditions prevailing in 2022 created a distorted benchmark, leading to an overstated deterioration when the investigation period was compared with that year. They therefore requested that the Commission use a longer reference period or, alternatively, take the conditions prevailing in 2022 into account when assessing the development of the injury indicators.

(109) It is important to note that the Commission's injury determination was based on the development of the Union industry's situation over the entire period considered and not solely on the comparison between 2022 and the investigation period. The Commission noted that the purpose of examining a multi-year period, rather than relying on a single year, is to mitigate the effect of cyclical or short-term fluctuations and to assess whether the relevant trends remain consistent over a sufficiently representative timeframe. The assessment covered all relevant economic factors and indicators having a bearing on the state of the Union industry, including sales, production, market share, profitability, employment, cash flow, investments and return on investment.

(110) The Japanese Producers argued that the conditions prevailing in 2022 were exceptionally favourable due to the post-COVID recovery and that the comparison with the investigation period therefore overstated the deterioration of the Union industry. However, the existence of favourable market conditions at the beginning of the period considered does not, in itself, demonstrate that the subsequent deterioration was not caused by the factors examined in the investigation.

(111) The Commission's assessment also does not rely on a single indicator or on a single year but is based on a dynamic analysis. The deterioration was reflected in several indicators and concerned both the Union industry's financial performance and its position on the Union market. The indicators were also assessed for the consistency and direction of their movement across the entire period considered, including the years between the starting point and the investigation period. The simultaneous development of these indicators provides a more complete picture of the state of the Union industry than the conditions prevailing in any given individual year.

(112) Furthermore, the Japanese Producers did not demonstrate that the deterioration observed after 2022 represented merely a return to the normal conditions that existed before the post-COVID recovery. In particular, they did not provide evidence establishing what level of performance should be considered normal for the Union industry or showing that the levels reached during the investigation period were consistent with such normal conditions.

(113) The Commission also considered that a longer reference period would not, in itself, provide a more appropriate assessment of injury. Extending the period would not remove the need to assess the actual development of the Union industry during the period considered or demonstrate that the deterioration observed was unrelated to the dumped imports.

(114) Nor did the Japanese Producers identify any specific injury indicator for which the deterioration could be attributed exclusively to the end of the post-COVID recovery. The argument therefore does not explain the overall deterioration observed across the injury indicators.

(115) The Commission therefore considered that the arguments concerning the economic conditions prevailing in 2022 did not call into question the injury assessment. The assessment was based on the development of the Union industry's situation over the whole period considered and on the combined development of the relevant injury indicators. The claim was therefore rejected.

1.8. **Non-imposition of provisional measures and subsequent procedure**

(116) On 17 April 2026, in accordance with Article 19a(2) of the basic Regulation, the Commission informed interested parties of its intention not to impose provisional measures and gave them the opportunity to submit additional information.

(117) The Commission continued to seek and verify all the information it deemed necessary for its final findings.

(118) On 6 August 2026, the Commission informed all interested parties of the essential facts and considerations on the basis of which it intended to impose a definitive anti-dumping duty on imports of certain cold-rolled flat steel products originating in India, Japan, Taiwan, Türkiye and Vietnam ('final disclosure'). All parties were granted a period within which they could make comments on the final disclosure.

(119) Some of the comments received on the final disclosure resulted in a revision of the essential facts and considerations mentioned in recital (118). On 6 October 2026 the Commission made an additional final disclosure to all interested parties. All parties were granted a period within which they could make comments limited to the revised information provided in the additional final disclosure. On 16 October 2026, following the comments received after the additional final disclosure, the Commission made a second additional final disclosure to all interested parties. All parties were granted a period within which they could make comments, also limited to the information provided in that second additional disclosure.

(120) Parties who so requested were also granted an opportunity to be heard. Hearings took place with all sampled exporting producers, with the authorities of Taiwan and Türkiye, and with Czech Blades s.r.o., a user of the product concerned.

(121) On 8 October 2026, POSVIET requested the Hearing Officer to organise a hearing with the services to ensure that, before the final determination was adopted, the Commission addressed three claims already made on its comments on final disclosure of 17 August 2026, and to afford POSVIET a meaningful opportunity to respond to new factual considerations contained in the additional final disclosure, for which POSVIET had two days to comment. The hearing took place on 12 October 2026. At the hearing, the Commission services confirmed that they had understood the allegations and comments and would address them in the definitive regulation. The Hearing Officer concluded that POSVIET was given all legal opportunities to make its views known to the Commission services, submit its comments and arguments both in writing and during oral hearings and that the rights of defence of POSVIET were respected in this investigation.

2. PRODUCT UNDER INVESTIGATION, PRODUCT CONCERNED AND LIKE PRODUCT

2.1. Product under investigation

(122) The product under investigation (or 'CRF') is flat-rolled products of iron or non-alloy steel, or other alloy steel but excluding stainless steel, of all widths, cold-rolled (cold-reduced), not clad, plated or coated and not further worked than cold-rolled (cold-reduced), but not including:

— flat-rolled products of iron or non-alloy steel, of all width, cold-rolled (cold-reduced), not clad, plated or coated, not further worked than cold-rolled, whether or not in coils, of all thickness, electrical,

— flat-rolled products of iron or non-alloy steel, of all width, cold-rolled (cold-reduced), not clad, plated or coated, in coils, of a thickness of less than 0,35 mm, annealed (known as 'black plates'),

— flat-rolled products of other alloy steel, of all width, of silicon-electrical steel, and

— flat-rolled products of alloy steel, not further worked than cold-rolled (cold-reduced), of high-speed steel.

(123) CRF products are used in a wide variety of applications, including the automotive industry, household appliances, construction materials, industrial machinery, electrical equipment, metal furniture, storage systems, tubes and pipes, and other downstream manufacturing applications requiring high-quality surface finish and dimensional precision.

2.2. Product concerned

(124) The product concerned is the product under investigation originating in India, Japan, Taiwan, Türkiye or Vietnam, currently classified under CN codes ex 7209 15 00, 7209 16 90, 7209 17 90, 7209 18 91, ex 7209 18 99, ex 7209 25 00, 7209 26 90, 7209 27 90, 7209 28 90, 7211 23 30, ex 7211 23 80, ex 7211 29 00, 7225 50 80, 7226 92 00 (TARIC codes 7209 15 00 90, 7209 18 99 90, 7209 25 00 90, 7211 23 80 19, 7211 23 80 95, 7211 23 80 99, 7211 29 00 19, 7211 29 00 99).

2.3. Like product

(125) The investigation showed that the following products have the same basic physical chemical and technical characteristics as well as the same basic uses:

— the product concerned when exported to the Union;

— the product under investigation produced and sold on the domestic market of countries concerned; and

— the product under investigation produced and sold in the Union by the Union industry.

(126) The Commission decided that those products are therefore like products within the meaning of Article 1(4) of the basic Regulation.

2.4. **Claims regarding product scope**

(127) Daido submitted a product exclusion request for DF42N, MENPD, and MAS1C (collectively, 'Daido Functional Alloys'). Daido claimed that those alloys should be excluded because they had different end-uses, manufacturing processes, distribution channels and prices than 'general CRF'. It further argued that the exclusion would be justified because the Daido Functional Alloys would fall within category 09 of the product control number ('PCN'). According to Daido, Categories 01–08 correspond to recognized CRF families defined by EN standards and used in mainstream automotive, appliance, and construction supply chains, whereas category 09 functions as a residual class for materials that do not meet CRF-specific mechanical or surface criteria.

(128) Daido provided no evidence whatsoever demonstrating that the Daido functional alloys do not share the same basic technical, chemical and physical characteristics of CRF. Indeed, their alloys were still manufactured from the same raw materials and following essentially the same process. The resulting product would still be CRF. The specific final use, distribution channel or final price were irrelevant to justify a product exclusion.

(129) The fact that the product belonged to category 09 of the PCN as Daido submitted, did not justify an exclusion either. To the contrary, such a fact confirmed that it was indeed the product under investigation, with the same basic physical, technical and chemical characteristics as the CRF that would be classified in other categories of the PCN, and also that the investigation covers different product types for different applications.

(130) On those grounds, the Commission rejected the product exclusion request.

(131) Following disclosure, Daido reiterated its claim that the Daido Functional Alloys should be excluded from the product scope, in particular on the basis of their alleged different characteristics, uses and competitive conditions and their classification under PCN category 09.

(132) Daido did not submit any new information or evidence that could change the Commission's assessment. The Commission therefore rejected the product exclusion request.

(133) Czech Blades s.r.o., a CRF user, requested that certain cold-rolled steel strips with specific technical characteristics were excluded from the scope of the measures. The user claimed that these products are manufactured to highly specialised technical specifications for a niche downstream application, that they are not available from Union producers, and that imports are therefore driven by technical necessity rather than price considerations. The user further argued that the products are not interchangeable with other cold-rolled steel products and that the imposition of measures would adversely affect its downstream operations.

(134) The Commission rejected this request. The evidence submitted was insufficient to demonstrate that the products concerned have different technical, chemical and physical characteristics warranting exclusion from the scope of the measures or that products meeting the required technical characteristics, or technically interchangeable products, are unavailable from Union producers. The information provided did not contain sufficiently complete, consistent and verifiable evidence to substantiate these claims.

(135) Furthermore, the investigation established that products meeting the claimed technical characteristics, or technically interchangeable products, are manufactured by the Union industry. The investigation therefore did not confirm the user's claim that the products concerned could not be sourced from Union producers.

(136) Finally, the supporting information underlying the request was submitted only at a very late stage of the investigation. At that stage, the Commission was no longer in a position to carry out the necessary verification or to further investigate the assertions made. Consequently, the information could not be taken into account for the purposes of establishing whether the conditions for excluding the products from the scope of the measures were fulfilled.

(137) Following disclosure, Czech Blades claimed that the safety razor blades and industrial blades it manufactures are highly specialised niche products that are unique within the Union market. Czech Blades submitted additional information in support of its request for an exclusion. This submission was provided in response to the Commission's instruction that any further request be properly documented and address, in particular, (i) the basic physical, chemical and technical characteristics of the imported and Union products, (ii) their end-use and interchangeability, (iii) alternative sources of supply, (iv) the impact of an exemption on duties and (v) the impact of the duties on the user. Czech Blades noted that its earlier evidence had been submitted confidentially, preventing other interested parties from commenting on it. It therefore provided an open-file material specification.

(138) As regards characteristics and interchangeability, Czech Blades claimed that blade steel is a highly specialised category, whose strict specifications make other steel grades unsuitable substitutes. As regards alternative supply, Czech Blades claimed that no Union supplier was able to deliver the product. It claimed that attempts to source blade steel from Union mills were unsuccessful: suppliers either could not meet the required quality, tolerances, or volumes, or did not respond. It further argued that, given the energy- and labour-intensive production process and the limited annual demand, Union producers considered the product commercially unattractive. As regards the impact of the duties, Czech Blades claimed that blades made from the material in question account for a big share of its production by value.

(139) Following disclosure, the Union industry supported the rejection of the request. It argued that the Commission had already found that such products are produced in the Union, that Union producers do supply cold rolled feedstock which Union re-rollers process into the narrow strips used for razor blades, that the measures do not prohibit imports but restore a level playing field, and that the cost impact is negligible.

(140) The Commission first noted that it is for the party requesting exclusion to demonstrate, on the basis of complete, consistent and verifiable evidence submitted in a timely manner, that all of the relevant conditions for exclusion are cumulatively met. It is not sufficient for a party to establish one element in isolation; the request must be assessed as a whole against each of the five elements identified in recital (137).

(141) As regards characteristics and interchangeability, the Commission noted that, while the additional information provides a more detailed description of the material imported by Czech Blades, it does not, in itself, establish that the Union industry does not manufacture products having the same or equivalent technical, chemical and physical characteristics. The material specification reflects the requirements applicable to Czech Blades' own purchases and does not constitute evidence that Union producers are unable to meet those specifications. The fact that stainless steel may not constitute a suitable alternative does not establish that other carbon-steel products meeting equivalent technical requirements are unavailable. Czech Blades did not provide any evidence addressing specifically whether products manufactured by Union producers can meet the technical requirements identified in its specification.

(142) As regards alternative sources of supply, the Commission noted that the evidence submitted by Czech Blades was not exhaustive and was based on statements rather than on verifiable data. The Commission also noted, as claimed by the Union industry (see recital (139)), that the narrow strip used for razor blades is obtained by Union re-rollers from cold-rolled feedstock supplied by Union producers, which confirms that the relevant production chain exists in the Union. Czech Blades therefore failed to demonstrate that the product cannot be sourced from Union producers

(143) As regards the impact of an exemption on duties, the additional submission does not provide a specific quantification of the duties that would be avoided if the requested exclusion were granted. The information submitted focuses on the expected increase in the user's input costs and does not quantify the corresponding impact of the exemption on the duties.

(144) Overall, the additional information submitted after disclosure provides more detailed and specific evidence than was available when the Commission previously assessed the request. This additional information, however, does not relieve Czech Blades of the burden of proof described in recital (137), which requires positive evidence, not merely assertions, that each condition for exclusion is met. The additional information does not, on its own, establish that the products concerned have characteristics which distinguish them from cold-rolled products manufactured by the Union industry, or that products meeting the required characteristics, or technically interchangeable products, cannot be sourced from Union producers. The information concerning the steelmakers approached must therefore be assessed in conjunction with the technical specification in order to determine whether the alleged lack of alternative supply is based on technical limitations or on commercial considerations. Furthermore, the additional submission does not quantify the impact of the requested exemption on duties, while the estimates concerning the impact of the measures on Czech Blades require substantiation as regards the underlying assumptions and the causal link between the duties and the claimed loss of sales and employment. These are necessary elements of a properly substantiated exclusion request, and their absence independently justifies rejection of the request, irrespective of the assessment of the technical and supply-related evidence.

(145) On this basis, the Commission therefore concluded that, Czech Blades failed to demonstrate that the conditions for exclusion of the products concerned from the scope of the measures were met. The request for exclusion was therefore rejected.

(146) Following disclosure, Proterial Ltd., a cooperating non-sampled Japanese exporting producer requested the Commission to adjust the application of the definitive anti-dumping duty to their exports in light of the alleged unique nature of their product and its role in automotive applications.

(147) The Commission noted that the product described by the party remains within the scope of the investigation. The arguments presented were not supported by evidence and therefore could not justify any product specific consideration. The Union interest was already assessed in the disclosure document, and no further data that would alter the Commission's conclusions was provided. The claim was therefore rejected.

3. **DUMPING**

3.1. **Particular market situation: push-out effect of Chinese overcapacity**

3.1.1. *The push-out effect as a particular market situation under Article 2(3) of the basic Regulation*

(148) For the purposes of this investigation, the Commission relied on the definition of overcapacity employed by the Global Forum on Steel Excess Capacity ([46]) ('GFSEC'): overcapacity is the gap between production capacity and demand. The complainant also followed such definition.

(149) The complainant submitted that the CRF overcapacity in the People's Republic of China ('PRC') pushed Chinese exports of CRF at low prices into the markets of all the countries concerned. The pressure of such exports would depress the prices of the domestic producers in the countries concerned to unsustainable levels. Therefore, sales prices of CRF in the countries concerned would be artificially low. In turn, such prices would lead to artificially low profits for the domestic CRF producers in the countries concerned when selling in their domestic markets.

(150) As a consequence, the complainant argued that the normal value should be constructed in line with Article 2(3) of the basic Regulation and the actual profit data should be replaced to remove the effect of the particular market situation.

([46]) https://www.steelforum.org/.

3.1.2. *Steel overcapacity in the PRC in general*

(151) According to the complaint, while steel overcapacity is a global issue, the PRC is the original and most important source of overcapacity. As of 2024, the PRC held 47 % of the world's crude steel capacity, corresponding to 1 173 million of metric tonnes ([47]).

(152) The complainant explained that the steel overcapacity in the PRC is not of a short-term nature due to a drop in demand, but rather of structural nature whereby, following the governmental policies, the creation of new production capacity in the PRC is disconnected from the expected demand. According to the OECD, while the former results from normal fluctuations in the business cycle, the latter refers to excess capacity that is due to subsidies and other forms of government support ([48]).

(153) More broadly, the GFSEC noted that overcapacity leads to oversupply of steel on international markets and depressed steel prices, as well as lower market shares and capacity utilisation rates for domestic steel producers in third countries that operate under market conditions ([49]).

(154) Against this background, the Commission own analysis of the Chinese steel industry confirmed the existence of a significant overcapacity in the steel sector in the PRC at least since 2014, thereby confirming its structural nature ([50]). Moreover, past Commission investigations showed that the intervention of the Government of the People's Republic of China ('GOC') in the steel sector created significant market distortions ([51]). In addition, publicly available research also shows that the support granted at various levels by the GOC to steel companies indicates that the steel market in China does not operate under normal market forces ([52]).

3.1.3. *CRF overcapacity in the PRC in particular*

(155) With specific regard to CRF, the complainant showed that the Chinese CRF capacity was out of step with domestic demand. Indeed, as Chinese CRF demand between 2022 and 2024 remained stable and constantly below capacity, the tandem mill capacity consistently increased ([53]).

(156) The Commission, in its anti-dumping investigation on imports of CRF originating, inter alia, in the PRC ([54]), had already found that in 2020 the total Chinese capacity of CRF was more than 120 million tonnes, while production and Chinese consumption in 2020 were both estimated at 100 million tonnes, resulting in a spare capacity estimated at 20 million tonnes in 2020. Based on the data in the complaint, in 2024 Chinese capacity increased further by 12 % compared to 2019 and by 9 % compared to 2021 ([55]). At the same time, domestic demand increased by only 3 % compared to 2019 and even decreased by 2 % compared to 2021 ([56]). No interested party challenged such data.

([47]) GFSEC, *Steel exports, trade remedy actions and sources of excess capacity*, May 2024, p. 6, available at: https://www.steelforum.org/content/dam/steel-forum/en/publications/gfsec-steel-exports-trade-remedy-actions-and-sources-of-excess-capacity_0525.pdf.

([48]) OECD Trade Policy Paper, *Measuring distortions in international markets: Below-Market finance*, May 2021 No 247, https://www.oecd.org/content/dam/oecd/en/publications/reports/2021/05/measuring-distortions-in-international-markets-below-market-finance_ef463ae3/a1a5aa8a-en.pdf.

([49]) GFSEC, *Impacts of global excess capacity on the health of GFSEC steel industries*, March 2024, p. 5, available at: https://www.steelforum.org/content/dam/steel-forum/en/publications/gfsec-impacts-of-global-excess-capacity_0325.pdf.

([50]) Commission staff working document on significant distortions in the economy of the People's Republic of China for the purposes of trade defence investigations, Section 14.6, Overcapacity, p. 408 et seq., available at https://ec.europa.eu/transparency/documents-register/detail?ref=SWD(2024)91&lang=en.

([51]) Notably Implementing Regulation (EU) 2022/2068, as well as Implementing Regulation (EU) 2020/508.

([52]) Trade Policy Hub & LSE Consulting, 'Research into market distortions in the steel sector', The London School of Economics and Political Science, 20245, available at: https://www.lse.ac.uk/business/consulting/assets/documents/Research-into-Market-Distortions-in-the-Steel-Sector.pdf.

([53]) *Sources*: WV Stahl, Plantfacts, MetalSpans as provided from clients.

([54]) Last imposed by means of Implementing Regulation (EU) 2022/2068.

([55]) *Sources*: WV Stahl, Plantfacts, MetalSpans as provided from clients.

([56]) *Idem*.

(157) This increase in overcapacity was largely due to the financing plans of the GOC in response to the global financial crisis of 2008-2009 ([57]). Since Chinese overcapacity is supported extensively by GOC's interventions, when domestic demand stalls, as for example in the aftermath of the Covid-19 pandemic due to the crisis of the construction sector, the Chinese market is affected by oversupply ([58]).

3.1.4. *The consequence of Chinese overcapacity on prices*

(158) The complainant showed that the combined result of increasing CRF capacity and decreasing CRF demand was a decrease in prices of CRF in the PRC. In CNY, the price of cold-rolled carbon steel in the PRC decreased between 2022 and 2024 ([59]).

(159) Therefore, Chinese steel producers were forced to export their excess production at the low prices resulting from overcapacity ([60]).

(160) Indeed, overcapacity in China has caused a surge of exports and depression of steel prices world-wide, and hence destabilised global steel markets. As a consequence, measures, including trade defence investigations, against Chinese steel imports, continued to increase in recent years ([61]).

(161) The Commission collected evidence in this respect in the course of the investigation, notably through the questionnaire reply and the verification of the authorities of the countries concerned. Such evidence showed that also the countries concerned were aware of the harmful effects of Chinese overcapacity and many of them took measures to counter it, as explained in the relevant sections.

(162) While an analysis of the import volume and prices in each country concerned is included in the relevant sections, at this stage the Commission noted that, since Chinese domestic prices were affected by the overcapacity, Chinese import prices into the country concerned represented the externalisation of such Chinese overcapacity.

(163) More specifically, in its anti-dumping investigation on imports of CRF originating, inter alia, in the PRC ([62]), the Commission concluded that domestic sales prices of CRF in the PRC were affected by significant distortions within the meaning of Article 2(6a) of the basic Regulation ([63]).

(164) This conclusion was reached also based on the fact that '[t]he market of CRF [in the PRC] is served to a significant extent by enterprises which operate under the ownership, control or policy supervision or guidance of the PRC authorities' ([64]).

(165) With regard to the prices in the markets of the countries concerned, which would be depressed due to the pressure of Chinese prices affected by overcapacity, the complainant explained that they would be artificially low because the level of the Chinese import prices is not based on market considerations. According to the complainant, since companies are so profoundly subsidised, they can accumulate years of losses and not reduce capacity.

(166) The Commission, in the relevant sections below, reached a conclusion in this respect for each of the countries concerned, in view of the respective imports from the PRC and their level of prices.

([57]) GFSEC, *Steel exports, trade remedy actions and sources of excess capacity*, cit., p. 6.

([58]) Credendo, *China's ongoing construction crisis drives global steel prices down*, 28 August 2024, available at: https://credendo.com/en/knowledge-hub/steel-sector-global-steel-prices-under-pressure-amid-chinas-real-estate-downturn and CTECH, *The iron curtain falls: China steel exports surge amid domestic crisis*, 3 September 2024, https://www.calcalistech.com/ctechnews/article/sxv9qbfq2.

([59]) *Source*: Fastmarkets and Argus databases.

([60]) GFSEC, *Global excess capacity and employment in steel and downstream activities*, March 2025, p. 9, available at: https://www.steelforum.org/content/dam/steel-forum/en/publications/GFSEC-Employment_and-excess-capacity_31_jan_2025-(002)_250305_1015.pdf.

([61]) Commission staff working document on significant distortions in the economy of the People's Republic of China for the purposes of trade defence investigations, Section 14.6. Overcapacity, p. 408 et seq., available at https://ec.europa.eu/transparency/documents-register/detail?ref=SWD(2024)91&lang=en.

([62]) Last imposed by means of Implementing Regulation (EU) 2022/2068.

([63]) Implementing Regulation (EU) 2022/2068, recital (78).

([64]) Implementing Regulation (EU) 2022/2068, recital (62).

3.1.5. *The consequence of Chinese overcapacity on profits*

(167) The complainant explained that artificially low prices imply lower profits. In this respect, it reported evidence of the deteriorating profitability of Chinese steel producers in 2024 ([65]) and of the fact that domestic steel prices and Chinese export prices were lower than the cost of production ([66]).

(168) As a consequence of the entry of Chinese imports affected by overcapacity, according to the complainant, prices in the markets of the countries concerned would be pushed down and domestic steel producers could no longer sell the same volumes, thereby reducing capacity utilisation. As a result, fixed costs skyrocket, which further depresses profits. Ultimately, domestic producers would no longer be able to invest, becoming less innovative and less efficient ([67]).

(169) In conclusion, the complainant submitted that domestic steel producers outside the PRC achieved profits lower than the profits they would have achieved had the Chinese overcapacity not surged the way it did ([68]). The complainant also provided profitability data of CRF producers in the countries concerned. The findings of the investigation in this regard are presented in the relevant sections below.

(170) The Commission, in the relevant sections below, reached a conclusion in this respect for each of the countries concerned, in view of the respective imports from the PRC and their level of prices.

3.2. **India**

3.2.1. *Particular market situation due to the push-out effect caused by Chinese imports*

(171) In order to assess the existence of a PMS in the Indian market due to the push-out effect caused by Chinese imports of CRF, the Commission first analysed the degree of penetration of Chinese imports in the Indian domestic market for CRF in terms of volume.

(172) The Commission compared the volume of Chinese imports of CRF with India's consumption. The Commission relied on production data, import data and export data submitted by the GOI as part of the reply to the questionnaire and which the Commission had verified on spot. The Commission estimated the consumption of CRF in India as total production plus imports and minus exports.

Table 1

Consumption in India

	2022	2023	2024	Investigation period
Consumption in India (estimated) (tonnes)	18 322 098	19 390 835	21 708 857	21 178 934
All imports (tonnes)	537 448	509 192	525 511	440 782

([65]) The Economist, *Chinese overcapacity is crushing the global steel industry*, 17 September 2024, available at: https://www.economist.com/business/2024/09/17/chinese-overcapacity-is-crushing-the-global-steel-industry.

([66]) Fastmarkets, China's steelmaking losses incentivize global rebalancing, 23 June 2025, available at: https://www.fastmarkets.com/insights/chinas-steelmaking-losses-incentivize-global-rebalancing/ and GFSEC, *Global excess capacity and employment in steel and downstream activities*, cit., pp. 16-17.

([67]) GFSEC, *Global excess capacity and employment in steel and downstream activities*, cit., pp. 3, 5, 8 and 13, and GFSEC, *Impacts of global excess capacity on the health of GFSEC steel industries*, cit., pp. 11-12.

([68]) GFSEC, *Impacts of global excess capacity on the health of GFSEC steel industries*, cit., pp. 18-20, notably Figure 3.

	2022	2023	2024	Investigation period
Imports from China (tonnes)	17 681	23 269	63 775	52 992
Market share all imports (%)	2,93	2,63	2,42	2,08
Market share imports from China (%)	0,10	0,12	0,29	0,25

Source: Government of India, own calculations.

(173) Between 2022 and the investigation period, the market share of Chinese imports increased from 0,10 % to 0,25 %. On this basis, the Commission considered that the Chinese import volumes into India were insignificant in relation to consumption and too low to have caused a push-out effect.

(174) Therefore, the Commission concluded that the Indian domestic market was not affected by a particular market situation resulting from Chinese imports due to overcapacity in the steel sector in the PRC.

(175) Following the final disclosure, EUROFER asked the Commission to reconsider its findings summarised in recitals (171) to (174). The Commission noted that EUROFER did not submit any new information or evidence that would alter the Commission's assessment. Therefore, the Commission dismissed the claim and confirmed the findings and conclusions set out in recitals (171) to (174).

3.2.2. *Particular market situation due to measures on inputs*

3.2.2.1. Introduction

(176) The complainant alleged that there was a PMS pursuant to Article 2(3) of the basic Regulation on the Indian steel market. The allegations were made in relation to:

— iron ore including captive mining,

— coal including captive mining,

— steel scrap,

— vertical integration of Indian steel producers.

(177) The Commission investigated the allegations in the complaint and the comments received on initiation from JSW, the only sampled Indian exporting producer, which were summarised in recitals (58) to (66). The Commission also assessed the replies to the questionnaires submitted by GOI and by JSW, which had been verified on spot, as indicated in recital (103).

(178) On the basis of the replies to the questionnaires, verification visits and submissions received, the Commission dismissed the allegations in the complaint on the existence of a particular market situation regarding coal, steel scrap and vertical integration of Indian steel producers because there were insufficient elements on file confirming these allegations in the context of this investigation. By contrast, the Commission investigated whether the allegations in the complaint concerning iron ore, including captive mining, were well founded and whether there was a particular market situation affecting the domestic prices of CRF as a result.

3.2.2.2. Existence of distortions in the iron ore market

3.2.2.2.1. Introduction

(179) The Commission established in this investigation that HRF was the main input for producing CRF which required iron ore for its production. The Commission also established that, since JSW had a vertically integrated manufacturing process, the CRF produced from HRF had been produced using iron ore. Iron ore used in the production of HRF originated from one or several of the following three sources: i) domestic purchase of iron ore; ii) iron ore directly mined by the exporting producer and iii) imported iron ore.

(180) The Commission established that the following measures implemented by the GOI were artificially lowering the price of iron ore sourced domestically for the production of the product concerned:

— GOI interference in the domestic iron ore market;

— GOI induced distortions in captive mining of iron ore for steelmaking;

— Export tax on iron ore with an iron content above 58 %;

— Restrictions to domestic rail transport of iron ore aimed at exports.

(181) The Commission analysed each of these measures and their impact on the price of iron ore used for the production of CRF.

3.2.2.2.2. GOI interference in the domestic Indian iron ore market

(182) The Commission investigated the role of the GOI in the domestic iron ore market and the effects of the GOI legislation and policies on the supply and price of iron ore. The Commission noted that one of the objectives of the 2017 National Steel Policy ([69]), as officially communicated by the Government of India after approving it ([70]), was to make available ample supply of iron ore domestically for the benefit of the downstream production of steel, which therefore included CRF. The Commission analysed how these GOI policies affected the price formation of iron ore for domestic sales in the Indian market and how they impacted the domestic market structure and the supply of iron ore for the steel producers.

(183) The GOI explained, as confirmed by the 2016 Mineral Concession Rules ([71]), that the Indian Bureau of Mines (IBM), which was a subordinate office under the Ministry of Mines, published monthly benchmark prices for several minerals including all sales of iron ore, which comprised those used for the production of CRF. The GOI added that companies selling iron ore must report monthly to IBM the volume and value of iron ore sold to all their customers. The IBM collected all the data and published a benchmark price resulting from the weighted average of all the sales reports for each type and grade of iron ore for each relevant region in India.

(184) With regard to the market structure, two State Owned Enterprises ('SOEs'), namely the National Mineral Development Corporation ('NMDC') and the Odisha Mining Corporation '(OMC'), made up for a substantial share of all the iron ore sold on the Indian market. Iron ore mines in India are owned by the State which may in turn grant a concession to operators to exploit them. The Commission investigated how the pricing of these mining rights for the different companies worked, and whether the mechanism of collecting prices for all sales via the Indian Bureau of Mines ('IBM') ([72]) affected the domestic price of iron ore. The GOI explained that a reform in 2015 of the Law on Mines and Minerals Development and Regulation ([73]) required the State to grant exploitation rights of iron ore mines through auctioning. The GOI further indicated that NMDC and OMC were exploiting mines that had not been subject to auctioning as they had acquired their mining rights well before the 2015 reform had been implemented, thereby called 'legacy mines'.

([69]) https://static.investindia.gov.in/National%20Steel%20Policy.pdf.
([70]) https://www.pib.gov.in/newsite/PrintRelease.aspx?relid=161491&reg=3&lang=2.
([71]) https://ibm.gov.in/writereaddata/files/17714807906996a6d62cf4fMCR_2016_amended_upto_January_2026.pdf.
([72]) https://mines.gov.in/webportal/content/ibm.
([73]) https://www.pib.gov.in/newsite/printrelease.aspx?relid=114589&reg=48&lang=2.

(185) The Commission sought to gather all other relevant information concerning the legacy mines, including their ownership and management, the pricing and the conditions of their mining rights. The GOI submitted only very limited information and provided little clarification on the information sought by the Commission. In particular, the GOI did not submit the cost reports for NMDC and OMC despite repeated requests from the Commission, as well as detailed information regarding the remuneration, duration and conditions for legacy mines and hence the impact of their market dominance on the formation of domestic prices. The Commission sent a letter to the GOI based on Article 18(4) of the basic Regulation on 15 June 2026 detailing all the information missing and the intention to base its decision on facts available.

(186) The GOI replied on 25 June 2026 and claimed that it had cooperated fully with the investigation. Furthermore, the GOI alleged that if the Commission considered the information insufficient, it should have addressed it during the verification visit. Finally, the GOI submitted additional information on the issues raised in the Commission's letter.

(187) The Commission disagreed and considered that the information that the GOI had submitted prior to the Article 18(4) letter was insufficient to carry out its assessment. Furthermore, the Commission considered that the purpose of the verification visit was not to obtain information requested that was not submitted but instead to verify the information that had actually been submitted ([74]). As regards the additional substantive information submitted by the GOI, which had all been marked by the GOI as sensitive, the Commission did not consider that it changed its assessment and concluded that GOI should assess the Commission's findings following disclosure to establish if its comments were relevant and applicable.

(188) Pursuant to Article 18 of the basic Regulation, in light of the non-cooperation by the GOI, the Commission had to resort to facts available to draw conclusions on the price formation of domestic iron ore, namely with regard to the pricing and conditions for the mining rights under the system prior to 2015, their costs and prices of iron ore also as compared to the remaining market players other than the legacy mines, including JSW's own production of iron ore.

(189) On 31 July 2023 the Institute for Studies in Industrial Development ('ISID') as a part of the advocacy initiative of the Competition Commission of India published a study on competition in the mining sector with a focus on iron ore ([75]). The report confirmed that the two biggest players (NMDC and OMC) were largely the price makers of the IBM price and that the rest of the market players were price takers. The information submitted by GOI indicated that most of the mines operated by these two players were legacy mines. Furthermore, legacy mines operated by State companies such as NMDC and OMC had to pay 150 % of the royalty payable, that is, 22,5 % of the IBM price (150 % of 15 %). The Commission noted that this rate was significantly lower than the rates paid by JSW for the mines they were allocated after the year 2015 via auctioning. The Commission established on the basis of these sources that taking into account the significant market share and the low prices offered by the legacy mines, mainly due to the granting of mining rights by the GOI not subject to auctioning and the fact that these companies are owned and managed by the GOI, NMDC and OMC were the price makers of the IBM price and the other companies had to follow this price. The Commission concluded that, if NMDC and OMC had had to compete with other operators through auctioning for the right to exploit their legacy mines, these two companies would have had significantly higher costs and therefore would have had to sell at significantly higher prices to remain profitable.

(190) Following the final disclosure, the GOI claimed that the evidence used by the Commission to state that NMDC and OMC were the predominant suppliers and therefore the price setters of the IBM price was flawed. First, the GOI claimed that the data used in the ISID report was from two years before the IP and therefore the 65 % market share attributed to NMDC and OMC could not be used. Second, the GOI submitted data labelled as sensitive which it claimed proved that the market share of NMDC and OMC was substantially lower than 65 %. Third, the GOI noted that the ISID report stated that iron ore was a deregulated sector and that the government did not have a direct role in fixing iron ore prices.

([74]) See for instance Judgment of 22 September 2021, *Severstal v Commission*, T-753/16, ECLI:EU:T:2021:612, paragraph 122.
([75]) https://cci.gov.in/images/marketstudie/en/market-study-on-dynamics-of-competition-in-the-mining-sector-in-india-with-a-focus-on-iron-ore1704108440.pdf.

(191) The Commission could not verify some the sensitive data submitted by the GOI, since it did not contain sufficiently granular information, in particular, the breakdown showing which companies had been grouped under captive and which ones under non-captive. In any case, the Commission would still consider a combined share of around 45-50 % as significant. More importantly, the Commission considered that the market share was not the only parameter to establish that NMDC and OMC were price setters. In this investigation, the cost advantage that NMDC and OMC benefitted from, as explained in recital (193), was also a key element that allowed these companies to set iron ore prices. In addition, the Commission explained in recital (193) that certain domestic suppliers had an incentive to keep IBM prices low to lower the amount of taxes paid. Furthermore, the Commission noted that the statement in the ISID report quoted by the GOI indicated that the government did not have a 'direct' role in fixing iron ore prices which did not mean that the government did not have an indirect role through the mechanism it established for legacy and auctioned mines. In that regard, the Commission concluded in paragraph (198), after the analysis set out in recitals (182) to (197), that the government did interfere in iron ore prices. Therefore, the Commission rejected the claim.

(192) Following the final disclosure, the GOI submitted information labelled as sensitive to claim that the legacy lease terms did not result in below-market sale prices.

(193) The Commission noted that information available on file, which was of a sensitive nature, showed, as stated in recital (189), that legacy mines paid significantly lower royalties than JSW for the mines that they had been allocated after the year 2015 via auctioning. Therefore, the Commission dismissed the claim. The Commission confirmed these findings on the basis of additional elements contained in the file. First, the data provided by JSW and verified by the Commission confirm the finding that IBM prices were artificially low. Due to confidentiality reasons, the Commission's reasoning was disclosed specifically to JSW. Second, since levies such as concession rights and royalties were pegged to the IBM price, the pricing mechanism contained an inherent incentive for all domestic suppliers of iron ore to conform their prices to the IBM price (and therefore that of legacy mines) to minimise the amount paid in levies such as royalties and concession rights, thereby keeping the price of domestic iron ore artificially low.

(194) In addition, the Controller and Auditor General of India of the Government of Odisha, which is an Indian public body, recommended in 2024 to the GOI, following an audit ([76]), to investigate the reporting of low ex-mine prices by lessees, to ascertain whether this was being done deliberately in order to reduce the average sale price and, consequently, the royalty and premium payable.

(195) Following the final disclosure, the GOI claimed that the 2024 report referred to in recital (194) did not establish underpricing. First, the report was limited to six audited lessees. Second, even if the lessees had under-reported prices, it would not prove that the IBM price was underpriced. Third, the report covered the period from 2020-2022 and was therefore not relevant for the IP. Fourth, the GOI claimed that the government has since taken measures aimed at preventing misreporting.

(196) The Commission noted that it had further sensitive evidence on file as regards the interest of market players to keep a low IBM price. Regarding the report, first, it confirmed the reason why companies had an interest in keeping IBM prices low and, second, it provided actual examples of this practice. Since the functioning of the IBM price mechanism and its role to serve as an index for paying taxes has not changed, the Commission did not consider it relevant that the examples had occurred before the IP. The Commission also noted that the GOI did not submit evidence on the actual changes introduced by the GOI to reduce the under-reporting practice or an evaluation that the changes had been effective. Therefore, the Commission dismissed the claim.

(197) Finally, the Commission noted two additional indicators showing that GOI policies were delivering on its objective to make iron ore domestically available for steel making including CRF. First, import quantities were negligible. Second, despite India being the fourth largest producer of iron ore in the world, the exported quantities were very small compared to the production quantities.

([76]) https://cag.gov.in/uploads/download_audit_report/2022/table-of-content-066e1a12e51fa23.81224720.pdf.

(198) On the basis of all this information, as well as considering the other GOI measures on iron ore detailed in this section, the Commission therefore concluded that: (i) the GOI interference in the domestic iron ore market created a structure where the State-owned legacy mines were the predominant suppliers and hence the price setters; (ii) these legacy mines obtained their mining rights before the 2015 reform, and in the absence of GOI cooperation it was inferred that given their State ownership and that there was no auctioning at the time, their mining rights were granted at very favourable non-market conditions, allowing them to set the iron ore price at a much lower level than their competitors rather than at a fair market value; (iii) the mechanism of the IBM price implemented by GOI, which is used as an index for certain fees and taxes, led to an artificially low price for all types and grades of iron ore including for the iron ore supplied to JSW for the production of CRF.

3.2.2.2.3. The iron ore captive market in steelmaking

(199) JSW owned the rights from the GOI to exploit some iron ore mines. Due to confidentiality reasons, additional details were disclosed specifically to JSW.

(200) The Commission investigated whether the conditions and pricing for the mines used by JSW captively for the production of CRF were distorted as a result of GOI policies. The Commission established that the 2015 reform of the Mining Law referred to in recital (184) introduced the requirement for State governments to auction the allocation of mining rights of minerals, including iron ore. Pursuant to rule 6 of the Mineral (Auction) rules from 2015 ([77]), applicants must meet the requirements in Section 5 of the Mines and Minerals Law ([78]) which stated that a State Government could not grant a mineral concession unless the person was an Indian national or company. Therefore, by excluding foreign companies from the bidding process, the Commission did not consider the bidding process genuinely open as it was restricted to a limited number of potential domestic market players and excluded all the foreign iron ore operators that could potentially submit more competitive bids than domestic operators.

(201) Following the final disclosure, the GOI claimed that the Commission had failed to demonstrate that excluding non-Indian bidders from concessions resulted in the distortion of iron ore captively sold.

(202) The Commission considered that reducing the pool of eligible bidders effectively reduced competition and therefore prevented the possibility of receiving higher bids from non-Indian participants, a point that the GOI did not contest. The Commission considered this as a distortion and considered it irrelevant to speculate how the prices would have been if non-Indian bidders would have been allowed to participate. Therefore, the Commission dismissed the claim.

(203) Furthermore, the Commission analysed the pricing conditions of the mining rights granted to JSW. Since the bidding rate for the mining rights and consequently the actual price for the mining rights is pegged to the IBM price, the ensuing royalties paid on the iron ore mined are directly affected by the IBM price level. As a result, the distortions stemming from GOI's interventions in the domestic market of iron ore detailed in section 3.2.2.2.2 also directly affected the pricing of JSW's iron ore mining rights. On this basis, the Commission concluded that the price for the iron ore extracted by JSW was also distorted.

(204) On the basis of the legislative restrictions to grant mining rights according to the Mines and Minerals Law referred to in recital (200), as well as of the link between the royalties and concession rights granted to JSW with the distorted IBM price formation, the Commission concluded that also the iron ore captively sourced by JSW was affected by distortions on the Indian market.

([77]) https://mines.gov.in/admin/download/69d601f1b7d3e1775632881.pdf.
([78]) https://www.indiacode.nic.in/bitstream/123456789/19380/1/mmdr_act%2C1957.pdf.

3.2.2.2.4. Export tax on iron ore with an iron content above 58 %

(205) In addition to the distortions concerning the price formation and the captive mining applicable to all grades of iron ore used by JSW, the GOI has had in place at least since 2012 and including the IP, an export tax on iron ore with iron content above 58 %. Due to confidentiality reasons, additional details on the use of that grade by the cooperating exporting producer were disclosed specifically to JSW.

(206) During the IP the measure was in force pursuant to Notification No. 58/2022-Customs ([79]) for iron ore with an iron content above 58 %. The Commission had already assessed this measure in the 2022 expiry review investigation concerning imports of tubes and pipes of ductile cast iron from India ([80]) ('ductile pipes') where it had concluded in recital (147) that the measure entrusted or directed the domestic iron ore mining companies to sell iron ore locally at a cheap price. The Commission also concluded that the measure had achieved the desired policy effect to depress the domestic price of iron ore to an artificially low level to the advantage of the downstream industry including the producers of the product concerned, thereby distorting the domestic market of iron ore in India. In those decisions, the Commission took into account an overwhelming body of evidence, including the preparatory works of the relevant legislation and regulation, the proactive monitoring of the implementation of the measure by the GOI to ensure that the intended policy objective was accomplished, as well as the clear economic effects created by this restriction, leading to a clear domestic price decrease at the time of introduction of the export tax also reflecting its level.

(207) Following the final disclosure, the GOI claimed that the export tax was applicable only to iron ore with an iron content above 58 %, which is one out of the seven grades tracked under the IBM pricing system and that the Commission did not have information on the iron ore grades procured by JSW. Furthermore, the GOI claimed that the Commission's finding that the measure achieved the desired policy effect corresponded to a previous investigation related to a different product and different IP and therefore that it could not be used. The GOI further claimed that the substantial export volumes recorded in the IP contradicted the Commission's findings.

(208) The Commission noted that the sensitive information on file included sufficiently granular data on the iron ore grades procured by JSW to carry out the analysis. The Commission also considered that since the finding related to the same export tax related to the same grade of iron ore and which had not changed since the previous investigation, such finding remained valid. As regards the volumes of exports, the Commission found this claim irrelevant since an export tax is by nature an export restriction. In any case, as noted in recital (197), the overall volume of iron ore exports was very small compared with the production level, noting that, as indicated in page xi of the ISID report, India was among the world's largest producers of iron ore. Therefore, the Commission dismissed the claim.

3.2.2.2.5. Restrictions to transport iron ore aimed at exports

(209) The GOI adopted in 2021 the so-called 'Iron Ore Policy from 2021' ([81]). The stated aim of the measure was to promote domestic manufacturing of steel as stated in the first paragraph of its introduction. To that end, the policy set out four categories of customers ranked according to the priority to get allocated wagons for transporting iron ore. The customers that comprised exports of iron ore were placed in the fourth category of customers, that is, the category with the lowest priority. This measure created a clear bias in favour of domestic supply of iron ore, in line with the overarching GOI policies to provide an ample supply of iron ore at cheap prices for domestic downstream producers. Iron ore producers willing to export iron ore face an additional hurdle from this measure if they would consider exporting rather than supplying domestically the iron ore. This is also confirmed by the very low level of iron ore exports from India. A report published in January 2026 by the

([79]) https://taxinformation.cbic.gov.in/view-pdf/1009553/ENG/Notifications?utm=.

([80]) Commission Implementing Regulation (EU) 2022/927 of 15 June 2022 imposing a definitive countervailing duty on imports of tubes and pipes of ductile cast iron (also known as spheroidal graphite cast iron) originating in India following an expiry review pursuant to Article 18 of Regulation (EU) 2016/1037 of the European Parliament and of the Council (OJ L 161, 16.6.2022, p. 28, ELI: http://data.europa.eu/eli/reg_impl/2022/927/oj).

([81]) Communication from the Indian Ministry of Railways No 2020/TT-III/32/4 dated on 15 January 2021.

Indian Ministry of Ports, Shipping and Waterways ([82]) flagged this restriction as the first issue that needed to be addressed for increasing the shipping of iron ore. The report called in its Table 18 to address the rake shortfall for the evacuation of iron ore from mines to Ports under Category D allotment by the Ministry of Railways. The report concluded that this constraint results in residual and uncertain rake allocation, particularly during periods of high demand from higher-priority commodities, leading to systemic delays in rake placement for iron ore evacuation to ports. The report gives as an example the Paradip Port which has a handling capacity of 18 rakes per day for iron ore, but rake supply averaged only 3,83 rakes/day in the financial year 2022–2023 and 4,09 rakes/day in the financial year 2023–2024.

(210) The Commission had also assessed this measure in the ductile pipes investigation and had noted in recital (151) that it prioritised the domestic transport of iron ore over the transport of iron ore for export. The Commission also noted that the purpose of the policy was to promote the domestic manufacturing of steel. The Commission therefore considered that the policy constituted a measure in favour of the domestic steel industry showing its objective to lower the price of iron ore.

(211) Following the final disclosure, the GOI claimed that the measure did not regulate prices and that allocating a lower priority to export cargoes did not demonstrate that domestic iron ore prices were distorted. The GOI added that the Commission had failed to demonstrate a causal link between the measures and the investigated producers. Furthermore, the GOI claimed that the statistics referred to by the Commission suggested a constraint limited to a specific port and which did not serve to establish a causal link with the investigated exporting producer.

(212) The Commission considered the claim that the measure did not regulate prices directly as irrelevant. The Commission considered that a measure that prioritised the transport of domestic iron ore over exports of iron ore was an export restriction effectively aimed at favouring the domestic steel industry, including the investigated exporting producer. Furthermore, in recitals (216) to (219), the Commission quantified the resulting benefit for the investigated exporting producer of all the measures listed in recital (180). The Commission noted that objective of the reported statistics was to provide an actual example of how the measure was indeed hampering the exports of iron ore and therefore that the measure contributed to distorting iron ore prices as concluded in recital (213). Therefore, the Commission dismissed the claim.

3.2.2.2.6. Conclusion

(213) The Commission concluded that all the above measures implemented by the GOI resulted in a stable iron ore supply at distorted prices for the benefit of domestic steel producers in India.

3.2.2.3. Existence of a Particular Market Situation affecting domestic CRF Prices

(214) The Commission assessed whether the identified measures in Section 3.2.2.2 enacted by the GOI and which resulted in artificially low input costs of iron ore for the domestic steel producers constituted a PMS affecting the domestic prices of CRF according to Article 2(3) of the basic Regulation. For this purpose, the Commission considered how these measures had an impact on the costs of producing CRF in India.

(215) The Commission analysed whether the domestic iron ore prices in the Indian market were indeed lower than undistorted market prices not affected by these distortions. The Commission based its analysis on the data collected from JSW given that it was the *de facto* sole exporting producer of the product under investigation and it also represented a substantial share of the domestic production and sales of CRF. The Commission checked that the JSW domestic prices paid to purchase iron ore used in the CRF production were in line with the relevant IBM published prices. As the IBM price mechanism ensured that all domestic sales prices of iron ore were substantially aligned to this price, including the purchases by JSW, the Commission focused its detailed price analysis on the JSW data.

([82]) https://dgma.gov.in/download/1769691524_697b598415456_coastal-committee-report-final-jan2026.pdf.

(216) To check the impact of the distortions brought by the GOI measures on the domestic iron ore prices, the Commission considered a benchmark that could be used to represent undistorted prices of iron ore in normal market conditions in the domestic market. The Commission carried out the assessment for JSW.

(217) The cost of iron ore for JSW is the weighted cost of the relevant three sources for iron ore indicated in recital (179). For the reasons provided in recitals (182) to (198) the Commission considered that all the domestic prices of iron ore were affected by the said distortions and thus there existed no suitable undistorted domestic prices to compare the effect of the GOI policies as the four main sources of distortions affected all iron ore sold domestically. Therefore, the Commission had to compare the iron ore domestic prices paid by JSW and the IBM prices with a benchmark as representative and close as possible to an otherwise undistorted domestic price. Since, as explained in recitals (199) to (204), the Commission had also concluded that the captively sourced iron ore was distorted, the Commission had to compare the captively sourced iron ore costs with the same representative benchmark.

(218) In this light, the Commission considered, as appropriate benchmark, the export price of Indian iron ore to all destinations. Given the limited exports of iron ore due to all the policies enacted by the GOI, the Commission relied on export prices of iron ore with two different groups of representative iron content and constructed the benchmark price for all other iron ore grades on the basis of the differences in domestic price of each grade. This comparison showed significantly lower domestic prices of iron ore and captively sourced iron ore costs for the corresponding grades in India. The adjusted iron ore price, comprised of the weighted averages of the prices or costs of iron from the domestic sources, was also significantly higher than the unadjusted iron ore price.

(219) Due to confidentiality reasons, additional details concerning the share of iron ore sources in the production of CRF were disclosed specifically to JSW. Using the adjusted iron ore cost and taking into account the share of iron ore costs into the total cost of producing CRF, the Commission estimated that the cost of CRF would have been higher in the absence of the artificially low iron ore costs, and therefore that there is a particular market situation affecting the prices of the CRF in the domestic market affecting JSW. This conclusion also took into account the domestic structure of the CRF market, where there are a few dominant producers of CRF and very few imports. Therefore, the low iron ore prices must have had an immediate direct effect on lowering the domestic CRF prices for these few predominant market suppliers of CRF, confirming the existence of a particular market situation within the meaning of Article 2(3) of the basic Regulation.

(220) Following the final disclosure, the GOI claimed that the Commission had not demonstrated why the IBM price was unreliable and why it could not be a good price benchmark. The GOI added that the Commission had not demonstrated why the differences between the IBM price and the benchmark chosen by the Commission were due to a domestic distortion as the GOI claimed that the differences could be due to differences between the domestic and export markets such as that they involved different markets, points of sales and competitive conditions. Furthermore, the GOI claimed that since the Commission did not prove that the measures listed in recital (180) had caused price distortions, it did not prove that they had a cumulative effect to distort the domestic price of iron ore. The GOI also alleged that the Commission did not prove that a concentrated market structure of CRF and low imports was caused by the said iron ore measures or that those measures resulted in lower CRF prices. For all these reasons, the GOI concluded claiming that the Commission did not have sufficient evidence to find a PMS.

(221) The Commission noted that it had demonstrated in recitals (182) to (198) why the IBM price was distorted, and therefore unreliable, and has proposed in recital (218) an undistorted benchmark. The GOI did not explain how the alleged factors could have explained the difference between the IBM price and the benchmark. In that regard, the Commission noted that in competitive markets, that is, undistorted markets, the domestic price and the export price would tend to converge. Furthermore, the Commission noted that the GOI did not submit alternative benchmarks to the one proposed by the Commission. The Commission considered for the reasons provided in recitals (182) to (213) that the measures identified in recital (180) had distorted iron ore domestic prices and the Commission also quantified in recitals (218) to (219) the distortion by comparing it to an undistorted benchmark, noting that the actual figure was confidential but had been disclosed to the investigated exporting producer. The Commission therefore considered that it had provided sufficient evidence and arguments to justify the existence of a PMS. Therefore, the Commission dismissed the claim.

(222) Following the final disclosure, the GOI claimed that two elements proved that the domestic iron ore market was market-based. First, that most of the production originated in non-captive, commercial mines and second, that the financial statements of NMDC and OMC showed that they were profitable. The GOI further claimed that the Commission had not found in a previous investigation regarding HRF any iron ore price distortion that would lead to establish a PMS and therefore the GOI claimed that it was not possible to establish a PMS for CRF, which was a downstream product of HRF. Finally, the GOI claimed that the Commission should have used the actual iron ore procurement costs incurred by JSW to analyse iron ore prices.

(223) The Commission had set out in recitals (182) to (204) how NMDC and OMC were price setters of the IBM price. The Commission did not consider that the two elements claimed by the GOI were relevant to disproof the distortion. On the first element, the Commission had already referred in recital (182) to the market shares. On the second element, the Commission considered that being profitable does not prevent the ability to be a price setter. Furthermore, the Commission noted that the findings in this investigation stemmed from the substantial data and information gathered for the purpose of this investigation and did not consider relevant comparing the findings from other investigations. Finally, the Commission had already explained and quantified in recitals (218) to (219) the distortion in domestic iron prices and explained in recitals (233) to (234) why it had to adjust the normal value. Therefore, the Commission dismissed the claim.

3.2.2.3.1. Conclusion

(224) In view of the above, the Commission concluded that a Particular Market Situation affecting domestic CRF Prices existed in India.

3.2.2.4. Proper comparison

(225) The Commission assessed if a proper comparison within the meaning of Article 2(3) of the basic Regulation could be made between the normal value and the export price of JSW because of the existence of the particular market situation. To that end, the Commission assessed the relative effect of the PMS on domestic and export sales.

(226) The Commission found that the conditions of competition in India and in the Union were significantly different.

(227) As indicated in Table 1, the Indian CRF market, with an estimated consumption of 21 178 934 tonnes, was dominated by Indian producers with imports amounting to only around 2 %. This low level of imports had been observed for at least three years according to the information on file. The Commission therefore noted that the Indian CRF market is characterised by an insignificant level of imports. In this market, all the Indian producers benefit from the existence of the particular market situation, artificially lowering their costs. On this basis, the Commission concluded that there is a significant impact of the particular market situation on the domestic prices of CRF.

(228) By contrast, the Union CRF market is characterised by a mix of Union producers and imports from several countries as indicated in sections 4.1, 4.4 and 5.2. Therefore, the potential impact of the existence of the particular market situation on the export price to the Union would in any event be significantly attenuated by the existence of a series of other factors leading to the formation of such export prices. These factors include *inter alia* competition from Union producers which do not benefit from a similar particular market situation on the supply of iron ore, the fact that there is only one Indian exporting producer rather than more Indian companies on the EU market or the existence of all other exporting producers from the investigated countries as well as from other countries.

(229) On the basis of all of the above elements, the Commission concluded that the particular market situation affected differently the domestic prices as compared to the export prices. Therefore, the PMS did not allow for a proper comparison between the domestic Indian prices and the export prices according to Article 2(3) of the basic Regulation.

(230) Following the final disclosure, JSW and the GOI claimed that the Commission had failed to demonstrate that the alleged PMS had affected the domestic and export prices differently and therefore, that it would not allow a proper comparison. JSW claimed that it had the same cost of production regardless of whether the product concerned had been sold in the domestic market or had been exported. Furthermore, JSW and the GOI claimed that the Commission had not explained sufficiently how the factors listed in recitals (227) and (228) had interplayed with the PMS to render the comparison of the domestic and export prices impossible. The GOI also claimed that the Commission's finding was based on an 'unevidenced' prediction that export prices would be depressed rather than on a grounded finding and that the Commission had not identified the magnitude of the alleged differential effect. The GOI further claimed that if a generic difference in the market structure was sufficient, the second limb of Article 2(3) of the basic Regulation would be satisfied automatically, which the GOI did not consider as sufficient. Furthermore, JSW claimed that the Commission's reasoning was contradictory since less competition on the Indian market should have led to higher prices and more competition in the EU market should have led to lower prices regardless of how costs were structured. JSW added that this finding would be in line with JSW dumping margin without a PMS adjustment.

(231) The Commission disagreed that it had failed to demonstrate that the PMS had affected differently the domestic and export prices. The Commission noted that regardless of whether the costs of manufacturing were the same for products sold domestically or for export, the Commission had reasoned in recitals (227) to (229) how the PMS found in India did not permit a proper comparison due the different relative prevailing conditions of competition in India and the EU. In that regard, the panel report in DS529 considered that the conditions of competition were a factor that affected domestic and import prices differently ([83]).

(232) Concretely, while in India price formation was affected by the PMS found because it benefitted domestic producers and there is almost no competition from foreign producers, in the Union the PMS had a very different impact (if at all) due to the fact that the prevailing conditions of competition, and consequently price formation, are the result of supply by producers from many countries that did not benefit from such measures creating a PMS. Such conclusions were grounded on the factual circumstances established in this investigation as explained in recitals (227) and (228) and JSW did not provide any evidence to the contrary. The Commission considered sufficient, under Article 2(3) of the basic Regulation to establish that the PMS found had an impact on the price formation of domestic sales, whereas given the different prevailing market conditions and hence formation of prices in the EU it resulted in a different impact (if at all) that did not allow domestic and export prices to be properly compared. Furthermore, the Commission did not consider relevant JSW's claim on the relation of the degree of competition with the level of prices in the context of the comparison between domestic prices and EU prices, because it only referred to prices within India on the one hand and to prices within the EU on the other hand. Therefore, the Commission confirmed the findings and conclusions set out in recitals (225) to (229).

3.2.3. *Normal value*

(233) As set out in recitals (179) to (229) regarding the existence of a particular market situation in the CRF market in India, the Commission noted that all domestic sales of JSW were affected because the set of measures implemented by the GOI resulted in an artificially low cost of iron ore necessary for all the production of CRF. As a consequence, the Commission constructed the normal value on the basis of the cost of production in the country of origin plus a reasonable amount for selling, general and administrative costs and for profits in accordance with Article 2(3) of the basic Regulation.

(234) Pursuant to Article 2(5) of the basic Regulation, all the costs, as recorded by JSW, were used in the construction of normal value, with the exception of iron ore sourced domestically. For these iron ore costs, the Commission relied on the representative undistorted iron ore prices as described in recitals (216) to (219). With regard to SG & A expenses, the Commission used the overall verified SG & A expenses as reported by JSW on domestic sales for the product concerned. As for profits, the Commission used a reasonable profit margin based on the sales by JSW of the different CRF product types on its domestic market.

([83]) Panel Report, *Australia – Anti-Dumping Measures on Paper*, WT/DS529/R, paragraph 7.80.

(235) Following the final disclosure, JSW claimed that WTO Panels and the Appellate Body had found that Article 2.2.1.1 of the WTO Agreement did not allow cost adjustments such as the one made by the Commission. Furthermore, JSW disagreed with the method used by the Commission to establish a reasonable profit margin. In particular, JSW claimed that, since the Commission had no evidence that JSW had the ability to reflect the cost increase in its domestic prices, it should have calculated the profit on the basis of the sales that would be in the ordinary cost of trade using the increased cost of manufacturing resulting from the PMS in line with previous investigations where the Commission disregarded costs of production on the basis of Article 2(5) of the basic Regulation. Finally, JSW claimed that in quantifying the PMS, the Commission should not have introduced an export tax correction since it had led to a constructed price inconsistent with the international market price.

(236) The Commission noted that JSW failed to explain in what way the methodology used by the Commission was not in line with WTO law. The interpretation that seems to be suggested by JSW would deprive Article 2(3) of the Basic Regulation, and Article 2.2 of the WTO ADA of any meaning. The Commission recalls that in DS529 ([84]), the panel expressly recognized that a particular market situation can derive from low-priced inputs. Therefore, Article 2(5) of the basic Regulation (and 2.2.1.1 of the WTO ADA) cannot be read as depriving an investigating authority from any remedy to address such cost-based particular market situation. It is self-evident that in cases of cost-based PMS, the cost affected by the PMS needs to be replaced. In this regard, the Commission also recalls that in the panel report in DS529 ([85]), mentioned by JSW, the panel clearly stated that there can be 'compelling reasons' other than those specifically mentioned under Article 2.2.1.1 WTO ADA that allow an investigating authority not to use the cost in the records kept by the exporting producer. The existence of a cost-based PMS clearly represents such a 'compelling reason'.

(237) On the method to obtain a reasonable profit following Article 2(3) of the basic Regulation because of the existence of a PMS, the Commission constructed the normal value as indicated in recital (233), on the basis of the cost of production in the country of origin plus a reasonable amount for selling, general and administrative costs and for profits. The Commission considered that basing that profit on all transactions made in the ordinary course of trade using the data submitted by JSW by product type resulted in a reasonable profit meeting all the requisites of Article 2(6). JSW did not provide any evidence why such method would not be reasonable as required by Article 2(6)(c) of the basic Regulation. Indeed, given that the measures analysed in the investigation benefitted all the domestic CRF industry in India as concluded in recital (213) and the domestic structure of the Indian CRF market, where there are a few dominant producers of CRF and very few imports, the method used by the Commission adequately resulted in a profit that did not exceed the profit normally realised by other exporters or producers on sales of products of the same general category in the domestic market of the country of origin.

(238) As regards the adjustment due to the export tax, the Commission noted that it had only applied the export tax to iron ore grades above 58 %. The Commission also noted that JSW did not contest that those grades were indeed subject to such export tax. Therefore, even if there was a difference between the Indian iron ore of grades above 58 % and the iron ore originating from other countries, this must have been caused by reasons other than the export tax.

3.2.4. *Export price*

(239) The sampled exporting producer exported to the Union directly to independent customers. Therefore, the export price was the price actually paid or payable for the product concerned when sold for export to the Union, in accordance with Article 2(8) of the basic Regulation.

([84]) Panel Report, *Australia – Anti-Dumping Measures on Paper*, WT/DS529/R, paragraph. 7.81.
([85]) Panel Report, *Australia – Anti-Dumping Measures on Paper*, WT/DS529/R, paragraph 7.117.

3.2.5. *Comparison*

(240) Article 2(10) of the basic Regulation requires the Commission to make a fair comparison between the normal value and the export price at the same level of trade and to make allowances for differences in factors which affect prices and price comparability. In the case at hand the Commission chose to compare the normal value and the export price of the sampled exporting producers at the *ex-works* level of trade. As further explained below, where appropriate, the normal value and the export price were adjusted in order to: (i) net them back to the *ex-works* level; and (ii) make allowances for differences in factors which were claimed, and demonstrated, to affect prices and price comparability.

3.2.5.1. Adjustments made to the normal value

(241) As explained in recital (234), the normal value was established at the ex-works level of trade by using costs of production together with amounts for SG & A expenses and for profit, which were considered to be reasonable for that level of trade. Therefore, no adjustments were necessary to net the normal value back to the ex-works level. The Commission found no reasons for making any allowances to the normal value, nor were such allowances claimed by any of the sampled exporting producers.

3.2.5.2. Adjustments made to the export price

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

(243) Allowances were made for the following factors affecting prices and price comparability: packing, bank charges, commissions and credit costs.

3.2.6. *Dumping margins*

(244) For the sampled cooperating exporting producer, the Commission compared the weighted average normal value of each type of the like product with the weighted average export price of the corresponding type of the product concerned, in accordance with Article 2(11) and (12) of the basic Regulation. On this basis, the definitive dumping margin expressed as a percentage of the CIF Union frontier price, duty unpaid, is 9,5 %.

(245) Following the final disclosure, JSW claimed that the CIF price for sales carried out through unrelated traders should be increased to account for the profit and SG & A costs of those companies. JSW added that the Commission has followed that approach in previous investigations.

(246) The Commission noted that JSW did not submit any evidence regarding the CIF Union frontier price applicable for transactions involving unrelated traders. Furthermore, the Commission considered that each investigation is case specific and that the findings and conclusions reached in this investigation were based on the actual data and information collected and verified. Therefore, the Commission dismissed the claim.

(247) For the cooperating exporting producers outside the sample, the Commission calculated the weighted average dumping margin, in accordance with Article 9(6) of the basic Regulation. Therefore, that margin was established on the basis of the margin of the sampled exporting producer. On this basis, the definitive dumping margin of the cooperating exporting producers outside the sample is 9,5 %.

(248) For all other exporting producers in India, the Commission established the dumping margin on the basis of the facts available, in accordance with Article 18 of the basic Regulation. To this end, the Commission determined the level of cooperation of the exporting producers. The level of cooperation is the volume of exports of the cooperating exporting producers to the Union expressed as proportion of the total imports from the country concerned to the Union in the IP, that were established on the basis of Eurostat.

(249) The level of cooperation in this case is high because the exports of the cooperating exporting producers constituted around 100 % of the total imports during the IP. On this basis, the Commission decided to establish the dumping margin for non-cooperating exporting producers at the level of the cooperating sampled company.

(250) The definitive dumping margins, expressed as a percentage of the CIF Union frontier price, duty unpaid, are as follows:

Company	Definitive dumping margin (%)
— JSW Steel Limited — JSW Steel Coated Products Limited	9,5
Other cooperating companies	9,5
All other imports originating in country concerned	9,5

3.3. **Japan**

3.3.1. *Related companies and arm's length*

(251) After the sampling decision, since the Commission had deemed them to be related in the *HRF* investigation ([86]), Nippon Steel claimed for the purposes of this investigation that it was not related to the trader Marubeni-Itochu Steel Inc. ('MISI'), a company involved both in domestic and in export sales of the product concerned manufactured by Nippon Steel. In this respect, Nippon Steel recalled the criteria to identify related parties included in Article 127(1) of Commission Implementing Regulation (EU) 2015/2447 ([87]) ('UCC Implementing Act') and provided details on the corporate links between the two companies. Based on this, Nippon Steel claimed that the simple fact that Nippon Steel held shares in a third entity in parallel to MISI was insufficient to conclude that MISI was related to Nippon Steel. In support, Nippon Steel recalled that in the anti-subsidy investigation on new battery electric vehicles for passengers originating in the PRC ([88]), the Commission did not treat the SAIC Group and China FAW Corporation Limited as being related despite the fact that they had joint ventures with Volkswagen, as it would be clear from the annex to the definitive regulation in that investigation ([89]), and, similarly, the Commission did not treat as related the producers who had joint ventures with battery producer CATL.

(252) The Commission, based on the details provided, considered that there was a relationship between Nippon Steel and MISI, based on a joint ownership of a third entity that the companies controlled together pursuant to Article 127(1)(g) of the UCC Implementing Act and which established their legally recognised business partnership pursuant to Article 127(1)(b) of the UCC Implementing Act. In this respect, at the outset the Commission noted that Nippon Steel itself, in the anti-dumping investigation on certain hot-rolled flat steel products from Japan, declared on its own motion MISI as a related entity precisely because of the fact that Nippon Steel and MISI together held almost 100 % of the shares of this third entity ([90]). In any case, based on the documents provided by Nippon Steel in the current investigation, the situation was the same during the investigation period, when Nippon Steel and MISI had the powers to appoint almost all directors, including the president. The Commission further noted in respect of its findings in the anti-subsidy investigation on battery electric vehicles from the PRC, that it is evident from the operative part and the annex to Implementing

([86]) Implementing Regulation (EU) 2025/1919, recital (99).
([87]) Commission Implementing Regulation (EU) 2015/2447 of 24 November 2015 laying down detailed rules for implementing certain provisions of Regulation (EU) No 952/2013 of the European Parliament and of the Council laying down the Union Customs Code (OJ L 343, 29.12.2015, p. 558, ELI: http://data.europa.eu/eli/reg_impl/2015/2447/oj).
([88]) 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).
([89]) *Ibidem*.
([90]) Implementing Regulation (EU) 2025/1919, recital (84) and footnote 11.

Regulation (EU) 2024/2754 that SAIC Group and China FAW Corporation Limited had different joint ventures with Volkswagen. On the contrary, the situation in the present case is the joint ownership of the same third entity, that MISI and Nippon Steel control together. Besides, the Commission considered a producer as related to CATL ([91]). Regardless, any determination of a relationship between parties should be based on the facts and circumstances of each case. The case on battery electric vehicles from the PRC concerned an anti-subsidy investigation, with specific facts and circumstances that were taken into account. The current investigation, on the other hand, is an anti-dumping investigation concerning a different country, economic reality, product/sector, and different facts and circumstances. Therefore, the Commission dismissed this claim.

(253) Furthermore, Nippon Steel claimed that it was not MISI's legally recognised partner in business due to the shareholding in a third entity, because the Court of Justice in *Baltic Master* ([92]) required for this qualification that the national provisions concerning recognised partners were satisfied, and MISI and Nippon Steel did not enter such agreement (so-called *kumiai*) under Japanese law.

(254) However, the Commission noted that Nippon Steel and MISI together jointly directly owned almost 100 % of the shares of a third entity. Regardless of the legal definition of related companies in Japan under Japanese law, under the referred Article 127 of the UCC Implementing Act, the provision normally applied for establishing relationship in trade defence investigations in the Union, those parties are considered legally recognised partners in business under Article 127(1)(b) of the UCC Implementing Act as joint owners of a third business under Japanese law and therefore related parties. Therefore, the Commission dismissed this claim.

(255) In addition, Nippon Steel claimed that it was not in a position to exercise constraint or direction over MISI, because the size of the joint entities was minor as compared to Nippon Steel and MISI.

(256) The Commission noted that Article 127 of the UCC Implementing Act does not mention any requirement in relation to the relative size of the controlled third entity compared to the controlling entities. Thus, even if the third entity is smaller in terms of revenues and personnel, the relationship can still be established pursuant to Article 127(1)(g) of the UCC Implementing Act. Therefore, the Commission dismissed this claim.

(257) In any event, Nippon Steel claimed that, should the Commission decide to maintain its position that MISI is a related party of Nippon Steel, it should acknowledge that the sales between Nippon Steel and MISI take place on arm's length terms and should treat sales to these entities in a manner akin to Nippon Steel's sales to unrelated parties. In support, Nippon Steel brought sensitive elements concerning the framework agreements between Nippon Steel and its traders, the sales process and MISI's purchases of the product concerned.

(258) At the outset, the Commission acknowledged that the framework agreements with related entities that were provided to the Commission were similar in terms of content and conditions. However, none of the framework agreements specified how the final prices were set, how commissions were paid or other details relevant for the determination of arm's length transactions.

(259) Moreover, by the company's own assertions in its submission and based on the verifications, the price negotiations for sales to final customers involving related traders in practice took place either through the trader or directly with the customer, meaning the trader's influence in these negotiations was limited to acting as an intermediary. The final price was therefore mainly determined either by the final customer's acceptance of Nippon Steel's offer, or by Nippon Steel's acceptance of the final customer's counteroffer. In view of the limited (if any) influence of the related trader on the price setting, the price between related entities was considered unreliable.

([91]) Implementing Regulation (EU) 2024/2754, recitals (152) and (518).
([92]) Judgment of 9 June 2022, *Baltic Master*, C-599/20, ECLI:EU:C:2022:457, paragraph 36.

(260) In addition, the Commission did not dispute that MISI was free to sell and buy from other unrelated producers. However, the Commission noted that a comparison of the unit prices by supplier of the product under investigation to MISI during the investigation period, provided by MISI itself in its questionnaire reply, revealed that Nippon Steel's unit price was indeed the lowest compared to other Japanese producers.

(261) Finally, in any case, the Commission compared, on a product type basis, the price at FOB level of export sales destined to the Union between Nippon Steel and MISI, and between Nippon Steel and its other related export trader Nippon Steel Trading Corporation ('NST'). Such comparison revealed that the price between Nippon Steel and MISI, and the price between Nippon Steel and NST, were aligned (1,5 % of difference). Thus, MISI benefitted from the same prices made to the related trader NST, whose relationship with Nippon Steel was not contested.

(262) Therefore, the Commission rejected the claim that Nippon Steel's sales to MISI were at arm's length.

(263) In conclusion, Nippon Steel stated that, in order to support the claims summarised above in this section, MISI would separately respond to the relevant parts of the questionnaire. The Commission received the questionnaire reply of MISI and of its related importer in the Union Marubeni-Itochu Steel Europe GmbH ('MISEA').

(264) In its comments on the final disclosure, Nippon Steel again disagreed with the Commission's conclusion that it was related to MISI. However, it did not bring any new arguments or evidence. The Commission consequently rejected the claim.

(265) The GOJ submitted that, although it was true that Nippon Steel and MISI jointly owned shares in a third entity unrelated to the transactions at issue in this investigation, Nippon Steel had no direct or indirect control over MISI. Thus, according to the GOJ, holding the minority shares in a third entity not involved in the relevant export transactions could not be a sufficient ground to conclude that Nippon Steel and MISI are in association within the meaning of Article 2.3 of the WTO ADA.

(266) The Commission acknowledged that Nippon Steel did not have direct control over MISI, as their relationship was established due to the joint ownership of a third entity. However, such relationship gave rise to association within the meaning of Article 2.3 of the WTO ADA, insofar as MISI exported to the Union only the product under investigation manufactured by Nippon Steel, and not the product under investigation purchased from, and manufactured by, other Japanese producers. The investigation findings showed that such commercial behaviour did not derive from an agreement between Nippon Steel and MISI, but rather from a voluntary commitment by MISI. However, the Commission considered that such commitment, despite voluntary, undoubtedly bound the company's freedom on price setting and strategy. Indeed, MISI was dependent on a single supplier for its Union sales of the product under investigation. These constraints result in a lack of independent action on the part of MISI. Besides this, the verification showed that MISI shared with Nippon Steel information about possible customers in need of Nippon Steel's products and about markets in which Nippon Steel could be willing to expand. Thus, MISI provided to Nippon Steel a service wider than the usual purchase and resale activity of a trader. Thus, the Commission rejected the claim that the relationship between Nippon Steel and MISI did not result in association.

(267) Moreover, the GOJ claimed that the Commission did not show that the relationship between Nippon Steel and MISI rendered the export transactions unreliable for the purposes of calculating the dumping margins, given that the third entity establishing the relationship was not involved in the export transactions and the role of MISI in price negotiations was limited.

(268) The Commission considered that the fact that the third entity establishing the relationship between MISI and Nippon Steel was not involved in the export transactions to the Union was not relevant. Indeed, a relationship can be very well established through a company not involved in the export of the product under investigation to the Union. Moreover, the third entity establishing the relationship was not involved in the export transactions to the Union but based on its business report, was anyway processing and selling steel in Japan. The Commission also considered that MISI's limited role in price negotiations may be an indication of the degree of control that Nippon Steel retained on the final price. Therefore, the Commission rejected the claim.

(269) In its comments on the final disclosure, Nippon Steel reiterated that its commercial relationship with MISI and the corresponding transactions were conducted at arm's length, arguing that the findings set out in recitals (259) to (261) did not contradict that conclusion. First, Nippon Steel claimed that the sales process and the commissions allocated to traders were identical, irrespective of whether the trader was a related or an unrelated company. In particular, it argued that the final price was systematically negotiated between Nippon Steel and the final customer before being netted back to establish the price between Nippon Steel and the trader. Second, as regards the fact that MISI purchased from Nippon Steel at the lowest purchase price compared to the purchase price from other Japanese producers, Nippon Steel asserted that also one of its unrelated traders purchased from Nippon Steel at the lowest purchase price compared to the purchase price from other Japanese producers. Nippon Steel added that MISI purchased from non-Japanese suppliers at prices lower than the purchase price from Nippon Steel. Third, Nippon Steel's sales price to MISI was within a 0,15 % range of its sale price to one of its unrelated traders.

(270) The Commission re-examined the transactions reported by Nippon Steel regarding its sales to related parties (NST and MISI) and to its main unrelated trader. Indeed, sales prices across these parties fell within the same range. Such analysis was made on a product type basis and ensured that there was sufficient matching among the product types resold by MISI, NST and the main unrelated trader. Consequently, the Commission accepted the claim from Nippon Steel that those prices were at arm's length and revised the dumping calculation accordingly, for export sales both through MISI and through NST.

3.3.2. *The application of the provisions of Article 18(1) of the basic Regulation*

(271) On 19 December 2025, the Commission informed Nippon Steel that it might have to resort to the use of facts available under Article 18(1) of the basic Regulation in relation to a related producer of the product under investigation in Japan, Daido, which had provided a separate sampling reply but had not submitted a questionnaire reply. Indeed, Nippon Steel held 5 % or more of the shares of such producer.

(272) On 28 December 2025, Nippon Steel provided its comments. In its comments, Nippon Steel did not deny that it held a shareholding of 5 % or more of the shares of the producer in question.

(273) Therefore, the Commission considered that the sales between NST, one of Nippon Steel's related traders (in which Nippon Steel also held 5 % or more of the shares), and the producer in question were related sales, pursuant to Article 127(1)(d) of the UCC Implementing Act. In the absence of a verified questionnaire reply of Daido, which would have shown the resale price or further processing of these sales of the product under investigation, the Commission considered the price of NST's related domestic sales to Daido to be the average price of the 5 % most profitable unrelated domestic sales of Nippon Steel and its related companies for the same product type sold to Daido. The 5 % was calculated in relation to the volume. In addition, for the analysis of the particular market situation in section 3.3.3, the Commission took into account the domestic and export sales and price data of Daido between 2022 and the investigation period, available based on its sampling reply, in the absence of a questionnaire reply. When this was done, the Commission referred the data to 'Nippon Steel Group' as opposed to Nippon Steel alone.

(274) On 26 March 2026, the Commission informed Nippon Steel that it might have to resort to the use of facts available under Article 18(1) of the basic Regulation in relation to (i) the failure to provide a questionnaire reply on the part of Company A and Company B, which purchased the product concerned manufactured by Nippon Steel from MISEA and, during the verification, were found to be subsidiaries of Company C, in which MISI had a stake of above 5 %; and (ii) the failure to fully disclose all domestic resales of the product concerned during the IP on the part of three traders related to Nippon Steel: NST, Metal One Corporation ('Metal One') and Sumitomo Corporation Global Metals Co., Ltd. ('SCGM').

(275) On 7 April 2026, Nippon Steel provided its comments. In relation to point (i), firstly, Nippon Steel reiterated that it disagreed that it was related to MISI or that its relationship was not at arm's length. In addition, Nippon Steel stated that, even if it were related to MISI, it would still not be related to Company A and Company B, because it did not hold shares in them and did not engage in business with them in relation to the product concerned. It also added that, in its view, Article 127 of the UCC Implementing Act did not provide for relationships beyond at most an indirect chain of one entity and considering Nippon Steel related would depart from the Commission's past practice in the anti-subsidy investigation on battery electric vehicles from the PRC ([93]). Furthermore, Nippon Steel claimed that, given that MISI operated fully independently and at arm's length from Nippon Steel, Nippon Steel had no access to confidential information from MISI, so being required to identify and obtain an Annex I reply from related companies or face the application of Article 18 would impose an impossible burden on Nippon Steel. Secondly, Nippon Steel argued that requesting Company A and Company B to fill in a questionnaire reply would have been of no use and disproportionate, because they did not resell the product concerned but processed it. Finally, Nippon Steel raised the fact that the price of the PCNs sold to Company A fell within the average sale price to unrelated customers for the same PCNs, and so that sales to Company A and Company B were at arm's length.

(276) The Commission noted that MISEA sold the product concerned manufactured by Nippon Steel to Company A and Company B, whose parent company was Company C. In turn, MISI held a stake of above 5 % both in MISEA and in Company C. During the verification at MISI, it was confirmed that these relationships were in place during the investigation period and Company C was listed amongst MISI's overseas subsidiaries in MISI's 2025 corporate profile ([94]). This shows that MISEA and Company A on one side, and MISEA and Company B on the other side, were related because, pursuant to Article 127(1)(d), a third party (i.e., MISI) directly or indirectly held 5 % or more of the shares of both of them. In this respect, it is irrelevant whether the relationship is with the exporting producer itself. In this case, the relationship at stake was between the seller MISI and the purchasers Company A and Company B. It cannot be claimed that, since the relationship did not involve the exporting producer itself, such relationship was not liable to affect the sales price. Indeed, the prices between related parties were tainted by the relationship anyway. The definition of related parties in Article 127 of the UCC Implementing Act refers to 'persons' and Article 2(1) of the basic Regulation, which includes the reference to the UCC Implementing Act for the purposes of trade defence, refers to 'parties' in this respect, not to exporting producers. The Commission is also of the view that Article 127(1)(d) is not limited to a chain of one entity at most for establishing a relationship between parties. Indeed, precisely the specification 'indirectly' allows to include shareholdings held through a chain of subsidiaries and prevents the circumvention of the provision through corporate structures of several levels of subsidiaries, as in this case where MISI's indirect shareholding in Company A and Company B is held through Company C. The alleged Commission's past practice in the anti-subsidy investigation on battery electric vehicles from the PRC was not further substantiated. Furthermore, the Commission considered that, in the case at hand, identifying and obtaining an Annex I reply from these related companies was not an impossible burden for Nippon Steel because (a) Company C had already been involved in a different capacity in the previous *HRF* investigation ([95]), where Nippon Steel had been sampled; (b) MISI's acquisition of Company C was public information; and (c) the identification by the Commission of Company A and Company B as subsidiaries of Company C happened in the context of routine checks during the verification, as detailed in MISI's mission report. Then, the application of Article 18(1) with respect of Nippon Steel derived precisely from the relationship. Secondly, the fact that a related company in the Union does not engage in resales but rather processing does not exempt a company from replying to Annex I. On the contrary, the processing costs become relevant in the establishment of the export price to the Union on any reasonable basis where the products are not resold in the condition in which they were imported as provided for in Article 2(9) of the basic Regulation. In the case at hand, the Commission could not carry out such assessment. Therefore, the Commission rejected the claim.

([93]) Implementing Regulation (EU) 2024/2754.

([94]) MISI's 2025 Corporate Profile, pp. 13-14, available at: https://www.benichu.com/wp/images/2025/07/misi_2025_-_ebook_-.pdf.

([95]) Commission Implementing Regulation (EU) 2025/670 of 4 April 2025 imposing a provisional anti-dumping duty on imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel originating in Egypt, Japan and Vietnam (OJ L, 2025/670, 7.4.2025, ELI: http://data.europa.eu/eli/reg_impl/2025/670/oj).

(277) Finally, as regards the arm's length of MISEA's sales to Company A, the Commission noted that the prices that Nippon Steel considered ex works were obtained by deducting from the net invoice value all the allowances paid by MISEA. However, when comparing sales prices, a comparison should be made between the invoice prices, minus relevant transport costs (to account for differences in delivery terms). Such comparison at CIF EU border level (i.e., CIF price minus transport costs in the EU to account for differences in delivery term) showed that MISEA's prices to Company A were on average 6 % lower than MISEA's prices to unrelated companies. Therefore, the Commission considered that MISEA's sales to Company A were not at arm's length. As regards the arm's length of MISEA's sales to Company B, Nippon Steel itself acknowledged that it could not show it, as the PCN sold to Company B was not sold to any other MISEA's customer in the Union. However, since Company B did not cooperate, based on the fact that the Commission concluded that MISEA's sales to Company A were not at arm's length, there were no elements to conclude differently for sales to Company B. In conclusion, the Commission dismissed the comments and considered MISEA's sales to Company A and Company B as related sales. As a consequence, in the absence of information on the resale price of Company A and Company B and on their possible processing costs, the Commission considered the resale price of Company A and Company B to be equal to the price of MISEA's sales to unrelated customers, on a product type basis. For Company B, which purchased from MISEA a PCN not purchased by any other customer, the Commission used the price of MISEA's sales to unrelated customers of the most similar PCN.

(278) However, given the conclusion in recital (270) regarding the arm's length for export transactions through the related trader MISI, this was no longer relevant for the export price used in the dumping calculation.

(279) In relation to point (ii) on the missing domestic resales of three related traders, Nippon Steel agreed with the Commission's assessment.

(280) Therefore, the Commission considered the price of these missing domestic resales to be the average price of the most profitable domestic sales to unrelated customers of Nippon Steel and its related companies, representing 5 % of the volume sold domestically on a product type basis.

(281) Following the final disclosure, Nippon Steel claimed that its related traders acted to the best of their abilities, providing information despite technical issues. Consequently, in Nippon Steel's view, there was no legal justification for the Commission to use the most profitable domestic sales prices as facts available because best facts available should not mean adverse inferences, also according to WTO jurisprudence ([96]). Nippon Steel requested that the Commission either disregard unreported sales or use the average price of all domestic sales.

(282) The Commission considered that, when applying facts available, investigating authorities are required to select, in an unbiased and objective manner, those facts available that constitute reasonable replacements for the missing necessary information in the specific facts and circumstances of a given case. In doing so, investigating authorities must take into account all facts that are properly available to them. In selecting the replacement facts, Article 6.8 of the WTO ADA does not require investigating authorities to select those facts that are most favourable to the non-cooperating party ([97]).

([96]) Panel Report, *Mexico – Definitive Anti-Dumping Measures on Beef and Rice, Complaint with Respect to Rice*, WT/DS295/R, adopted 20 December 2005, as modified by Appellate Body Report WT/DS295/AB/R, DSR 2005:XXIII, p. 11 007, paragraph 7.238; Appellate Body Report, *United States – Anti-Dumping Measures on Certain Hot-Rolled Steel Products from Japan*, WT/DS184/AB/R, adopted 23 August 2001, DSR 2001:X, p. 4697, paragraph 99.

([97]) Panel Report, *US – Anti-Dumping and Countervailing Duties (Korea)*, WT/DS539/R, paragraph 7.36, cited by Judgment of the Court of 3 September 2026, *European Commission v Sinopec Chongqing SVW Chemical Co. Ltd and Others*, C-319/24 P, ECLI:EU:C:2026:687, paragraphs 73, 85 and 90. See also Appellate Body Report, *US – Carbon Steel (India)*, WT/DS436/AB/R, paragraph 4.421.

(283) The approach of the Commission fully followed this prescription. In an unbiased manner, it took the actual and verified price data of Nippon Steel and its related companies and used it as a model of pricing behaviours for the data that were not provided. Such approach ensured that the missing domestic resales were not undervalued and, consequently, that the final dumping margin reflected the company's known dumping potential during the investigation period. In circumstances where a company does not provide the Commission with some resales, using actual and verified pricing behaviour practised by the company during the investigation period as a model cannot be said, absent information to the contrary, to be subjective or punitive. It leads to as accurate a dumping margin as possible in the context of the company's lack of cooperation. Furthermore, the Commission considered that the alternative advocated by Nippon Steel, consisting in disregarding unreported sales or using the average price of all domestic sales, would amount to incentivizing non-cooperation ([98]). Therefore, the Commission rejected this claim and confirmed the methodology explained at recital (280).

3.3.3. *Particular market situation: push-out effect*

3.3.3.1. Analysis

(284) In order to establish the existence of a PMS in the market of Japan due to the push-out effect of Chinese imports of CRF, the Commission carried out the following analysis: first, the Commission analysed the degree of penetration of Chinese imports in Japan's domestic market in terms of volume; secondly, the Commission looked at the respective market shares of domestic producers versus Chinese and other third-country imports in Japan's domestic market; thirdly, the Commission looked at the prices in Japan's domestic market. The Commission then analysed any other information available on file concerning the impact of the Chinese imports on Japan's domestic market, including, if available, the profitability of the domestic producers on domestic sales of CRF.

(285) In its analysis, the Commission relied on indicators at country-wide level provided by the GOJ, and at company level provided by the sampled exporting producer, Nippon Steel. Both sets of indicators were verified on spot, as indicated in recital (106).

(286) In this respect, the Commission recalls that Nippon Steel not only was considered representative, based on the information submitted at sampling stage, of the export volume, but also, based on the data verified during the investigation and considering also its related producer referred to in recitals (271) to (273), accounted for at least [50-60 %] of the domestic sales volume of CRF during the investigation period. Such domestic sales ensured to Nippon Steel Group a market share of at least [40 %-50 %] in the market for CRF in Japan during the investigation period. While the Commission carried out its analysis both at country level and at the level of Nippon Steel or, where available, Nippon Steel Group, these metrics show that Nippon Steel is representative of the domestic producers in Japan, and hence, of the situation in the domestic market in Japan.

3.3.3.1.1. Domestic market: volume

(287) At the outset, the Commission analysed the consumption of CRF in Japan as reported by the GOJ. The consumption reported by the GOJ appeared to be slightly understated by approximately 1 % compared to the sum of imports and domestic sales reported by the GOJ itself. During the verification visit, it was explained that this derived from the methodology as the GOJ of Japan had used a different method to report the imports on their own, and those that it used in the calculation of consumption, leading to different figures for the same indicator. Since the Commission could verify on-spot the figures used to establish imports on their own, it relied on the same data also for the consumption.

(288) Moreover, the domestic sales volume reported by the GOJ appeared to be understated by approximately 33 % compared to the domestic sales volume reported by the cooperating exporting producers. In this case, the Commission relied on the domestic sales volume reported by the cooperating exporting producers. Consequently, such domestic sales volume was used also to establish consumption, instead of relying on the consumption data provided by the GOJ.

([98]) Judgment of the Court of 3 September 2026, *European Commission v Sinopec Chongqing SVW Chemical Co. Ltd and Others*, C-319/24 P, ECLI:EU:C:2026:687, paragraphs 88-95.

(289) Consumption in Japan developed as follows:

Table 2

Consumption in Japan (tonnes)

	2022	2023	2024	Investigation period
Consumption in Japan	4 221 718	4 153 970	4 189 541	4 089 303
Index	*100*	*98*	*99*	*97*

Source: Japan's customs data plus domestic sales reported by the cooperating exporting producers in Japan.

(290) Between 2022 and the investigation period, consumption in Japan decreased by 3 %.

(291) Imports of the product under investigation into Japan developed as follows:

Table 3

Import quantity into Japan (tonnes)

Country		2022	2023	2024	Investigation period
Total imports, of which:	Quantity of imports	813 469	910 476	990 341	880 370
	Index	*100*	*112*	*122*	*108*
1. Korea	Quantity of imports	558 528	572 630	621 599	575 194
	Index	*100*	*103*	*111*	*103*
2. Taiwan	Quantity of imports	185 704	235 907	246 812	210 795
	Index	*100*	*127*	*133*	*114*
3. PRC	Quantity of imports	64 696	97 238	117 512	90 522
	Index	*100*	*150*	*182*	*140*

Source: Japan's customs data.

(292) Import data show that from 2022 to the investigation period imports of the product under investigation into Japan increased by 8 %. This increase, if compared to the decrease by 3 % of consumption over the same period, shows that imports during the investigation period constituted a larger share of the consumption mix compared to 2022.

(293) Imports from the PRC increased by 40 % from 2022 to the investigation period, a higher rate compared to overall imports, imports from Korea and from Taiwan. However, throughout the period, the PRC remained consistently only the third source of imports of the product under investigation into Japan.

(294) In parallel, the domestic sales of the product under investigation in Japan developed as follows:

Table 4

Domestic sales quantity (tonnes)

	2022	2023	2024	Investigation period
Total sales quantity on the Japanese market, of which:	3 408 249	3 243 493	3 199 200	3 208 933
Index	*100*	*95*	*94*	*94*
— Nippon Steel Group	[2 000 000-2 100 000]	[1 900 000-2 000 000]	[1 900 000-2 000 000]	[1 900 000-2 000 000]
Index	*100*	*92*	*92*	*93*

Source: Cooperating exporting producers' sampling reply and Nippon Steel's questionnaire reply.

(295) Captive sales are included in these data as they could not be separately segregated based on the data available.

(296) From 2022 to the investigation period, domestic sales decreased by 6 % and Nippon Steel Group's domestic sales showed a similar decrease by 7 %. If this is compared to the modest decrease by 3 % of consumption and to the increase of imports by 8 % of the imports, it is evident that imports replaced a part of domestic sales in the consumption mix.

(297) This dynamic can be better observed when comparing the volumes to the consumption and expressing them in terms of market shares.

Table 5

Market share (%)

	2022	2023	2024	Investigation period
Imports, of which:	19,3	21,9	23,6	21,5
1. Korea	13,2	13,8	14,8	14,1
2. Taiwan	4,4	5,7	5,9	5,2
3. PRC	1,5	2,3	2,8	2,2
Domestic sales, of which:	80,7	78,1	76,4	78,5
— Nippon Steel Group	[45-55]	[40-50]	[40-50]	[40-50]

Source: Japan's customs data, cooperating exporting producers and Nippon Steel's questionnaire reply.

(298) The increase in imports of 2,2 percentage points from 2022 to the investigation period corresponded to a decrease in domestic sales of also 2,2 percentage points, with Nippon Steel Group's market share showing also a slight decrease. Within the increase in imports, imports from the PRC gained 0,7 percentage points, as opposed to the higher increase of Korea of 0,9 percentage points and of Taiwan of 0,8 percentage points. So, also in terms of increase in market share, the PRC followed Korea and Taiwan.

(299) Therefore, the Commission established that, in terms of volume, imports showed a limited increase of their market share in Japan and Chinese imports did not play a leading role in this increase. In fact, Chinese imports never held a market share above 3 % in the Japanese market. At the same time, the market share of Japanese domestic producers remained at approximately 80 % of the market.

3.3.3.1.2. Domestic market: prices

(300) The Commission then analysed the effect of Chinese imports on prices in Japan's domestic market. In order to do that, the Commission analysed the unit prices of imports and of domestic sales.

(301) The unit price of imports and domestic sales developed as follows:

Table 6

Sales prices in Japan (JPY/tonne)

	2022	2023	2024	Investigation period
1. Imports from Korea	407 643	146 720	149 106	150 713
Index	*100*	*36*	*37*	*37*
2. Imports from Taiwan	181 823	208 711	189 087	186 855
Index	*100*	*115*	*104*	*103*
3. Imports from the PRC	330 640	280 645	285 452	306 600
Index	*100*	*85*	*86*	*93*
Average unit domestic sales price in Japan (1), of which:	143 000	135 000	132 000	132 083
Index	*100*	*94*	*92*	*92*
— Nippon Steel Group (2)	[155-165 000]	[157-167 000]	[155-165 000]	[151-161 000]
Index	*100*	*101*	*100*	*98*

(1) The average unit domestic sales price in Japan excludes transport cost and consumption tax.
(2) Net of domestic freight for Nippon Steel, based on the sampling reply for the other producer in Nippon Steel Group.
Source: Japan's customs data, Japan Metal Daily (end-of-month Tokyo low price for 3 × 6, 0,8 mm), Nippon Steel Group's sampling reply and Nippon Steel's questionnaire reply.

(302) The price analyses showed that overall, import prices at CIF level were consistently much higher than domestic sales prices. Import prices from sources closer to Japan are lower, but still consistently higher than domestic sales prices.

(303) Chinese imports also came into Japan at consistently much higher prices than those of Nippon Steel Group's domestic price in all the years of the period examined. Nippon Steel Group's domestic prices remained stable between 2022 and the investigation period.

3.3.3.2. Conclusion

(304) The Commission concluded that Japan's domestic market for CRF was not affected by a particular market situation resulting from Chinese imports due to overcapacity in the steel sector in the PRC. In this respect, the Commission observed that imports from the PRC held only a 2,2 % market share during the investigation period, that Japan's industry retained a market share of almost 80 %, that domestic prices in Japan were lower than Chinese import prices. Given their quantities and prices, Chinese imports into Japan could not have had any significant effect on domestic prices and profitability.

(305) Therefore, the Commission concluded that the Japanese domestic market was not affected by a particular market situation resulting from Chinese imports due to overcapacity in the steel sector in the PRC.

3.3.4. *Normal value*

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

(307) The Commission subsequently identified the product types sold domestically that were identical or comparable with the product types sold for export to the Union for the exporting producer with representative domestic sales.

(308) The Commission then examined whether the domestic sales by each sampled exporting producer on its domestic market for each product type that is identical or comparable with a product type sold for export to the Union were representative, in accordance with Article 2(2) of the basic Regulation. The domestic sales of a product type are representative if the total volume of domestic sales of that product type to independent customers during the investigation period represents at least 5 % of the total volume of export sales of the identical or comparable product type to the Union.

(309) The Commission established that the domestic sales for the majority of the product types were representative. The Commission established that for two product types there were no domestic sales. For these product types, no other sources for domestic prices were available. The normal value was constructed in line with the method below in recital (315).

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

(311) The normal value is based on the actual domestic price per product type, irrespective of whether those sales are profitable or not, if:

(a) the sales volume of the product type, sold at a net sales price equal to or above the calculated cost of production, represented more than 80 % of the total sales volume of this product type; and

(b) the weighted average sales price of that product type is equal to or higher than the unit cost of production.

(312) If both tests are met, the normal value is the weighted average of the prices of all domestic sales of that product type during the IP.

(313) The normal value is the actual domestic price per product type of only the profitable domestic sales of the product types during the IP, if:

(a) the volume of profitable sales of the product type represents 80 % or less of the total sales volume of this type: or

(b) the weighted average price of this product type is below the unit cost of production.

(314) The analysis of domestic sales showed that the volume of profitable sales of some product types during the investigation period represented less than 80 % of the total sales volume of these types and that the weighted average sales price was lower than the cost of production. Accordingly, the normal value was calculated as a weighted average of the profitable sales only. For some other product types, the scenario outlined in recital (311) was applicable and the normal value was calculated as a weighted average of the prices of all domestic sales of those product types during the investigation period.

(315) Where there were no domestic sales of a product type of the like product, the Commission looked for alternative sources for prices in the ordinary course of trade. As there were no other sampled cooperating or available domestic producers of the like product in the country concerned, no such prices were available. The Commission constructed the normal value for the relevant product types in accordance with Article 2(3) and (6) of the basic Regulation.

3.3.5. *Export price*

(316) The sampled exporting producer exported to the Union either directly to independent customers or through related companies acting as an importer.

(317) In case the exporting producer exported the product concerned directly to independent customers in the Union, the export price was the price actually paid or payable for the product concerned when sold for export to the Union, in accordance with Article 2(8) of the basic Regulation.

(318) Given the conclusion in recital (270) regarding the arm's length for export transactions, the export price in cases where the exporting producer exported the product concerned to the Union through related companies acting as importers was also the price actually paid or payable for the product concerned when sold for export to the Union, in accordance with Article 2(8) of the basic Regulation.

3.3.6. *Comparison*

(319) Article 2(10) of the basic Regulation requires the Commission to make a fair comparison between the normal value and the export price at the same level of trade and to make allowances for differences in factors which affect prices and price comparability. In the case at hand the Commission chose to compare the normal value and the export price of the sampled exporting producers at the *ex-works* level of trade. As further explained below, where appropriate, the normal value and the export price were adjusted in order to: (i) net them back to the *ex-works* level; and (ii) make allowances for differences in factors which were claimed, and demonstrated, to affect prices and price comparability.

3.3.6.1. Adjustments made to the normal value

(320) As explained in recital (319), the normal value was established at the ex works level of trade by using costs of production together with amounts for SG & A expenses and for profit, which were considered to be reasonable for that level of trade.

(321) Nippon Steel claimed, under Article 2(10)(a) of the basic Regulation, that an adjustment because of differences in physical characteristics should be made to the normal value. It based its claim on the fact that, on the domestic market, customers of a specific sector accepted higher prices due to various factors, including supplying high value-added special products, answering stringent quality demands, making outstanding technical proposals, and providing on the spot, 'just in time' delivery service compared with customers in other sector, while those factors are not present in the export market. Nippon Steel added that the Commission should consequently exclude the domestic sales to the specific sector from the normal value.

(322) The Commission noted that, based on the verified information from Nippon Steel on their domestic prices to different sectors, customers in that specific sector did not consistently pay different prices than customers in other sectors in the investigation period. Therefore, the Commission rejected the claim.

(323) In its comments on final disclosure, Nippon Steel claimed that, since the Commission had adjusted the export price under Article 2(10)(i) of the basic Regulation for related traders acting as agents working on a commission basis, it should make the same adjustment to the normal value, because the functions performed by the related traders remained identical regardless of whether the sales of the product under investigation were destined for the domestic or export market, and some of the related traders were active both on the domestic and export market.

(324) Given the acceptance of Nippon Steel's claim regarding arm's length in recital (270), the Commission did not adjust the export price under Article 2(10)(i) of the basic Regulation, following Nippon Steel's comments on final disclosure. Therefore, the Commission rejected the claim regarding the normal value.

(325) Following the additional final disclosure, Nippon Steel claimed that, after considering export sales through NST and MISI at arm's length, the Commission did not adopt the same approach for domestic sales through NST and MISI, thus creating an asymmetry between export price and normal value, which still included costs and profits of the related traders. Nippon Steel argued that it applied the same mechanism for setting its prices to NST and MISI, as well as other unrelated traders, regardless of whether the goods were ultimately sold for export to the Union or in the Japanese domestic market. Nippon Steel requested to correct the alleged asymmetry by applying an adjustment under Article 2(10)(k) of the basic Regulation, as done in the recent anti-dumping investigation concerning imports of valine originating in the PRC ([99]) ('*Valine* investigation'). The quantification of this adjustment would correspond to the SG & A costs and profit of NST, MISI and the other related domestic traders for the domestic sales of the product concerned made through NST and MISI.

(326) Unlike for export sales (see recitals (269) and (270)), Nippon Steel did not provide any evidence that the prices of domestic transactions through NST and MISI were at arm's length compared to domestic transactions through unrelated traders. In any event, the Commission considered that the available data did not point to the existence of a consistent pattern of arm's length transactions. Therefore, there was no asymmetry between the treatment of export sales, where the arm's length claim was justified and accepted, and domestic sales, where the arm's length claim was groundless. Thus, the situation differed from the *Valine* investigation, where the factors giving raise to the adjustment were demonstrated. For these reasons, the Commission rejected the claim.

3.3.6.2. Adjustments made to the export price

(327) In order to net the export price back to the *ex-works* level of trade, adjustments were made on the account of: customs duty, other import charges, freight, insurance, handling loading and ancillary expenses.

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

([99]) Commission Implementing Regulation (EU) 2026/319 of 12 February 2026 imposing a definitive anti-dumping duty and definitively collecting the provisional duty imposed on imports of valine originating in the People's Republic of China (OJ L, 2026/319, 13.2.2026, ELI: http://data.europa.eu/eli/reg_impl/2026/319/oj), recitals (151) to (159).

3.3.7. *Dumping margin*

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

(330) Regarding the sales to the Union made via unrelated traders located outside the Union, Nippon Steel and NST claimed that an amount for these traders' SG & A costs and profit should be added to estimate the CIF Union border price. Depending on the specific transaction, the invoices issued either by Nippon Steel or NST were based on FOB, CIF or CFR incoterms.

(331) According to long-established practice, for transactions concluded under FOB incoterms, ocean freight and ancillary costs (such as insurance) are estimated based on evidence submitted by the exporting producer. The same logic should apply to any additional element claimed by an interested party. However, in the present case, Nippon Steel was unable to provide any evidence demonstrating the need to add SG & A costs and profit of unrelated traders in the first place. In any event, even if Nippon Steel had provided such evidence, *quod non*, the company was unable to provide any verifiable evidence on the amount of such hypothetical SG & A costs and profit.

(332) More concretely, during the on-site verification, the Commission provided Nippon Steel with the opportunity to present evidence demonstrating that unrelated traders were actively involved in Nippon Steel's and NST's export sales to the Union and that the final value of the goods at CIF Union border included both the SG & A costs incurred and the alleged profits realised by those intermediaries. In response, Nippon Steel and NST presented a selection of resales invoices and a limited number of customs declarations from certain unrelated traders. However, the Commission did not consider the provision of a limited number of invoices and customs declarations as sufficient evidence. Indeed, Nippon Steel never provided any methodology explaining how and why it selected these specific invoices and customs declarations and why they are representative of the overall sales made through unrelated traders.

(333) Therefore, the claim was rejected.

(334) In its comments on final disclosure, Nippon Steel claimed that the Commission should adjust the calculated CIF value to account for the involvement of unrelated traders outside the EU, concretely for their SG & A costs and profit. This adjustment would ensure that the Commission reflected the declared CIF value on which duties would be levied when goods are released for free circulation. Under Article 128 of the Union Customs Code Implementing Act ([100]), this value is defined as the transaction value of the goods sold for export determined at the time of acceptance of the customs declaration based on the sale occurring immediately before the goods enter the Union customs territory.

(335) In support of its claim, Nippon Steel referred to previous Commission investigations ([101]). Nippon Steel concretely emphasised that in the *HRF* investigation the Commission accounted for the activities of unrelated traders in the calculation of the CIF price for Nippon Steel. In the *HRF* investigation, the Commission estimated the SG & A costs of unrelated traders based on NST's and MISI's SG & A expenses and used a notional profit margin of 2 %, considering that it would be consistent with the profit margin used under Article 2(9) for Union sales via related companies.

([100]) Implementing Regulation (EU) 2015/2447.

([101]) Commission Implementing Regulation (EU) 2025/1139 of 6 June 2025 imposing a provisional anti-dumping duty on imports of hardwood plywood from the People's Republic of China (OJ L, 2025/1139, 10.6.2025, ELI: http://data.europa.eu/eli/reg_impl/2025/1139/oj), recitals (236) and (237); Commission Implementing Regulation (EU) 2026/316 of 12 February 2026 imposing a definitive anti-dumping duty and definitively collecting the provisional duty imposed on imports of Acrylonitrile-Butadiene-Styrene Resins originating in the Republic of Korea and Taiwan (OJ L, 2026/316, 13.2.2026, ELI: http://data.europa.eu/eli/reg_impl/2026/316/oj), recital (108); Commission Implementing Regulation (EU) 2026/1904 of 7 August 2026 imposing a definitive anti-dumping duty and definitively collecting the provisional duty imposed on imports of terephthalic acid originating in the Republic of Korea and the United Mexican States (OJ L, 2026/1904, 10.8.2026, ELI: http://data.europa.eu/eli/reg_impl/2026/1904/oj), recital (68); and Implementing Regulation (EU) 2025/1919, recital (125). In addition, Nippon Steel reported that, in the anti-dumping investigation concerning cast iron articles from Türkiye and India (AD727), the Commission requested the SG & A costs and profit of one sampled producer's unrelated traders in order to establish the price of the resales at the EU border level (i.e., CIF value). The Commission nonetheless terminated that investigation without imposing duties so that its calculations to the CIF value were undisclosed.

(336) Finally, Nippon Steel submitted that the randomly sampled resale invoices and customs declarations were provided in response to the Commission's request, which lacked specificity regarding the exact documents required. To further substantiate its claim and given the conclusions of the Commission regarding the lack of evidence of the Union border CIF price as explained in recital (332), Nippon Steel submitted resale invoices to the Union from three of the five unrelated traders relied upon during the IP by Nippon Steel and NST. It did not provide any customs declaration. The submitted invoices covered, for two out of the five Nippon Steel's unrelated traders, the three transactions with the highest volumes from Nippon Steel and NST and, for one of them, the two transactions with the highest volumes from NST. This second set of invoices covered 4,7 % of Nippon Steel's sales volume of the product under investigation to the Union during the investigation period.

(337) At the outset, the Commission noted that Nippon Steel's claim was based on the assumption that the resale of an unrelated trader always reflected its SG & A costs and profit and claimed an adjustment for the unrelated traders' SG & A costs and profits estimated based on the unrelated traders' financial statements.

(338) Such assumption failed to take into consideration situations where the traders' mark-up between its purchase price and its resale price might differ from its SG & A costs and profit or where such traders might be selling at a cheaper price. Consequently, the SG & A costs and profits of unrelated traders, in themselves, could not constitute evidence of the transaction value of the goods entering the Union's customs territory as those SG & A costs and profits might not be reflected in the sales price to the Union. For the same reason, the mere fact that a sale is carried out via an independent trader outside the Union was not enough to justify the adjustment. Indeed, as Nippon Steel itself argued in its claim, that value should be based on the sale occurring immediately before the goods enter the Union's customs territory. Consequently, documents showing such value, such as customs declarations or the invoice from the trader to the first independent customer in the Union, would normally be adequate evidence to support such claims.

(339) The analysis of the documentation submitted following final disclosure confirmed the Commission's conclusion in the previous recital. For each of the invoices submitted, the difference between Nippon Steel's or NST's sales price to the unrelated trader and the unrelated trader's resale price to the customer in the Union was far lower than the SG & A costs and profits initially estimated by Nippon Steel and NST in their questionnaire reply.

(340) Also, the price difference varied among the unrelated traders and, within each unrelated trader, was different for each transaction.

(341) Moreover, the documentation submitted only covered 4,7 % of Nippon Steel's sales volume of the product under investigation to the Union during the investigation period and was still selected by Nippon Steel.

(342) Given the analysis above showing that the value in the invoices did not reflect the SG & A costs and profits as initially claimed, the difference across traders and invoices, and the fact that the invoices were selected by Nippon Steel itself and covered a very limited number of resales from only some, but not all, of the unrelated traders involved in Nippon Steel's exports to the Union and were consequently not representative or sufficient, the Commission considered that Nippon Steel failed to provide evidence to justify an adjustment for its export sales to the Union through unrelated traders.

(343) Finally, the Commission notes that although the resale documentation was provided at the request of the Commission during the investigation, that request was prompted by the fact that the initial estimates provided in the questionnaire replies were considered unreliable to substantiate the claim. This assessment was subsequently confirmed by the additional evidence provided.

(344) Therefore, the Commission rejected this claim.

(345) Following the disclosure, Nippon Steel claimed that the Commission omitted ocean insurance when calculating the CIF value for certain export sales. Nippon Steel requested the Commission to include an amount for insurance to correctly determine the CIF price and value.

(346) The Commission found the claim to be justified and included the missing ocean insurance amounts, ensuring an accurate FOB-to-CIF calculation for Nippon Steel's export sales to the Union. In so doing, the Commission noted that an amount for freight in the Union had been left in the CIF value of certain MISEA's sales to the Union made on DAP terms. Thus, the Commission removed the amount for freight in the Union from the calculation of the CIF value for these sales.

(347) Following the additional final disclosure, Nippon Steel noted that, after accepting the arm's length of export sales through NST, the Commission established the CIF price of sales through NST using the resale price of NST. Nippon Steel claimed that the same should have been done when sales were made through unrelated traders by adding a mark-up to the export price for the involvement of these traders. Nippon Steel supported this claim by reference to the *HRF* investigation and to the *Hansol* judgment ([102]) to ensure that the price used as CIF Union frontier price was correctly the price at the Union border and not a price early on in the sales chain.

(348) The Commission noted that, for NST, it relied on the resale price of NST to calculate the CIF price, because it had verified evidence of this price. On the contrary, and for the same reasons as those explained in recitals (334) to (340), Nippon steel provided no evidence that the involvement of unrelated traders resulted in a price necessarily higher than the FOB price from Nippon Steel to the unrelated traders plus ocean freight and insurance. Therefore, the Commission rejected this claim.

(349) Following the additional final disclosure, the GOJ requested an explanation of the calculation of the dumping margin and stressed that the limited disclosure on this aspect, together with the short timeframe, prevented it from expressing a detailed view.

(350) The Commission could not disclose confidential company-specific calculations to any party other than the company in question. The dumping margin resulting from such calculation and the explanation for the changes were disclosed to all interested parties. Therefore, the Commission rejected the claim that absence of the disclosure of the individual dumping margin calculation affected the possibility to provide comments by other parties.

(351) On this basis, the definitive weighted average dumping margins expressed as a percentage of the CIF Union frontier price, duty unpaid, are as follows:

Company	Definitive dumping margin (%)
— Nippon Steel Corporation — Daido Steel Co., Ltd.	54,7

(352) For the cooperating exporting producers outside the sample, the Commission calculated the weighted average dumping margin, in accordance with Article 9(6) of the basic Regulation. However, in this instance the Commission sampled only one exporting producer in Japan. Therefore, that margin corresponded to the margin of the sampled exporting producer.

(353) On this basis, the definitive dumping margin of the cooperating exporting producers outside the sample is 54,7 %.

(354) For all other exporting producers in Japan, the Commission established the dumping margin on the basis of the facts available, in accordance with Article 18 of the basic Regulation. To this end, the Commission determined the level of cooperation of the exporting producers.

(355) The level of cooperation in this case is high because the exports of the cooperating exporting producers constituted around 97 % of the total imports from the country concerned to the Union during the IP, established on the basis of Eurostat figures as explained in recitals (832) and (833). On this basis, the Commission decided to establish the dumping margin for non-cooperating exporting producers at the level of the sampled company with the highest dumping margin. Since only one company was sampled, the dumping margin for non-cooperating companies is set at the level of the dumping margin for this company.

([102]) Judgment of 12 May 2022, *European Commission v Hansol Paper Co. Ltd*, C-260/20 P, ECLI:EU:C:2022:370.

(356) The definitive dumping margins, expressed as a percentage of the CIF Union frontier price, duty unpaid, are as follows:

Company	Definitive dumping margin (%)
— Nippon Steel Corporation — Daido Steel Co., Ltd.	54,7
Other cooperating companies	54,7
All other imports originating in Japan	54,7

3.4. **Taiwan**

3.4.1. *Particular market situation: the push-out effect*

3.4.1.1. Analysis

(357) In order to examine the existence of the alleged PMS in the market of Taiwan due to the so called 'push-out effect' of Chinese imports of CRF, the Commission carried out the following analysis: first, the Commission analysed the degree of penetration of Chinese imports in the Taiwan's domestic market for CRF in terms of volume; secondly, the Commission looked at the respective market shares of domestic producers versus Chinese and other third-country imports in Taiwan's domestic market; thirdly, the Commission looked at the prices in Taiwan's domestic market. The Commission then analysed any other information available on file concerning the impact of the Chinese imports on Taiwan's domestic market, including, if available, the profitability of the domestic producers on domestic sales of CRF.

(358) The Commission issued a questionnaire for the authorities of Taiwan. In its analysis, the Commission relied on indicators at country-wide level provided by the authorities of Taiwan, and, if available and relevant, also at company level provided by the sampled group of exporting producers, composed of China Steel Corporation ('CSC') and Chung Hung Steel Corporation ('CHS' and, together with CSC, 'CSC Group'). Both sets of indicators were verified on spot, as indicated in recital (106).

(359) In this respect, the Commission recalls that CSC Group not only was considered representative, based on the information submitted at sampling stage, of the export volume, but also, based on the data verified during the investigation, which accounted for [90-100 %] of the domestic sales volume of CRF during the investigation period. Such domestic sales ensured to CSC Group a market share of [40-50 %] in the market for CRF in Taiwan during the investigation period. While the Commission carried out its analysis both at country and at sampled group level, these metrics show that CSC Group is representative of the domestic producers in Taiwan, and hence, more in general of the situation in the domestic market in Taiwan.

3.4.1.1.1. Domestic market: volume

(360) At the outset, the Commission analysed the consumption of CRF in Taiwan as reported by the authorities of Taiwan on the basis of domestic sales and imports.

(361) Consumption in Taiwan developed as follows:

Table 7

Consumption in Taiwan (tonnes)

	2022	2023	2024	Investigation period
Consumption in Taiwan	1 153 906	988 966	1 200 354	1 173 152
Index	*100*	*86*	*104*	*102*

Source: Ministry of Economic Affairs of Taiwan.

(362) Between 2022 and the investigation period, consumption in Taiwan remained stable. However, between 2022 and 2023 there was a severe -14 % drop in consumption, followed by a steep increase of 21 % between 2023 and 2024.

(363) Imports of the product under investigation into Taiwan developed as follows:

Table 8

Import quantity into Taiwan (tonnes)

Country		2022	2023	2024	Investigation period
Total imports, of which:	Quantity of imports	410 860	404 609	595 439	577 982
	Index	*100*	*98*	*145*	*141*
1. PRC	Quantity of imports	290 308	312 976	448 773	447 631
	Index	*100*	*108*	*155*	*154*
2. Korea	Quantity of imports	57 774	54 969	102 403	89 346
	Index	*100*	*95*	*177*	*155*
3. Japan	Quantity of imports	61 878	34 662	43 597	40 456
	Index	*100*	*56*	*70*	*65*

Source: Taiwan's customs data.

(364) Import data show that between 2022 and the investigation period imports of the product under investigation into Taiwan increased by 41 %. This significant increase, if compared to the more modest increase by 2 % of consumption over the same period, already shows that imports during the investigation period constituted a larger share of the consumption mix as compared to 2022. From 2022 to the investigation period, the PRC remained consistently and by far the first source of imports of CRF into Taiwan, representing more than 77 % of all imports during the investigation period.

(365) Moreover, from 2022 to the investigation period imports from the PRC increased by 54 %. While the rate of this increase is slightly lower than the 55 % increase of the second-largest source of imports, Korea, the volumes are very different. Indeed, imports from the PRC reached 477 631 tonnes in the investigation period, compared to only 89 346 tonnes originating in Korea. Such increase is all the more significant if compared to the decrease of imports from the third-largest source of imports, Japan, which saw its imports decrease by 35 % from 2022 to the investigation period.

(366) Moreover, the trend of imports from the PRC did not always follow the general trend of imports. In fact, when overall imports decreased by -2 % between 2022 and 2023, imports from the PRC increased by 8 %. After that, when, between 2023 and 2024, overall imports and imports from the PRC increased both by more than 40 %, the increase of imports from the PRC cumulated on top of the increase of the previous year. Then, from 2024 to the investigation period, both overall imports and imports from the PRC slightly decreased.

(367) In its reply to the questionnaire, the authorities of Taiwan explained that Taiwan has an import ban in place on certain products falling within the product under investigation originating in the PRC ([103]). The import ban concerns 21 customs codes out of the 57 customs codes at 10-digit level under which the product under investigation is classified according to Taiwan's customs tariff. However, products subject to such import ban may obtain a special permit to be imported if they are not produced domestically, or are required for special purposes, or are to be imported in small quantities. Based on the data on imports from the PRC, it appears that such import ban did not stop imports of CRF from the PRC or prevent their increase. This is confirmed by the fact that, out of the 21 codes banned from imports into Taiwan, imports from the PRC were recorded under 10 codes from 2022 to the investigation period ([104]).

(368) Taiwan also imposed trade defence measures on imports of certain steel products originating in the PRC, based on complaints lodged by Taiwan's industry, but not on the product concerned. In the publicly available final injury determination of a recent anti-dumping investigation on certain flat hot-rolled steel products – which are an upstream product in the production of CRF – originating in the PRC, initiated based on a complaint lodged also by CSC, the authorities of Taiwan found that, based on the evidence of the case, the PRC 'has long faced an overcapacity issue. […] Its domestic market grapples with severe supply-demand mismatches, prompting many steel mills to dump excess production into international markets (particularly neighboring markets like […] Taiwan) at low prices, severely impacting the steel industries of various countries' ([105]).

(369) In parallel, the domestic sales of the product under investigation in Taiwan developed as follows:

Table 9

Domestic sales quantity (tonnes)

	2022	2023	2024	Investigation period
Total domestic sales quantity on the Taiwan market (excluding imports), of which:	743 046	584 357	604 915	595 170
Index	*100*	*79*	*81*	*80*
— CSC Group	[600-700 000]	[450-550 000]	[500-600 000]	[490-590 000]
Index	*100*	*73*	*83*	*79*

Source: Ministry of Economic Affairs of Taiwan and CSC Group's questionnaire reply.

(370) Captive sales could not be segregated within the overall domestic data and, according to the authorities of Taiwan, they are included in these data. This was consistent with the domestic sales data reported by the CSC Group, which include captive sales.

([103]) The legal basis for such import ban is the Regulation Governing Trade Between the Taiwan Area and the Mainland Area.

([104]) While the import ban is established at 11-digit level, the comparison could be made only at 10-digit level as import data were recorded at 10-digit level. Import data used for the comparison were the same Taiwan customs data used to establish the import quantity.

([105]) Final Industrial injury Investigation Report for the anti-dumping investigation applied by China Steel Corporation and Dragon Steel Corporation for the imposition of anti-dumping duties and provisional anti-dumping duties on imports of certain hot-rolled flat steel products originating in the People's Republic of China, footnote 54, the quotation is machine-translated from the original version, https://traderemedy.trade.gov.tw/web/main/case/wfrmTradeCases.aspx?menu_id=1522&caseid=108&datatype=3&progkind=2.

(371) From 2022 to the investigation period, domestic sales decreased by 20 % and CSC Group's domestic sales showed a similar decrease. If this is compared to the modest increase by 2 % of consumption and to the larger increase by 41 % of the imports, it is evident that imports replaced domestic sales.

(372) This is all the more evident when looking at the volume variation between the two components of consumption, imports and domestic sales.

Table 10

Volume variation of imports and domestic sales (tonnes)

	2022 to 2023	2023 to 2024	2024 to the investigation period
Consumption, of which:	-164 940	+211 388	-27 202
1. Imports into Taiwan, of which:	-6 251	+190 830	-17 457
— Imports from the PRC	+22 668	+135 797	-1 142
2. Domestic sales, of which:	-158 689	+20 558	-9 745
— CSC Group	-[150-200 000]	+[30-80 000]	-[0-50 000]

Source: Ministry of Economic Affairs of Taiwan, Taiwan's customs data and CSC's questionnaire reply.

(373) From 2022 to 2023, the significant decrease of consumption marked a big drop in domestic sales. Despite shrinking consumption, and despite reduced overall imports, imports from the PRC increased. When, the following year, consumption recouped, Chinese imports took most advantage of that increase, to the detriment of Taiwan producers whose sales increase was only limited and disproportionate to the increase in consumption. Looking at the gains and losses of Chinese imports and of domestic sales between 2022 and 2024, they are almost symmetrical: + 158 465 tonnes for Chinese imports compared to - 138 131 for Taiwan's industry.

(374) This dynamic of substitution of domestic sales by Chinese imports can be better observed when comparing the volumes to the consumption and expressing them in terms of market shares.

Table 11

Market share (%)

	2022	2023	2024	Investigation period
Imports, of which:	35,6	40,9	49,6	49,3
1. PRC	25,2	31,6	37,4	38,2
2. Korea	5,0	5,6	8,5	7,6
3. Japan	5,4	3,5	3,6	3,4
Domestic sales, of which:	64,4	59,1	50,4	50,7
— CSC Group	[55-65]	[45-55]	[40-50]	[40-50]

Source: Authorities of Taiwan and CSC Group's questionnaire reply.

(375) In terms of market share, the increase in imports of 13,7 percentage points from 2022 to the investigation period corresponded to a decrease in volume of domestic sales of also exactly 13,7 percentage points, with the sampled exporting producer CSC Group following the same trend by approximately [-15] percentage points. The increase in imports of 13,7 percentage points was largely driven by the increase of imports from the PRC of 13,0 percentage points.

(376) It has to be noted that, between 2024 and the investigation period, Chinese imports increased their market share despite the decrease in market share of imports from the other sources and overall imports. Such increase of 0,8 percentage points was higher than the increase of 0,3 percentage points of the domestic producers' market share, to which CSC Group was aligned.

(377) Therefore, the Commission established that, in terms of volume, the Chinese imports increased their market share in Taiwan to the detriment of domestic sales.

3.4.1.1.2. Domestic market: prices

(378) The Commission then observed the development of the prices in Taiwan's domestic market. In particular, the Commission analysed the unit prices of imports and of domestic sales.

(379) The unit price of imports and domestic sales developed as follows:

Table 12

Sales prices in Taiwan (TWD/tonne)

	2022	2023	2024	Investigation period
Average unit import price into Taiwan (CIF), of which:	28 921	22 831	22 178	20 539
Index	*100*	*79*	*77*	*71*
1. Imports from the PRC	26 564	21 166	19 817	18 198
Index	*100*	*80*	*75*	*69*
2. Imports from Korea	27 866	22 305	24 493	23 713
Index	*100*	*80*	*88*	*85*
3. Imports from Japan	39 294	37 467	39 682	38 348
Index	*100*	*95*	*101*	*98*
Average unit domestic sales price in Taiwan ([1]), of which:	28 805	24 362	24 263	23 190
Index	*100*	*85*	*84*	*81*
— CSC Group ([2])	[27-29 000]	[23-25 000]	[23-25 000]	[22-24 000]
Index	*100*	*85*	*84*	*81*

([1]) The average unit domestic sales price in Taiwan may include 0,5 %-1,2 % of domestic freight. However, they are reported without any adjustment for domestic freight because, in any case, the analysis and conclusion remain confirmed even with adjusted prices.
([2]) Net of domestic freight.
Source: Taiwan's customs data, Ministry of Economic Affairs of Taiwan and CSC Group's questionnaire reply.

(380) The price analyses showed that, apart from 2022, when overall import prices and domestic prices were aligned, overall import prices were lower than domestic prices from 2023 to the investigation period.

(381) More specifically, Chinese import prices were consistently lower than domestic prices, including CSC Group's prices, from 2022 to the investigation period. Moreover, they are also below the price of imports originating in the other two largest sources, Korea and Japan.

(382) Chinese import prices showed also the most significant decrease, with a decrease of -31 % from 2022 to the investigation period, compared to a decrease of -15 % of Korean import prices and a decrease of only -2 % of Japanese import prices. Due to their large volume, Chinese import prices drove the decrease in overall import prices by -19 % between 2022 and the investigation period. Chinese import prices decreased more also compared to domestic prices, including CSC Group's prices, which showed a decrease of -19 % from 2022 to the investigation period.

(383) The prices of the domestic industry followed Chinese import prices in the downward trend. The continued price difference between Chinese import prices and domestic prices resulted in Chinese imports progressively and consistently increasing their market share from 25,2 % in 2022, to 31,6 % in 2023, to 37,4 % in 2024, to 38,2 % during the investigation period. In contrast, the market share of Taiwan's domestic producers, who could not lower their prices enough to match Chinese import prices, decreased from 64,4 % in 2022 to 50,7 % in the investigation period.

(384) The increasing imports of Chinese import into Taiwan created significant downward pressure on the domestic prices, forcing domestic producers to decrease their profits. This was patent when analysing the evolution of the profitability of the sampled exporting producer.

Table 13

Profitability of domestic sales to unrelated customers

	2022	2023	2024	Investigation period
CSC Group	+	-	-	-
Index	*100*	*- 13*	*- 24*	*- 73*

Source : CSC Group's questionnaire reply.

(385) Starting from a profitable level in 2022, CSC Group saw its results deteriorating into increasingly bigger losses on its domestic sales of the product under investigation to unrelated customers. CSC Group's losses in the investigation period showed a significant decrease in profitability compared to the profit margin in 2022.

(386) The deteriorating profitability of CSC Group can be put in relation to CSC Group's decreasing prices in Table 6. It can be observed that, the lower the domestic prices, the more significant the losses.

(387) Therefore, the Commission concluded that the PMS in Taiwan's market entailed profits lower that those that would have been achieved in its absence.

3.4.1.2. Conclusion

(388) The Commission concluded that Taiwan's domestic market was affected by a particular market situation resulting from Chinese imports due to overcapacity in the steel sector in the PRC. In this respect, the Commission observed that domestic prices in Taiwan decreased and that domestic profitability deteriorated.

(389) Following the final disclosure, the authorities of Taiwan claimed that the analysis of the market share and price levels of CRF imports into Taiwan from the PRC was insufficient for a finding of particular market situation. Additionally, the authorities of Taiwan claimed that section 3.1 of this Regulation relied on the claims presented by the complainant and did not establish any new findings in the investigation. They also alleged that the Commission did not establish how the push-out effect of Chinese overcapacity constituted a particular market situation. According to the authorities of Taiwan, market shares and prices were consequence of the particular market situation, which should be first be established.

(390) The Commission noted that section 3.1 of this Regulation indeed outlines the allegations of the complaint. Then, the analysis for Taiwan is included in section 3.4. The establishment of how the push-out effect of Chinese overcapacity constituted a particular market situation is included therein, notably in sections 3.4.1 and 3.4.2. The Commission's analysis included, besides market share and prices, also imports, consumption and profitability. All these indicators, that came from the reply of the Authorities of Taiwan to a specific questionnaire sent by the Commission as explained in recital (103) and verified on spot as explained in recital (106) were the basis on which the Commission analysed the existence of a particular market situation. The authorities of Taiwan did not explain what other evidence or indicators the Commission should have used to establish the particular market situation. Therefore, the Commission rejected this claim.

(391) Following the final disclosure, CSC Group claimed that the particular market situation at issue was not specific to Taiwan but was a global phenomenon and referred in support to various excerpts of the general disclosure document and of Regulation (EU) 2026/1384 of the European Parliament and of the Council ([106]). The authorities of Taiwan also referred to the preparatory and accompanying documents of the latter regulation and to the OECD-GFSEC report (as defined in recital (440)). They added that this global phenomenon was only individualised and made specific in respect to Taiwan but was not focused on Taiwan's domestic market.

(392) The Commission noted that the particular market situation alleged was the push-out effect of Chinese overcapacity, and not global overcapacity, which is tackled in Regulation (EU) 2026/1384. The only instance where global overcapacity was discussed in this Regulation referred to global overcapacity as a possible other factor causing injury to the Union industry, at recitals (961) to (970). The OECD-GFSEC reports constituted the benchmark for the depressed profitability of Taiwan's industry. Moreover, following the analysis carried out by the Commission in all countries concerned, only in Taiwan Chinese overcapacity had a push-out effect. However, the Commission investigated all the countries for which the push-out effect of Chinese overcapacity was alleged. Thus, amongst them, the particular market situation was specific only to Taiwan. Therefore, the Commission rejected this claim.

(393) CSC Group also claimed that the distinction between global overcapacity and Chinese overcapacity was artificial, because the cause of the alleged market situation was overcapacity itself, which was a global problem.

(394) The Commission analysed only the push-out effect of Chinese overcapacity in Taiwan's market, which was the particular market situation alleged. The analysis confirmed that Chinese overcapacity had indeed a push-out effect in Taiwan's market. Such push-out effect was not due to global overcapacity, but to Chinese overcapacity alone, and it was specific to Taiwan, as evidenced by the fact that, based on the market penetration of Chinese imports in the five countries concerned, Taiwan was the only one where Chinese imports had a significant impact on the domestic market. Therefore, the Commission rejected this claim.

(395) The authorities of Taiwan claimed that a finding of particular market situation should have been supported by clear and objective evidence demonstrating the existence of State intervention resulting in market distortions affecting prices or costs of production in the domestic market, as reflected in the Commission's past practice ([107]).

([106]) Regulation (EU) 2026/1384 of the European Parliament and of the Council of 17 June 2026 addressing the negative trade-related effects of global overcapacity on the Union steel market and amending Regulation (EU) 2020/2170 (OJ L, 2026/1384, 24.6.2026, ELI: http://data.europa.eu/eli/reg/2026/1384/oj).

([107]) Panel Report, *EU – Cost Adjustment Methodologies II (Russia)*, paragraph 7.40.

(396) The Commission considered that the decisive factor in the finding of a particular market situation did not lie in the nature of the situation itself (i.e., whether it derived from government influence or not), but in the effect and impact it produced on the market. In the case at hand, the particular market situation was not the Chinese overcapacity itself, but rather its push-out effect in Taiwan's domestic market. Therefore, the Commission rejected this claim.

(397) The authorities of Taiwan also claimed that, following the Commission's logic that a particular market situation exists whenever import pressure is high and there is an impact on domestic prices and profitability, any investigating authority establishing a finding of injury to its domestic industry on account of dumped imports would implicitly acknowledge that a particular market situation exists on its own domestic market.

(398) The Commission disagreed. First, the current investigation did not establish that Chinese imports into Taiwan were dumped, but merely that they were made at low prices since they were affected by overcapacity. Second, the particular market situation is not the injury caused to the domestic Taiwan's industry, but the push-out effect of Chinese imports. The push-out effect displaced the domestic sales volumes and exerted downwards pressure on domestic prices, which in turn pushed sales towards the export market, where they were sold at dumped prices in the Union, thereby causing injury to the Union industry.

(399) Furthermore, the authorities of Taiwan claimed that the Commission analysis overlooked two specific conditions of Taiwan's domestic market.

(400) The first condition was that the trend of Taiwan's domestic prices allegedly matched the trend in Türkiye and Vietnam. This would show that the price decrease in Taiwan's domestic market was not an isolated phenomenon attributable to conditions specific to the Taiwan's market but was part of a broader downturn affecting CRF prices globally.

(401) The Commission noted that the data presented by the authorities of Taiwan showed that during the investigation period the decrease of Taiwan's domestic prices was -16 %, a sharper decline compared to domestic prices in Türkiye (-7 %), Vietnam (-9-11 %) and also Korea (-13 %), whose data were also included. Indeed, only for Taiwan the Commission's analysis confirmed the existence of a particular market situation. Therefore, the Commission rejected this claim.

(402) The authorities of Taiwan also compared Taiwan's export prices to the Union with all countries' (excluding Taiwan) export prices to the Union and all non-concerned countries' export prices to the Union. The authorities of Taiwan claimed that they followed the same trend, and they were largely in line.

(403) At the outset, the Commission considered that the particular market situation affected Taiwan's domestic market, so a comparison amongst export prices is not liable to contradict a finding of particular market situation. In any case, for the sake of completeness, the Commission noted that Taiwan's export prices to the Union were consistently lower than the other two prices from 2021 to 2024 included, reaching a level slightly higher than the other two prices only in 2025. Thus, if export prices showed the impact of the particular market situation, *quod non*, these data would show that, since 2021 and at least for a part of the investigation period, Taiwan's export prices to the Union were specifically affected. Therefore, the Commission rejected this claim.

(404) The second condition that the authorities of Taiwan alleged was overlooked by the Commission was that most of Chinese CRF imports into Taiwan were made by product types sold in reduced volumes by Taiwan's domestic industry. Accordingly, the authorities of Taiwan claimed that the vast difference in product mix undermined the Commission's assessment and that, given the distinct market segments in which each operates, Chinese CRF imports complemented the product offering of Taiwan's producers, rather than acting as a source of competition

(405) In relation to the claimed difference in product mix, the Commission noted that the records of the verification at CSC reported that Taiwan's purchasers of Chinese non-annealed CRF were likely to anneal them. Based on this, the Commission considered that non-annealed CRF were likely to be simply a cheaper alternative raw material, compared to annealed CRF. In any case, the data reported by the authorities of Taiwan did not show that Chinese imports and Taiwan's domestic production were not in competition, but rather that Taiwan's producers lost the competition. This is confirmed by the fact that Chinese imports increased their market share (Table 11) and volumes (Table 10) much more than the increase in consumption (Table 7) from 2022 to the investigation period. It follows that Chinese imports did not untap a new market segment left unattended by Taiwan's producers, but rather displaced domestic sales previously supplying the segment. Indeed, Taiwan industry's domestic sales shrank drastically from 2022 to the investigation period (Table 10). The Commission made further considerations in the rebuttal at recital (444). Therefore, the Commission rejected this claim.

(406) Moreover, CSC Group claimed that the market situation did not impact sales of only certain producers in Taiwan, but all steel producers in Taiwan. This would be confirmed by Taiwan's trade defence measures on certain steel products from China, imposed due to overcapacity in China, and by recital (412).

(407) The Commission noted that it analysed only the CRF producers in Taiwan and that the reference to 'Taiwan domestic industry as a whole' in recital (412) referred to Taiwan's CRF industry, as opposed to CSC Group. China's overcapacity for other steel products and its push-out effect in Taiwan was not alleged or analysed in this investigation. Therefore, the Commission rejected this claim.

(408) CSC reiterated the claims set out in recitals (391), (393) and (406), and addressed in recitals (392), (394) and (407), in its comments on the additional final disclosure, despite the fact that these matters were not subject to the additional final disclosure and the company was instructed to only comment on the issues covered by the additional final disclosure.

(409) Thus, the Commission confirmed its conclusion reached at recital (388).

3.4.2. *Proper comparison*

(410) The Commission assessed whether a proper comparison could be made between the normal value and the export price of CSC Group because of the existence of the particular market situation pursuant to Article 2(3) of the basic Regulation. To that end, the Commission assessed the relative effect of the particular market situation on domestic and on export sales.

(411) The Commission found that the conditions of competition in Taiwan and the Union are significantly different and, therefore, that the effect of the particular market situation makes domestic sales prices improper to compare with the export sales prices by CSC Group.

(412) The market for CRF in Taiwan, with a consumption of 1 173 152 tonnes in the IP, was affected by a surge in Chinese imports reaching 38,2 % of the market in the IP, to the detriment of the domestic industry in Taiwan whose market share decreased to 50,7 % in the IP. The sampled group of exporting producers, CSC Group, represented the largest domestic player in Taiwan and its market share also decreased to [40-50 %] during the IP. This pattern was observed for the period between 2022 and the IP. Therefore, it appears that the PMS affected both the sampled group of exporting producers and Taiwan's domestic industry as a whole, of which CSC Group is representative anyway. On this basis, the Commission concluded that there is a significant impact of the particular market situation on the domestic prices of CRF.

(413) By contrast to Taiwan's market, where Chinese imports have a significant presence that dwarves other supplying countries, the Union market for CRF, with a much bigger consumption of 7 274 722 in the free market alone, is characterised by a mix of Union producers and imports from several countries, as indicated in sections 4.1, 4.4 and 5.2 below. Indeed, the market share of Chinese imports into Taiwan was 38 % in the investigation period, with no other supplying country being remotely close, while in the Union all imports together made up for 34 % of the market with no single country achieving a market share above 8 % and with negligible imports from the PRC. Indeed, since 2016 the Union imposed anti-dumping duties on imports of CRF originating in PRC ([108]). Therefore, the conditions of competition that drive the price levels in the two markets are very different.

(414) A comparison between the average level of prices charged in the Union by all players and the prices of Chinese imports into Taiwan confirms that conditions of competition are different. Indeed, in the Union, Taiwan's industry competes against prices much higher than the prices of the imports from the PRC against which it competes in its domestic market.

Table 14

Price comparison of imports into the Union and Taiwan (EUR/tonne)

	2022	2023	2024	Investigation period
Average unit sales price in the Union on the total market	[1 020-1 095]	[825-900]	[750-825]	[675-750]
Index	*100*	*80*	*73*	*69*
Average unit import price into the Union from the countries concerned	1 047	779	728	695
Index	*100*	*74*	*70*	*66*
Average unit import price into the Union from all third countries, excluding the countries concerned	1 071	841	776	735
Index	*100*	*79*	*72*	*69*
Average unit import price into Taiwan from the PRC	851	630	570	520
Index	*100*	*74*	*67*	*61*

Source: Sections 4.1, 4.4 and 5.2 and Taiwan's customs data reported in Table 12 converted according to the TWD/EUR exchange rate used in the investigation.

(415) On the basis of all the above elements, the Commission concluded that the particular market situation affected differently the domestic prices in Taiwan as compared to the export prices to the Union. Therefore, the Commission concluded that the PMS did not allow for a proper comparison between the domestic prices in Taiwan and the export prices to the Union according to Article 2(3) of the basic Regulation.

([108]) Anti-dumping measures on imports of CRF originating in the PRC were lastly continued by virtue of Implementing Regulation (EU) 2022/2068.

(416) Following the final disclosure, the CSC Group claimed that the particular market situation at issue did not impede a proper comparison between domestic and export sales. In particular, CSC Group claimed that the Commission's analysis of proper comparison was incomplete and did not take into account the fact that steel overcapacity was a global issue, whose effects are experienced also in the Union. In this respect, CSC Group alleged that in this Regulation the Commission found that the oversupply of Chinese steel in international markets impacted steel producers globally, including both Taiwan and the Union ([109]). CSC Group referred also to Regulation (EU) 2026/1384. Similarly, the authorities of Taiwan also referred to Regulation (EU) 2026/1384 and to its preparatory documents. The authorities of Taiwan also claimed that the OECD-GFSEC report demonstrated that the push-out effect of Chinese overcapacity had an equal impact on the export performance of third countries, as well as on the Union industry.

(417) The Commission noted that the particular market situation at issue was the push-out effect of Chinese overcapacity in Taiwan's market, and not global overcapacity. CSC Group relied on a part of this Regulation ([110]) devoted to global overcapacity as a possible other factor causing injury to the Union industry, at recitals (961) to (963), and not to the particular market situation and its analysis. The Commission further noted that the phenomenon at issue in Regulation (EU) 2026/1384 was global overcapacity, rather than the push-out effect of Chinese overcapacity. However, precisely in the excerpt cited by CSC Group there is a reference to 'imports from countries with excess capacity, or […] the push-out effect' of the imports from those countries. This investigation specifically analysed the push-out effect of Chinese imports affected by overcapacity and found it to constitute a particular market situation in Taiwan. In the other countries concerned, instead, the Commission did not find it to constitute a particular market situation. As shown at recitals (413) and (414), such particular market situation had an effect in Taiwan's domestic market different from the effect on the Union market. Therefore, it impeded a proper comparison. This is a different exercise from the comparison of the effects on the export performance of Taiwan's industry and on the Union industry. In any case, the Commission showed at recital (413) that the conditions in the Union market and Taiwan's domestic market were different. Thus, the Commission rejected this claim.

(418) The CSC Group also claimed that the Commission, in its analysis, did not consider the indirect effects of overcapacity on the Union market, such as whether the countries concerned lost market share in third countries and re-directed their exports to the Union, or the increase of the market share of other third countries (specifically Korea and Ukraine) in the Union obtained by redirecting to the Union domestic sales or export destined to other third countries.

(419) The Commission noted that CSC group did not provide any evidence of whether such imports into the Union were the result of overcapacity. Moreover, the reason behind such imports would not change the Commission's analysis and conclusions in recitals (410) to (415), that were based on the situation in the Union market as established with the verified data gathered in the investigation, that took into account all imports into the Union.

(420) In any event, CSC Group compared the average unit import price into the Union from non-concerned countries with the average unit import price into Taiwan from China. CSC Group claimed that the two declined similarly, showing the import prices into the Union were impacted by the global overcapacity.

(421) The Commission noted that CSC Group compared import prices into the Union with import prices into Taiwan, so towards different destinations. Moreover, import prices of non-concerned countries into the Union include Chinese imports into the Union, which are affected by overcapacity. Furthermore, CSC Group compared the percentage decrease of prices, rather than their actual level. Finally, the Commission analysed the push-out effect of Chinese overcapacity only in the countries concerned, no allegations were brought with respect to other third countries. Therefore, this claim was rejected.

([109]) Recitals (961) to (963).
([110]) Recitals (961) to (963).

(422) Additionally, CSC Group compared the average unit import price into the Union from non-concerned countries with domestic prices in Taiwan, and claimed that the import price into the Union from non-concerned countries declined more steeply than the domestic price in Taiwan. According to the CSC Group, this would show that overcapacity would negatively impact both domestic and export prices, so that the Commission should adjust profitability on both the domestic and the export side.

(423) The Commission noted that CSC Group compared import prices into the Union from other countries with domestic prices in Taiwan, so prices both originating from different sources and towards different destinations. Furthermore, CSC Group compared the percentage decrease of prices, rather than their actual level. Moreover, CSC Group assumed that imports into the Union from other countries were affected by overcapacity only because declined more steeply than domestic prices in Taiwan. However, import from non-concerned countries into the Union include Chinese imports and, as shown in Table 11 and at recitals (412) and (413), Chinese imports and imports from non-concerned countries had very different relevance and market share in the Union and in Taiwan's market. Thus, the Commission rejected this claim.

(424) The authorities of Taiwan claimed that, to establish that a proper comparison was prevented, the Commission should have assessed the relative effect of the particular market situation on Taiwan's domestic and export prices, pursuant to *Australia – Anti-Dumping Measures on Paper* ([111]). The authorities of Taiwan's view was that a particular market situation consisting in the push-out effect of Chinese overcapacity affected by its own nature export prices in a comparable way to domestic prices and necessarily had the same effects on both. In support, the authorities of Taiwan indicated that the Commission's findings showed a considerable decrease in both Taiwan's domestic price and export price. In this respect, the CSC Group claimed that, as the profitability of domestic sales to unrelated customers, also the profitability of export sales to unrelated customers declined in a similar way since 2022. According to the CSC Group, this would show that overcapacity would negatively impact both domestic and export prices, so that the Commission should adjust profitability on both the domestic and the export side.

(425) The Commission noted that the decline of domestic and export prices derived from different reasons. Indeed, as shown in Table 12, domestic prices in Taiwan followed (without being able to match them) the steeper decline of lower Chinese import prices into Taiwan. The lower price and steeper decline allowed Chinese imports to rapidly increase their market share in Taiwan from 2022 to the investigation period, as shown in Table 11, to the detriment of the Taiwan industry's domestic sales. If Taiwan's domestic industry had not followed Chinese import prices in the downward trend, it is likely that the domestic industry would have lost further market shares. So, Taiwan's domestic industry was forced to lower its prices by the competitive pressure (i.e., the push-out effect) of Chinese imports affected by overcapacity. This constitutes the particular market situation affecting Taiwan's domestic market that renders domestic profits unreliable. On the contrary, when exporting the displaced volumes to the Union, Taiwan's exporters were not subject to the same competitive constraints of their own domestic market, given that the conditions of competition were different in the Union market as shown in recitals (410) to (414), where Chinese imports had no impact. Therefore, the Commission rejected the claim that the push-out effect of Chinese overcapacity affected Taiwan's export prices in a comparable or similar way as Taiwan's domestic prices and consequently did not adjust profitability on the export side.

(426) Moreover, the authorities of Taiwan claimed that it was clear that the particular market situation affected also the conditions of competition in the Union from the fact that, despite Chinese imports into the Union having a low market share, the Union sought to offset the effects of steel overcapacity with an act of general policy such as Regulation (EU) 2026/1384. Thus, according to the authorities of Taiwan, the particular market situation should not be evaluated solely on the basis of the market share held by Chinese imports into the Union.

([111]) Panel Report, *Australia – Anti-Dumping Measures on Paper*, paragraphs 7.73 and 7.75.

(427) The Commission noted that Regulation (EU) 2026/1384 was meant to tackle global overcapacity, whereas this investigation was based on the allegation of a particular market situation consisting in the push-out of Chinese overcapacity in, *inter alia*, Taiwan. Thus, in the context of the proper comparison analysis, the Commission was not required to analyse the effects of global overcapacity in the Union market but, at most, the effects of the particular market situation in the Union market. Moreover, Regulation (EU) 2026/1384 does not change the facts that: (i) as noted in recitals (388) and (409), there was a particular market situation in Taiwan during the investigation period; and (ii) as noted in recital (415), that particular market situation affected the proper comparison between the normal value and the export price. This had to be addressed. Therefore, the Commission rejected this claim.

(428) The authorities of Taiwan claimed that a number of public statements of the complainant ([112]) outlined the effects of global steel overcapacity over export prices.

(429) The Commission noted that the investigation analysed only the push-out effect of Chinese overcapacity, and not global overcapacity. Therefore, the Commission rejected this claim.

(430) The CSC Group claimed that, even if the Commission concluded that global steel overcapacity had a greater impact on Taiwan's domestic market than on the Union export market, it could not determine that there was no impact on the Union market. On the contrary, it should have assessed the relative impact on domestic sales versus export sales and adjusted also the profits on export sales by 4,8 %.

(431) The Commission noted that the particular market situation found in Taiwan's domestic market was not global steel overcapacity, but the push-out effect of Chinese overcapacity. As explained in recitals (410) to (414), the conditions of competition in the Union market are different. As a consequence, no adjustment to the export price because of the particular market situation was warranted. Therefore, the Commission rejected this claim and confirmed its conclusions with regard to proper comparison in recital (415).

(432) Finally, the authorities of Taiwan claimed that the Commission, in its proper comparison analysis, failed to consider the differences in grades between Chinese imports into Taiwan and the average unit price of various product mixes, among other factors which could influence the difference in the conditions of competition between the Union and Taiwan.

(433) The Commission noted that it already addressed the authorities of Taiwan's concerns as regards the alleged differences in grades between Chinese imports into Taiwan at recital (405). As regards the average unit price of various product mixes, the Commission recalled that, in the context of the dumping, undercutting and underselling calculations, the comparison of domestic and export sales, as well as the comparison of the imports from the countries concerned into the Union with the domestic sales of the Union industry, took place per PCN and showed sufficient matching. Therefore, in the context of the proper comparison analysis, the Commission did not need to further analyse the prices in the Union or of imports into the Union at product type level or to consider the precise product type to which the prices corresponded. As regards the Chinese import price into Taiwan, the Commission did not need to analyse the prices per product type or to consider the product types imported, insofar the product under investigation imported into Taiwan from the PRC competed against Taiwan's domestic production, as indicated in recital (405). Therefore, this claim was rejected.

(434) CSC reiterated the claims set out in recitals (416), (420), (422), (424) and (430), and addressed in recitals (417), (421), (423), (425) and (431), in its comments on the additional final disclosure, despite the fact that these matters were not subject to the additional final disclosure and the company was instructed to only comment on the issues covered by the additional final disclosure.

(435) In conclusion, the Commission confirmed its conclusion at recital (415).

([112]) https://www.steelactionplan.eu/topics/an-eu-trade-policy-that-works-for-industrial-resilience and https://www.spglobal.com/energy/en/news-research/latest-news/metals/120924-eu-steel-sector-requests-emergency-summit-tariffs-amid-import-surge.

3.4.3. *Normal value*

(436) As set out in recitals (388) and (415), the Commission established the existence of a particular market situation in the domestic market of Taiwan, which did not allow for a proper comparison. All domestic sales of CSC Group were affected because Chinese imports resulting from the overcapacity in the steel sector in the PRC artificially decreased the price of all domestic sales of CRF. Therefore, such sales could not be considered as made under normal conditions and the profit generated could not constitute a normal profit.

(437) As a consequence, in accordance with Article 2(3) of the basic Regulation, the Commission constructed the normal value on the basis of the cost of production in the country of origin plus a reasonable amount for SG & A costs and for profits.

(438) As explained in recitals (384) to (387), the effect of the PMS in Taiwan resulted in artificially low profitability but did not affect the costs of production and the SG & A costs in Taiwan. Therefore, for the construction of the normal value, the Commission relied on the actual costs of production and the actual SG & A costs recorded by CSC and CHS.

(439) Concerning profit, the Commission considered that the profit realised by the exporting producer on sales of like products on the domestic market was unsuitable for use due to the effect of the PMS on the actual profit margin, as explained in recital (388).

(440) The Commission determined the impact of the PMS on the actual profit margin based on a report prepared by the OECD and published by GFSEC ([113]) ('OECD-GFSEC report'). According to this report, the average of the difference between profit actually achieved by steel companies across the world, excluding the PRC, and the profit which could have been achieved by the same companies had the PRC's overcapacity not surged the way it did, was 4,8 %.

Table 15

Actual versus estimated profitability (%)

	2015	2017	2020
Actual profit	9	17,75	16,5
Estimated profit	14	22,7	21
Average of the difference		4,8	

Source: OECD-GFSEC report, pp. 18-19, Box 3 and Figure 3,

(441) The Commission considered that any meaningful profit adjustment per product type should take into account the specific variations in costs of production, domestic sales prices and resulting profit levels across those product types since this information is available to the Commission.

(442) Therefore, to establish a reasonable amount for profit within the meaning of Article 2(3) of the basic Regulation, and in line with Article 2(6)(c) thereof, the Commission, as a starting point and following its standard dumping calculation methodology, first identified all domestic sales transactions made in the ordinary course of trade for each product type. Since the profitability of those transactions was negatively affected by the PMS found, relying on their actual profitability would not result in a reasonable amount for profit within the meaning of Article 2(3). To address this, the Commission adjusted the profitability of the transactions made in the ordinary course of trade by the average loss of profit attributable to the PMS.

([113]) OECD Facilitator De Carvalho, A., Pazos, R., and Thorbecke, W, *Global Forum on Steel Excess Capacity (GFSEC): Impacts of global excess capacity on the health of GFSEC steel industries*, March 2024, pp. 18-19, Box 3 and Figure 3, https://www.steelforum.org/content/dam/steel-forum/en/publications/gfsec-impacts-of-global-excess-capacity_0325.pdf.

(443) Following the final disclosure, the authorities of Taiwan claimed that the construction of the normal value allowed by Article 2.2.2 of the WTO ADA and Articles 2(3) and 2(6) of the basic Regulation was already sufficient to ensure that the push-out effect was accounted for. According to them, there was no legal basis to depart from the actual profit based on domestic sales in the ordinary course of trade in favour of a cross-country benchmark. This was especially the case because, in their view, profitable domestic transactions were predominantly transactions in high-quality, annealed CRF coils, which did not compete with, and were not affected by, the non-annealed CRF coils that constituted the vast majority of Chinese CRF imports into Taiwan.

(444) The Commission explained at recitals (384) to (387) the effects of the PMS on the domestic profitability in Taiwan. Due to the PMS, the profit could not be considered reasonable. For this reason, the Commission relied on an alternative benchmark, still pursuant to Articles 2(3) and 2(6) of the basic Regulation. In any case, the Commission disagreed with the authorities of Taiwan's view on the actual profit realised by Taiwan's exporting producers. While high-quality, annealed CRF may be more profitable compared to non-annealed CRF, domestic profits were not due only to high-quality, annealed CRF. Indeed, the Commission noted that the domestic sales of non-annealed product types of the largest producer in the sampled group, CSC, during the investigation period were all profitable for 11 of 12 non-annealed product types, and largely profitable for the remaining product type. All these domestic profitable sales were considered in the ordinary course of trade and thus included in the dumping calculation. Therefore, the Commission used also profits of non-annealed product types, that the authorities of Taiwan assert to be the product types most exposed to the competition of Chinese imports. Due to the push-out of Chinese imports, the level of such profit was still lower than what would have been in the absence of the PMS. For this reason, the Commission needed to resort to an adjustment to offset the effects of the PMS and reach a reasonable profit. In any case, with specific regard to annealed and non-annealed CRF, as explained in recital (405), annealed and non-annealed CRF were substitutable as raw materials used to produce downstream products, and thus were in competition. Only, non-annealed CRF were cheaper, and thus preferred by downstream users, compared to annealed CRF. Finally, Chinese imports during the investigation period included also annealed CRF. Therefore, the Commission rejected this claim.

(445) The authorities of Taiwan claimed that the profit adjustment was incompatible with Article 2.2.2 of the WTO ADA. Indeed, they argued that, when the actual amount for profits cannot be based on actual data pertaining to production and sales in the ordinary course of trade by the exporting producer concerned, the Commission should rely for any other reasonable methods on amounts not exceeding the profits normally realised by exporting producers in the domestic market of the country concerned. The OECD-GFSEC report relied on by the Commission would be unsuitable, according to the authorities of Taiwan, for several reasons. First, the report did not specifically indicate a reasonable profit applicable to the CRF market in Taiwan in the investigation period. Second, there were methodological notes inviting a cautious interpretation, the study was not peer-reviewed, was funded also through the contribution of the Union, and appeared not to rely on financial statements and annual reports for the profitability analysis. Third, the profit margin taken into account was the overall profit margin of steel producers, not specific as the actual profit margin of Taiwan's producer. Finally, the authorities of Taiwan claimed that they had already objected to this methodology, proposed by the complainant, in their comments on initiation, summarised at recital (21). In respect of the Commission's rebuttal in recital (22), the authorities of Taiwan claimed that the Commission did not make reference to its obligations under Article 2.2.2 of the WTO ADA and did not prove that the report included actual data on profits from Taiwan's producers.

(446) At the outset, the Commission noted that, as mentioned in recital (442), it established the profit on 'any other reasonable method', as foreseen by Article 2(6)(c) of the basic Regulation, corresponding to Article 2.2.2(iii) of the WTO ADA. Indeed, the Commission could not rely on letter (a) or point (i), since the Commission did not have at its disposal actual profit amounts of other exporters or producers in Taiwan, and no exporter or producer in Taiwan besides the sampled CSC Group submitted a questionnaire reply. Nor could the Commission rely on letter (b) or point (ii), since it did not have CSC Group's profitability information specific for the same general category of products as CRF, and in any case it would have been also affected by the PMS. Thus, the Commission relied on letter (c) or point (iii). In so doing, the Commission did not have at its disposal a profit normally realised by other exporters or producers on sales of products of the same general category in Taiwan's domestic market. Indeed, the profitability of all CRF producers in Taiwan was affected by the PMS. Additionally, the profitability of

producers of downstream products would also be affected by the existence of a PMS for CRF as a raw material, while, given the uses of CRF, industries like construction or automotive would not be appropriate as such products would no longer be in the same general category. At the same time, producers of upstream products, such as HRF, would be also producers of CRF, and more upstream products, such as iron ore, cannot be considered in the same general category as CRF. Still, Article 2(6)(c) of the basic Regulation required the Commission to identify a profit normally realised in Taiwan.

(447) Thus, the Commission resorted to the profit normally realised by CSC Group itself. Moreover, the Commission looked at the narrowest interpretation of the same general category of products, limited to the exact same product, i.e. CRF. So, the Commission took into account the profit normally realised by CSC Group's on sales of CRF on Taiwan's domestic market. However, CSC Group was loss-making on its domestic sales of CRF to unrelated customers. Since CSC Group was loss-making, the Commission could not identify a profit normally realised based on the actual profit of CSC Group, as there was none. Moreover, the evidence on file demonstrated that the overall profitability of the company was significantly affected by transactions which the basic Regulation does not consider to be made in the ordinary course of trade. Indeed, such transactions are excluded from profit analysis under Article 2(6) of that Regulation. Therefore, in order to find a profit normally realised, the Commission considered only CSC Group's profit in the ordinary course of trade. CSC Group's profit in the ordinary course of trade was much more accurate and granular than any actual profit realised by other producers on sales of products in the same general category as CRF in Taiwan. Considering the finding that such profit was subdued due to the particular market situation, the Commission adjusted it to the level that could be expected but for the effects of the PMS found. To that end, the Commission considered that the profit normally realised by CSC Group's on sales of CRF on Taiwan's domestic market, adjusted by the average of the difference between actual and hypothetical profitability of non-Chinese steel identified by the OECD-GFSEC report and reported in Table 15, constituted a profit normally realised or, given the PMS affecting the profit itself, realisable also by other exporters or producers on sales of products of the same general category in the domestic market of the country of origin. Since the study encompassed steel companies, it referred to products in the same general category as CRF and even included them. Thus, it was sufficiently homogeneous to be used to adjust CSC Group's profit normally realised on domestic sales of CRF.

(448) To further support this, the Commission noted that the OECD-GFSEC report simulated the difference between an actual profit and the hypothetical profit in the absence of overcapacity. Placed in the context of the case, this translated into a profit in the absence of the push-out effect of Chinese overcapacity, which in the hypothetical scenario did not surge, and thus did not displace Taiwan's domestic sales. The OECD-GFSEC report simulated such hypothetical profit as an average of non-Chinese steel companies across the world. The database used by the OECD-GFSEC report included companies in Taiwan ([114]). While the OECD-GFSEC report does not reach a difference between actual and hypothetical profit specifically for Taiwan, it obtains an average difference for all non-Chinese companies, thus applicable to Taiwan's companies as well, specifically to the sampled exporting producer CSC Group. It has to be noted that, for the purposes of the OECD-GFSEC report, actual profit data of the companies were taken into account to develop a hypothetical profit free from the effects of overcapacity. The differential between actual and hypothetical profit constituted an appropriate benchmark to free the profit of CSC Group in the ordinary course of trade from the effects of the PMS and identify a reasonable profit. Indeed, absent the PMS, CSC Group's profitable sales of CRF would have been more profitable.

(449) Addressing the remaining claims of the authorities of Taiwan, first, as far as the OECD-GFSEC report referred to the non-Chinese steel sector, and thus to the same general category of products as CRF, the resulting hypothetical profit was applicable to this sector in Taiwan. Second, the methodological notes were standard wording in policy and academic works proposing new economic or econometric analyses. The Commission did not consider the fact that the work was not peer-reviewed relevant, since it was prepared for the GFSEC, that constitutes the most

([114]) See OECD, *About the OECD MAGIC database*, July 2026, available at: https://www.oecd.org/en/data/dashboards/magic-database-industrial-subsidies.html.

renowned reference in the matter of steel overcapacity. The Commission failed to understand the basis on which the authorities of Taiwan argued that it contributed to the funding of the study. However, assuming that the authorities of Taiwan referred to the Union's contributions to the OECD and/or the GFSEC, the Commission did not consider this to be relevant. The study was not published for the purposes of this investigation and the authorities of Taiwan did not put forward any alternative. Also, the analysis in figure 3 in box 3 of the OECD-GFSEC report did indeed rely on annual reports and financial statements, as corresponded to the ratio between the EBITDA and revenues. Third, the Commission considered the fact that the profit margin referred to the steel sector sufficient to meet the legal standard of 'products of the same general category' as CRF. Finally, the Commission considered that the objection brought by the authorities of Taiwan in their comments on initiation, summarised at recital (21), did not relate to the substance of the methodology, but rather to the requirements of the legal standards. Once the Commission addressed the comment in recital (22), it was fully entitled to rely on the methodology of the OECD-GFSEC report proposed by the complainant, which was not contested in its substance by any interested party. The Commission provided the clarifications required as regards its obligations under Article 2.2.2 of the WTO ADA and the corresponding provisions of the basic Regulation in recitals (442) and (446). The Commission considered that they constituted a sufficient justification for the proposed methodology. Therefore, the Commission rejected this claim.

(450) Following the final disclosure, the CSC Group claimed a clerical error in calculating the average manufacturing unit cost established per PCN for one of its companies.

(451) The Commission found this claim to be justified. Consequently, the normal value calculation for this company was revised, and the dumping margin for the CSC Group and for non-sampled cooperating companies was adjusted accordingly. The recalculation did not affect the residual dumping margin.

3.4.4. *Export price*

(452) The sampled exporting producers exported to the Union directly to independent customers.

(453) Therefore, the export price was the price actually paid or payable for the product concerned when sold for export to the Union, in accordance with Article 2(8) of the basic Regulation.

3.4.5. *Comparison*

(454) Article 2(10) of the basic Regulation requires the Commission to make a fair comparison between the normal value and the export price at the same level of trade and to make allowances for differences in factors which affect prices and price comparability. In the case at hand the Commission chose to compare the normal value and the export price of the sampled exporting producers at the ex-works level of trade. As further explained below, where appropriate, the normal value and the export price were adjusted in order to: (i) net them back to the ex-works level; and (ii) make allowances for differences in factors which were claimed, and demonstrated, to affect prices and price comparability.

(455) In the sensitive version of their questionnaire replies, both CSC and CHS requested the addition of one-digit at the end of the PCNs to account for alleged end-use market segments. According to the sampled exporting producers in Taiwan, these market segments resulted in price differences that the PCN structure put forward by the Commission did not take into account. Additionally, such PCN structure compared domestic sales in a high-value segment with export sales to the EU concentrated in a price-sensitive segment.

(456) The Commission noted that the digit added by the sampled exporting producers in Taiwan did not correspond to a technical or physical characteristic which could allow to uniquely distinguish and identify the alleged market segments. The descriptions of the market segments showed that there was not a single variable or set of variables which could allow to distinguish the various segments, but each of them was defined based on different factors. For example, one segment was defined based on quality requirements and price inelasticity, another one was based on the content of a certain element, and a further one was based on the content of other elements. As a consequence, the only real distinguishing factor was the end-use, according to the sampled exporting producers' own classification. By tracing back the characteristics of the products sold for the different end-uses, the sampled exporting producers artificially identified several market segments. However, the PCN structure proposed by the Commission already includes a number of factors that allow to classify the same products and compare them as like products. Such PCN structure was fully adequate. This was specifically the case because, shortly after the initiation of the case, on 1 October 2025, the Commission slightly modified the PCN structure to ensure that automotive grades based on proprietary automotive standards equivalent to European Nomenclature ('EN') standard 10130 2006 and solid solutions steels (EN standard 10268) were correctly classified in the PCN structure ([115]). Therefore, the Commission rejected this claim.

3.4.5.1. Adjustments made to the normal value

(457) As explained in recitals (436) to (442), the normal value was established at the ex-works level of trade by using costs of production together with amounts for SG & A expenses and for profit, which were considered to be reasonable for that level of trade. Therefore, no adjustments were necessary to net the normal value back to the ex-works level.

(458) In the sensitive version of their questionnaire reply, CSC Group claimed, in the event that the Commission rejected their proposal to modify the PCN structure as explained in recital (455), that they would have requested adjustments to the normal value or the export price for (i) differences in physical characteristics, (ii) differences in level of trade, and (iii) other factors. During the verification, CSC Group requested such adjustment based on Article 2(10)(k) of the basic Regulation concerning other factors and provided a calculation of the adjustment. CSC Group explained that the reasons for the adjustment were that (i) customers paid different prices on the domestic market because of the difference in these other factors, and (ii) such difference was due to a combination of differences in physical characteristics, because of specific steel grades, and of level of trade, because of the type of customers. With respect to the type of customers, CSC Group claimed that there were differences in functions and conditions of sales. Specifically, CSC certification as a qualified vendor to the customer was a prerequisite for business relations, and prices reflected such additional condition. The adjustment was thus meant to account for the difference in prices due to the end-use. In the domestic market, customers of alleged segment A accepted higher price, whereas, on the Union export market, sales focused mainly on alleged segment B, though there were also sales in alleged segment A. During the verification, CSC clarified that, based on the type of customers, segment A could be further split in segment A1 on the domestic market, which commanded higher prices, and segment A2 on the Union export market, which commanded lower prices but still higher than segment B.

(459) At the outset, the Commission noted that CSC Group did not support its claim for price difference between sales sectors with any evidence in terms of costs.

(460) As regards the claimed difference in physical characteristics, the Commission requested CSC Group to provide evidence on any physical or chemical characteristics which could clearly distinguish the alleged segments, as already mentioned in recital (456). CSC Group did not provide evidence demonstrating that some customers paid more than others for similar products for any difference in physical or chemical characteristics. Regarding other factors, the Commission requested CSC Group to provide supporting evidence such as additional selling expenses or additional costs. CSC Group explained that there was no specific additional packing costs and that the certification process costs was not depreciated but booked as an overhead expense. Therefore, the Commission considered that CSC Group did not provide such evidence.

([115]) Note to the file No t25.009414 and accompanying annex.

(461) As regards the differences claimed between the type of customers, the Commission noted that CSC Group did not make any correlation between the high prices and the costs of the certification process or other factors.

(462) In addition, the Commission initially noted that high prices could be explained by the fact that CSC Group was the only domestic producer active in the alleged segment A. However, following a more detailed analysis of the segment and the degree of competition within it, the Commission concluded, in recital (481), that such a scenario would only be possible if CSC Group were restricting competition in that segment. In the absence of any evidence or claims to that effect, the Commission did not pursue that line of reasoning. Instead, its rebuttal focused on the complete lack of any demonstrated causal link between the alleged factors and the alleged price premium. The conclusions in recital (481) were disclosed to CSC Group in the additional final disclosure and were not contested by CSC Group.

(463) Therefore, the Commission rejected this claim.

(464) In its comments on final disclosure, CSC Group reiterated its request for a fair comparison between domestic and export prices by accounting for distinct end-use of CRF in the automotive and non-automotive sectors, given the substantial price difference depending on final customer. CSC Group repeated that the requested adjustments were necessary to correct for a comparison between a normal value based on higher-priced automotive sales and export prices based on lower-priced non-automotive sales. It restated that the automotive segment was fundamentally different from the non-automotive segment and was subject to sustained price differences, which were also examined during the Commission's verification. First, sales to automotive original equipment manufacturers ('OEMs') and their supply chains were subject to stringent technical and quality requirements, long-term contracts, and demanding certification processes. The verification confirmed these requirements, including automotive-specific quality certifications and manufacturer approvals, with CSC Group being the sole qualified supplier in Taiwan for certain products. Second, reliability and risk mitigation were key considerations for the automotive customers, rather than the lowest price. Third, prices in the automotive segment were less elastic, because switching suppliers is particularly costly and time-consuming. As a result, qualified suppliers such as CSC face less competition when selling to automotive customers than when selling to non-automotive customers. Finally, CSC Group recalled that the safeguard measures on steel differentiated steel for automotive use ([116]).

(465) Regarding the legal basis, CSC Group clarified in its comments for disclosure that the adjustment would be warranted under Article 2(10)(k) of the basic Regulation for differences in other factors because (i) customers paid different prices on the domestic market because of the difference in those factors, and (ii) such difference was due to a combination of factors listed in Article 2(10) of the basic Regulation, namely Article 2(10)(a) of the basic Regulation for differences in physical characteristics, because of specific steel grades, and 2(10)(d)(i) of the basic Regulation for differences in the level of trade, because of the type of customers.

(466) Against this background, the CSC Group claimed that the Commission at recitals (459) to (461) did not properly address its comments. In particular, CSC Group alleged that the Commission substantially addressed only the claimed differences in physical characteristics but did not address in substance the differences in the level of trade and in other factors. CSC Group clarified that the distinction between automotive and non-automotive products was not solely based on differences in the physical characteristics but on a combination of factors, as reflected in the different legal bases. According to CSC Group, by rejecting the claim only based on physical characteristics, the Commission did not consider the question of whether the prices of automotive and automotive CRF are comparable without an adjustment, taking into account the factors affecting those prices, including differences in physical characteristics. In this respect, CSC Group referred to a previous investigation on acrylonitrile-butadiene-styrene resins ([117]) ('ABS'). Finally, CSC Group claimed that it provided evidence demonstrating that some customers paid more than others for similar products due to differences in physical or chemical characteristics, in the form of requirements for specific technical specifications and certifications linked to these specifications, including specific engineering and material standards. Additionally, CSC was able to charge higher prices in domestic sales for the automotive industry.

([116]) Implementing Regulation (EU) 2019/159, recitals (156)-(157).
([117]) Implementing Regulation (EU) 2026/316, recitals (92), (101) and (120).

(467) The Commission disagreed with CSC Group on the fact that it did not properly address its claim. In recitals (459) to (461), the Commission addressed the separate factors and legal bases put forward by CSC Group.

(468) At recital (460), the Commission addressed the claimed differences in physical characteristics. The Commission did not mean to address the full claim by means of this recital alone but analysed on that occasion one of the claimed factors affecting prices. The Commission reiterated, as already noted in recital (460), that CSC Group did not provide any measurable physical and technical characteristics of the product under investigation which could support its claim. The certification, specifications and standards that CSC brought forward as arguments do not physically or chemically differentiate CRF for the automotive industry from CRF for other industries. Consequently, CSC group failed to prove that physical characteristics were a factor that could warrant an adjustment.

(469) Furthermore, CSC Group took exception with the relevance of differences in costs in the context of an adjustment for physical characteristics. CSC Group claimed that under Article 2(10)(a) of the basic Regulation, adjustments for physical characteristics must be quantified solely on a 'reasonable estimate of the market value of that difference' and noted that the Commission treated such adjustments as price allowances in its internal calculation sheets.

(470) The Commission noted that CSC Group ignored the explicit condition precedent set out in the chapeau of Article 2(10), which states that an adjustment shall only be granted 'if it is demonstrated that [the factors] affect price comparability'. The phrase 'reasonable estimate of the market value' invoked by the CSC Group dictates the method of quantification of an allowance only after the threshold requirement of price affectation has been established by the claimant. In the present case, the CSC Group failed to demonstrate that the specialized physical requirements of the automotive sector systematically led to distinct price settings on the domestic market for identical product types that are not already fully and adequately reflected in the PCN matching matrix. The Commission emphasized that its internal modelling choice to apply allowances to prices did not relieve the exporting producer of its primary legal obligation to provide verifiable evidence that the physical differences distort a fair comparison. In any case, the Commission examined the cost of production to analyse whether the alleged higher requirements concerning technical specifications and quality were reflected in it, as would be logical, and could not conclude they affected the cost of production as explained in recital (460). Therefore, the Commission rejected this claim.

(471) Moreover, CSC Group claimed that the Commission incorrectly rejected CSC Group's adjustment claims regarding the level of trade and other factors based on the absence of cost variations between similar products sold to automotive sector and non-automotive sector. According to CSC Group, the Commission, by referring to costs, applied an incorrect legal standard. CSC Group claimed that Article 2(10)(d)(i), and (k) of the basic Regulation did not require evidence of differences in production costs to warrant an adjustment. According to CSC Group, the relevant elements are the difference in market value and in prices paid by customers.

(472) At the outset, the Commission rejected the interpretation of the basic Regulation provided by CSC Group. The Commission did not consider that a cost analysis is the primary or only standard to assess a claim under Article 2(10)(d)(i), and (k) of the basic Regulation. However, the Commission noted that it is fully entitled to request and evaluate cost structures as an objective evidentiary tool to verify whether an alleged domestic price difference is structural, consistent, and genuinely affects price comparability. The Commission recalls that under Article 2(10) of the basic Regulation, the primary objective of the investigation is to ensure a fair comparison between the export price and the normal value. Where an interested party requests an adjustment under Article 2(10), it bears the burden of proof to demonstrate that its claim satisfies both the substantive and evidentiary conditions laid down in that provision. In the case at hand, the Commission considered that the difference in market value and in prices paid by customers must be proved by reference to a difference in the level of trade and a difference in other factors respectively.

(473) With regard to the level of trade, the Commission further considered that a level of trade adjustment requires proof of consistent and distinct commercial functions in functions and prices of the seller for the different levels of trade (for instance wholesale versus retail) in the domestic market and that this evidence was not submitted. As clear from the differentiation of sales channel made in the transaction-by-transaction listing of domestic and Union sales, CSC sold to both traders and end users both in the domestic and in the Union market. With regard to the alleged automotive sector, CSC sold to both automotive manufacturers and traders in the domestic market, whereas it sold only to traders in the Union market. Traders of automotive products in the domestic and Union market operated at the same level of trade. Additionally, any alleged difference in level of trade between the domestic market (traders of automotive products and automotive makers) and the export market (only traders of automotive products) was not demonstrated by any differences in functions and prices of CSC Group for the different levels of trade (i.e., traders or automotive makers) in the domestic market. Be it domestic end users (in the automotive sector or not) or domestic traders (in the automotive sector or not), all CSC Group's domestic market buyers purchased directly from CSC Group, without differences in functions and prices. Automotive manufacturers and non-automotive purchasers operated at the same functional level: they are industrial end-users purchasing directly from CSC Group, whether in the construction, tool or automotive industry. The features of the automotive industry on which CSC based its claim represented standard business-to-business practices, rather than a distinct step in the channel of distribution. Since the CSC Group failed to show a different pricing structure based on distinct distribution channels, the criteria of Article 2(10)(d) of the basic Regulation were not met. Therefore, the Commission rejected the claim for a level of trade adjustment.

(474) The Commission then analysed whether any adjustment would be warranted under Article 2(10)(k).

(475) At the outset, the Commission noted that CSC claimed that the other factors to be considered under Article 2(10)(k) were 'a combination of the following factors listed in article 2(10) basic Regulation, namely Article 2(10)(a) for differences in physical characteristics and 2(10)(d)(i) for differences in level of trade'.

(476) Article 2(10)(k) concerns exclusively adjustments for factors not provided for under points (a) to (j). Consequently, CSC failed to identify any factor that could be addressed under this provision. The Commission recalled that Article 2(10)(k) of the basic Regulation cannot be interpreted as a mechanism to circumvent the strict evidentiary benchmarks established under the preceding sub-paragraphs of Article 2(10) of the basic Regulation.

(477) In any event, as Article 2(10)(k) also requires a causal link between the factor claimed and the alleged price effect, the Commission analysed all the evidence on file and the argumentation brought forward by CSC.

(478) In essence, the claim of CSC rests on the fact that customers consistently paid different prices on the domestic market. However, nothing in its argumentation clearly identified any factor (different from those provided for under points (a) to (j) of Article 2(10) of the basic Regulation) that would explain the higher prices. Based on the evidence on file, the Commission considered that the stringent technical and quality requirements, long-term contracts, and demanding certification processes mentioned did not justify the prices on their own. The prices charged were also due to a deliberate choice of its customers, as CSC itself explained (see recital (464)). These constituted ordinary commercial conditions, not a factor affecting price comparability.

(479) The reference to the safeguard measures was ineffective, since in that context the Commission noted that corrosion resistant steel for the automotive industry were not covered in the industry's request for anti-dumping measures, whereas in this investigation on CRF they are clearly part of the product scope. Instead, in the investigation on ABS, the category of mass-balanced ABS at issue was not captured by the PCN, whereas in the present investigation the destination to the automotive industry constitutes an end use and is not relevant for the PCN classification, as explained by the Commission in recital (456). So, while a difference not captured by the PCN can be relevant for an adjustment under Article 2(10)(k) of the basic Regulation, the investigation on ABS does not constitute a useful example for a possible adjustment in the present case.

(480) Finally, in the alternative to the adjustments for differences in physical characteristics, level of trade and other factors, CSC Group claimed that, if the Commission considered that CSC's higher domestic automotive prices resulted from the fact that CSC is the only domestic producer active in the segment, those prices are formed under competitive conditions that do not exist on the EU market. Indeed, CSC did not hold a comparable position in the Union market. So, the Commission should exclude domestic automotive sales from the comparison, because the EU export prices did not have a price premium corresponding to the Taiwanese automotive market.

(481) The Commission noted that each segment of each geographical market is subject to its own specific competitive conditions. Those conditions are shaped, *inter alia*, by the number of suppliers and customers active in the market and by their respective market positions. The mere fact that, under those conditions, one customer is willing to pay more and another less for the same product type does not justify a downward adjustment for the latter and an upward adjustment for the former or any exclusions from the normal value. Such price differences may simply reflect normal market forces and should therefore contribute to the determination of normal value in a market economy subject to normal competitive conditions. The fact that CSC happens to be the only domestic producer active in the relevant segment does not, in itself, mean that it is able to charge a premium for that reason. CSC remains subject to competitive constraints, since the segment is open to imports and to entry by other domestic producers. The situation might be different if CSC were able to restrict competition, whether through unilateral conduct or through agreements with other market participants. However, CSC has not claimed that this is the case.

(482) For all the reasons explained above, the Commission rejected this claim.

(483) Following the additional final disclosure, with regard to physical differences and the Commission's rebuttal in recital (468), CSC Group claimed that technical specifications and standards applicable to automotive products were not commercial labels attached to otherwise identical products. Rather, CSC Group manufactured the CRF concerned in accordance with the technical specifications required by the individual automotive manufacturer. The purpose of the technical standards is to define the characteristics that the steel must possess in order to satisfy the manufacturer's requirements.

(484) The Commission noted that CSC Group described the mere process of customisation of products at the request of a client. Such customisation, precisely because it is individualised, does not define a specific physical characteristic or a homogeneous set of physical characteristics that allow to distinguish CRF destined to the automotive sector from other CRF. Therefore, the Commission rejected this claim.

(485) In addition, CSC Group claimed that the Commission, insofar it found in recital (470) that CSC Group failed to demonstrate that the physical requirements of the automotive sectors resulted in distinct price-setting, acknowledged the existence of a difference in physical characteristics.

(486) The Commission noted that recital (470) merely recalled the claim that CSC Group failed to substantiate. Thus, it rejected this claim.

(487) Second, with regard to physical differences, CSC Group claimed that the Commission erred in finding that the physical requirements of the automotive sectors did not result in distinct price-setting. CSC Group argued that it had provided sufficient evidence demonstrating an effect on prices and price comparability. This evidence included: (i) strict technical specifications and standards; (ii) the demanding qualification process required by automotive manufacturers to obtain the status of qualified vendor; and (iii) the maintenance of the automotive-specific ISO/TS16949 Quality Management System certification. Such qualifications and certifications made switching suppliers more burdensome and time-consuming for automotive customers, thereby reducing competition and price elasticity. This explained the fact that CSC Group was the only qualified vendor of certain CRF products sold to automotive end-users in Taiwan. Finally, the Commission recorded in CSC's mission report that the automotive segment was more profitable compared with other coil segments and that the existence of a price premium for automotive products was fully corroborated by CSC Group's internal sales tracking and official domestic price catalogue.

(488) At the outset, the Commission noted that CSC Group expressly listed these elements as relevant under its claim for differences in physical characteristics. So, the Commission assessed them under this angle, even though they appeared ineffective for this claim. The Commission further noted that the CSC Group failed to substantiate its claim concerning alleged differences in physical characteristics, as it did not submit any new elements in support of its assertion. Moreover, the Commission found that this type of sales on the domestic market was not the only one subject to specific norms. For example, the sales to the Union to automotive users were also subject to European Nomenclature standards. Furthermore, the qualified vendor status and the entrenched commercial relationships did not define physical characteristics but were ordinary commercial conditions deriving from a deliberate choice of CSC Group's customers. Therefore, the Commission reiterated that the evidence referred to by the CSC Group failed to demonstrate the existence of one or more specific physical characteristics that would distinguish CRF products destined for the automotive sector from other types of CRF products. CSC identified automotive sales in its internal system, as it also identified other types of steel such as tool or drum steel, simply based on the end use and customer. This is confirmed by the fact that CSC's system did not differentiate CRF sold to an automaker, for which CSC was a qualified vendor, and CRF sold to a trader of automotive parts, for which CSC was not a qualified vendor. Consequently, in the absence of any substantiated evidence isolating the impact of physical characteristics from other normal commercial factors, the Commission rejected the CSC Group's claim.

(489) CSC Group claimed that the Commission required an impossible burden of proof, higher than the standard applied by the Court of Justice in *Sinopec* ([118]). CSC Group claimed that it demonstrated that the relevant differences exist and that they coincide with a substantial and consistent price premium.

(490) The Commission considered that CSC Group failed to establish that the factual circumstances were relevant to price comparability and that they necessarily affected it. In this regard, the CSC Group submitted a mixed claim under Article 2(10)(k) of the basic Regulation based on a combination of factors falling under Article 2(10)(a) and Article 2(10)(d)(i) thereof. However, in its latest claim referred to in recital (487), CSC Group failed to specify which individual elements justified which specific adjustment. In other words, CSC Group identified a price difference on the domestic market depending on a customer, which, as explained in recital (481) is a normal occurrence on a free market which should be reflected in, rather than eliminated from, the normal value. CSC Group then failed to explain that price difference in terms of concrete price affecting factors as required by Article 2(10) of the basic Regulation. Without such connection, there is no reason for the adjustment. A mere price difference does not necessarily show a price premium; without any demonstrable link to a concrete factor, is an ordinary market occurrence shaping the normal value for a particular product type. Consequently, in the absence of a clear distinction and proper substantiation of the legal grounds claimed, the Commission rejected the claim.

(491) CSC Group also reiterated its claim on the relevance of cost of production, already addressed at recital (470).

(492) Third, as to the alleged difference in the level of trade, CSC Group claimed that its sales to the automotive sector were characterized by qualified vendor status, demanding product certification procedures, manufacturer-specific production and quality requirements, and automotive-specific quality management certification. CSC Group argued that these requirements were not present in the same manner in its sales to other industrial customers. Furthermore, CSC Group claimed that since Article 2(10)(d)(i) of the basic Regulation expressly recognized that differences in the level of trade may include 'any differences which may arise in OEM (original equipment manufacturer) sales', the concept of level of trade encompassed more than simply the customer's position in the distribution chain.

([118]) *Commission v Sinopec Chongqing SVW Chemical Co. Ltd and Others*, C-319/24 P, cit., paragraph 120.

(493) The Commission considered that qualified vendor status, demanding product certification procedures, manufacturer-specific production, quality requirements, and automotive-specific quality management certification did not constitute differences in the level of trade. By way of example, whether or not a vendor was qualified did not change its functions as a selling producer. The reference to 'differences which may arise in OEM […] sales' of Article 2(10)(d)(i) of the basic Regulation deals with adjustments where there is a difference in prices between own-branded products (Own Brand Manufacturer sales or OBM sales) and OEM sales, the latter being sales to buyers who would usually resell the product under their own brand and carry out the functions, and bear the corresponding costs, notably after-sales and advertising costs. In the case of CSC, there are no such differences in sales as all its sales were own-branded. Thus, the Commission considered that CSC Group did not prove that, in this instance, OEM sales constituted a different level of trade. Therefore, the Commission rejected this claim.

(494) Fourth, as to differences in other factors, CSC Group claimed that it had identified several factors specific to automotive sales that were not, or at least not necessarily, captured by the other subparagraphs of Article 2(10) basic Regulation. These factors included: (i) demanding certification procedures applicable to automotive suppliers, (ii) long-term contracts and technical agreements requiring strict compliance with automotive manufacturers' quality management systems and process standards. While acknowledging that certain requirements, such as manufacturer-specific technical specifications, might be reflected in the physical characteristics of the product and thus fall within Article 2(10)(a), CSC Group argued that other factors, such as the qualification and certification process itself, did not necessarily constitute a physical difference. Consequently, to account for the combined effect of these factors, which did not all fall within the specific categories listed in the preceding subparagraphs of Article 2(10), it relied, in the alternative, on Article 2(10)(k). According to CSC Group, the claim under Article 2(10)(k) did not rest merely on the existence of different domestic prices, but on specific underlying demonstrating that automotive customers consistently paid substantially higher prices when those factors were present.

(495) At the outset, the Commission noted that as set out in recital (487), CSC Group had also listed the qualification and certification process, as well as the compliance with automotive manufacturers' requirements, among the factors supporting a claim for an adjustment for differences in physical characteristics under Article 2(10)(a) of the basic Regulation. In its subsequent argument, however, CSC Group acknowledged that the qualification and certification process did not necessarily constitute a physical difference. Regarding the remaining factors, the Commission reiterated its view that demanding certification procedures, long-term contracts and technical agreements requiring strict compliance with automotive manufacturers' requirements did not determine prices on their own. The pricing levels resulted also from the commercial choices of the customers concerned. Moreover, as explained in recital (490), a price difference does not in itself demonstrate a price premium. It could equally demonstrate a price deduction for non-automotive sales and thus without any concert connection to a particular factor is a normal market occurrence which should be reflected in the normal value for a particular product type during comparison with the export price rather than neutralised. Consequently, as these elements constituted ordinary commercial conditions and, without any concrete link to a price premium, they do not qualify as a factor affecting price comparability within the meaning of the Article 2(10) of the basic Regulation. Therefore, the Commission rejected this claim.

(496) Fifth, CSC Group reiterated the relevance of the safeguard measures on steel mentioned in recital (464) and of the investigation on ABS mentioned in recital (466), on which the Commission maintained the view expressed in recital (479).

(497) Finally, CSC Group claimed a contradiction between the Commission's assertion in paragraph 356 of the General Disclosure Document (reflected in recital (462)) according to which 'high prices could be explained by the fact that CSC Group was the only domestic producer active in the alleged segment A', and the statement in recital (481) according to which the fact that CSC happened to be the only domestic producer active in the relevant segment did not, in itself, mean that it was able to charge a premium for that reason. CSC Group alleged that the question remained of whether comparing domestic automotive prices formed under the particular competitive position of CSC Group with CSC Group's export prices formed under different competitive conditions resulted in a fair comparison.

(498) The Commission noted that the apparent contradiction between paragraph 356 in the General Disclosure Document (reflected in recital (462)) and recital (481) reflected the evolution of its assessment of the relevant market conditions and CSC Group's position within the segment concerned throughout the investigation. Paragraph 356 was based on the initial hypothesis that CSC Group could leverage its market position to charge higher prices. However, a more detailed analysis established that the segment was open to competition from both domestic suppliers and exporters. In those circumstances, the Commission concluded that CSC Group could sustain the alleged price premium only if competition in that segment were restricted, either through unilateral conduct or in coordination with other market participants. In the absence of any evidence or even claim of such restrictions, the initial hypothesis underlying paragraph 356 could not be sustained, as explained in recital (462). Indeed, in its comments on the additional final disclosure, CSC Group did not contest the Commission's conclusion in recital (481), pointing instead to the alleged contradiction. Therefore, the Commission rejected this claim.

3.4.5.2. Adjustments made to the export price

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

(500) Allowances were made for the following factors affecting prices and price comparability: bank charges, commissions and, only for CSC, credit cost.

3.4.6. *Dumping margins*

(501) For the sampled exporting producers, the Commission compared the weighted average normal value of each type of the like product with the weighted average export price of the corresponding type of the product concerned, in accordance with Article 2(11) and (12) of the basic Regulation.

(502) During the verification visit, CSC Group provided a simplified version of the profit and loss accounts of one of its unrelated traders in third countries, involved in export sales to the Union, so that such expenses could be used to establish the CIF Union frontier price, duty unpaid, used as denominator to express the dumping margin as a duty.

(503) However, the costs and profits reported in such profit and loss accounts did not cover all traders, while they did include the operations of that trader related to other business and other products than the product concerned. Moreover, the type of costs included in the SG & A for that unrelated trader was not specific enough to avoid double-counting of e.g. transport or other costs. Finally, none of these documents offered any light on whether the final value of the goods at CIF Union border included both the costs incurred and the alleged profits realised by those intermediaries.

(504) Therefore, the Commission rejected the claim,

(505) On this basis, the definitive weighted average dumping margins, expressed as a percentage of the CIF Union frontier price, duty unpaid, are as follows:

Company	Definitive dumping margin (%)
— China Steel Corporation — Chung Hung Steel Corporation	33,3

(506) For the cooperating exporting producer outside the sample, the Commission usually calculates the weighted average dumping margin, in accordance with Article 9(6) of the basic Regulation. However, in this instance the Commission sampled only one group of exporting producers in Taiwan. Therefore, that margin corresponded to the margin of the sampled group of exporting producers.

(507) On this basis, the definitive dumping margin of the cooperating exporting producers outside the sample is 33,3 %.

(508) For all other exporting producers in Taiwan, the Commission established the dumping margin on the basis of the facts available, in accordance with Article 18 of the basic Regulation. To this end, the Commission determined the level of cooperation of the exporting producers. The level of cooperation is the volume of exports of the cooperating exporting producers to the Union expressed as proportion of the total imports from Taiwan to the Union in the IP, that were established on the basis of Eurostat.

(509) The level of cooperation in this case is low because the imports of the cooperating exporting producers constituted around [60-70 %] of the total exports to the Union during the IP. On this basis, the Commission decided to establish the residual dumping margin at the level of the highest margins established for the product types representing more than 5 % of the exports to the Union by CSC Group.

(510) The definitive dumping margins, expressed as a percentage of the CIF Union frontier price, duty unpaid, are as follows:

Company	Definitive dumping margin (%)
— China Steel Corporation — Chung Hung Steel Corporation	33,3
Other cooperating companies	33,3
All other imports originating in Taiwan	59,6

3.5. **Türkiye**

3.5.1. *Particular market situation: push-out effect*

3.5.1.1. Analysis

(511) In order to establish the existence of a PMS in the market of Türkiye due to the push-out effect of Chinese imports of CRF, the Commission carried out the following analysis: first, the Commission analysed the degree of penetration of Chinese imports in Türkiye's domestic market in terms of volume; secondly, the Commission looked at the impact of these imports on the prices in Türkiye's domestic market.

(512) The Commission examined country-wide indicators and company-level indicators based on data provided by the GOT and the sample exporting producers respectively. Both sets of data were verified on spot as indicated in recital (104).

3.5.1.2. Consumption

(513) The Commission determined the captive consumption based on captive use reported by the GOT for each Turkish CRF producer. No captive sales were reported. Consumption on free market was established as a sum of domestic sales on the free market and imports. The sum of captive consumption and consumption on free market represents total consumption of CRF in Türkiye.

(514) The consumption of CRF in Türkiye evolved as follows:

Table 16

Consumption (in tonnes) ([119])

	2022	2023	2024	Investigation period
Captive consumption	[2 795 000-3 453 000]	[2 414 000-2 982 000]	[2 799 000-3 458 000]	[3 020 000-3 730 000]
Index (2022 = 100)	*100*	*86*	*100*	*108*
Consumption on free market	[2 467 000-3 048 000]	[2 601 000-3 213 000]	[2 332 000-2 881 000]	[2 365 000-2 921 000]
Index (2022 = 100)	*100*	*105*	*95*	*96*
Total consumption	6 191 841	5 900 957	6 037 586	6 335 628
Index (2022 = 100)	*100*	*95*	*98*	*102*

Source: Calculated based on GOT's questionnaire and deficiency replies.

(515) Cold-rolled flat steel products can be further processed into galvanised steel or organic coated (pre-painted) steel. In the period considered, the consumption of CRF to manufacture downstream products decreased between 2022 and 2023. In 2024, it returned to the level of 2022 and continued growing in the investigation period. In the investigation period, captive consumption of CRF in Türkiye was by 8 % higher than in 2022.

(516) Consumption on the free market increased by 5 % in 2023. However, afterwards in 2024, it dropped and remained at similar level in the investigation period. In total, consumption on free market decreased by 4 % between 2022 and the investigation period.

(517) Total consumption temporarily decreased in 2023 (-5 %), then oscillated close to the 2022 levels in 2024 and in the investigation period.

3.5.1.3. Evolution of import volumes and prices from the PRC and other third countries

(518) The Commission established the volume of imports based on the trade statistics provided by the GOT. Market shares were determined by comparing the import volumes with the consumption on the free market in Türkiye.

(519) Imports of CRF to Türkiye evolved as follows:

Table 17

Import volumes and market shares ([120])

	2022	2023	2024	Investigation period
Korea				
Import volume (tonnes)	161 306	375 954	271 828	329 904
Index (2022 = 100)	*100*	*233*	*169*	*205*

([119]) For confidentiality reasons, the data is disclosed in ranges.
([120]) For confidentiality reasons, the market share is disclosed in ranges.

	2022	2023	2024	Investigation period
Market share (%)	[5,3-6,5]	[11,7-14,5]	[9,4-11,7]	[11,3-13,9]
Index (2022 = 100)	*100*	*221*	*178*	*213*
European Union				
Import volume (tonnes)	148 683	274 473	282 910	250 710
Index (2022 = 100)	*100*	*185*	*190*	*169*
Market share (%)	[4,9-6,0]	[8,5-10,6]	[9,8-12,1]	[8,6-10,6]
Index (2022 = 100)	*100*	*175*	*201*	*176*
Russia				
Import volume (tonnes)	323 019	205 107	153 141	230 198
Index (2022 = 100)	*100*	*63*	*47*	*71*
Market share (%)	[10,6-13,1]	[6,4-7,9]	[5,3-6,6]	[7,9-9,7]
Index (2022 = 100)	*100*	*60*	*50*	*74*
PRC				
Import volume (tonnes)	247 884	272 577	166 683	210 997
Index (2022 = 100)	*100*	*110*	*67*	*85*
Market share (%)	[8,1-10]	[8,5-10,5]	[5,8-7,1]	[7,2-8,9]
Index (2022 = 100)	*100*	*104*	*71*	*89*
United Kingdom				
Import volume (tonnes)	14 667	29 200	16 515	9 581
Index (2022 = 100)	*100*	*199*	*113*	*65*
Market share (%)	[0,5-0,6]	[0,9-1,1]	[0,6-0,7]	[0,3-0,4]
Index (2022 = 100)	*100*	*189*	*119*	*68*
Rest of the world				
Import volume (tonnes)	82 978	81 601	27 834	22 370
Index (2022 = 100)	*100*	*98*	*34*	*27*
Market share (%)	[2,7-3,4]	[2,5-3,1]	[1-1,2]	[0,8-0,9]
Index (2022 = 100)	*100*	*93*	*35*	*28*
Total imports				
Import volume (tonnes)	978 538	1 238 912	918 911	1 053 760
Index (2022 = 100)	*100*	*127*	*94*	*108*
Market share (%)	[32,1-39,7]	[38,6-47,6]	[31,9-39,4]	[36,1-44,6]
Index (2022 = 100)	*100*	*120*	*99*	*112*

Source: GOT's questionnaire and deficiency replies.

(520) Total imports increased during the period considered (+8 %), including a significant increase in 2023 (+27 %). Their market share increased by 12 % or [4-4,9] p.p. Imported CRF originated mainly in Korea, the Union, Russia and in the PRC.

(521) Imports from the PRC fluctuated in the period considered. In 2023, they increased by 10 % as compared to 2022. In 2024, they dropped to less than 70 % of the 2022 volume. In the investigation period, they partially recovered and reached 85 % of the 2022 volume. Market share of Chinese CRF in Türkiye fluctuated accordingly. It slightly increased by 4 % or [0,4-0,5] p.p. in the first two years of the period considered, then fell by [2,7-3,2] p.p. in 2024. In the investigation period, it reached [7,2-8,9] %.

(522) Imports from Korea doubled in the period considered. The surge was particularly pronounced between 2022 and 2023 when the import volumes increased by 133 %. In 2024, the imports remained well above the level of 2022 (+69 %) and further grew in the investigation period to reach 205 % of 2022.

(523) Considering the shrinking domestic market, the market share of Korean imports grew even more than their volume. In the period considered, it increased from [5,3-6,5] % in 2022 to [11,3-13,9] % in the investigation period, which represents a growth of 113 %.

(524) Imports from the Union increased by 90 % between 2022 and 2024. In the investigation period, they dropped but remained 69 % higher than in 2022. The market share of imports from the Union increased by 76 % from [4,9-6,0] % in 2022 to [8,6-10,6] % in the investigation period.

(525) Imports from Russia decreased by almost 30 % in the period considered. Their market share dropped from [10,6-13,1] % in 2022 to [7,9-9,7] % in the investigation period.

(526) Although the United Kingdom was the fifth most important source of imported CRF in Türkiye, it lagged far behind the top four countries of origin with decreasing import volumes (-35 %) and negligible market shares (between 0,3 % and 1,1 % in the period considered, while the lowest market share was observed in the investigation period).

3.5.1.4. Domestic sales volumes, market share, domestic prices and import prices

(527) The Commission established the domestic sales volumes based on the data collected by the GOT from the Turkish CRF producers. Market share of domestic sales was determined by comparing the domestic sales volumes with the consumption on the free market in Türkiye.

(528) Domestic sales volume, market share and domestic sales prices evolved as follows:

Table 18

Domestic sales volume and market share

	2022	2023	2024	IP
Domestic sales volume (tonnes)	1 924 449	1 821 160	1 825 216	1 728 873
Index (2022 = 100)	*100*	*95*	*95*	*90*
Market share (%)	66,3	59,5	66,5	62,1
Index (2022 = 100)	*100*	*90*	*100*	*94*
Domestic sales price (TRY/tonne)	16 708	20 199	25 968	26 718
Index (2022 = 100)	*100*	*121*	*155*	*160*
Domestic sales price in historical prices of 2022 (TRY/tonne)	16 708	15 674	15 119	14 502
Index (2022 = 100)	*100*	*94*	*90*	*87*

Source: GOT Questionnaire reply and deficiency reply.

(529) Domestic sales decreased steadily over the period considered. In the investigation period, the volume of sales by Turkish CRF producers on their domestic market was reduced by 10 % in comparison to 2022.

(530) Market share of the domestic sales decreased accordingly. Between 2022 and the investigation period Turkish CRF producers lost 6 % of their domestic market. In 2023, import volumes increased significantly which translated into a considerable decrease of the share of domestic sales on the Turkish CRF market (-10 %).

(531) Nominal domestic sales price increased significantly (+60 %). When corrected for the effect of inflation, it decreased continuously throughout the period considered. In the investigation period, it was by 13 % lower than in 2022.

(532) The Commission also compared domestic prices to import prices during the period considered. For the purpose of this comparison, the Commission used the nominal prices in TRY per tonne of CRF.

Table 19

Domestic sales price and import prices (TRY/tonne)

	2022	2023	2024	IP
Domestic sales price	16 708	20 199	25 968	26 718
Import prices	17 428	19 752	27 373	26 978
Import/Domestic price ratio	*1,04*	*0,98*	*1,05*	*1,01*
Korea	17 188	18 085	25 063	25 559
Import/Domestic price ratio	*1,03*	*0,90*	*0,97*	*0,96*
European Union	19 407	26 286	32 957	34 121
Import/Domestic price ratio	*1,16*	*1,30*	*1,27*	*1,28*
Russian Federation	16 215	17 789	22 994	22 450
Import/Domestic price ratio	*0,97*	*0,88*	*0,89*	*0,84*
PRC	18 927	18 053	26 127	25 646
Import/Domestic price ratio	*1,13*	*0,89*	*1,01*	*0,96*
United Kingdom	13 282	16 300	20 766	21 606
Import/Domestic price ratio	*0,79*	*0,81*	*0,80*	*0,81*

Source: GOT Questionnaire reply and deficiency reply.

(533) Average import prices remained above the level of domestic prices throughout the period considered with the exception of 2023. The average was however heavily influenced by imports from the Union, which were by up to 30 % higher than domestic prices (in 2023). In the investigation period, prices of CRF imported from the Union exceeded the domestic prices by 28 %.

(534) The average price of imports from the PRC was 13 % higher than the domestic prices in 2022, then dropped to the level of 89 % of the domestic prices in 2023. In the following period (2024, investigation period), they remained roughly at the same level of domestic prices.

3.5.1.5. Conclusion

(535) Although the domestic sales of Turkish CRF producers decreased at a higher pace than the consumption on free market, they maintained a dominant market share on the Turkish CRF market. The total increase of imports was driven mainly by imports from Korea and the Union. Imports from the PRC decreased and lost market share in the period considered. In addition, the PRC ranked only as number four in terms of origin of imported CRF behind Korea, the Union and Russia.

(536) In terms of prices, Chinese import prices were at similar levels as domestic prices, while import prices from other supplying countries, namely the Union, were significantly higher.

(537) Considering the volumes, prices and market shares of domestic sales by Turkish CRF producers and import volumes and prices from China, Korea and the Union, the Commission found that the market penetration by CRF of Chinese origin was rather modest and could not have significantly affected the prices on the Turkish CRF market. Consequently, the Commission concluded that Chinese imports did not create a PMS in the Turkish market.

3.5.2. *Application of the provisions of Article 18(1) of the basic Regulation*

3.5.2.1. Tatmetal Çelik Sanayi ve Ticaret A. Ş. ('Tatmetal')

(538) The Commission informed in the Notice of Initiation and in the letter accompanying the questionnaire sent to Tatmetal 18 September 2025, that where it was found that any interested party supplied false or misleading information, the information may be disregarded, and use may be made of facts available.

(539) The Commission informed Tatmetal on 16 April 2026 of its intention to apply Article 18 of the basic Regulation due to a number of issues which emerged during the verification visit.

(540) First, with regard to full-hard steel, Tatmetal made a deliberate choice to change the Product Control Number construction and informed the Commission only during the onsite verification. This irregularity affected both domestic and export sales transactions.

(541) Second, the Commission identified sales, in the investigation period, of the product under investigation to the free trade zones in Türkiye to customers who processed cold-rolled flat steel products into downstream products of different characteristics and use, e.g. kitchenware. These sales were classified as other sales and not reported as domestic sales, nor EU sales.

(542) Third, Tatmetal reported two separate sets of foreign exchange rates: the foreign exchange rates for domestic sales were extracted from the company's accounting system, while the exchange rates applicable to EU sales were reported from the customs invoice. The Commission identified several instances of non-matching exchange rates on the same date reported from the company's accounting system. The Commission further noted that the customs exchange rates used in the sales to the Union to unrelated customers for the same dates were lower than the exchange rates reported from the company's accounting system.

(543) Fourth, with regard to EU sales reported by Tatmetal, the Commission identified a number of transactions which were in fact exported to North Macedonia, not the Union. These transactions were registered in the port of Thessaloniki, but the final destination was located in North Macedonia, as corroborated with the company source data and the collected sampled transactions.

(544) Fifth, the transport expenses reported in EU sales table were not complete. Several CIF and CFR transactions did not have corresponding ocean freight or handling expense invoices reported.

(545) In its comments, with regard to point one on the PCN construction, Tatmetal argued that full hard products did not have a surface quality and were not described by the relevant European norm (EN 10130) in the same way as annealed cold-rolled products and that allocating a surface quality as defined in the PCN would have led to providing misleading information.

(546) The Commission considered the unexposed surface aspect as the most suitable to full hard products, as full hard products are not meant to be exposed and are not finished in the sense of EN 10130. The Commission reclassified the affected PCN in the domestic sales listing and EU sales listing.

(547) With regard to point two on sales made to the free trade zones in Türkiye, Tatmetal submitted that free trade zone sales were not domestic sales under Tatmetal's accounting rules, and they could not be identified as EU-specific export sales under Turkish Law. Tatmetal alleged that free trade zone sales were defined by the Turkish law as export sales, not domestic sale, as under Turkish export and VAT legislation ([121]) shipments from Türkiye to a free zone fall within the export regime. Tatmetal further quoted the Law No. 3218 on Free Zones, adopted on 6 June 1985 ([122]), under which free zones, although forming part of the Turkish Customs Territory, are treated as outside that territory for the purposes of import duties and trade-policy measures, and goods placed in a free zone ordinarily benefit from the facilities attached to exportation. Furthermore, Tatmetal submitted supporting documents concerning the freight cost for the transactions sold to the free zones in case the Commission decided to treat the sales as either domestic or EU sales.

(548) The Commission noted the explanation of Tatmetal that, although the free zones form part of the Turkish Customs Territory, they are treated as outside that territory for the purposes of import duties and trade-policy measures. In the present case, the Commission observed that the product under investigation was sold to customers in the free zones, which are part of the Turkish Customs Territory. Tatmetal claimed that they had no information on what happened to the goods after the sales were concluded. The Commission noted from the websites of the respective customers that their business activities were in downstream industries, such as kitchenware and steel shelves systems. Substantial transformation of the product under investigation was therefore necessary in the free zones, under the Turkish Customs Territory, before the subsequent export. The Commission therefore treated these sales as sales to the domestic market.

(549) Furthermore, the Commission noted that the additional supporting documents concerning the transport cost for the transactions sold to the free zones in Türkiye consisted of a worksheet for domestic freight cost with a unit freight cost per zones in Türkiye. The Commission noted that Tatmetal did not provide any actual accounting data supporting the allocation of freight expenses to the sales to the free trade zones. The argument was rejected.

(550) With regard to point three on exchange rates, Tatmetal submitted that for export sales, it reported the foreign exchange rate ('FX') based the customs closing date ('intac'), whereas for domestic sales Tatmetal applied the Turkish Central Bank ('TCB') daily exchange rate. Tatmetal explained that the buying rate of TCB applied for EU sales listing, and the selling rate of TCB applied for domestic sales listing.

(551) The Commission noted that Tatmetal made a deliberate choice of converting the net invoice value in TRY with a FX based on the customs closing date (intac). It remained unclear why the FX rate on the intac date was more appropriate to use instead of the FX rate of the invoice date, except for the company's statement that this approach was aligned with the accounting records. The Commission observed that, in most of the cases, the intac exchange rate reported in the EU sales listing was higher than the buying or selling FX applicable at the same invoice date reported in the EU sales listing. This resulted in an increased value of the invoice in the accounting currency in comparison to the FX of the Turkish Central Bank, applied for the foreign currency sales on the domestic market. The company only explained to the Commission that it did not use the FX rate of the invoice date in sales to the Union to unrelated customers during the on-spot verification. Such late disclosure of information prevented the Commission's from analysing the submitted data properly, so impeding the investigation significantly.

([121]) Export Regulation (İhracat Yönetmeliği), Official Gazette No. 26190, 6 June 2006.
([122]) Official Gazette No. 18785, 15 June 1985.

(552) The Commission further noted that the FX reported in the EU sales listing applicable at the purchase order date were in some cases different from the FX reported in the domestic sales listing applicable at the purchase order date. In this situation, the Commission considered that a consistent use of the monthly average FX rates as appropriate to correct the inconsistencies and incorrectly reported FX rates. The Commission therefore applied the facts available with regards to the reported FX rates. The arguments of Tatmetal were rejected on those grounds.

(553) With regard to point four on sales to North Macedonia, Tatmetal explained that the sales listing could have been inaccurate or misleading for destination-allocation purposes because they could have reflected customer address information, invoice-related data, automatically assigned ERP addresses, or incorrect preliminary shipment information. For this reason, Tatmetal reported the country information on the basis of the official customs list. Tatmetal submitted documents to demonstrate that the final destination of the product under investigation of the transactions mapped by the Commission were shipped to Greece, not North Macedonia.

(554) The Commission noted that Tatmetal decided to rely on the information from the export customs declaration. In the additional documents submitted, Tatmetal referred to the delivery term (CIF/CFR Thessaloniki) and the port of discharge from the export customs declaration (Thessaloniki, Greece). For the transactions sampled by the Commission, in all four instances the final destination on the sales order confirmation was North Macedonia, and/or the buyers address was located in North Macedonia, and/or the buyers address at the invoice was located in North Macedonia, and the final destination in the ERP sales order entries in all four instances was located in North Macedonia. Additionally, Tatmetal did not support its claim by, e.g. submitting the customs import declaration, delivery notes, or complete bill of lading / packing list with the final destination. As the Commission was not able to confirm whether these transactions ended in the Union, it excluded them from the EU sales listing. The argument was rejected. In further checks, the Commission identified an additional transaction, which was sold to Switzerland. This transaction was removed from the EU sales listing.

(555) With regard to point five on transport expenses in EU sales listing, Tatmetal argued that certain cost associated with export were not directly identifiable in the customs declaration forms. Instead, those costs were reported in the selling, general and administrative cost of export sales, in the category 'others' or in 'headquarter fees'. In reply to the Article 18 letter, Tatmetal carried out manual review of affected sales to report missing ocean freight and reported the additional ocean freight and handling expense.

(556) The Commission reviewed the submitted calculations and working files for the missing export-related handling cost and ocean freight and accepted the calculation.

(557) On 15 July 2026, the Commission informed Tatmetal that it identified further issues on which basis it intended to apply the provisions of Article 18 of the basic Regulation ('second Article 18 letter').

(558) The Commission pointed out that the company did not provide any evidence supporting the allocation of freight expenses to domestic sales transactions. During the on-spot verification, the company claimed that there was no link between the freight cost incurred on the domestic market and the individual transactions. The company explained how it used internal data to report the freight cost for domestic sales transactions. In this respect, the company failed to provide access to the data used to establish the values of freight cost reported per transaction and only provided the preparation worksheet for domestic sales transactions that contained the reported allowances, including freight cost, on the very last day of the on-spot verification. Furthermore, the relevant employees were not available for further clarifications during the on-spot verification. Finally, no documentary evidence, e.g. invoices received from transportation companies, was submitted although explicitly requested.

(559) In its comments, Tatmetal first argued that there was no indication in the verification report that Tatmetal had failed to provide the necessary information or that the provided information could not have been verified.

(560) Second, the company maintained that contrary to the Commission's claim, the logistics employees were available via phone and would have made themselves available in person if the Commission requested so.

(561) Third, the company claimed that there was no greater level of specific evidence other than the internal data reflected in the preparation worksheet for the reported domestic sales transactions that could corroborate the freight cost reported for domestic sales transactions.

(562) Fourth, Tatmetal argued that the Commission's expectation that the company should have provided additional corroborative evidence unsolicited and on its own initiative is unreasonable and in contravention of the Commission's obligations under Article 6.1 of the WTO Agreement on the Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 ('WTO AD Agreement').

(563) Fifth, the company claimed that the Commission was provided with the masterfile for domestic sales transactions on the first day of the on-spot verification rather than on the last day as claimed by the Commission. Another preparation worksheet was submitted on the last day of the on-spot verification as that was the moment when the Commission requested it.

(564) Finally, the company submitted that the unit freight cost data included in the preparation worksheet provided on the last day of the verification together with the shipping documents should be considered a reasonable method of providing sufficient evidence supporting the reported allowances for domestic freight.

(565) Notwithstanding the above, Tatmetal submitted the internal record of freight cost and invoices issued for transportation services rendered in its comments to the Article 18 letter.

(566) The Commission recalled that the verification report contains an account of the verification process. It does not provide any judgment on the level of cooperation by the verified company. The verification report correctly captured the explanations provided by the company with regard to the freight cost related to domestic sales transactions without making any conclusions concerning the adequacy of the provided evidence. Therefore, the fact that the verification report did not identify the deficiencies in the supporting evidence provided cannot be understood as the Commission's acceptance of the data. Consequently, the Commission rejected the claim described in recital (559).

(567) With regard to the timeliness of the provision of data used for the preparation of the questionnaire reply concerning the domestic sales transactions and related cost and the availability of the relevant personnel, it must be noted that the company's general inability to provide explanations and to substantiate the information provided in other parts of the questionnaire reply caused delays in the verification process. Consequently, the Commission was only allowed to examine the domestic and export sales transactions on the very last day of the on-spot verification. Therefore, the Commission was forced to prioritise and was not able to inspect the provided information in such a level of detail as that which would normally be necessary. Therefore, any potential availability of the logistics staff to join the verification in person was irrelevant since the Commission was only informed about the method used to report domestic freight on the very last day of the on-spot verification. The company's claim that a masterfile for domestic sales was provided on the first day of the verification is incorrect. The company indeed submitted several so-called masterfiles. With regard to sales, it provided a sales report that did not contain any information on freight expenses, i.e. it was not relevant to the issue at hand. Consequently, the arguments presented in recitals (560) and (563) were dismissed.

(568) With regard to the company's claim that shipping documents (documents proving that the goods were handed over to the carrier for transportation) and unsupported unit freight cost are appropriate method to corroborate the reported freight cost for domestic transactions, in particular as there was allegedly no more specific evidence available in the company, the Commission noted that the company itself submitted transport invoices in response to the second Article 18 letter. This clearly shows that the company was in possession of evidence that could corroborate the domestic freight cost. Therefore, the company's claims detailed in recitals (561) and (564) were rejected.

(569) With regard to the documentation submitted in response to the second Article 18 letter, the Commission rejected it as its veracity could not be verified at this stage of the procedure.

(570) Finally, the Commission disagreed that it was in breach of Article 6.1 of the WTO AD Agreement when it expected the company to provide evidence corroborating the reported freight cost on its own initiative. The Commission requested documents for a sample of domestic sales transactions that would support the reported data, such as product type, customer, destination, relationship with the customer, sales quantity and price, cost incurred on the sales transaction. The Commission specifically requested documents supporting the reported freight cost. The company however failed to provide such documents although it was clearly in possession of transport invoices as explained in recitals (565) and (568). Consequently, the Commission rejected the claim described in recital (562).

3.5.2.2. Borçelik Çelik Sanayi Ticaret A.Ş., Bursa ('Borcelik')

(571) Under point 10 of the Notice of initiation, the Commission reminded the interested parties that it they refused access to or did not provide necessary information within the time limits, or significantly impeded the investigation, the findings might be based on facts available in accordance with Article 18 of the basic Regulation. The Commission further reiterated the consequences of the lack of cooperation in the letter sent to the sampled exporting producers on 18 September 2025 on their inclusion in the sample.

(572) On 17 June 2026, the Commission informed Borcelik that a number of issues arose during the investigation that might lead to the application of Article 18 of the basic Regulation.

(573) First, the Commission requested the company to submit a trial balance four times, in the questionnaire, in the first and second deficiency letters, and at the beginning of the on-spot verification when it transpired that the version prepared by the company was missing certain data. The trial balance provided by the company following the fourth request was in a format that required further processing. The failure of the company to submit the requested trial balance in a proper format delayed the investigation.

(574) Second, the company did not provide all information requested in table G – Profit & Loss. In particular, the company only decided to provide a breakdown of foreign exchange gains and losses into actual and translations during the on-spot verification. Considering the large number of accounts, on which foreign exchange gains and losses were recorded, the Commission could not satisfactorily verify the submitted information.

(575) Third, despite being specifically requested to provide, well ahead of the on-spot verification, any corrections to minor errors the company noticed while preparing for the verification, the company only submitted such corrections on the first day of the verification. In addition, some of the corrections performed in the data on domestic sales could not be considered minor. As a result of those corrections, the freight expenses linked to individual domestic sales transactions increased by 250 %.

(576) Fourth, the freight expenses linked to the domestic sales transactions were supported by evidence submitted by the company (reports on shipments and shipping cost extracted from the company's records) for only a negligible share of the domestic sales representing less than 3 % of the relevant transactions.

(577) Fifth, only during the on-spot verification, the company informed the Commission that it did not report freight expenses incurred for transport of the product under investigation between the factory and an external warehouse. The supporting evidence mentioned in recital (576) did not contain the necessary information either.

(578) The company requested a hearing with the Commission services and submitted comments on the Commission's intention to apply Article 18 of the basic Regulation with regard to the issues described in recitals (573) to (577).

(579) During the hearing and in its comments, Borcelik contested the Commission's intention to apply facts available under Article 18 of the basic Regulation and argued that Borcelik did not impede the course of the investigation.

(580) With regard to the first point on trial balance, Borcelik claimed that the trial balance covering costs and revenues accounts for the whole investigation period was already provided in the initial questionnaire reply, and thus the Commission already had the information relevant for the determination of SG & A expenses on the record. Borcelik added that the trial balance for assets and liabilities accounts was provided in response to the first deficiency letter. After the second deficiency letter, a full trial balance covering assets, liabilities, costs and revenues was submitted, and the full trial balance was also provided during the onsite verifications.

(581) The Commission noted that in its comments on the Article 18 letter, Borcelik merely recounted how the trial balance was submitted. The company's account confirmed that the trial balance was submitted in parts, and that the Commission received a full version only during the onsite verification. In this respect, it must be noted that the reply to the second deficiency letter was due and submitted at the beginning of the verification visit. Therefore, the Commission considered that the factual account submitted by the company in its the comments on the Article 18 letter confirmed the Commission's observations. In addition, nothing in the company's comments contradicts the Commission's conclusions that the full trial balance was received only very late in the proceeding, which undermined the analysis of the data submitted by the company. Consequently, the Commission confirmed its findings that the late submission of the full trial balance impeded the investigation.

(582) With regard to the second point on the breakdown of foreign exchange gains and losses, Borcelik claimed that apart from the relevant table containing two separate lines for realised and translation gains and losses, the questionnaire itself did not explicitly require a breakdown of those expenses. In addition, the company maintained that neither Article 2(6) of the basic Regulation, Article 2.2.2 of the WTO Anti-dumping Agreement, nor the Union case law make a distinction between realised and translation foreign exchange gains and losses. In Borcelik's view, a breakdown of foreign exchange gains and losses into realised and translations therefore did not constitute necessary information. Borcelik further argued that should the Commission consider the breakdown necessary information, it should have requested it in the deficiency letter. Finally, the company challenged the Commission's conclusions that the late provision of the breakdown and the underlying evidence (account ledgers) impeded the investigation, as the Commission should have been aware of the large number of accounts on which foreign exchange gains and losses were booked from the initial questionnaire reply. Borcelik maintained that resort to facts available was unwarranted for this issue, as the account ledgers for foreign exchange gains and losses were verifiable during the verification visit and collected as verification exhibits.

(583) The Commission noted that Borcelik did not dispute the fact that the information requested in the relevant table of the questionnaire, which is an integral part of the questionnaire, was not provided. The fact that the Commission does not focus on a specific deficiency in the deficiency letter issued to the company, does not invalidate the initial request to provide the respective information stemming from the content of the anti-dumping questionnaire. Furthermore, the fact that the company on its own initiative submitted a revision where it separated the two categories of foreign exchange gains and losses right before the verification of the relevant parts of the questionnaire reply confirmed that it was aware that the breakdown constituted necessary information. The Commission further considered that it had the discretion to verify the realised and translation foreign exchange gains and losses to ensure that these amounts were correctly attributed to SG & A expenses based on actual data pertaining to production and sales of the production under investigation. Finally, indeed the Commission was aware of the number of accounts on which foreign exchange gains and losses were booked. The breakdown provided by the company during the onsite verification was however disconnected from the titles of the relevant accounts. This means that any assumptions drawn from the information provided in the questionnaire reply would have been meaningless should the Commission rely on the account titles in its analysis. The Commission therefore confirmed its conclusion that the fact that Borcelik split the foreign exchange gains and losses into realised and translations only during the onsite verification caused delays in the verification schedule.

(584) With regard to the third and fourth points on transport related expenses, Borcelik alleged that the Commission's instructions on deadlines were conflicting, as the pre-verification letter suggested that changes submitted at the start of verification would not automatically trigger the use of Article 18 of the basic Regulation. Borcelik further claimed that the impact of these corrections was not that substantial and that the Commission misunderstood the information contained in data collected during the onsite verification, which according to the company contained only examples of the calculation of freight expenses for domestic sales. Finally, the company submitted that other error corrections that were reported at the same time were accepted by the Commission.

(585) The Commission noted that Borcelik did not dispute the fact a revised version of domestic freight expenses was provided only at the start of the verification. The deadlines communicated to the company were clear. First, the Commission set a deadline for corrections of minor errors discovered during preparation for the onsite verification. The deadline for those corrections was set for a date preceding the beginning of the verification. The Commission also stated that any corrections provided after the beginning of the verification may give rise to the application of Article 18 of the basic Regulation. Second, the Commission indeed requested further information on domestic sales that were due at the beginning of the verification. The Commission however considered that this additional request did not constitute a new opportunity to provide further corrections. The Commission maintained its position concerning the severity of the corrections provided. They concerned around 60 % of domestic sales and the reported domestic sales expenses increased by 250 %. Other corrections were indeed accepted as they were minor and did not change the picture of the submitted information significantly. Finally, the Commission considered that there was no evidence on the file supporting the claim that the provided data on domestic freight expenses was a mere example. First, the company did not present it as an example during the onsite verification. Second, the collected extract from the company's records contained information for all months of the investigation period and covered several transport companies. Therefore, it is not clear how such dataset can represent a mere sample of the full information on domestic freight expenses. Therefore, the company's claim that the issue at hand did not warrant the use of facts available was rejected.

(586) The company did not contest the Commission's findings concerning the fifth point on the reporting of transport expenses for sales channels where external warehouses were involved.

3.5.3. *Normal value*

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

(588) The Commission subsequently identified the product types sold domestically that were identical or comparable with the product types sold for export to the Union for the exporting producers with representative domestic sales.

(589) The Commission then examined whether the domestic sales by each sampled exporting producer on its domestic market for each product type that is identical or comparable with a product type sold for export to the Union were representative, in accordance with Article 2(2) of the basic Regulation. The domestic sales of a product type are representative if the total volume of domestic sales of that product type to independent customers during the investigation period represents at least 5 % of the total volume of export sales of the identical or comparable product type to the Union. The Commission established that for a small number of product types that were exported to the Union during the investigation period, there were either no domestic sales at all, or the domestic sales of that product type were below 5 % in volume and thus not representative.

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

(591) The normal value is based on the actual domestic price per product type, irrespective of whether those sales are profitable or not, if:

(a) the sales volume of the product type, sold at a net sales price equal to or above the calculated cost of production, represented more than 80 % of the total sales volume of this product type; and

(b) the weighted average sales price of that product type is equal to or higher than the unit cost of production.

(592) In this case, the normal value is the weighted average of the prices of all domestic sales of that product type during the IP.

(593) The normal value is the actual domestic price per product type of only the profitable domestic sales of the product types during the IP, if:

(a) the volume of profitable sales of the product type represents 80 % or less of the total sales volume of this type; or

(b) the weighted average price of this product type is below the unit cost of production.

(594) The analysis of domestic sales showed that less than 30 % of all domestic sales of Tatmetal and less than 50 % of all domestic sales of Borcelik were profitable and that the weighted average sales price was higher than the cost of production. Accordingly, the normal value was calculated as a weighted average of the prices of all domestic sales during the investigation period or a weighted average of the profitable sales only.

(595) For the product types for which sales were overall profitable, the normal value was calculated either as a weighted average of the prices of all domestic sales during the investigation period or as a weighted average of the profitable sales only depending on the volume of profitable sales.

(596) Where there were insufficient sales of a product type of the like product in the ordinary course of trade or where a product type was not sold in representative quantities on the domestic market, the Commission constructed the normal value in accordance with Article 2(3) and (6) of the basic Regulation. For the product types for which there were no sales on the domestic market and where there was no specific information about market prices for those product types not sold by the sampled exporting producers on the domestic market, the Commission constructed the normal value in accordance with Article 2(3) and (6) of the basic Regulation.

(597) Normal value was constructed by adding the following to the average cost of production of the like product of the cooperating sampled exporting producers during the investigation period:

(a) the weighted average SG & A expenses incurred by the cooperating sampled exporting producers on domestic sales of the like product, in the ordinary course of trade, during the IP; and

(b) the weighted average profit realised by the cooperating sampled exporting producers on domestic sales of the like product, in the ordinary course of trade, during the IP.

(598) For the product types not sold in representative quantities on the domestic market, the average SG & A expenses and profit of transactions made in the ordinary course of trade on the domestic market for those types were added. As there was no other source of domestic sales price for the product types not sold at all on the domestic market, the normal value was constructed by adding weighted average SG & A expenses and profit of all transactions made in the ordinary course of trade on the domestic market to the cost of production of those product types.

(599) Considering the Commission's conclusions on the partial lack of cooperation by Borcelik, the Commission used facts available to estimate the following elements of the SG & A expenses:

— Freight expenses incurred by the company for transport of the product under investigation between the factory and an external warehouse;

— Total value of freight expenses that could not be allocated to individual domestic sales transactions due to the lack of supporting evidence.

(600) With regard to the freight expenses, the Commission rejected the allocation of freight expenses per transaction. Instead, the Commission included the total reported value in the SG & A expenses used to determine the profitability of domestic sales.

(601) In its comments on final disclosure, Borcelik commented on the Commission's treatment of freight expenses. Since those comments also concern comparison between the normal value and the export price, they were addressed in section 3.5.5.

(602) In its comments on final disclosure, Borcelik claimed that the Commission should revise its allocation of interest expenses for export-oriented loans to both domestic and export sales. According to Borcelik, the Commission's rejection of its differentiation between export-oriented loans and other loans, based on the use of the loans and the lack of a mechanism to link them to exports, should be reversed. Borcelik argued that, since the mere existence of an export commitment was enough for the Commission to consider export-oriented loans as export subsidies in subsidy investigations ([123]), the Commission should apply the same principle in this case to determine whether interest expenses incurred for such loans should be allocated to export sales only or to all sales. The company reiterated its claim in its comments on the additional final disclosure, despite the fact that the matter was not subject to the additional final disclosure and the company was instructed to only comment on the issues covered by the additional final disclosure.

(603) The Commission examined the claim. The Commission emphasised that its decision to allocate interest expenses linked to export-oriented loans was based on the facts of the case. In the present investigation, the Commission assessed whether the expenses incurred from the export-oriented loans should be allocated solely to export sales. The on-spot verification showed that to be granted an export-oriented loan, the company must undertake an export commitment and that there is a system in place by which the bank follows up on the fulfilment of the commitment. There was however no evidence on the file proving that the funds acquired via an export-oriented loan had to be or were used purely to cover the cost associated with export sales, e.g. by directly linking the use of the loan to the procurement of raw materials which would have to be used only in the production of finished goods for exports. Nor did the company submit such evidence in its comments on final disclosure. Consequently, the claim was rejected.

(604) In its comments on final disclosure, Borcelik claimed that the Commission double-counted R & D expenses. In this respect, the company reiterated the accounting treatment of R & D expenses. It also claimed that the income received from subsidies in connection with these R & D expenses should be taken into consideration.

(605) The Commission examined the claim and in particular verified whether the explanations concerning the accounting treatment of R & D expenses were in line with the company's trial balance. The Commission found that indeed, the amortisation of R & D expenses was included in the cost of sales and in the SG & A expenses. Thus, including the R & D expenses incurred during the investigation in the determination of the SG & A percentage would mean that the R & D expenses were considered twice. The Commission corrected its calculation and used the revised SG & A percentage in the calculation of the dumping margin.

([123]) Commission Implementing Regulation (EU) 2021/823 of 20 May 2021 imposing a definitive countervailing duty on imports of certain rainbow trout originating in Turkey following an expiry review pursuant to Article 18 of Regulation (EU) 2016/1037 of the European Parliament and of the Council (OJ L 183, 25.5.2021, p. 5, ELI: http://data.europa.eu/eli/reg_impl/2021/823/oj), recitals (79) and (85).

(606) In its comments on final disclosure, Borcelik pointed out that the Commission removed income from sales of scrap and income from late payments from SG & A expenses and included both items under total sales. When calculating the SG & A percentage, the Commission however used only the turnover generated by sales of the product under investigation and omitted to include the turnover generated by the two above-mentioned income items. Borcelik requested the Commission corrected this calculation error. The company reiterated its claim in its comments on the additional final disclosure and again on the second additional final disclosure, despite the fact that the matter was not subject to either additional final disclosure and the company was instructed to only comment on the issues covered by those additional final disclosures.

(607) The Commission's methodology was intentional and not a result of an error. The Commission requested the exporting producers directly in the questionnaire to report various types of income under the category of turnover instead of amongst the subcategories of SG & A expenses. In addition, the instructions showed that income other than from sales of the product under investigation (or other finished products for that matter) should not have been allocated to the total sales of each category of products. Therefore, income from sales of scrap and from late payments was not supposed to be used as the denominator when expressing the determined SG & A as a percentage. The company however ignored the above-mentioned instructions and reported the respective income categories under SG & A expenses. The Commission therefore removed the two income items from SG & A expenses and did not consider them when establishing the value of turnover used to determine the SG & A percentage. Consequently, the claim was rejected.

(608) With regard to the freight expenses between the factory and the warehouse, the Commission used the information on the location of those warehouses and estimated the average unit freight cost based on the freight expenses reported by the company on a transaction-by-transaction basis. Such expenses were the best available information on the file for the estimation of the missing freight expenses, despite the Commission having rejected the allocation. Although the underlying data was flawed and overall, not entirely reliable, without estimating the cost of transport between the factory and the external warehouses, the SG & A expenses would have been undervalued.

(609) As detailed in recitals (574) and (581), the Commission identified issues with the information on foreign exchange gains and losses provided by the company. Although the data was provided with a significant delay, the Commission concluded that it was detailed enough to establish a reliable value of realised foreign exchange gains and losses to be included in the SG & A expenses.

(610) Borcelik sourced hot-rolled coils, the main raw material in the manufacturing of CRF, partially from a related supplier, AMFCE. Therefore, the Commission examined whether those purchases were made at arm's length prices. The Commission compared the sales prices of AMFCE to unrelated customers for relevant steel grades with the sales prices to Borcelik at ex-works level. The Commission found that AMFCE sold hot-rolled coils of relevant steel grades to unrelated customers for prices higher than prices charged to Borcelik for comparable steel grades. Consequently, the Commission adjusted the cost of hot-rolled coils reported by Borcelik to an arm's length level. This resulted in an increase of the cost of production of 1,8 %.

(611) The adjusted cost of production was used for the profitability analysis of domestic sales described in recital (590), as well as for the construction of the normal value described in recitals (597) and (598).

(612) In its comments on final disclosure, Borcelik claimed that it could not check the correctness of the calculation as the Commission did not provide any information how it arrived at this figure, other than the figure itself and an explanation why AMFCE allegedly refused the disclosure of this information. According to Borcelik, this would impede it to exercise its rights of defence and constitute a breach of Article 19(2) of the basic Regulation.

(613) Borcelik also claimed that, despite having no means to check, other information on record on average purchase prices from the Arcelor Mitall Group would seem to contradict the Commission's conclusion regarding its arm's length analysis.

(614) Finally, Borcelik claimed that average comparisons over a one-year (or longer) period might not be appropriate to determine whether transactions are under arm's length conditions given significant fluctuations in raw material markets, and that the proper price comparison should be done comparing prices in the same market, that is, Türkiye. In this regard, Borcelik requested the Commission to clarify whether (1) the price comparison used for the arm's length analysis was an average for the whole investigation period or not; (2) the location of AMFCE's customers; and (3) sales volume of these customers.

(615) The company reiterated the claims set out in recitals (612) to (614) in its comments on the additional final disclosure, despite the fact that these matters were not subject to the additional final disclosure and the company was instructed to only comment on the issues covered by the additional final disclosure.

(616) The Commission explained in the company specific final disclosure the methodology used to assess whether Borcelik purchased HRC from AMFCE at market price. The Commission collected the full transactions listing concerning sales of HRC by AMFCE to all its customers during the remote cross-check. The Commission then identified steel grades that were sold to both, Borcelik and unrelated customers, in non-negligible quantities. The Commission compared the weighted average price of those steel grades when sold to unrelated customers and to Borcelik. Indeed, the Commission did not provide Borcelik with the underlying data and the resulting calculations. As already explained, this was due to AMFCE's reservations concerning confidentiality. The limited cooperation of the group, Borcelik being related to AMFCE via a common shareholder, on this topic limited the Commission's ability to disclose the full underlying data and the resulting calculations. The group cannot on one hand prevent access of one entity to the data of another entity and then use its own behaviour to claim that the Commission impeded its rights of defence.

(617) With regard to the claim set out in recital (613), the Commission noted that the company used a completely irrelevant set of data for its analysis. It first classified the purchased HRC into three categories. Then Borcelik compared the prices paid to unrelated suppliers and to AMFCE. First, the Commission noted that the classification the company created did not allow to arrive at reasonable conclusions. The company indeed grouped 50 % of HRC grades purchased from AMFCE under the category 'other', which does not allow for a detailed analysis on a like-to-like basis. Second, to examine whether the prices paid to a related supplier were at arm's length, the sales prices of the supplier must be examined, i.e. a comparison of purchase prices paid by Borcelik to unrelated suppliers and to AMFCE was for this purpose irrelevant.

(618) With regard to Borcelik's claims set out in recital (614), the Commission noted that the company did not provide any evidence of the alleged fluctuations in the prices of raw materials. In addition, data collected from Borcelik and AMFCE show that relevant purchases/sales were not concentrated in certain months or quarters but were evenly spread across the whole investigation period. Indeed, the Commission performed the analysis based on weighted averages for the whole investigation period, considering unrelated customers of AMFCE notwithstanding their location. The pool of unrelated customers contained customers to which AMFCE sold lower volumes than to Borcelik and also such to which it sold comparable or higher volumes. Therefore, the Commission considered that the analysis was not tainted by the quantities sold by AMFCE to individual customers.

(619) Consequently, based on the considerations set out in recitals (616) to (618), Borcelik's claims detailed in recitals (612) to (614) were rejected.

(620) Considering the Commission's conclusions on the partial lack of cooperation by Tatmetal, the Commission used facts available to estimate the total value of freight expenses of the SG & A cost that could not be allocated to individual domestic sales transactions due to the lack of supporting evidence.

(621) Following the facts set out in recital (558), the Commission rejected the allocation of freight expenses per transaction in the domestic sales listing. Instead, the Commission included the total reported value in the SG & A expenses used to determine the profitability of domestic sales.

(622) In its comments on final disclosure, Tatmetal requested the Commission to add, to the amount of total sales of the product under investigation on the domestic market to independent customers, the sales destined to the free trade zones in Türkiye in order to determine the profitability of the domestic sales including the sales to free trade zones.

(623) The Commission analysed the claim and agreed to include the respective amount of sales to free trade zones to establish the profitability on the domestic market. The claim was accepted.

(624) Furthermore, in its comments on final disclosure, Tatmetal submitted several comments on the determination of the profitability of domestic sales. Due to the sensitivity of the nature of the comments, challenging the adjustments on the level of individual accounts, the Commission responded to the comments in an individual disclosure to the company. The comments regarding exchange profits and exchange losses were partially accepted. The comments regarding extraordinary income and losses and revised scrap offset adjustment were rejected. The comment regarding the inflation adjustment was rejected and the underlying value was revised by the Commission.

(625) Following additional final disclosure, Tatmetal opposed the Commission's use of the first half of 2024 data pertaining to the inflation adjustment from the trial balance as a proxy for the first half of 2025. Tatmetal submitted that Türkiye's General Circular On Tax Procedure Law Communiqué No. 582 ([124]) mandated that no inflation adjustments shall be made in the first, second and third provisional tax periods of the 2025 accounting period. Tatmetal further submitted the Law No. 7571 ([125]) confirming the provisions of the prior-mentioned Circular. Tatmetal requested the Commission to exclude the inflation adjustment of H1 2024.

(626) The Commission found the claim justified and revised the dumping margin of Tatmetal accordingly.

(627) Furthermore, Tatmetal reiterated its claim on the other revenues and the month-end exchange rate valuations, although the substance was not subject to the additional final disclosure, only the calculation formulas. The company also made a new comment, on the financial revenue in Table G-PL, even though the company was instructed to only comment on the issues covered by the additional final disclosure.

3.5.4. *Export price*

(628) The sampled exporting producers exported to the Union either directly to independent customers or through related companies acting as an importer.

(629) For the exporting producers that exported the product concerned directly to independent customers in the Union, the export price was the price actually paid or payable for the product concerned when sold for export to the Union, in accordance with Article 2(8) of the basic Regulation.

(630) For the exporting producers that exported the product concerned to the Union through related companies acting as an importer, the export price was established on the basis of the price at which the imported product was first resold to independent customers in the Union, in accordance with Article 2(9) of the basic Regulation. In this case, adjustments to the price were made for all costs incurred between importation and resale, including SG & A expenses, and for profits accruing. The Commission relied on the actual SG & A costs reported by the related importers. With regard to the profit, given that no unrelated importers cooperated in this investigation, the Commission relied on the profit established for an unrelated importer in an anti-dumping investigation concerning imports of CRF originating in the PRC and the Russian Federation, namely 2 % ([126]), which was also used in the recent *HRF* investigation ([127]).

([124]) Official Gazette of 15 February 2025, No. 32814.
([125]) Official Gazette of 25 December 2025, No. 33118.
([126]) Commission Implementing Regulation (EU) 2016/1328 of 29 July 2016 imposing a definitive anti-dumping duty and collecting definitively the provisional duty imposed on imports of certain cold rolled flat steel products originating in the People's Republic of China and the Russian Federation (OJ L 210, 4.8.2016, p. 1, ELI: http://data.europa.eu/eli/reg_impl/2016/1328/oj).
([127]) Implementing Regulation (EU) 2025/1919, recital (114).

(631) In its comments on final disclosure, Tatmetal submitted that the credit notes in the EU sales listing were already converted to TRY before the Commission carried out a conversion calculation and thus double-converted the credit notes values.

(632) The Commission analysed the supporting evidence submitted by Tatmetal and noted that, contrary to the claim above, Tatmetal converted only one credit note to TRY in the EU sales listing. The currency of the remaining credit notes was indeed EUR, and the Commission applied the conversion formula to calculate the net invoice values. Furthermore, the Commission noted inconsistencies in the credit notes values reported in EUR in the additional evidence submitted and, as consequence, corrected the value of the credit notes in the EU sales listing. The argument was partially accepted.

(633) Following additional final disclosure, Tatmetal disagreed with the Commission's treatment of credit notes in the EU sales listing and referred to a billing adjustment document submitted within the questionnaire reply. Tatmetal requested that all credit notes reported are treated in TRY.

(634) The Commission compared the credit notes numbers from the billing adjustment. The Commission matched the related sales invoices from the said document with all sales listing, which was collected during the verification visit, and concluded that the credit note values were reported in EUR, not TRY. The argument was rejected.

(635) In its comments on final disclosure, Tatmetal submitted that the Commission made an error in the calculation of the CIF value for the transactions under FCA, FOB and CFR incoterms. Tatmetal requested the Commission to update the calculation formula.

(636) The Commission analysed the claim and added the relevant amounts to establish the CIF value in the EU sales listing. The unit amounts of ocean freight and handling & loading expense were established following the reply to the Article 18 letter. The claim was accepted.

(637) Following additional final disclosure, Tatmetal pointed out a clerical error in CIF values of a limited number of FCA transactions.

(638) The Commission corrected the CIF values and the values of allowances of the impacted transactions. The change was negligible. The argument was accepted.

3.5.5. *Comparison*

(639) Article 2(10) of the basic Regulation requires the Commission to make a fair comparison between the normal value and the export price at the same level of trade and to make allowances for differences in factors which affect prices and price comparability. In the case at hand the Commission chose to compare the normal value and the export price of the sampled exporting producers at the *ex-works* level of trade. As further explained below, where appropriate, the normal value and the export price were adjusted in order to: (i) net them back to the *ex-works* level; and (ii) make allowances for differences in factors which were claimed, and demonstrated, to affect prices and price comparability.

3.5.5.1. Adjustments made to the normal value

(640) As explained in recital (639), the normal value was established at the ex-works level of trade by using costs of production together with amounts for SG & A expenses and for profit, which were considered to be reasonable for that level of trade. Adjustments were made under Article 2(10) for exchange rates, transport, insurance, handling, loading and ancillary costs, packing costs, discounts and rebates, credit cost and warranties and guaranties provided to independent domestic customers.

(641) Both Turkish exporting producers claimed an adjustment for duty drawback under Article 2(10)(b) of the basic Regulation for the import duty on hot-rolled flat steel coils (HRC). Borcelik and Tatmetal claimed that the import duties need to be paid for imported materials and that the cost of production for domestic sales is higher than for export sales, which do not incur this additional cost of import duties.

(642) In Türkiye, an import duty applies on HRC, which are inputs in the manufacture of cold-rolled flat steel products. However, under the inward processing regime ('IPR'), domestic producers are exempted from the payment of such duty if the imported HRC are used to produce finished products that are finally exported. The two sampled exporters did not provide evidence of payment of the import duty during the investigation period that would warranty an adjustment for the purpose of fair comparison. On the contrary, the provided information showed that they fulfilled the export commitment linked to each IPR permit. For this reason, the claim was considered unfounded and therefore rejected.

(643) In its comments on final disclosure, Borcelik pointed out that the Commission removed the commission paid to a related trader on the domestic market from the allowances reported with regard to the domestic sales to related and unrelated customers. The Commission however omitted to remove the very same commission reported as income from the resales of the related trader to domestic unrelated customers.

(644) The Commission examined the claim and found that indeed, as a result of a clerical error, the commission received by the related trader was not removed from the allowances reported with regard to the resales of the domestic trader to unrelated customers on the domestic market. The Commission corrected the error.

(645) In its comments on final disclosure, Borcelik claimed that the Commission had applied an inconsistent approach when it removed the reported credit costs from the domestic sales while, for Union sales, it disregarded the reported credit costs but still included a recalculated amount based on the payment terms reported. According to Borcelik, the same approach should be used for all sales as payment modalities were the same on both markets.

(646) The Commission disagreed. The company claimed that it employed the same payment modalities for sales on the domestic and the Union markets. The investigation however showed that the payment methods used for the sales to the Union to a large extent did not make it possible to collect payments in the same way as on the domestic market. The Commission however found that for export sales via a specific domestic trader, the payment methods were similar to those used on the domestic market. Therefore, for the corresponding transactions, the Commission removed the credit cost allowance also from the sales to unrelated customers in the Union. The confidential details of the above analysis were disclosed to the company in the company-specific disclosure.

(647) In its comments on additional final disclosure, Borcelik reiterated that the Commission used an inconsistent approach when it rejected the credit cost for domestic sales and accepted it for the sales to the Union, with the exception of sales via an unrelated domestic trader. While the company agreed that the contracted payment terms influence the price setting, it challenged the Commission's treatment of the reported credit cost based on the payment modalities, the manner in which the invoices are ultimately paid.

(648) The Commission clarified that indeed certain payment modalities, in particular if applied consistently and known when the payment term is contractually agreed, may disqualify the effect of the provided commercial credit on the level of the sales price. For example, the Commission considered that, where recurring customers maintain an open account with a supplier and settle their outstanding debts through occasional lump-sum payments rather than paying each invoice in full by its individual due date, the contractually agreed payment term does not inform the supplier's price setting. Consequently, the claim was rejected.

(649) In its comments on final disclosure, Borcelik challenged the Commission's treatment of transport-related expenses covering direct transportation expenses and transport expenses between Borçelik's factory and (unrelated) warehouses. Concretely, Borcelik claimed that direct transportation expenses should be deducted as an allowance from the domestic sales price and should be removed from the SG & A costs used for the ordinary course of trade test.

(650) Borcelik also claimed that the Commission's inclusion, in the domestic sales, of the freight cost from the plant to external warehouses was inconsistent with its past practice, where, at least for domestic sales, transport costs to a warehouse (regardless of whether it is owned by a related or an unrelated party) could not be deducted as an allowance under Article 2(10)(e) basic Regulation ([128]). According to Borcelik, this would also mean that the Commission could not have applied facts available regarding these expenses, as they did not have to be reported in the first place.

(651) Borcelik also claimed that the freight to rented warehouses should not be added to the SG & A expenses as a transport related expense.

(652) The company reiterated the claims set out in recitals (649) to (651) in its comments on the additional final disclosure, despite the fact that these matters were not subject to the additional final disclosure and the company was instructed to only comment on the issues covered by the additional final disclosure.

(653) With regard to the accounting treatment of the expenses incurred for freight between the factory and rented warehouses, the Commission first noted that the account code under which the expenses were allegedly recorded was reported by the company neither in the submitted chart of accounts nor in the trial balance. As discussed in recitals (573), (580) and (581), the company failed to provide a complete trial balance even after several requests. Following the comments by the company on final disclosure, it appears that the version finally received during the on-spot verification had still omitted some accounts. In addition, the Commission examined the report from the company's cost accounting and found that even if the freight expenses were not treated as SG & A expenses by the company, they were not recorded in the cost of production either. Therefore, the Commission confirmed that to capture all cost that contributed to the full cost related to the production and sales of the product under investigation, the inclusion of the freight cost under SG & A expenses was an appropriate approach to reflect the cost for the ordinary course of trade test. Whilst internal transport costs (between various warehouses of the producer) may not be deduced when netting back either the export price or the normal value to the ex-works level of trade (since they belong to that level of trade), as long as they relate to the domestic sales, they are still costs 'pertaining to production and sales, in the ordinary course of trade, of the like product by the exporter or producer under investigation' within the meaning of Article 2(6) of the basic Regulation. Consequently, the claims set out in recitals (649) to (651) were rejected.

(654) Finally, Borcelik and Tatmetal claimed that the Commission violated the obligation under Article 2(10) basic Regulation to carry out a fair comparison at the same level of trade because adding transportation expenses in the SG & A costs and thus in the normal value led to a normal value not at ex-works level, while the export price did not include such expenses and was consequently at ex-works level. Tatmetal suggested that the Commission reintroduced the domestic freight cost in the domestic sales listing and maintained the SG & A cost at ex-works level.

(655) In its comments on final disclosure, Tatmetal also claimed that if the Commission maintained that the domestic freight values calculated by Tatmetal were inappropriate to use, it should not allocate the sum of those values to the domestic freight cost in the SG & A construction. Tatmetal requested the Commission to disregard entirely Tatmetal's domestic freight calculations and allocate the total domestic transport figure, which was determined from Tatmetal's trial balance, on a turnover basis in Table G-Profit and Loss.

(656) The Commission examined Borcelik's claim set out in recital (654). Indeed, for a small number of transactions the freight cost was sufficiently supported by evidence. The delivery terms applicable to individual transactions were also properly verified. Therefore, the Commission identified the lowest actual unit freight cost based on the verified information and applied this freight cost to all transactions where the goods were delivered to the customer. The Commission considered that since this adjustment was carried out under Article 18 of the basic Regulation, using the lowest unit freight cost ensured that the company's dumping behaviour was not underestimated as a result of its non-cooperation on this issue. The details of this revision were disclosed to the company in a company-specific disclosure.

([128]) Commission Implementing Regulation (EU) 2021/2012 of 17 November 2021 imposing a definitive anti-dumping duty and definitively collecting the provisional duty imposed on imports of stainless steel cold-rolled flat products originating in India and Indonesia (OJ L 410, 18.11.2021, p. 153, ELI: http://data.europa.eu/eli/reg_impl/2021/2012/oj), recital (83). Panel Report, *European Union – Countervailing and Anti-Dumping Duties on Stainless Steel Cold-Rolled Flat Products from Indonesia*, WT/DS616/R, paragraph 7.584.

(657) Following additional final disclosure, Borcelik referred to the provisions of Article 18(3) of the basic Regulation and argued that since the Commission had already used the information submitted in an annex to the questionnaire reply and in a verification exhibit, it should have used it in a such a way to establish a more accurate unit freight cost. In this respect, Borcelik submitted that the unit freight cost used by the Commission was too low. The company pointed out that the simple average unit freight cost available in the annex to the questionnaire reply or in the verification exhibit was much higher. The company further highlighted the range of unit freight cost submitted in the annex to the questionnaire reply.

(658) In addition, the company pointed out that by allocating only a portion of the incurred transport expenses and including the residual value in SG & A expenses used in the ordinary course of trade test, the resulting normal value is not at ex-works level.

(659) The Commission noted that the company failed to explain why a simple average established on the information from a verification exhibit that had already been found significantly deficient, namely it provided transportation expenses for a negligible share of all domestic sales transactions, should be more appropriate than the methodology applied by the Commission. First, as explained in recital (656), the Commission chose the lowest unit freight cost to ensure that the company's dumping behaviour was not underestimated in a situation of its non-cooperation on this matter. Second, considering how incomplete the shipment report submitted in the verification exhibit was (covering only less than 3 % of the relevant domestic sales transactions, see also recital (576)), a simple average unit cost could not be considered more appropriate or representative of the actual freight cost than the methodology used by the Commission. The annex to the questionnaire reply contained a price list of transportation services and was indeed used to estimate the freight cost between the factory and a warehouse (for details, see recitals (577), (599), (608), and (649) to (653)) as the best available proxy. This annex was however not directly verified as during the on-spot verification, the company explained that it used the shipment report collected as the above-mentioned verification exhibit. The unit freight prices reported in the price list started at a price higher than the lowest unit freight cost identified by the Commission in the shipment report. This indicates that the annex itself might have been incomplete or did not reflect the actually paid prices for transportation services. The Commission rejected this claim.

(660) With regard to the claim that the normal value was not at ex-works level, the Commission found it justified and revised the dumping margin accordingly.

(661) With regard to Tatmetal, the Commission reiterated that no evidence was submitted to confirm the domestic freight expenses on a transaction-by-transaction basis. The Commission further observed that the delivery address/pick-up was not recorded in the accounting system to trace the destination of the domestic sales reported as being delivered to the client. Nevertheless, the Commission considered that since this adjustment was carried out under Article 18 of the basic Regulation, using the lowest reasonable unit freight cost, in this case Kocaeli area, was and adequate proxy for freight expenses) to establish the normal value at the ex-works level of trade. The argument was partially accepted.

(662) Following additional final disclosure, Tatmetal submitted that by allocating only a portion of the incurred transport expenses and including the residual value in SG & A expenses used in the ordinary course of trade test, the resulting normal value is not at ex-works level.

(663) The Commission found the claim justified and revised the dumping margin accordingly.

(664) Following additional final disclosure, Tatmetal submitted that an error occurred in the allocation of freight costs pertaining to domestic sales delivered to customers. Tatmetal requested that the Commission rectify the error.

(665) Upon analysis of Tatmetal's claim, the Commission revised the data pertaining to domestic sales and updated Table G-PL accordingly.

3.5.5.2. Adjustments made to the export price

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

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

(668) In its comments on final disclosure, Borcelik submitted that the Commission incorrectly revised the interest rate used to determine the credit cost for resales of the product under investigation by Bamesa Otel to unrelated customers in the Union.

(669) The Commission examined the claim. Indeed, when revising the interest rate as agreed with the company, the Commission made a clerical error. The Commission corrected the error and revised the level of credit cost in the dumping margin calculation.

(670) With regards to Tatmetal, due to the significant inconsistencies in the FX reported in the domestic sales listing and the EU sales listing, as described in recitals (551) to (553), the Commission applied facts available. The Commission replaced the reported daily foreign exchange rates with the monthly exchange rates provided for in the anti-dumping questionnaire for exporting producers.

(671) In its comments on final disclosure, Tatmetal submitted that when applying corrections to the EU sales listing, the Commission mistakenly attributed ocean freight to certain FOB and FCA transactions.

(672) The Commission analysed the attribution of the ocean freight on transaction-by-transaction basis and corrected the mistake of allocating an ocean freight to certain FOB and FCA transactions. The argument was accepted.

3.5.5.3. Currency conversions

(673) Domestic sales were carried out in various currencies, including TRY, EUR, USD. Exports to the Union were performed in EUR or USD. Therefore, a currency conversion was necessary to compare the normal value with the export price. The Commission converted the sales prices to TRY, the accounting currency of the sampled exporting producers.

(674) To determine which date should be considered the date of sale pursuant to Article 2(10)(j) of the basic Regulation, the Commission examined whether the material terms of sale were established based on the invoice or the purchase order/sales contract. The Commission found that a vast majority of sales were based on individual purchase orders rather than long-term sales contracts. The purchase order defined the material terms of sale, such as the product specifications, quantity, time of delivery, unit price (normally denominated in a foreign currency, mainly USD), payment term. The purchase order allowed for a tolerance in the quantity delivered, the price was however definitely set in the purchase order. The evidence collected from the sampled exporting producers confirmed that prices charged in the invoice were not adjusted to reflect the fluctuations of CRF prices or the fluctuations of the exchange rates between the currency of the purchase order and the accounting currency of the sampled exporting producers. Therefore, the Commission found that the purchase order more appropriately established the material terms of sale and thus its date should be used for currency conversions under Article 2(10)(j) of the basic Regulation.

(675) In their comments on final disclosure, both Borcelik and Tatmetal claimed that the material terms of sale were not set at the time of the purchase order. According to them, the elements in such orders were not definitive at the time the orders were set and were only definitively established at the time of invoicing. Both companies supported the claim referring to the evidence on record, where the verified sales by the Commission confirmed the existence of differences between the purchase order and the invoices, differences that went in some instances beyond the tolerances agreed in the purchase order.

(676) The Commission noted from the judgement of the General Court in *Özkan Demir* ([129]) that it is for the Commission to establish why the date of purchase order more appropriately establishes the material terms of sale. The Commission noted that it is apparent from Article 2(10)(j) of the basic Regulation, read in conjunction with the introductory part of Article 2(10) thereof referring to the fair comparison at the same level of trade between the export price and the normal value, that the term 'material' refers to the trading terms of the sale as opposed to legal terms. Such trading terms are, in particular, the price, quantity, methods of payment and delivery, or other commercial characteristics of a transaction specific to a particular economic activity or type of production.

(677) The Commission observed that the Turkish lira depreciated overall by comparison with the euro by approximately 33 % during the investigation period and that the time lag between the date of the purchase order and the invoice date of Borcelik and Tatmetal was varied greatly and reached significant lengths: between 0 days and 130 days for domestic sales and between 0 days and 182 days for export sales while both companies expressed their domestic and export sales in foreign currencies, thus anticipating strong variations in the valuation of the Turkish lira compared to foreign currencies.

(678) With regard to the evidence provided by Borcelik, i.e. the supporting documents for additional transactions with different prices at the time of the purchase order and at the time of the invoice, the Commission found that it in fact did not support the company's claims. The Commission collected supporting documents for 47 invoices covering CRF sales to unrelated customers on the domestic market and to both, related and unrelated customers, in the Union. These invoices normally covered a number of individual transactions (in the present investigation, normally each coil represented a separate transaction). In those documents, the company found only one instance where the delivered quantity was outside of the agreed tolerance. The Commission considered that this cannot break the observed pattern of material terms of sale being set in the purchase order, in particular as there might have been other reasons for the change in quantity, such as partial deliveries or backorder. The company also claimed that with regard to four invoices concerning sales to the Union, the price changed between the purchase order and the invoice and, therefore, the material terms of sale changed as well. The Commission observed that in all four cases, the goods were sold to the Union via an unrelated domestic trader. The company submitted as evidence price offers but not the actual purchase orders. This was confirmed by the date on the price offers and the date of the purchase orders recorded in the company's accounting records. In all four cases, the offered price was at ex-works level, but the sales transaction was carried out at FOB delivery term. It is therefore likely that the price difference, which was always the same for all four invoices, represented the additional freight, handling and loading expenses incurred by Borcelik.

(679) Consequently, based on the considerations detailed in recitals (676) to (678), Borcelik's claim set out in recital (675) was rejected.

(680) With regard to the evidence submitted by Tatmetal, this consisted of two transactions, sampled by the Commission during the verification, that would according to the company invalidate the reasoning of the Commission. This because there was an observed change in quantities, sales prices and, in one case, a change of payment terms between the purchase order/sales contract and the invoice.

(681) In the verification, the Commission sampled 10 domestic sales transactions and 14 EU export sales transactions. The Commission observed that the quantity difference quoted by Tatmetal for the two sampled transactions was within the quantity and weight tolerances agreed in and thus set by the purchase order. The Commission further observed that in one of the two quoted transactions the price difference was minimal (less than 0,1 %), which cannot be considered as a breach of the terms of sale included in the purchase order. The existence of a departure from the conditions set out in the purchase order was established only in one purchase order out of 24 examined by the Commission. The Commission considered that the magnitude of the departure from the terms of sale established in the purchase orders was minimal and this one instance of non-compliance was an exception, which could not invalidate the arguments put forward by the Commission that the the material terms of sale were set at the time of the purchase order. The argument was rejected.

([129]) Judgment of 2 September 2026, *Özkan Demir Çelik Sanayi AŞ vs European Commission*, T-175/24, paragraphs 41 to 43.

(682) In its comments on final disclosure, Tatmetal alleged that if the Commission applied the exchange rate at the time of the purchase order to convert the invoice value, then the same exchange rate should have been applied to convert direct selling expenses, such as freight, demurrage, commission and handling and loading expense in the EU sales listing. Tatmetal claimed that the price of direct selling expenses in other currencies was set in advance and the Commission should apply the average delay between the time of the purchase order/sales contract and the invoice calculated by Tatmetal. Tatmetal submitted supporting evidence to support its claim.

(683) The Commission clarified that, in its calculations, it applied the foreign exchange rate used at the date of the invoice for those expenses. The Commission reminded that the direct selling expenses, such as domestic or export freight expenses, were recorded in the company's accounting at the time of the invoice and were reported in the domestic sales table and the EU sales table based on the exchange rate of the invoice. The Commission therefore accepted the values converted to TRY reported by Tatmetal. The Commission noted that the use of the purchase order date related to an adjustment for currency conversion as per Article 2(10)(j) of the basic Regulation whereas adjustments pertaining to transport, insurance, handling, loading and ancillary costs are governed by Article 2(10)(e) of the basic Regulation whereby the cost incurred shall be used, as the Commission did.

(684) Notwithstanding the above, the Commission analysed the evidence based on which Tatmetal established the average delay between the exchange rate at the purchase order date and the exchange rate at the invoice date and noted that among the three submitted evidence files for the adjustment of the exchange rate for the allowances in the EU sales listing, one evidence file was an email exchange between Tatmetal and the transport provider that happened on one particular day. Tatmetal linked this email exchange to an export sale transaction, but it was not possible to cross-reference the products discussed in the email exchange to any export sales transactions. Furthermore, the email correspondence contains price offers, but does not disclose the characteristics of the purchase order or sales contract terms. For instance, there was no clear mention of whether the product was CRF, no terms of sale, no negotiated quantities, etc. The second evidence contained an email exchange on price offers with another transport provider and a related invoice for the transport service. However, the Commission noted that the invoice was issued for galvanised steel coils and did not appear to be related to CRF. The third evidence was an email exchange regarding ocean freight and while some terms of sales were listed in the email, there were no details that could link the email to the transactions in the EU sales listing. The claim was rejected.

(685) Both Borcelik and Tatmetal further claimed that, in case the Commission still considered that the material terms of sale were set at the time of the purchase order, the same principle should apply to their purchases of raw materials. Consequently, the Commission should carry out the currency conversions for those purchases based on the date of the purchase order, and not the invoice date. In this respect, Borcelik pointed out that the General Court confirmed in Ereğli Demir ve Çelik Fabrikaları TAŞ and Others v European Commission the obligations/conditions of Article 2(10)(j) of the basic Regulation regarding currency conversions equally apply to export sales, domestic sales and cost of production ([130]).

(686) In this respect, the Commission noted that Article 2(10)(j) of the basic Regulation is applicable in situations '[w]here the comparison requires a conversion of currencies'. The costs of Borcelik and Tatmetal were recorded in their accounts, reported to the Commission and verified in TRY. Since the dumping calculation was for the two exporting producers was conducted in TRY, the comparison between the normal value and the export price did not require a conversion of the currency of these costs and thus Article 2(10)(j) did not apply. The claim was therefore rejected.

(687) Borcelik, in addition, referred to the supporting documents regarding purchases of raw materials submitted during the on-spot verification. On the basis of those documents, the company calculated an average lead time between a purchase order and the invoice and requested that that lead time was used to estimate the purchase order date for the other purchases of raw materials.

([130]) Judgment of the General Court of 8 May 2024, *Ereğli Demir ve Çelik Fabrikaları TAŞ and Others v European Commission*, Case T-629/21, ECLI:EU:T:2024:303.

(688) As explained in recital (686), the comparison in the present case did not require currency conversions with regard to the cost of raw materials. Nevertheless, for the sake of completeness, the Commission analysed the supporting documents and observed that the collected documents covered only less than 0,1 % of the purchased raw materials. In addition, the purchase order dates and invoice dates used in the calculation did not correspond to the submitted documents. The company used the 'date of last change' recorded in its accounting system as the date of the purchase order although the purchase orders submitted with the supporting documents showed different dates. At the same time, the company did not use the date of the commercial invoice to determine the lead time. Instead, it used what appears to be the date of the customs clearance. To sum up, even if there was a need for currency conversion with regard to the cost of production *quod non*, the company did not provide consistent and reliable information that would allow for such conversions to be carried out. Consequently, the company's request to revise the value of raw materials using the foreign exchange rate on the date of the purchase order based on the information provided by the company was rejected.

(689) Similarly, in response to the final disclosure, Tatmetal provided information to be used for the requested conversion of raw material prices using the exchange rate on the date of the purchase order. In this respect, the company submitted the purchase listing of HRC with manually inserted dates of purchase orders.

(690) As explained previously (see recital (686)), the Commission found that the comparison did not require currency conversions concerning the cost of raw materials in the present case. In any event, Tatmetal did not bring forward any evidence to demonstrate the correctness of the purchase order dates, nor of conditions laid out in the purchase orders/sales contracts of the purchases of raw materials. The Commission further noted that Tatmetal did not provide any reference to a legal basis, on basis of which such adjustment should be warranted. The argument was rejected.

(691) In its comments on final disclosure, Borcelik claimed that the Commission did not meet its burden of proof for the currency conversion adjustment it made pursuant to Article 2(10)(j) of the basic Regulation because it did not explain how the currency conversions affected prices and price comparability.

(692) The Commission considered that the purpose of Article 2(10)(j) of the basic Regulation combines elements of practical necessity of currency conversions where the transactions are denominated in various currencies and fairness of comparison, for example when it directs which exchange rate shall be used in cases where there are currency forwards directly linked to export sales. With regard to the practical necessity of currency conversions Article 2(10)(j) of the basic Regulation provides guidance concerning which date should be used to determine the exchange rate: it shall be the date of sale, which is normally the invoice date unless the material terms of sale are established on another date. In the present case, the Commission found that the material terms of sale were established in the purchase order as explained in recital (674). Therefore, it decided that it was more appropriate to use the exchange rate of the date of the purchase order to convert the invoice value denominated in a foreign currency into TRY.

(693) In its comments on final disclosure, Borcelik claimed that the Commission adopted a discriminatory approach by applying currency conversions based on the order date only to Türkiye, without explaining why the situation of Turkish exporting producers differs from that of exporting producers in other countries. Product specifications, quantities, delivery conditions, unit prices and payment terms may already be agreed to a significant extent on the order in all countries concerned. It further claimed that to be the Commission's own position regarding sales in the steel industry ([131]).

(694) Türkiye has experienced a prolonged period of continuous high inflation (in some years even hyperinflation) that translated in the depreciation of Turkish lira as mentioned in recital (677). Such situation was not observed in any of the other countries subject to this investigation. Consequently, the Commission rejected the claim of discrimination between Türkiye on one hand and the other countries concerned on the other.

([131]) Commission Implementing Regulation (EU) 2024/209 of 10 January 2024 imposing a definitive anti-dumping duty and definitively collecting the provisional duty imposed on imports of steel bulb flats originating in the People's Republic of China and Türkiye (OJ L, 2024/209, 11.1.2024, ELI: http://data.europa.eu/eli/reg_impl/2024/209/oj), recital (64).

(695) Borcelik reiterated its claims concerning currency conversions in its comments on the additional final disclosure, despite the fact that the matter was not subject to the additional final disclosure and the company was instructed to only comment on the issues covered by the additional final disclosure.

3.5.6. *Dumping margins*

(696) For the sampled cooperating exporting producers, the Commission compared the weighted average normal value of each type of the like product with the weighted average export price of the corresponding type of the product concerned, in accordance with Article 2(11) and (12) of the basic Regulation.

(697) On this basis, the definitive weighted average dumping margins expressed as a percentage of the CIF Union frontier price, duty unpaid, are as follows:

Company	Definitive dumping margin (%)
Borçelik Çelik Sanayi Ticaret A.Ş.	7,8
Tatmetal Çelik Sanayi ve Ticaret A. Ş.	3,0

(698) For the cooperating exporting producers outside the sample, the Commission calculated the weighted average dumping margin, in accordance with Article 9(6) of the basic Regulation. Therefore, that margin was established on the basis of the margins of the sampled exporting producers, disregarding the margins of the exporting producers with zero and *de minimis* dumping margins, as well as margins established in the circumstances referred to in Article 18 of the basic Regulation.

(699) Given the factual circumstances of the case, notably that non-cooperation was only established at a late stage of the procedure and the Commission only partially relied on facts available to establish both margins, the Commission considered that Article 9(6) still applied despite having established the margins of both sampled exporting producers in the circumstances referred to in Article 18 of the basic Regulation. Consequently, the Commission found it appropriate to rely on those margins to set the dumping margin for the non-sampled cooperating exporting producers. On this basis, the definitive dumping margin of the cooperating exporting producers outside the sample is 4,9 %.

(700) For all other exporting producers in Türkiye, the Commission established the dumping margin on the basis of the facts available, in accordance with Article 18 of the basic Regulation. To this end, the Commission determined the level of cooperation of the exporting producers. The level of cooperation is the volume of exports of the cooperating exporting producers to the Union expressed as proportion of the total imports from the country concerned to the Union in the IP, that were established on the basis of Eurostat.

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

(702) The definitive dumping margins, expressed as a percentage of the CIF Union frontier price, duty unpaid, are as follows:

Company	Definitive dumping margin (%)
Borçelik Çelik Sanayi Ticaret A.Ş.	7,8
Tatmetal Çelik Sanayi ve Ticaret A. Ş.	3,0
Other cooperating companies	4,9
All other imports originating in country concerned	7,8

3.6. **Vietnam**

3.6.1. *Particular market situation: push-out effect*

3.6.1.1. Analysis

(703) In order to establish the existence of a PMS in the market of Vietnam due to the push-out effect of Chinese imports of CRF, the Commission carried out the following analysis: first, the Commission analysed the degree of penetration of Chinese imports in Vietnam's domestic market in terms of volume; secondly, the Commission looked at the impact of these imports on the prices in Vietnam's domestic market.

(704) In its analysis, the Commission relied on indicators at country-wide level provided by the authorities of Vietnam, and at company level provided by the sampled group of exporting producers, POSVIET. Both sets of indicators were verified on spot, as indicated in recital (106).

3.6.1.1.1. Domestic market: volume effect

(705) At the outset, the Commission analysed the consumption of CRF in Vietnam as reported by the authorities of Vietnam on the basis of domestic sales and imports.

(706) Consumption in Vietnam developed as follows:

Table 20

Consumption in Vietnam (tonnes)

	2022	2023	2024	Investigation period
Consumption in Vietnam	[2 250 000-2 350 000] (1)	[2 150 000-2 250 000]	[2 800 000–2 900 000]	[3 100 000–3 200 000]
Index	*100*	*94*	*124*	*138*

(1) For confidentiality reasons, the data is disclosed in ranges.
Source: TRAV.

(707) Between 2022 and 2024, the most recent year with available data, the consumption in Vietnam increased by 23 percentage points. The increase in consumption of product under investigation was driven by several laws, resolutions, and policy measures adopted by the GOV aimed at promoting public investment, particularly in infrastructure and construction, during the period 2024–2025 ([132]).

(708) Imports of the product under investigation into Vietnam developed as follows:

Table 21

Import quantity into Vietnam (tonnes)

Country		2022	2023	2024	Investigation period
Total imports, of which:	Quantity of imports	266 580	203 390	286 455	314 187
	Index	*100*	*76*	*107*	*154*

([132]) For instance, Resolution No. 103/2023/QH15, Resolution No. 192/2025/QH15, Resolution No. 1321/NQ-UBTVQH15, Resolution No. 162/2024/QH15 or Resolution No. 189/2025/QH15.

Country		2022	2023	2024	Investigation period
PRC	Quantity of imports	136 484	108 229	156 655	144 106
	Index	*100*	*79*	*115*	*106*
Japan	Quantity of imports	67 681	53 610	86 382	124 213
	Index	*100*	*79*	*128*	*184*
Taiwan	Quantity of imports	28 305	21 043	19 197	17 753
	Index	*100*	*74*	*68*	*63*
Korea	Quantity of imports	18 691	10 758	13 080	15 208
	Index	*100*	*58*	*70*	*81*
Australia	Quantity of imports	3 858	4 387	7 764	9 664
	Index	*100*	*114*	*201*	*250*

Source: Customs Authority of Vietnam.

(709) Import data show that the imports of the product under investigation into Vietnam increased by 54 % between 2022 and the IP. This increase of imports reflected the increase in domestic consumption, stimulated by the Vietnamese government plans to increase infrastructure investments in 2024 and 2025.

(710) Out of these imports, the import volumes of CRF from the PRC increased by 6 % between 2022 and the IP. In the total volumes of imports, the share of imports from the PRC decreased from 51 % in 2022 to 46 % in the IP. The PRC nevertheless remained the first source of imports of CRF into Vietnam throughout the period considered.

(711) In parallel, the domestic sales of the product under investigation in Vietnam developed as follows:

Table 22

Domestic sales quantity (tonnes)

	2022	2023	2024	Investigation period
Total sales quantity on the Vietnam market, of which:	[2 000 000-2 100 000]	[1 900 000–2 000 000]	[2 500 000–2 600 000]	[2 700 000–2 800 000]
Index	*100*	*97*	*126*	*140*

Source: TRAV (2022 to 2024); for the IP, since the Vietnamese authorities did not provide domestic sales, the Commission calculated them on the basis of the verified questionnaire reply from the sampled exporting producer POSVIET.

(712) The domestic sales included the free-market sales and captive sales. The sales quantities increased by 26 % between 2022 and 2024, in line with the increased domestic consumption described in recital (707).

(713) Based on the data above on consumption, imports and domestic sales, the market shares in Vietnam developed as follows:

Table 23

Market share (%) ([133])

	2022	2023	2024	Investigation period
Domestic industry	[85-90]	[87-92]	[86-91]	[85-90]
Imports, of which:	[10-12]	[9-11]	[10-12]	[10-12]
1. PRC	[5-7]	[4-6]	[4-6]	[4-6]
2. Japan	[2-4]	[2-4]	[2-4]	[3-5]
3. Taiwan	[0-2]	[0-2]	[0-2]	[0-2]
4. Korea	[0-2]	[0-2]	[0-2]	[0-2]
5. Australia	[0-2]	[0-2]	[0-2]	[0-2]

Source: Trade Remedies Authority of Vietnam.

(714) In terms of market share, the market share of the domestic industry remained above 85 % in all years between 2022 and the IP. The market share of imports also remained stable at [10 %-12 %] between 2022 and the IP. The market share of Chinese import decreased slightly, from [5 %-7 %] in 2022 to [4 %-6 %] in 2024.

(715) Both the increase of total import volumes described in recital (708) and the increase of domestic sales described in recital (711) mirrored in the increase of domestic consumption described in recital (706), and as a consequence the market shares of both remained at roughly the same levels. Given the volumes, it follows that it was mainly the Vietnamese industry that benefitted from the increasing consumption.

(716) In view of the above, the Commission concluded that the Vietnamese domestic industry had a dominant position in the Vietnamese market from 2022 to the IP, with no other country with a market share above 6 %.

3.6.1.1.2. Domestic market: price effect

(717) The Commission subsequently analysed the effect of Chinese imports on prices in Vietnam's domestic market. In order to do that and given that the market share of countries other than China was small, the Commission analysed the unit prices of imports from China and of domestic sales.

([133]) Ranges were given for confidentiality reasons.

(718) The unit price of imports and domestic sales developed as follows:

Table 24

Sales prices in Vietnam (EUR ([134])/tonne) ([135])

	2022	2023	2024	Investigation period
Average unit import price into Vietnam (CIF) from the PRC	[900-1 000]	[700-800]	[650–750]	[650–750]
Index	*100*	*78*	*73*	*72*
Average unit domestic sales price in Vietnam	[650–750]	[500–600]	[450–550]	[500–600] ([1])
Index	*100*	*77*	*74*	*84*

([1]) For the investigation period, the domestic sales price is based on POSVIET's data.
Source of import prices: Customs Authority of Vietnam.
Source of domestic sales prices: TRAV.

(719) The price analysis showed that throughout the period considered, the average Chinese import price was constantly significantly above the average Vietnamese domestic price, with both following a similar downward trend.

3.6.1.2. Conclusion on push-put effect

(720) Based on the above, the limited penetration of Chinese imports into Vietnam in the period examined had no downward effect on the domestic prices. Indeed, the Vietnamese industry had most of the Vietnamese market share from 2022 to the IP, while the market share of Chinese imports was insignificant in comparison. Chinese import prices were consistently above Vietnamese domestic prices. Consequently, the Commission concluded that Chinese imports did not create a PMS in the Vietnamese market.

3.6.2. *Particular market situation: other claims*

(721) The Commission also investigated whether the measures identified in the complaint and that allegedly distorted the cost of production of CRF in Vietnam led a particular market situation in the sense of Article 2(3) of the basic Regulation. These measures were:

(a) Export restrictions applicable to iron ore, steel scrap and coal;

(b) Presence of vertically integrated producers on the market;

(c) Significant production of CRF from hot-rolled products originating in the PRC; and

(d) Other regulatory initiatives.

(722) With regard to points (a) on export restrictions applicable to iron ore, steel scrap and coal, (b) on vertical integration of producers, and point (c) on significant production of CRF from HRC originating in the PRC, the investigation established that POSVIET produced the product under investigation exclusively from hot rolled coils and that the majority of those coils ([136]) were sourced from Korea. POSVIET therefore was neither integrated, nor used iron ore, steel scrap and coal from Vietnam nor hot-rolled products originating in the PRC.

([134]) The Customs Authority registers prices in USD and VND. The domestic sales prices are registered in VND. The Commission applied the official exchange rate to convert the prices into EUR.
([135]) Ranges were given for confidentiality reasons.
([136]) The share of purchased hot-rolled cold from related suppliers amounted to [80 %-100 %] of the total quantities purchased in the investigation period. A range was given for confidentiality purposes.

(723) With regard to point (d) Other regulatory initiatives, the Commission noted that the Steel Industry Development Strategy to 2030 with a vision to 2050 was terminated by the Vietnamese government and that the Directive 494/CT-TTg dated 20 April 2010, referred to in the Complaint on the use of domestically produced supplies and commodities was in fact binding to public entities, such as ministries, ministerial-level agencies and government-attached agencies. The Directive did not apply to private entities and in any case, those regulatory initiatives could not have affected POSVIET as explained in recital (722).

(724) Consequently, none of these measures affected POSVIET and, since it made [80 %-100 %] of the exports of the product under investigation to the Union, the Commission concluded that the provisions of Article 2(3) on PMS could not be applied to POSVIET or to Vietnam either.

3.6.3. *Normal value*

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

(726) The Commission subsequently identified the product types sold domestically that were identical or comparable with the product types sold for export to the Union.

(727) The Commission then examined whether the domestic sales of the sampled exporting producer on its domestic market for each product type that is identical or comparable with a product type sold for export to the Union were representative, in accordance with Article 2(2) of the basic Regulation. The domestic sales of a product type are representative if the total volume of domestic sales of that product type to independent customers during the investigation period represents at least 5 % of the total volume of export sales of the identical or comparable product type to the Union. The Commission established that for several product types representing less than 0,5 % of total volume of export sales to the Union there were no domestic sales of identical or comparable product type.

(728) As there were no sales of certain product types of the like product in the ordinary course of trade on the domestic market, the Commission constructed the normal value in accordance with Article 2(3) and (6) of the basic Regulation.

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

(730) The normal value is based on the actual domestic price per product type, irrespective of whether those sales are profitable or not, if:

(a) the sales volume of the product type, sold at a net sales price equal to or above the calculated cost of production, represented more than 80 % of the total sales volume of this product type; and

(b) the weighted average sales price of that product type is equal to or higher than the unit cost of production.

(731) If both tests are met, the normal value is the weighted average of the prices of all domestic sales of that product type during the IP.

(732) The normal value is the actual domestic price per product type of only the profitable domestic sales of the product types during the IP, if:

(a) the volume of profitable sales of the product type represents 80 % or less of the total sales volume of this type; or

(b) the weighted average price of this product type is below the unit cost of production.

(733) The analysis of domestic sales showed that approximately 27 % of all domestic sales were profitable and that the weighted average sales price was higher than the cost of production. Of those, product types for which profitable sales exceeded 80 % represented approximately 7 % of all domestic sales. Accordingly, the normal value was calculated as a weighted average of the prices of all domestic sales during the investigation period for those product types. In addition, product types for which profitable sales were equal to or lower than 80 % of total domestic sales of those product types represented 20 % of all domestic sales. Consequently, the normal value was calculated as a weighted average of the prices of profitable sales only during the investigation period for those product types.

(734) Normal value was constructed by adding the following to the average cost of production of the like product of the cooperating sampled exporting producer during the investigation period:

(a) the weighted average SG & A expenses incurred by the cooperating sampled exporting producer on domestic sales of the like product, in the ordinary course of trade, during the IP; and

(b) the weighted average profit realised by the cooperating sampled exporting producers on domestic sales of the like product, in the ordinary course of trade, during the IP.

(735) Where there were no domestic sales of a product type of the like product, the Commission looked for alternative sources for prices in the ordinary course of trade. As there were no other sampled cooperating or available domestic producers of the like product in the country concerned, no such prices were available. the Commission constructed the normal value for the relevant product types in accordance with Article 2(3) and (6) of the basic Regulation.

(736) POSVIET sourced a significant share of hot-rolled coils ('HRC'), the main raw material in the manufacturing of CRF, from several related suppliers. Therefore, the Commission examined whether those purchases were made at arm's length prices. The Commission compared the sales prices of POSCO Co. Ltd. ('POSCO HQ') to unrelated customers for relevant steel grades with the sales prices to POSVIET at ex-works level. The Commission considered that the sales of POSCO HQ were an appropriate proxy to examine the purchase prices of HRC from any of the related suppliers. The Commission found that POSCO HQ sold HRC of relevant steel grades to unrelated customers for prices higher than prices charged to POSVIET for the same steel grades. Consequently, the Commission adjusted the cost of HRC reported by POSVIET to an arm's length level. This resulted in an increase of the cost of production of 3,7 %.

(737) The adjusted cost of production was used for the profitability analysis of domestic sales described in recital (733), as well as for the construction of the normal value described in recitals (734) and (735).

(738) Following final disclosure, POSVIET claimed that the arm's length adjustment was not carried out correctly. In particular, it pointed out that another related supplier submitted the requested information and supporting evidence. This information contained data on purchase prices and sales prices (charged to POSVIET and to several unrelated customers). POSVIET argued that for purchases of HRC from this related supplier, the adjustment should not have been carried out, as the sales to POSVIET generated a margin, arguing that these prices were at arm's length. The company reiterated its claim in its comments on the additional final disclosure, despite the fact that the matter was not subject to the additional final disclosure and the company was instructed to only comment on the issues covered by the additional final disclosure.

(739) The Commission examined the collected data. First, the Commission found that from the information provided by the related supplier, it is not clear whether the reported purchase price contained all acquisition cost or only the price charged by the supplying company. Second, the margin (difference between the reported purchase and sales price) was so low that it could hardly be considered a reasonable profit, in particular since the sales of this related supplier to its unrelated customers generated a considerably higher margin, which indicates that the sales to POSVIET were not at arm's length price. This analysis is limited by the fact that the sales listing provided by the related supplier did not contain information on HRC type, e.g. based on steel grade or other attributes. Detailed analysis was provided to POSVIET separately as it contained confidential, company-specific data. Consequently, the claim detailed in recital (738) was rejected.

3.6.4. *Export price*

(740) The sampled exporting producer exported to the Union either (a) directly to independent customers, (b) through a related company located in a third country acting as a trader, POSCO International Corporation ('PIC Korea'), exporting directly to the Union, or (c) through PIC Korea exporting through related companies acting as an importer in the Union, POSCO INTERNATIONAL Deutschland GmbH ('PI Germany') and POSCO INTERNATIONAL Italia S.r.l ('PI Italy').

(741) For the export sales of the product concerned carried out directly to independent customers in the Union, the export price was the price actually paid or payable for the product concerned when sold for export to the Union, in accordance with Article 2(8) of the basic Regulation.

(742) For the export sales of the product concerned to the Union carried out through related companies acting as an importer, the export price was established on the basis of the price at which the imported product was first resold to independent customers in the Union, in accordance with Article 2(9) of the basic Regulation. In this case, adjustments to the price were made for all costs incurred between importation and resale, including SG & A expenses, and for profits accruing. The profit margin used for the adjustments was 2 %, as explained in recital (630).

(743) Adjustments reflecting all cost incurred between importation and resale were made for handling, loading and transportation in the Union, and credit cost incurred.

3.6.5. *Comparison*

(744) Article 2(10) of the basic Regulation requires the Commission to make a fair comparison between the normal value and the export price at the same level of trade and to make allowances for differences in factors which affect prices and price comparability. In the case at hand the Commission chose to compare the normal value and the export price of the sampled exporting producers at the *ex-works* level of trade. As further explained below, where appropriate, the normal value and the export price were adjusted in order to: (i) net them back to the *ex-works* level; and (ii) make allowances for differences in factors which were claimed, and demonstrated, to affect prices and price comparability.

3.6.5.1. Adjustments made to the normal value

(745) As explained in section 3.6.3, the normal value was established based on the domestic sales price or constructed using costs of production together with amounts for SG & A expenses and for profit, which were considered to be reasonable for that level of trade.

(746) The Commission made adjustment for transport, handling and loading cost incurred for sales on the domestic market under Article 2(10)(e) of the basic Regulation in order to net the domestic sales price back to ex-works level, credit granted to independent customers on the domestic market under Article 2(10)(g) of the basic Regulation, packing expenses incurred for domestic sales of the like product under Article 2(10)(f) of the basic Regulation, and for warranties and guaranties provided to independent domestic customers under Article 2(10)(h) of the basic Regulation.

(747) Following final disclosure, POSVIET reiterated its claim that the Commission should have adjusted the normal value in case of sales of automotive CRF.

(748) According to the company, in section 3.4.5 of this Regulation, the Commission itself confirmed that the classification of product types using the product control number ('PCN') and price comparability are not the same issue as it examined the request made by the Taiwanese exporting producers for an adjustment under 2(10) of the basic Regulation for physical differences, level of trade, and other factors individually. The company argued that the situation of the Taiwanese companies is materially different from POSVIET. POSVIET submitted that unlike the Taiwanese companies, it provided evidence concerning both higher cost and technical and commercial reasons for price difference.

(749) In this respect, POSVIET maintained that product similarity was not the same as price comparability. According to the company, in the company-specific final disclosure, the Commission's reasoning answered the question of whether automotive and non-automotive products are sufficiently similar to fall under the same PCN but not whether they are comparable in terms of price without an adjustment. The company referred to a price adjustment the Commission applied in the anti-dumping proceeding concerning imports of Acrylonitrile-Butadiene-Styrene Resins ('ABS') originating in the Republic of Korea and Taiwan ([137]).

(750) In addition, POSVIET submitted that its initial claim was not that higher cost had led to a higher price. The company argued that it had submitted evidence that the automotive grades had higher cost. The higher prices were however not only caused by the higher cost. The company claimed that there were additional unique economic features of automotive sales, namely:

(a) Stringent specifications and certification;

(b) The value automotive customers attach to the reliability and security of supply;

(c) Reduced price sensitivity because qualifications and re-certification restrict supplier substitution.

(751) In this respect, the company recalled the Commission's findings in the framework of the steel safeguard investigation ([138]) where the Commission separated automotive CRF from other types of CRF. In the company-specific final disclosure, the Commission considered that the example of the steel safeguard is not applicable in this case as in the safeguard investigation, the products were identified only on the basis of tariff classification while in the proceeding at hand the establishment of PCN allows for a comparison of like product types. The company however disagreed and maintained that the Commission had already recognised that automotive steel was commercially distinctive because it is produced to precise specifications, requires supplier certification, is supplied under long-term arrangements and should, in the circumstances examined there, be considered separately from standard products ([139]).

(752) POSVIET recalled the alleged evidence submitted to support the above allegations. It stressed that the observed high prices of automotive grades were not the only reason for the requested adjustment. The company claimed that the observed higher prices were a result of the above-mentioned features of automotive sales.

(753) Furthermore, POSVIET alleged that the Commission's analysis of the cost of production of automotive and non-automotive grades falling under the same PCN was flawed. The Commission determined the ranges of unit cost of production for each PCN under which automotive grades were sold and found that the unit cost of production of automotive sales fell well within those ranges. The company argued that weighted averages should have been determined instead. The weighted averages show that the average unit cost of production of automotive grades was overall and also on a per-PCN basis higher than the average unit cost of production of non-automotive grades. The company also noted that this creates an asymmetry considering that it did not sell any CRF to automotive customers in the Union. In this respect, the company again referred to the ABS investigation mentioned in recital (749).

(754) Finally, POSVIET complained that the Commission did not address its request for an adjustment under Article 2(10)(d) of the basic Regulation (level of trade) and Article 2(10)(k) of the basic Regulation (other factors) individually. The company further maintained that it provided sufficient evidence to support its request for an adjustment under Article 2(10)(a) of the basic Regulation (physical differences). In this context, the company also reiterated its argument than the division of cold-rolled flat steel products into two subcategories (automotive and non-automotive) under the steel safeguard supported its claim of the existence of physical differences.

([137]) Implementing Regulation (EU) 2026/316.
([138]) Implementing Regulation (EU) 2019/159.
([139]) Ibid., recitals (156) and (157).

(755) The Commission examined the individual elements of the company's claim concerning an adjustment to the normal value based on either Article 2(10)(a), or Article 2(10)(d) or Article 2(10)(k) of the basic Regulation. Where necessary, the Commission elaborated on its reasons in a company-specific disclosure as some information and evidence provided were of confidential nature.

(756) First, the Commission agreed that there might be reasons for an adjustment notwithstanding the established PCN classification, if impact on price comparability is demonstrated by the party claiming the adjustment. It however disagreed that any part of this Regulation confirmed that it was the case in this investigation. The analysis of the request of the Taiwanese exporting producers for an adjustment merely demonstrated that the Commission analysed and addressed all claims received by the respective parties.

(757) The necessity for an adjustment must be examined on a case-by-case basis and based on the facts of the case. Therefore, findings made in the ABS investigation cited by the company are not applicable in the present case. In the ABS investigation, the detailed analysis of the mass-balanced product types showed that a simple differentiation between mass-balanced and conventional product types did not capture the resulting differences in costs and prices depending on the type of mass-balanced feedstock ([140]). In addition, the Commission found in that case that the product types for which an adjustment was applied were specifically developed for a single customer and the exporting producer was contractually obliged not to sell those product types to other customers.

(758) Concerning the findings of the steel safeguard investigation, the Commission maintained its position. The reasoning used in the safeguard does not inform the decision that was to be made in the present investigation. The Commission did not decide to create a separate subcategory for automotive products because they were not comparable in terms of costs and prices. The Commission took this decision based on the interest of the users. In this respect, it was demonstrated that the automotive products were usually supplied just in time, which increased the risk that some specific product types would be crowded out from the free of duty quota by standard (non-automotive) products that can be massively supplied and stockpiled at the beginning of the period for which the tariff rate quota was defined.

(759) With regard to POSVIET's request for an adjustment, the Commission confirmed that, in the final disclosure, it focused on the analysis of the cost of production. The Commission considered that the specific nature of the automotive sales, in particular the alleged higher requirements concerning technical specifications and quality, would be reflected in the cost of production. In this respect, the Commission disagreed that it should have used the weighted average to compare whether the cost of production of automotive grades was aligned with the cost of production of non-automotive grades. In the present case, calculating a weighted average unit cost would be tainted by the quantities in which the individual product types falling under the same PCN were produced. A range based on the minimum and maximum provided a more appropriate picture of the cost of production applicable to non-automotive product types falling under one PCN. The Commission found that the automotive product types falling under the same PCN generated unit cost of production well within the range established for non-automotive product types.

(760) To properly address the company's claims under Articles 2(10)(a), 2(10)(d) or 2(10)(k) of the basic Regulation, the Commission recounted the claims made, and the reasoning and evidence provided supporting those claims. This analysis also addressed the claim that POSVIET's situation is fundamentally different from the one of the Taiwanese exporting producers (see recital (748)).

(761) In the initial questionnaire reply, POSVIET requested a revision of the PCN structure based on the precedent from the steel safeguard and the three elements listed in recital (750) and noted that should the Commission decide not to revise the PCN, it would make a request for an adjustment for physical differences, level of trade and/or other factors.

([140]) Implementing Regulation (EU) 2026/316.

(762) The company made the request only during the on-spot verification. POSVIET provided a submission where it elaborated on the specific features of the sales to automotive industry as opposed to the sales to non-automotive customers, a letter from its automotive supplier on its sourcing policy, reports issued by the automotive customer approving selected steel grades manufactured by POSVIET, price quotation for a period falling under the investigation period, and the calculation to establish the level of the adjustment.

(763) The Commission examined this information and evidence to determine whether an adjustment for physical differences pursuant to Article 2(10)(a) of the basic Regulation would be appropriate. The Commission found that the company sold two categories of product types to its automotive customer: (i) product types manufactured in line with an industrial standard applicable to steel for *inter alia* automotive industry; and (ii) product types manufactured in line with an industrial standard applicable to cold-rolled products in general. The majority of the sales to the automotive client (75-85 %) fell under the second category. At the same time, these non-automotive product types sold to the automotive client were sold to other, non-automotive customers. In this respect, the Commission found that the company provided approval reports for only for the product types produced in line with the automotive industrial standard while it requested an adjustment for all its sales to the automotive customer. In addition, the evidence provided showed that indeed for the product types produced under the automotive industrial standard, the automotive customer analysed their compliance with the requested technical specifications. The specifications and the examination methods were both based on the automotive industrial standard. The Commission further found that the company sold the product types approved by the automotive customer under the automotive industrial standard to other customers although only in minor quantities. The Commission concluded that for the majority of the product types sold to the automotive customer, there were no differences in physical characteristics as the same steel grades were sold to non-automotive customers on the domestic market. A smaller share of product types sold to the automotive customer (15-25 %) was indeed manufactured in line with a specific industrial standard applicable to *inter alia* automotive industry (but also for cold-rolled flat steel products used for electric equipment or in construction). The Commission considered that physical differences between these product types and the product types sold to non-automotive customers were not demonstrated. Even if there were any, the effect on the normal value would be negligible as the total sales to the automotive customer represented a less than 2 % of total domestic sales of POSVIET. Consequently, the Commission rejected the request for an adjustment to the normal value for physical differences. Further details were provided to the company in a company-specific disclosure.

(764) The Commission further examined the information and evidence mentioned in recital (762) to determine whether an adjustment for the level of trade pursuant to Article 2(10)(d) of the basic Regulation would be appropriate. The Commission recalled that for this adjustment to be justified, the company must show that, in relation to the distribution chain, the export price is at a different level of trade from the normal value and the difference has affected price comparability, which is demonstrated by consistent and distinct differences in functions and prices of the seller for the different levels of trade in the domestic market of the exporting country. The Commission found that the company merely identified that it charged higher prices to one customer, the automotive customer, on the domestic market. It however failed to explain and demonstrate the differences in functions that would explain the higher prices. In addition, POSVIET had only one automotive customer. Therefore, any pricing behaviour towards a single customer can be hardly considered as a proof of consistent and distinct differences between automotive and non-automotive sales. Considering all the above, the Commission rejected the claim.

(765) With regard to the request for an adjustment under Article 2(10)(k) of the basic Regulation, the Commission provided a detailed analysis to the company in a company-specific disclosure. In general terms, the Commission found that the company did not demonstrate a correlation between the factors listed by the company as specific features of automotive sales and the prices charged to the automotive customer. In particular, the Commission found that automotive sales falling under some of the PCNs covering both, automotive and non-automotive sales, were lossmaking, i.e. these allegedly special features of automotive sales were not able to generate a price that would cover the cost of production. Consequently, the Commission rejected the claim.

(766) Finally, based on the considerations set out in recitals (755) to (765), the Commission rejected the claims presented by POSVIET as elaborated in recitals (747) to (754).

(767) Following additional final disclosure, POSVIET reiterated that using the weighted average for the comparison of automotive and non-automotive grades with regard to their cost of production was more appropriate than using ranges. The company maintained that the weighted average reflects the actual commercial importance of observations while a range gives a decisive importance to the two extremes irrespective of whether either is representative.

(768) With regard to the Commission's analysis of the company's request for an adjustment for physical differences under Article 2(10)(a) of the basic Regulation, POSVIET introduced two arguments.

(769) First, the company claimed that the Commission analysis based on industry standards according to which the product types sold to the automotive customer were produced was not relevant to make conclusions of whether an adjustment under Article 2(10)(a) of the basic Regulation was justified. The company argued that a product can fall under the same PCN or a broad industry standard and still be subject to additional customer-specific requirements.

(770) Second, POSVIET argued that the specific requirements of its automotive customer had a demonstrated market value. In this respect, the company referred to the fact that the products are tested against the automotive customer's specific technical requirements, the weighted average unit cost of production is higher than the cost of non-automotive grades under the same PCN, and the weighted average ex-works sales prices of the automotive grades are also higher than those of non-automotive sales for the same PCN.

(771) With regard to the Commission's assessment of the company's request for an adjustment for differences in the level of trade (OEM sales) under Article 2(10)(d) of the basic Regulation, the company provided an overview of differences between the functions performed for automotive and non-automotive customers within the following categories: (a) qualification and testing, (b) forecasting and planning, (c) inventory and logistics, (d) pricing authority, (e) handling of claims and technical support. The company also claimed that the effect of those differences in functions had been demonstrated through the higher prices charged to the automotive customer and the consistency of those differences was demonstrated across transactions, products and periods. Finally, the company added that even if the Commission considered that the conditions of Article 2(10)(d)(i) of the basic Regulation were not fully met, it should grant a special adjustment under Article 2(10)(d)(ii) of the basic Regulation.

(772) With regard to the Commission's assessment of the company's request for an adjustment for other factors under Article 2(10)(k) of the basic Regulation, the company argued that:

(a) It made the claim under during the on-spot verification, not only after final disclosure;

(b) Restricted sustainability was supported by evidence of certification process;

(c) Although per-country prices are differentiated, regional pricing is centrally negotiated;

(d) The weighted averages of cost of production and sales prices provide direct evidence of consistent price effect;

(e) The loss-making PCNs do not disprove the price effect;

(f) The absence of automotive sales to the Union requires the adjustment as the effect of other factors on prices has been allegedly established.

(773) The Commission maintained that using the weighted average for a comparison of cost of production was not appropriate for the purpose of establishing whether the cost of production of automotive grades was consistently higher than the cost of production of non-automotive (commodity) grades. Indeed, where a number of different values are divided into two groups and an average is calculated for each group, one average will almost invariably be higher than the other. However, that difference, in itself, provides no indication of whether the individual values in one group are consistently higher than those in the other group. In addition, already in its comments on final disclosure the company argued that the Commission had not performed a proper examination of its requests for adjustments under Articles 2(10)(a), 2(10)(d) and 2(10)(k) of the basic Regulation. This analysis was carried out, and the Commission rejected the company's requests on a basis different from the analysis of the average cost of production.

(774) With regard to the claim under Article 2(10)(a) of the basic Regulation, the Commission noted that it did not base its conclusion on the mere fact that the product types sold to the automotive customer were products under a certain industry standard. The Commission does not dispute that products produced in line with various industry standards can fall under the same PCN. The core of the Commission's argument was that there was no evidence of the existence of physical differences between individual grades produced according to commodity industry standard, which represented a vast majority of the company's sales to the automotive customer while the same specific grades were also sold to non-automotive customers. The approval reports submitted by the company concerned only product types produced in line with the automotive industry standard, which represented a minority of the company's sales to the automotive customer. In any event, the company did not explain the physical differences between the product types sold to the automotive customer and to non-automotive customers. The mere existence of price difference cannot be accepted as evidence of physical differences.

(775) With regard to the claim under Article 2(10)(d) of the basic Regulation, the Commission analysed the functions declared by POSVIET with regard to automotive and non-automotive sales. For some alleged functions, namely qualification and testing, forecasting and planning, inventory and logistics, technical support, there was no supporting evidence on the file, or the evidence was only partial (the existence of approval/testing reports for a limited number of product types). With regard to handling of claims, there appears to be an overlap of provided functions and services. While the claims procedure appears to be clearly established for the automotive customer, similar procedure may be applied to non-automotive customers depending on the nature of the claim. With regard to pricing authority, it is not clear how the fact that prices are negotiated centrally represents a function related to the level of trade/OEM sales.

(776) With regard to the claim under Article 2(10)(k) of the basic Regulation, the Commission noted that:

(a) Although the company made the claim during the on-spot verification, it only clearly identified the factors that should be considered under these provisions in its comments on final disclosure;

(b) The company did not provide any evidence of a comprehensive certification procedure but merely approval/testing reports for a limited number of product types sold to the automotive customer. The Commission found that regular testing of the compliance of the supplied products with the technical specifications of the automotive customer could not have resulted in restricted sustainability of suppliers;

(c) With regard to the centralised negotiation of prices, the Commission noted that the company previously claimed that the prices charged to the automotive customer were not representative of the Vietnamese market because they were not set specifically for Vietnam but rather on a regional level. This was disproved by the Commission's observations of the price quotation submitted by the company;

(d) The relevance of weighted average cost of production (and prices for that matter) had been already addressed several times;

(e) It was unclear how the fact that the automotive sales falling under two of eight relevant PCNs were loss-making is not disproving the company's claim that an adjustment was justified. In particular, considering that the company proposed two methods to perform the adjustment and both of them were based on adjusting the prices to such level that sales of automotive grades under each relevant PCN would generate the same level of profitability as the non-automotive sales under that PCN.

(777) In any event, POSVIET continuously based its claims for an adjustment under Articles 2(10)(a), 2(10)(d) or 2(10)(k) of the basic Regulation merely on the existence of higher prices charged to its automotive customer. The company then alleged the existence of differences in physical characteristics, functions related to the level of trade/OEM sales or other factors. Instead of providing supporting evidence for the existence of those differences, the company claimed that the mere existence of higher prices constituted evidence of those differences. In this regard, the Commission noted that the identified price difference on the domestic market depending on a customer is a normal occurrence on a free market which should be reflected rather than eliminated from the normal value.

POSVIET nevertheless failed to explain that price difference in terms of concrete price-affecting factors as required by Article 2(10) of the basic Regulation. Without such connection there is no reason for the adjustment. A mere price difference does not necessarily show a price premium; it could equally show a price deduction for non-automotive clients, and, without any demonstrable link to a concrete factor, is an ordinary market occurrence shaping the normal value for a particular product type.

(778) Following the considerations set out in recitals (773) to (777), the Commission rejected the claims described in recitals (767) to (772).

3.6.5.2. Adjustments made to the export price

(779) In order to net the export price back to the ex-works level of trade, adjustments were made on the account of freight, insurance, handling loading and ancillary expenses under Article 2(10)(e) of the basic Regulation.

(780) Allowances were made for the following factors affecting prices and price comparability: credit granted to independent customers on the domestic market under Article 2(10)(g) of the basic Regulation, packing expenses incurred for export sales of the product concerned to the Union under Article 2(10)(f) of the basic Regulation, bank charges under Article 2(10)(k) of the basic Regulation, and for commissions under Article 2(10)(i) of the basic Regulation. Commissions were paid by PIC Korea to a related company in Vietnam for handling of documents, communication and other services provided with regard to the exports of product concerned produced by POSVIET to the Union.

(781) For all export sales carried out through PIC Korea, a trader, an adjustment was made under Article 2(10)(i) of the basic Regulation. The Commission considered that the SG & A expenses incurred by the trader and the profit of an unrelated importer of 2 %, as explained in recital (630) above, reliably reflected the commission an unrelated agent would charge for its services.

(782) Following final disclosure, POSVIET reiterated its claim that the three trading companies – PIC Korea, PI Germany, and PI Italy ('PI Group') – were a single economic entity ('SEE'). The company acknowledged that in anti-dumping proceedings, the SEE concept had been applied to a trader related to the exporting producer where the economic reality of the relationship showed that the trader acted as an internal export department of the producer. The company reiterated its claim in its comments on the additional final disclosure, despite the fact that the matter was not subject to the additional final disclosure and the company was instructed to only comment on the issues covered by the additional final disclosure.

(783) The company however claimed that the fact that POSVIET is not part of the alleged SEE is not relevant in the present case and referred to the Union's competition law which recognises that an undertaking is an economic unit that may consist of several distinct natural or legal persons. In this case, the test turns to the economic unity and control, and not to whether one of the entities is a producer. In this respect, POSVIET argued that the PI Group is an SEE because:

(a) The accounts of the group were consolidated;

(b) The sales functions of the three companies were centrally coordinated;

(c) The two related importers in the Union did not set the prices independently;

(d) The two related importers in the Union were set up to carry out functions that could not be performed by PIC Korea.

(784) POSVIET submitted that it did not object to the deduction of SG & A expenses under both Article 2(9) and Article 2(10)(i) of the basic Regulation, it however objected to the double deduction of profit.

(785) It also suggested that a single deduction of consolidated SG & A expenses under Article 2(9) of the basic Regulation would be appropriate.

(786) Finally, the company recalled that pursuant to the judgment in *PT Musim Mas v Commission* ([141]), where an SEE is recognised between a producer and a related trader, the trader cannot be considered performing functions of an agent working on a commission basis pursuant to Article 2(10)(i) of the basic Regulation.

(787) The Commission examined the claim. Indeed, in anti-dumping proceedings, the concept of an SEE is used to describe situations where a trader is related to the exporting producer, and the economic reality of the relationship shows that the trader acts as an internal export department of the producer. By definition, this circumstance is not in contradiction with the understanding of an undertaking under Union competition law, although it must be noted that Union competition law is not applicable in trade defence investigations.

(788) The Commission noted that POSVIET's claim regarding the existence of a SEE among PIC Korea, PI German and PI Italy aimed at achieving a modification to how adjustments to the export price were applied. In essence, the company objected to an alleged double deduction of the notional profit under Articles 2(9) and 2(10)(i) of the basic Regulation or alternatively proposed to deduct consolidated SG & A expenses of the PI Group under Article 2(9) of the basic Regulation.

(789) In this respect, the Commission recalled that the deduction of SG & A expenses and notional profit under Articles 2(9) and 2(10)(i) of the basic Regulation, while both relying on the same type of information, namely SG & A expenses actually incurred by the related companies and a profit of an unrelated importer, represent two separate exercises.

(790) Under Article 2(9) of the basic Regulation, the Commission constructed the export price on the basis of the price at which CRF was resold to the first independent customer as the importers PI Germany and PI Italy were related to the exporting producer. In line with Article 2(9) of the basic Regulation, an adjustment for all costs incurred between importation and resale and for profits accruing was made. The costs incurred between importation and resale included in this case those reported by the importers on a transaction basis and SG & A expenses that could not be directly linked to individual transactions.

(791) Once both export price and the normal value were established, the Commission then made an adjustment to the export price for the purpose of fair comparison pursuant to Article 2(10)(i) of the basic Regulation. The Commission found that PIC Korea performed functions similar to those of an agent working on a commission basis and was renumerated for these functions by the way of a mark-up. Since the mark-up was paid between related entities it was tainted by the relation. Therefore, the Commission used the SG & A expenses incurred by PIC Korea and the notional profit as a proxy for the commission that would have been paid to an independent agent performing functions of PIC Korea.

(792) In this respect, POSVIET did not prove that the Commission's approach was in violation of the basic Regulation. The Commission was legally required to deduct SG & A expenses and a profit to construct the export price under Article 2(9) of the basic Regulation. As for the adjustment under Article 2(10)(i) of the basic Regulation, the company did not dispute the Commission's findings that PIC Korea performed functions similar to those of an agent working on a commission basis. Nor did the company claim and provide evidence that PIC Korea acted as an internal export department of POSVIET, in which case an adjustment under Article 2(10)(i) of the basic Regulation would indeed not be appropriate.

([141]) Judgment of the Court of 26 October 2016, *PT Musim Mas v Commission*, C-468/15 P, ECLI:EU:C:2016:803, paragraphs 41-42 and the case law cited.

(793) Following final disclosure, POSVIET submitted that level of the profit deducted under Article 2(10)(i) of the basic Regulation for PIC KR when selling directly to unrelated customers in the Union should be revised to reflect the limited functions of the company. In this respect, the company referred to the judgement in *PT Musim Mas v Commission* ([142]), where the Court clarified that the use of Article 2(10)(i) of the basic Regulation is not based on the existence of a relationship between the trader and the exporting producer, but on the functions performed by the trader. The company argued that the level of the profit must be tailored to the functions performed by the trader, rather than those carried out by an importer.

(794) Furthermore, POSVIET referred to the OECD Transfer Pricing Guidelines ([143]) according to which '[t]he resales price margin will be influenced by the level of activities performed by the reseller. This level of activities can range widely from the case where the reseller performs only minimal services as a forwarding agent to the case where the reseller takes on the full risk of ownership together with the full responsibility for and the risks involved in advertising, marketing, distributing and guaranteeing the goods, financing stocks, and other connected services. If the reseller in the controlled transaction does not carry on a substantial commercial activity but only transfers the goods to a third party, the resale price margin could, in light of the functions performed, be a small one.'

(795) In this respect, the company pointed out that PIC Korea does not provide warehousing or customs clearance, neither is it engaged in day-to-day customer relationship management in the sales channel where it sells directly to unrelated customers in the Union.

(796) The company reiterated the claim set out in recitals (793) to (795) in its comments on the additional final disclosure, despite the fact that the matter was not subject to the additional final disclosure and the company was instructed to only comment on the issues covered by the additional final disclosure.

(797) At the outset the Commission noted that, contrary to the claim made by POSVIET, the judgement *PT Musim Mas v Commission* ([144]) does not link the profit used to quantify the adjustment under Article 2(10)(i) of the basic Regulation to the functions performed by the trader acting as an agent. Rather, it is the adjustment itself that is linked to those functions. In this respect the Commission recalled that the adjustment for commission under Article 2(10)(i) of the basic Regulation comprises two distinct components: (i) the actual SG & A costs of the related trader, and (ii) a notional profit of an unrelated trader active in the same sector. While the profit component serves as a proxy for the margin that a comparable independent trader would earn on the free market, the SG & A costs component reflects the actual expenses incurred on the account of the functions performed by the related traders. It is precisely this latter element, the actual SG & A costs, that ensures the adjustment accurately reflects the costs of the functions carried out.

(798) The Commission confirmed that the adjustment under Article 2(10)(i) of the basic Regulation applied to exports to the Union via PIC Korea was not based on the existence of a relationship between POSVIET and PIC Korea but on the involvement of a trader in several sales channels in which the trader performed the functions similar to those of an agent working on a commission basis. The existence of the relationship however informed the determination of the level of the adjustment. While the actual SG & A expenses of PIC Korea were accepted as a part of the adjustment, the profit generated by the sales could not be considered as the purchase price was affected by the relationship between POSVIET and PIC Korea. Therefore, the profit of an unrelated importer in the Union was used as a suitable proxy.

([142]) Judgment of the Court of 26 October 2016, PT *Musim Mas v Commission*, C-468/15 P, ECLI:EU:C:2016:803, paragraph 88.

([143]) OECD (2022), OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations 2022, paragraph 2.37, available at https://www.oecd.org/en/publications/oecd-transfer-pricing-guidelines-for-multinational-enterprises-and-tax-administrations-2022_0e655865-en.html (last viewed 7 September 2026).

([144]) Judgment of the Court of 26 October 2016, *PT Musim Mas v Commission*, C-468/15 P, ECLI:EU:C:2016:803, paragraph 88.

(799) Furthermore, the company asserted that the level of the profit should have been adjusted downwards since the company performed limited functions in comparison to the related importers in the Union and relied on the OECD Transfer Pricing Guidelines in this respect.

(800) Regarding the OECD Transfer Pricing Guidelines, the Commission recalled that they are based on an '[i]nternational transfer pricing standard that OECD member countries have agreed should be used for tax purposes by [multinational enterprise] groups and tax administrations' ([145]). The OECD Transfer Pricing Guidelines are not intended to predict what profit on the resale of particular goods is achievable or reasonable in a given market based on the functions performed by a trader. Profit allocation based on the functions performed by related entities in this context serves essentially as a safeguard against attributing profits to companies that perform few functions but are located in low-tax jurisdictions.

(801) In any event, the Commission disagreed that the functions carried out by PIC Korea were limited as compared to the functions of the two related importers in the Union. For confidentiality reasons, a detailed analysis was disclosed to the company separately. In this context, the OECD Transfer Pricing Guidelines, on which the company relied in its argumentation, provides examples of situations where the functions of the trader are considered limited (minimal services as a forwarding agent) and where substantial, i.e. a higher margin can be expected (such as, for example, full risk of ownership, full responsibility for and the risks involved in advertising, marketing, distributing and guaranteeing the goods). PIC Korea clearly took over the ownership of the goods during the sea transportation and was responsible for the organisation of the distribution network. Therefore, its functions cannot be considered limited. Consequently, the claim set out in recital (797) was rejected.

3.6.6. *Dumping margins*

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

(803) On this basis, the definitive weighted average dumping margins expressed as a percentage of the CIF Union frontier price, duty unpaid, is 16,0 %.

(804) For the cooperating exporting producers outside the sample, the Commission calculates the weighted average dumping margin, in accordance with Article 9(6) of the basic Regulation. In the present case, the definitive dumping margin of the cooperating exporting producers outside the sample is the same as of the sampled cooperating exporting producer, i.e. 16,0 %.

(805) For all other exporting producers in Vietnam, the Commission established the dumping margin on the basis of the facts available, in accordance with Article 18 of the basic Regulation. To this end, the Commission determined the level of cooperation of the exporting producers. The level of cooperation is the volume of exports of the cooperating exporting producers to the Union expressed as proportion of the total imports from the country concerned to the Union in the IP, that were established on the basis of Eurostat.

(806) The level of cooperation in this case is high because the exports of the cooperating exporting producers constituted more than 80 % of the total imports during the investigation period. On this basis, the Commission decided to establish the dumping margin for non-cooperating exporting producers at the level of the cooperating sampled individually examined company.

([145]) OECD (2022), *OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations 2022*, paragraph 1.1, available at https://www.oecd.org/en/publications/oecd-transfer-pricing-guidelines-for-multinational-enterprises-and-tax-administrations-2022_0e655865-en.html (last viewed 7 September 2026).

(807) The definitive dumping margins, expressed as a percentage of the CIF Union frontier price, duty unpaid, are as follows:

Company	Definitive dumping margin (%)
POSCO VIETNAM CO., LTD	16,0
Other cooperating companies	16,0
All other imports originating in Vietnam	16,0

4. INJURY

4.1. Definition of the Union industry and Union production

(808) The like product was manufactured by 22 producers in the Union during the investigation period. They constitute the 'Union industry' within the meaning of Article 4(1) of the basic Regulation.

(809) The total Union production during the investigation period was established at around 31,5 million tonnes, including production for the captive market. The Commission established the figure on the basis of all the available information concerning the Union industry, namely the verified questionnaire reply received from Eurofer, where possible cross-checked with the verified questionnaire replies of the sampled Union producers.

(810) As noted in recital (94), a sample of three Union producers was selected. The definitive sample accounted for more than 24 % of the estimated total Union production and 17 % of the estimated sales of the like product on the free market in the Union and ensured a good geographical spread.

(811) Overall, the Union industry is characterised by a significant degree of vertical integration. A substantial share of production is used captively for further downstream processing, while the remainder is sold on the free market in direct competition with imports.

4.2. Determination of the relevant Union market

(812) To establish whether the Union industry suffered injury and to determine consumption and the various economic indicators related to the situation of the Union industry, the Commission examined to which extent the Union industry's own use of its production, in particular for further processing, should be taken into account in that analysis.

(813) As indicated above, the Union industry is largely vertically integrated, and the product under investigation constitutes a primary input for the manufacture of various higher value downstream products, such as galvanized and organic coated products. The Commission therefore found that a significant share of the sampled Union producers' production was destined for captive use. In view of this, captive consumption and free market consumption were analysed separately.

(814) The distinction between captive and free market is relevant for the injury analysis because products destined for captive use are not exposed to direct competition from imports, and transfer prices are set within the groups according to various price policies. By contrast, production destined for the free market is in direct competition with imports of the product under investigation, and prices are free market prices.

(815) To provide a picture of the Union industry that is as complete as possible, the Commission obtained data for the entire CRF activity and determined whether the production was destined for captive use or for the free market.

(816) The Commission examined certain economic indicators relating to the Union industry on the basis of data for the free market. These indicators are: sales volume and sales prices on the Union market; market share; growth; export volume and prices; profitability; return on investment; and cash flow. Where possible and justified, the findings of the examination were compared with the data for the captive market in order to provide a complete picture of the situation of the Union industry.

(817) However, other economic indicators could meaningfully be examined only by referring to the whole activity, including the captive use of the Union industry. These are: production; capacity, capacity utilisation; investments; stocks; employment; productivity; wages; and ability to raise capital. They depend on the whole activity, whether the production is captive or sold on the free market.

4.3. **Union consumption**

4.3.1. *Captive consumption on the Union market (tonnes)*

(818) The Commission established the Union captive consumption on the basis of the captive use and captive sales on the Union market of all known producers in the Union. On this basis, the Union captive consumption developed as follows:

Table 25

Captive consumption on the Union market (tonnes)

	2022	2023	2024	Investigation period
Captive consumption	24 019 465	24 266 863	24 913 310	24 037 814
Index (2022 = 100)	*100*	*101*	*104*	*100*

Source: Eurofer questionnaire reply.

(819) It was established that around 76 % of the Union production of CRF is dedicated to the captive market whilst the remaining 24 % is sold under free market conditions.

(820) EU captive consumption increased by around 4 % between 2022 and 2024, reflecting a gradual expansion in captive demand. However, this trend was not sustained, as consumption subsequently decreased by approximately 3,5 % during the investigation period compared to 2024, broadly returning to its 2022 level. Overall, captive consumption showed only a limited variation during the period considered, indicating relatively stable downstream demand within vertically integrated operations.

4.3.2. *Free market consumption on the Union market (tonnes)*

(821) The Commission established the Union free market consumption on the basis of (a) Eurofer data concerning the sales on the Union market of all known producers in the Union, as cross-checked with the information reported by the sampled Union producers; and (b) the imports into the Union from all third countries as reported by Eurostat. On this basis, the Union free market consumption developed as follows:

Table 26

Union free market consumption (tonnes)

	2022	2023	2024	Investigation period
Free market consumption	8 089 250	7 372 012	7 543 690	7 274 722
Index (2022 = 100)	*100*	*91*	*93*	*90*

Source: Eurofer questionnaire reply, sampled Union producers, Eurostat.

(822) Free market consumption decreased significantly over the period considered. It fell by 9 % in the first year. This was followed by a moderate increase of 2 % in the subsequent year. However, this recovery was temporary, as consumption declined again by 3 percentage points in the IP.

(823) Overall, free market consumption recorded a total decrease of 10 % over the period considered. This decline was mainly driven by a contraction in downstream consumption, in particular in the construction sector and certain industrial applications, which are key end-use markets for steel products.

(824) In addition, macroeconomic uncertainty and weaker economic growth in several Member States contributed to a more cautious purchasing behaviour among customers, who delayed or reduced orders and prioritised inventory reduction. This resulted in lower spot market activity and reduced transactional volumes in the free market segment.

4.3.3. *Overall consumption*

(825) Overall consumption, the sum of captive and free market consumption, evolved as follows during the period considered:

Table 27

Union overall consumption (free and captive market) (tonnes)

	2022	2023	2024	Investigation period
Overall Union consumption	32 108 714	31 638 874	32 456 525	31 312 536
Index (2022 = 100)	*100*	*99*	*101*	*98*

Source: Eurofer questionnaire reply, sampled Union producers, Eurostat.

(826) Overall Union consumption remained broadly stable over the period considered, with only limited fluctuations. It decreased slightly by 1 % in the first year. This was followed by a modest increase of 3 percentage points in the subsequent year. However, this increase was not sustained, as consumption declined by 4 percentage points in the investigation period.

(827) Over the period considered, overall consumption remained broadly stable, with a slight decrease of around 2 % between 2022 and the investigation period. This relative stability was mainly due to captive consumption remaining broadly stable, which partially smoothed the declining trend observed in free market consumption, thereby cushioning the overall decrease in demand.

4.4. **Imports from the countries concerned**

4.4.1. *Cumulative assessment of the effects of imports from the countries concerned and import volumes and import prices from the countries concerned*

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

(829) The margin of dumping established in relation to the imports from the countries concerned was above the *de minimis* threshold laid down in Article 9(3) of the basic Regulation. The volume of imports from each of the countries concerned was not negligible within the meaning of Article 5(7) of the basic Regulation. Market shares in the investigation period ranged between 3 % and 7 %.

(830) The conditions of competition between the dumped imports from the countries concerned and the like product were similar. As noted in recital (125) the investigation showed that CRF sold by the exporting producers and the Union industry have the same basic physical chemical and technical characteristics as well as the same basic uses. Moreover, the imported products competed with each other and with the Union industry and with CRF produced in the Union because they are sold through the same sales channels and to similar categories of customers.

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

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

(832) The Commission established the volume of imports on the basis of data provided by Eurostat. Market shares were established by comparing import volumes with the Union free market consumption as reported in Table 26.

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

Table 28

Import quantity and market share

	2022	2023	2024	Investigation period
INDIA				
Volume of imports from India (tonnes)	405 319	387 521	435 297	414 530
Index	*100*	*96*	*107*	*102*
Market share India (%)	5	5	6	6
JAPAN				
Volume of imports from Japan (tonnes)	126 021	223 217	246 354	250 001
Index	*100*	*177*	*195*	*198*
Market share Japan (%)	2	3	3	3
TAIWAN				
Volume of imports from Taiwan (tonnes)	293 280	440 907	574 505	499 836
Index	*100*	*150*	*196*	*170*
Market share Taiwan (%)	4	6	8	7
TÜRKIYE				
Volume of imports from Türkiye (tonnes)	448 012	228 046	417 253	334 885
Index	*100*	*51*	*93*	*75*
Market share Türkiye (%)	6	3	6	5

	2022	2023	2024	Investigation period
VIETNAM				
Volume of imports from Vietnam (tonnes)	48 282	115 405	157 386	187 767
Index	*100*	*239*	*326*	*389*
Market share Vietnam (%)	1	2	2	3
COUNTRIES CONCERNED				
Quantity of imports from the countries concerned (tonnes)	1 320 914	1 395 097	1 830 796	1 687 020
Index	*100*	*106*	*139*	*128*
Market share (%)	16	19	24	23

Source: Eurostat. Market shares were established by comparing import volumes with the Union free market consumption as reported in table 24.

(834) Over the period considered, imports from the countries concerned increased overall, both in volume, by 28 %, and in market share, which reached 23 % in the IP. While developments varied significantly amongst the countries concerned, the general trend points to a strengthening presence of these imports on the Union market.

(835) In 2023, import volumes showed mixed developments. Imports from India decreased slightly (-4 %), while imports from Türkiye dropped sharply (-49 %). By contrast, imports from Japan (+77 %), Taiwan (+50 %) and Vietnam (+139 %) increased significantly. As a result, the overall volume of imports from the countries concerned increased, accompanied by a rise in market share from 16 % to 19 % (+3 percentage points).

(836) In 2024, the upward trend became more pronounced. Imports from India (+12 %), Japan (+10 %) and Taiwan (+30 %) continued to grow, while imports from Türkiye recovered strongly (+83 %) from the low level recorded in 2023. Imports from Vietnam also increased further (+36 %). This led to a significant expansion of the overall import volume and a marked increase in market share to 24 % (+5 percentage points).

(837) During the investigation period, import volumes declined compared to 2024 but remained well above 2022 levels. Imports from India decreased moderately (-5 %), while imports from Taiwan (-13 %) and Türkiye (-20 %) also fell. By contrast, imports from Japan (+1 %) and Vietnam (+19 %) continued to increase. Overall, imports from the countries concerned remained high, with market share only slightly decreasing to 23 % (-1 percentage point).

(838) Over the period considered, imports from the countries concerned increased significantly, both in volume and in market share. Import volumes rose by 6 % in 2023 and further increased markedly by 31 % in 2024. Although they declined by 8 % during the investigation period compared to 2024, they remained 28 % above 2022 levels. In parallel, the market share of these imports grew steadily from 16 % in 2022 to 19 % in 2023 and reached 24 % in 2024, before slightly decreasing to 23 % in the investigation period. Overall, despite a slight drop in the investigation period, imports from the countries concerned showed a strong upward trend and significantly strengthened their position on the Union market.

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

(839) The Commission established the prices of imports on the basis of Eurostat data.

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

Table 29

Import prices (EUR/measuring unit)

	2022	2023	2024	Investigation period
INDIA				
Average price of dumped imports	1 051	772	725	680
Index	*100*	*73*	*69*	*65*
JAPAN				
Average price of dumped imports	1 021	802	777	718
Index	*100*	*79*	*76*	*70*
TAIWAN				
Average price of dumped imports	1 042	752	703	690
Index	*100*	*72*	*67*	*66*
TÜRKIYE				
Average price of dumped imports	1 041	834	744	716
Index	*100*	*80*	*71*	*69*
VIETNAM				
Average price of dumped imports	1 166	757	708	667
Index	*100*	*65*	*61*	*57*
COUNTRIES CONCERNED				
Average price of dumped imports	1 047	779	728	695
Index	*100*	*74*	*70*	*66*

Source: Eurostat.

(841) Overall, the average price of dumped imports from the countries concerned decreased by 34 % over the period considered. This downward trend was observed for all the countries concerned individually, with price decreases ranging from 30 % to 43 %, with the most pronounced decrease recorded for Vietnam at 43 %.

(842) The Commission determined the price undercutting during the investigation period by comparing:

(1) the weighted average sales prices per product type of the sampled Union producers charged to unrelated customers on the Union market, adjusted to an ex-works level; and

(2) the corresponding weighted average prices per product type of the imports from the sampled cooperating country name producers to the first independent customer on the Union market, established on a Cost, insurance, freight (CIF) basis, with appropriate adjustments for customs duties and post-importation costs.

(843) The price comparison was made on a type-by-type basis for transactions at the same level of trade, duly adjusted where necessary, and after deduction of rebates and discounts. The result of the comparison was expressed as a percentage of the sampled Union producers' theoretical turnover during the investigation period.

(844) Following comments on final disclosure that led to changes in the export prices in Japan and Türkiye as explained in recitals (270) and (278), and (632) and (636) respectively, the Commission revised the undercutting margins.

(845) With respect specifically to Nippon Steel, following the acceptance of the claim that its prices to MISI and NST were at arm's length, the Commission did not establish its export price under Article 2(9) of the basic Regulation. However, to establish the import price used in the undercutting and injury margin calculations, the Commission applied Article 2(9) by analogy as the price declared to customs was unreliable because of the existence of an intra-group relationship ([146]).

(846) In this case, in order to net the market price to an unrelated customer back to the level of trade of comparison (i.e. the import price immediately after the clearance of that product at the EU border), adjustments to the price were made for all costs incurred between importation and resale, including SG & A expenses, and for profits accruing.

(847) The Commission relied on the actual SG & A costs reported by the related importers. The profit margin used for the adjustments was 2 %, as explained in recital (630). On this basis, the Commission made an adjustment for profit incurred by each related entity in the Union involved in the resale to the first independent Union customer. In particular, evidence in the file showed that Company B, in the context of a purchase from MISEA on delivered at place unloaded (DPU) terms, covered the discharge costs in the Union port upon delivery of the product under investigation. Based on this, in the absence of cooperation on the part of Company B, the Commission considered that, in addition to MISEA, Company B was also involved in the importation process. For this reason, the Commission applied Article 2(9) of the basic Regulation by analogy both for MISEA and for Company B.

(848) In its comments on the final disclosure, the GOJ claimed that the Commission did not provide a justification for deducting an excessive profit margin of 2 % for each entity involved in the sales chain when constructing the export price. Although the claim was made regarding the export price for the dumping calculation, where the Commission did not adjust the export price under Article 2(10)(i) after accepting Nippon Steel's claim regarding arm's length in recital (270), the claim remained relevant for the undercutting and injury margin calculation.

(849) The Commission noted that it made the adjustment applying by analogy Article 2(9) of the basic Regulation, as explained at recital (845) above. The Commission could not rely on the profits achieved by the related importers as they were obtained based on related sales and prices. The profit of an unrelated importer could not be identified as a proxy in the current investigation, since no unrelated importers cooperated. Thus, as explained at recital (847), the Commission relied of the profit established for an unrelated importer in a previous investigation on the same product. This profit of 2 % represented the proxy for the profit of an importer in the Union in the absence of alternatives. Incidentally, a profit of 2 % is in line with the mark-up left to traders during the investigation period, so that a notional profit of 2 % cannot be considered excessive. Therefore, the Commission rejected this claim.

([146]) Union Courts have consistently upheld this approach. See e.g. Judgment of the General Court of 14 September 2022, *Methanol Holdings (Trinidad) Ltd v European Commission*, T-744/19, ECLI:EU:T:2022:558, paragraph 63. Judgment of the Court of 8 June 2023, *PAO Severstal and Novolipetsk Steel PJSC (NLMK) v European Commission*, C-747/21 P and C-748/21 P, ECLI:EU:C:2023:459, paragraph 92.

Table 30

Undercutting margins

Country	Company	Undercutting margins (%)
India	JSW Steel Limited	11
Japan	Nippon Steel Corporation	12,5
Taiwan	CSC Group	9,2
Türkiye	Borçelik Çelik Sanayi Ticaret A.Ş.	13,4
	Tatmetal Çelik Sanayi ve Ticaret A. Ş.	5,3
Vietnam	POSCO VIETNAM CO., LTD	10,7

(850) The product concerned is largely price-driven and competition on the market takes place primarily through pricing. Furthermore, market prices are transparent and easily accessible. The investigation showed that only a limited share of sales is carried out under long-term contracts, while customers retain the possibility to change suppliers in a highly dynamic market.

(851) Against this background, the undercutting margins established for the imports concerned were found to be significant, amounting to 11 % for India, 12,5 % for Japan, 9,2 % for Taiwan, 5,3 % and 13,4 % for Türkiye and 10,7 % for Vietnam.

(852) The investigation further demonstrated that the Union industry's prices were depressed by the low-priced imports originating in the countries concerned, which followed similar trends and trade patterns.

(853) NSC Group also argued that the Commission should take account of the longer delivery times for Japanese imports when calculating the undercutting and injury margin. It submitted that Japanese CRF took substantially longer to reach the Union than Union-produced CRF and proposed a time-value-of-money adjustment to the export price comparable to the added cost for payment terms.

(854) Injury margin is established by comparing the export price with the Union industry's non-injurious price at comparable levels of trade. As noted by the Court of Justice in *Hansol*, 'it follows from a combined reading of Article 1(1) and Article 3(2) of the [b]asic [R]egulation that the injury must be assessed at the time of the dumped product's "release for free circulation in the Union". Consequently, the calculation of undercutting must, in principle, be made at the level of the dumped imports' ([147]). In other words, the ex-works price charged by Union producers of like products should be compared with the 'the import price immediately after the clearance of that product at the EU border' ([148]). The difference in delivery times does not affect the level of trade or the characteristics of the products being compared and therefore does not call for an adjustment of the export price.

(855) The Commission also considered that the analogy drawn by NSC with credit costs related to the payment terms of an invoice was not appropriate. Credit costs reflect a contractual payment condition agreed between the parties and are directly linked to the terms of the transaction. By contrast, the time required for the imported product to reach the Union results from transport and logistical arrangements and does not constitute a payment term. The longer delivery time therefore does not constitute a financing condition comparable to the credit period granted under the terms of an invoice.

(856) The claim was therefore rejected.

(857) NSC Group also claimed that some of its DC01 exports were used in construction, whereas most DC01 sold by Union producers aimed to automotive customers. On that basis, NSC claimed that undercutting and underselling should be assessed only against Union sales of non- automotive.

([147]) *European Commission v Hansol Paper Co. Ltd*, C-260/20 P, cit., paragraph 102.
([148]) Ibid., paragraph 103, emphasis added.

(858) The Commission noted that undercutting and underselling are determined by comparing dumped imports with the Union industry like product, defined by objective characteristics, and not by reference to the sector in which the purchaser operates. This comparison is carried out PCN by PCN. NSC itself acknowledged that the specific product is supplied to both construction and automotive customers; it therefore constitutes a single like product within a single PCN. PCNs are set at initiation based on verifiable physical and technical characteristics having price effects. End use is not such a characteristic. NSC could not identify any measurable technical criteria that would allow automotive products to be segregated from others. Nor did NSC identify any measurable characteristic differentiating its exports from the corresponding Union sales. Alleged differences in traceability, certification or qualification requirements concern commercial conditions, not product features. Automotive and non-automotive customers are both industrial end users operating at the same level of trade.

(859) Furthermore, the Commission noted that even if NSC's market description were accurate rather than assumption based, the injury would still occur. The Union industry is injured on the sales where it competes with the low-priced imports. Higher prices obtained in another customer do not eliminate that injury. When NSC undercuts the price, Union producers either lose the sale or reduce its price, and that loss or price depression constitutes the injury. Likewise, underselling is calculated on the basis of cost per PCN, not per customer type. The purchaser's sector therefore has no impact on the underselling analysis.

(860) The claim was therefore rejected.

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

4.5.1. *General remarks*

(861) In accordance with Article 3(5) of the basic Regulation, the examination of the impact of the dumped imports on the Union industry included an evaluation of all economic indicators having a bearing on the state of the Union industry during the period considered.

(862) As mentioned in recital (92), sampling was used for the determination of possible injury suffered by the Union industry.

(863) For the injury determination, the Commission distinguished between macroeconomic and microeconomic injury indicators. The macroeconomic indicators were assessed at the level of the whole Union industry. The assessment was based on the information provided by the complainant, which was then cross-checked with data provided by Union producers and available official statistics (Eurostat). The analysis of microeconomic indicators was carried out at the level of the sampled Union producers. The assessment was based on their information, duly verified. Both sets of data were found to be representative of the economic situation of the Union industry:

(a) The macroeconomic indicators are: production, production capacity, capacity utilisation, sales volume, market share, growth, employment, productivity, magnitude of the dumping margin, and recovery from past dumping.

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

(864) To provide a picture of the Union industry that is as complete as possible, the Commission obtained data for the entire production of the like product under investigation and determined whether the production was destined for captive use or for the free market. For some injury indicators relating to the Union industry, the Commission analysed separately data related to the free and the captive market and made a comparative analysis.

(865) The indicators that were assessed by looking specifically at the free-market segment are: sales, market share, unit prices, unit cost, profitability, and cash flow. However, other economic indicators could only be meaningfully examined by referring to the whole activity, including the captive use of the Union industry.

(866) These broader indicators include production, capacity, capacity utilisation, investments, return on investments, employment, productivity, stocks and labour costs. For these factors, the Commission can only conduct a meaningful assessment by referring to the whole activity of the Union industry. This analysis is in line with case-law of the Union courts and the WTO ([149]).

4.5.2. *Macroeconomic indicators*

4.5.2.1. Production, production capacity and capacity utilisation

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

Table 31

Production, production capacity and capacity utilisation

	2022	2023	2024	Investigation period
Production quantity (tonnes)	31 694 255	31 701 294	32 392 557	31 508 803
Index (2022 = 100)	*100*	*100*	*102*	*99*
Production capacity (tonnes)	46 387 539	45 690 871	45 465 152	43 790 478
Index (2022 = 100)	*100*	*98*	*98*	*94*
Capacity utilisation (%)	68	69	71	72
Index (2022 = 100)	*100*	*102*	*104*	*105*

Source: Eurofer questionnaire reply.

(868) Over the period considered, the Union production quantity remained relatively stable. It increased slightly by 2 % between 2022 and 2024 before declining in the investigation period, resulting in an overall marginal decline of 1 % over the period considered.

(869) Production capacity showed a continuous downward trend over the period considered, decreasing by 6 % overall. Capacity decreased by 2 % between 2022 and 2023, remained stable in 2024, and then fell by a further 4 % during the investigation period. The 6 % decrease in production capacity over the period considered can be explained by lower demand expectations, in a context where Union consumption declined by 10 %, leading to a contraction of the market size. In response, Union producers adjusted their production base to align with reduced demand, including the withdrawal of less efficient or non-essential capacity, in order to avoid excess capacity and ensure more efficient resource use.

(870) As a result of the slight decrease in production capacity combined with relatively stable production volumes, capacity utilisation increased steadily over the period considered, rising from 68 % in 2022 to 72 % in the investigation period, corresponding to an increase of 5 %.

([149]) Judgment of 27 November 1991, *Gimelec v Commission*, C-315/90, EU:C:1991:447, paragraphs 16 to 29; Report of the WTO Appellate Body 24.7.2001, WT/DS184/AB/R, paragraphs 181 to 215.

4.5.2.2. Sales quantity and market share

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

Table 32

Sales quantity and market share

	2022	2023	2024	Investigation period
Sales volume in the Union free market (tonnes)	5 633 739	5 007 333	4 855 388	4 767 237
Index (2022 = 100)	*100*	*89*	*86*	*85*
Market share (%)	70	68	64	66
Index (2022 = 100)	*100*	*98*	*92*	*94*

Source : Eurofer questionnaire reply and Eurostat.

(872) During the period considered, the Union industry's sales volume on the free market decreased continuously by 15 %, with a sharp decline of 11 % between 2022 and 2023, followed by further decreases of 3 percentage points and one percentage point in the subsequent periods.

(873) The Union industry's market share decreased overall by 4 percentage points over the period considered. It declined by 2 percentage points between 2022 and 2023 and by a further 4 percentage points between 2023 and 2024, before increasing 2 percentage points during the investigation period.

(874) Overall, the decrease in sales volume (-15 %) exceeded the decline in Union consumption (-10 %), indicating a loss of market share of Union CRF producers in the Union free consumption during the period considered.

4.5.2.3. Employment and productivity

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

Table 33

Employment and productivity

	2022	2023	2024	Investigation period
Number of employees (FTE)	9 298	9 006	9 013	8 598
Index	*100*	*97*	*97*	*92*
Productivity (MT/FTE)	3 409	3 520	3 594	3 665
Index	*100*	*103*	*105*	*108*

Source: Eurofer questionnaire reply.

(876) Employment in the Union industry decreased by 8 % over the period considered. Employment fell by 3 % between 2022 and 2023, remained stable in 2024, and then dropped by a further 5 percentage points during IP. This decline reflected adjustments to falling sales and weaker market conditions. The industry progressively rationalised its workforce through efficiency measures, including the non-replacement of leavers and restructuring of production activities, in order to align costs with reduced demand.

(877) Productivity increased by 8 % over the period considered. This development resulted primarily from the reduction in employment combined with broadly stable production levels, leading to higher output per employee. The increase in productivity therefore reflects efficiency gains achieved through restructuring and labour rationalisation.

4.5.2.4. Magnitude of the dumping margin

(878) All dumping margins were significantly above the de minimis level. The impact of the magnitude of the actual margins of dumping on the Union industry was substantial, given the volume and prices of imports from the countries concerned.

4.5.2.5. Growth

(879) During the period considered, Union free market consumption decreased by 10 %. This decline was driven by the mature nature of the market and a reduction in activity in key downstream sectors, which weighed on overall demand. In particular, the absence of growth in construction and certain industrial applications resulted in lower consumption of the product concerned.

(880) However, the Union industry's performance indicators show that it struggled in preserving its market position. While production remained broadly stable (-1 %), sales on the Union market decreased significantly by 15 %, resulting in a loss of market share of 6 % (4 percentage points). This indicates that the Union industry not only followed but outpaced the contraction in consumption in terms of sales decline, thereby underperforming relative to overall market developments.

(881) The deterioration in sales and market share, in a context of declining consumption, demonstrates that the Union industry did not achieve growth, either in absolute or relative terms. Instead, it experienced a contraction of its market presence that exceeded the overall reduction in demand.

(882) This lack of growth is further reflected in the reduction of employment by 8 %, indicating a downsizing of operational capacity in response to worsening market conditions. Although productivity increased by 8 % and capacity utilisation by 5 % (4 percentage points), these gains reflect efficiency improvements achieved through workforce reductions, capacity reduction and restructuring rather than expansion or sustainable growth.

(883) On this basis, it is concluded that the Union industry did not experience growth over the period considered. Despite operating in a contracting free market characterised by a 10 % decline in consumption, the Union industry's deterioration in sales and market share demonstrates a loss of competitive strength and an inability to translate efficiency gains into market growth.

4.5.3. *Microeconomic indicators*

4.5.3.1. Prices and factors affecting prices

(884) 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 34

Sales prices in the Union

	2022	2023	2024	Investigation period
Average unit sales price in the Union on the free market (EUR/ measuring unit)	[1 020–1 095]	[815–875]	[745–800]	[700–755]
Index	*100*	*80*	*73*	*69*

	2022	2023	2024	Investigation period
Unit cost of production (EUR/ measuring unit)	[900–975]	[820–890]	[720–780]	[690–750]
Index	*100*	*91*	*80*	*77*

Source: Questionnaire reply of sampled Union producers.

(885) The table above shows the evolution of the unit sales price on the Union free market as compared to the corresponding unit cost of production.

(886) In the period considered, Union free market consumption showed a declining trend overall, reflecting deteriorating market conditions in the post-COVID-19 context, with weak demand exerting persistent downward pressure on prices that intensified from 2023 onwards in line with weakening steel demand. Against this background, the average unit sales price of the Union industry declined significantly, falling by 20 % between 2022 and 2023, followed by a further decrease of 8 % between 2023 and 2024, and an additional 6 % during the investigation period compared to 2024. Overall, this represents a cumulative decrease of 31 % between 2022 and the investigation period.

(887) Over the same years, the unit cost of production also followed a downward trend, although with a different pattern. Costs decreased by 9 % between 2022 and 2023 and more sharply by 12 % between 2023 and 2024. During the IP, costs declined by a further 4 % compared to 2024. In total, this corresponds to an overall decrease of 23 % between 2022 and the IP.

(888) A year-on-year comparison shows that in the first period (2022–2023), the decline in sales prices (–20 %) was substantially greater than the reduction in costs (–9 %), resulting in a significant compression of margins. In the following year (2023–2024), although costs decreased more sharply than prices, this was insufficient to offset the earlier margin deterioration. In the final period (2024–IP), both prices (–6 %) and costs (–4 %) continued to decline at a similar pace, indicating that the Union industry remained under sustained pressure and was unable to restore its margins. Given that CRF is a commodity product, Union producers had limited possibilities to differentiate their offer, and in order to limit further loss of market share, they had to follow the downward price developments and reduced their sales prices accordingly.

(889) Overall, despite cost reductions, the sharper cumulative decrease in sales prices compared to costs led to a structural deterioration in profitability over the period examined, as prices moved closer to cost levels and remained insufficient to ensure sustainable returns.

4.5.3.2. Labour costs

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

Table 35

Average labour costs per employee

	2022	2023	2024	Investigation period
Average labour costs per employee (EUR)	[35 500-36 500]	[38 000-39 100]	[35 500-36 500]	[38 000-39 100]
Index (2022 = 100)	*100*	*107*	*100*	*107*

Source: Questionnaire reply of sampled Union producers.

(891) During the period considered, average labour costs per employee showed a fluctuating development, increasing by 7 % between 2022 and 2023 before returning in 2024 to a level comparable to that of 2022 and rising again by 7 % during the investigation period.

4.5.3.3. Inventories

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

Table 36

Stocks

	2022	2023	2024	Investigation period
Closing stock (tonnes)	[390 000-400 000]	[410 000-420 000]	[385 000-395 000]	[370 000-380 000]
Index (2022 = 100)	*100*	*105*	*99*	*95*
Closing stock as a percentage of production	[1-2]	[1-2]	[1-2]	[1-2]

Source: Questionnaire reply of sampled Union producers.

(893) Inventories increased in 2023 before declining in 2024 and further during the investigation period, resulting in an overall decrease of 5 % over the period considered. This development should be seen in the context of relatively stable production levels and a significant decline in sales.

(894) The temporary increase in inventories in 2023 reflected the fact that sales weakened while production remained stable. As market demand continued to deteriorate, the Union industry subsequently reduced inventories through adjustments in production planning and stock management.

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

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

Table 37

Profitability, cash flow, investments and return on investments

	2022	2023	2024	Investigation period
Profitability of sales in the Union to unrelated customers (% of sales turnover)	[10-15]	[0-3]	[2-8]	[0-5]
Index	*100*	*3*	*37*	*18*
Cash flow (EUR)	[400–450 million]	[50–100 million]	[100–150 million]	[150–200 million]
Index	*100*	*19*	*32*	*39*

	2022	2023	2024	Investigation period
Investments (EUR)	[300–350 million]	[400–450 million]	[400–450 million]	[400–450 million]
Index	*100*	*141*	*136*	*133*
Return on investments (%)	[70–90]	[0–5]	[10–20]	[5–10]
Index	*100*	*1*	*19*	*9*

Source: Questionnaire reply of sampled Union producers.

(896) 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.

(897) The profitability of the Union industry showed a marked deterioration over the period considered. In 2022, the Union industry achieved a solid profit level of [10 %-15 %]. However, profitability dropped sharply to around break even in 2023, reflecting a significant squeeze between declining sales prices and still relatively high production costs.

(898) In 2024, profitability partially recovered to one-digit levels, mainly due to a reduction in unit costs, which decreased more rapidly than sales prices. Despite this improvement, profit levels remained well below those observed at the beginning of the period considered.

(899) During the investigation period, profitability declined again to [0 %-5 %]. Although both sales prices and costs continued to decrease, the price erosion outpaced cost reductions, thereby negatively affecting margins.

(900) Overall, profitability followed a strongly negative trend over the period considered, decreasing by more than 10 percentage points from [10 %-15 %] in 2022 to [0 %-5 %] in the investigation period. This development indicates that the Union industry was unable to maintain sustainable profit levels, and that its financial situation remained fragile despite some temporary improvements.

(901) The net cash flow is the ability of the Union producers to self-finance their activities. The net cash flow of the sample Union Producers showed a highly volatile but overall deteriorating trend over the period considered. It dropped very sharply by 81 % between 2022 and 2023. This was followed by a partial recovery in 2024 (+71 %) and a further increase during the IP (+20 %), indicating some improvement after the initial collapse. However, overall, despite this rebound, cash flow remained 61 % below the 2022 levels. This deterioration is closely linked to the pronounced deterioration in profitability, which reduced the internal generation of liquidity.

(902) As regards investments, the Union industry's capital expenditure increased by approximately 41 % in 2023 compared to 2022. Investments subsequently declined by around 4 % in 2024 and by a further 2 % during the IP. Investment levels in the IP remained approximately 33 % higher than in 2022 overall, pointing to an initial expansion in investment activity followed by a progressive moderation. These investments were primarily linked to decarbonisation and greening projects.

(903) In this respect, it is noted that investments may remain relatively high despite weak profitability due to their long-term nature and the need to maintain or improve production assets. However, the moderation in investment growth in the latter part of the period considered reflects increasing caution and reduced confidence in future market conditions.

(904) With regard to return on investments (ROI), the investigation examined the profitability of the Union industry by relating net profit to the net book value of investments over the period considered. This indicator is relevant for assessing the industry's ability to generate an adequate return on the capital employed in the production of the like product. The development of ROI therefore provides insight into the financial attractiveness and sustainability of investments in the Union industry.

(905) The analysis showed that ROI fluctuated significantly during the period considered, declining sharply by 99 % in 2023, before recovering somewhat in 2024 and subsequently decreasing again in the IP. Overall, despite the very limited recovery observed in the middle of the period, ROI remained volatile and ended at a considerably lower level than at the beginning of the period concerned. This evolution indicates a deterioration in the stability of investment returns, reflecting continued pressure on the financial performance of the Union industry.

(906) During the period considered, the sampled Union producers experienced a marked deterioration in their ability to raise capital. This decline was primarily due to the deterioration of core financial performance indicators, most notably the significant contraction in profitability and the substantial erosion of cash flow generation capacity.

(907) The reduction in profitability undermined investor confidence and depleted the internal reserves necessary to leverage external financing. Furthermore, the volatility and general deterioration of cash flow constrained the industry's ability to self-finance investments, thereby limiting its financial flexibility. Consequently, the overall financial performance of the Union industry during the period considered adversely affected its creditworthiness and hindered its capacity to raise capital on favourable terms.

4.6. **Conclusion on injury**

(908) The investigation showed that the situation of the Union industry deteriorated significantly during the period considered. During that time, consumption on the free market decreased by 10 %, while the Union industry's sales volume on the free market declined by 15 %, a decrease that outpaced the contraction in demand. As a consequence, the Union industry's market share on the free market fell from 70 % in 2022 to 66 % in the investigation period.

(909) The Union industry was unable to maintain its price levels during the period considered. Although the Union industry reduced its unit cost of production by 23 %, its average sales prices decreased more sharply, by 31 %. As a result, profitability fell from 10 %-15 %] in 2022 to [0 %-5 %] in the investigation period.

(910) The injury was further reflected in the deterioration of certain financial indicators. Cash flow decreased by 61 % and the return on investments dropped by 91 % between 2022 and the investigation period. Despite these adverse developments, net investments remained at a high level throughout the period considered and were 33 % higher in the investigation period than in 2022. Nevertheless, the sharp deterioration in profitability, return on investments and cash flow adversely affected the industry's financial situation and its capacity to generate internal funds for future investments.

(911) 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. This injury was characterised by a significant loss of sales and market share on the free market, price depression, and a substantial deterioration of the industry's financial situation, in particular regarding profitability, cash flow, and return on investments.

(912) Following disclosure, the Japanese Producers claimed that the decrease in the Union industry's market share from 70 % to 66 % was too limited, in itself, to support a finding of material injury, particularly since the Union industry retained a significant market share. They argued that the Commission should assess the market-share development together with the other relevant circumstances, including the increase in the Union industry's export sales volume.

(913) The Commission considered that these arguments did not call into question the finding of material injury. The Commission also noted that the examination of the impact of the dumped imports on the Union industry requires an assessment of all relevant economic factors affecting its situation, and that no single factor is, by itself, decisive. The proper test is therefore not whether any one indicator, viewed in isolation, establishes injury, but whether the combined evolution of the indicators demonstrates a deterioration in the Union industry's situation. The Union industry's market share was assessed together with the other relevant injury indicators and was not considered in isolation. The Commission did not rely on the decrease in market share alone but assessed it together with the development of the other relevant indicators (such as sales volume, production, capacity utilisation, prices, unit costs, profitability, cash flow, return on investment, employment and productivity) and the circumstances referred to by the Japanese Producers, including the development of export sales. The fact that the Union industry retained a significant market share did not, in itself, exclude a finding of material injury, particularly in view of the deterioration in its market position and in other indicators of its economic situation. For the purposes of the injury assessment, the relevant criteria is not the absolute level of market share retained, but the extent of its decline over the period considered, particularly in a context of rising import penetration. Moreover, a reduction from 70 % to 66 %, given the size of the Union market, represents a substantial volume of sales lost to the dumped imports and cannot be dismissed as immaterial.

(914) As regards the increase in export sales, the Commission referred to the assessment of the Union producers' export sales performance set out in section 5.3.1 of the causation analysis. The increase in export sales did not offset the deterioration of the Union industry's performance on the Union market and therefore did not alter the finding of material injury.

(915) The Commission therefore concluded that the level of the Union industry's market share, its decrease during the period considered and the development of export sales did not, individually or taken together, alter the overall finding of material injury.

(916) The claims were therefore rejected.

5. **CAUSATION**

(917) In accordance with Article 3(6) of the basic Regulation, the Commission examined whether the dumped imports from the countries concerned caused material injury to the Union industry.

(918) In accordance with Article 3(7) of the basic Regulation, the Commission also examined whether other known factors could at the same time have injured the Union industry. The Commission ensured that any possible injury caused by factors other than the dumped imports from the countries concerned was not attributed to the dumped imports. These factors are:

— Other Third countries imports

— Export sales performance of the Union producers

— Captive use

— Macroeconomic downturns and Sectoral demand contraction

— Energy price developments

— EU Regulatory framework

— Raw material price volatility

— Global overcapacity in the steel sector

— Covid-19 aftermath and geopolitical instability.

5.1. Effects of the dumped imports

(919) The deterioration of the economic situation of the Union industry coincided with significant and increasing market penetration of dumped imports from the countries concerned, which consistently undercut the Union industry's prices and led to price depression. In this respect, the evolution of import volumes and prices of the countries concerned, as reflected in tables 27 and 28, depressed the price levels of the Union industry, establishing a causal link between the two.

(920) Imports from the countries concerned rose significantly over the period considered increasing by 28 %, from around 1,3 million tonnes in 2022 to more than 1,6 million tonnes in the investigation period. In parallel, their market share rose from 16 % to 23 %, corresponding to an increase of 7 percentage points. This increase in dumped import volumes coincided with a decline in the Union industry's market share from 70 % to 66 %, indicating that the growth of imports from the countries concerned displaced Union industry sales.

(921) The development of the Union industry's profitability during the period considered is consistent with the effects of the dumped imports. Profitability fell sharply in 2023 because sales prices decreased more than production costs. Although profitability improved in 2024 as production costs fell faster than sales prices, this improvement was only temporary, and profitability remained well below the 2022 level. During the investigation period, profitability declined again as sales prices continued to fall faster than production costs.

(922) Moreover, these imports from the countries concerned exerted sustained downward pressure on prices in the Union market. Average import prices from the countries concerned decreased by approximately 34 %, from EUR 1 047 per tonne in 2022 to EUR 694 per tonne in the investigation period. Throughout the period considered, these prices remained consistently below those of the Union industry, whose average sales prices decreased by approximately 31 %, from EUR [1 020–1 095] per tonne to EUR [700–755] per tonne. The persistent price differential between the imported products and Union industry prices indicates continuous price undercutting and price suppression. This price pressure limited the ability of the Union industry to maintain price levels in line with costs, thereby contributing to the observed deterioration in profitability.

(923) On this basis, the Commission concluded that the dumped imports from the countries concerned, through their significant increase in volume, rising market share, and consistently low prices significantly below those of the Union industry, contributed materially to the injury suffered by the Union industry. The combination of increased import penetration and sustained price undercutting establishes a clear causal link between the dumped imports and the deterioration of the Union industry's situation.

5.2. Imports from other third countries

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

Table 38

Imports from other third countries

Country		2022	2023	2024	Investigation period
Korea	Quantity (tonnes)	382 473	388 999	381 372	408 920
	Index	*100*	*102*	*100*	*107*
	Market share (%)	5	5	5	6
	Average price (EUR)	1 026	817	765	734
	Index	*100*	*80*	*75*	*72*

Country		2022	2023	2024	Investigation period
United Kingdom	Quantity (tonnes)	273 165	261 541	220 848	138 745
	Index	*100*	*96*	*81*	*51*
	Market share (%)	3	4	3	2
	Average price (EUR)	1 118	852	801	751
	Index	*100*	*76*	*72*	*67*
Ukraine	Quantity (tonnes)	99 827	149 989	154 603	171 095
	Index	*100*	*150*	*155*	*171*
	Market share (%)	1	2	2	2
	Average price (EUR)	942	722	678	637
	Index	*100*	*77*	*72*	*68*
Rest of the World	Quantity (tonnes)	379 132	169 053	100 207	101 705
	Index	*100*	*45*	*26*	*27*
	Market share (%)	5	2	1	1
	Average price (EUR)	1 118	986	914	884
	Index	*100*	*88*	*82*	*79*
Total of all third countries except the countries concerned	Quantity (tonnes)	1 134 596	969 582	857 031	820 465
	Index	*100*	*85*	*76*	*72*
	Market share (%)	14	13	11	11
	Average price (EUR)	1 071	841	776	735
	Index	*100*	*79*	*72*	*69*

Source: Comext.

(925) Over the period considered, imports from South Korea increased their market share from 5 % to 6 %, while imports from Ukraine increased from 1 % to 2 %. By contrast, the market share of imports from the United Kingdom decreased from 3 % to 2 %, and that of imports from the rest of the world from 5 % to 1 %. Imports from other third countries subject to anti-dumping measures, such as China, also declined significantly, with their market share decreasing from 2 % to nil. Overall, the market share of imports from all third countries other than the countries concerned decreased from 14 % to 11 % over the period considered.

(926) The Commission further assessed the overall evolution of imports from third countries other than the countries concerned. This analysis showed that such imports decreased over the period considered, both in absolute terms and in terms of market share. Their combined market share declined from 14 % in 2022 to 11 % during the investigation period. Average import prices also decreased, from EUR 1 071 per tonne in 2022 to EUR 735 per tonne during the investigation period, corresponding to a decline of approximately 31 %. Despite this decrease, the average import price of these third-country imports remained above the average import price of the countries concerned during the investigation period. The observed price decline therefore reflected the general downward trend in prices on the Union market rather than a specific price effect attributable to imports from third countries other than the countries concerned.

(927) Their declining presence in the Union market further confirms that they did not play a significant role in the observed price effects or in the loss of market share of the Union industry. In view of the parallel downward price trend of both imports from other third countries and the Union industry, combined with the fact that third country prices in the investigation period remained above those of the countries concerned, and with declining import market share, imports from other third countries appear to not having exerted a specific or additional price-depressing effect on the Union market beyond the general market trend. This factor therefore did not attenuate the causal link established between the dumped imports and the material injury suffered by the Union industry.

(928) Following disclosure, the Government of Japan argued that the increase in imports from the countries concerned could have resulted from a shift in sourcing from other third countries, rather than from an increase in overall import pressure on the Union market. It therefore requested that the Commission take into account the development of imports from all third countries when assessing the effects of the imports from the countries concerned and the causal link with the injury suffered by the Union industry.

(929) The Commission considered that the development of imports from other third countries did not support the claim that the increase in imports from the countries concerned merely represented a replacement of imports from other sources. As explained hereabove, the market share of imports from third countries other than the countries concerned decreased over the period considered, from 14 % to 11 %. At the same time, the market share of imports from the countries concerned increased from 16 % to 23 %, while that of the Union industry decreased from 70 % to 66 %.

(930) The simultaneous increase in the market share of the imports from the countries concerned and decrease in the market share of both the Union industry and imports from other third countries therefore does not indicate a mere shift in the source of imports. Rather, the development shows that the imports from the countries concerned increased their presence on the Union market while other sources of supply lost market share.

5.3. **Effects of other factors**

5.3.1. *Export sales performance of the Union producers*

(931) The volume of exports of the Union producers developed over the period considered as follows:

Table 39

Export sales of the Union producers

	2022	2023	2024	Investigation period
Total exports Sales (MT)	1 046 797	1 153 564	1 313 619	1 169 942
Index (2022 = 100)	*100*	*110*	*125*	*112*

	2022	2023	2024	Investigation period
Average unit price (EUR/tonnes)	[1 108-1 148]	[941-972]	[821-846]	[761-788]
Index (2022 = 100)	*100*	*84*	*74*	*69*

Source: Macro questionnaire & Questionnaire reply of sampled Union producers.

(932) During the period considered, total export sales volumes of the Union producers increased by 10 % between 2022 and 2023 and by a further 14 % between 2023 and 2024. During the investigation period, export volumes declined by 11 % compared with 2024. Overall, export sales volumes were 12 % higher in the investigation period than in 2022.

(933) The investigation showed that the increase in export volumes was mainly driven by higher exports to Mexico, Türkiye and the United States. These increases resulted from specific circumstances, including the recovery of sales following the resolution of technical issues at a Union producer's facilities and favourable market conditions in certain export destinations. The increase in exports to the United States was not sustained. Accordingly, the development did not reflect a general improvement in export market conditions.

(934) At the same time, average export prices declined continuously throughout the period considered, falling by approximately 31 % between 2022 and the investigation period. This indicates that Union producers were able to increase export volumes only by accepting significantly lower prices, reflecting strong competitive pressure in export markets.

(935) The Commission therefore concluded that the increase in export volumes was driven by specific market and company-related factors and did not reflect a general improvement in export market conditions. The increase in export sales was also consistent with the Union industry's efforts to utilise its substantial spare production capacity by seeking additional sales opportunities outside the Union market. However, export sales did not provide a sufficient source of profitability to offset the injury suffered by the Union industry on the Union market. and therefore, did not attenuate the causal link between the dumped imports and the material injury suffered by the Union industry.

5.3.2. *Captive consumption*

(936) During the period considered, EU captive consumption increased by around 4 % between 2022 and 2024, before decreasing in the investigation period back to the level of 2022. Overall, captive consumption remained broadly stable over the period considered, showing only limited variation.

(937) This relatively stable development of captive consumption indicates that downstream internal demand within vertically integrated producers did not materially contract during the period considered. Given that captive consumption accounts for the majority of Union production (around 76 %), its stability confirms that injury observed in the free market segment cannot be attributed to a significant contraction in captive demand. Therefore, developments in captive consumption did not attenuate the causal link established between the dumped imports and the material injury suffered by the Union industry.

5.3.3. *Macroeconomic downturns and Sectoral demand contraction*

(938) The Commission also examined whether macroeconomic developments and a contraction in demand from key downstream industries contributed to the injury suffered by the Union industry. Demand for the product concerned is closely linked to overall economic conditions and to activity in sectors such as construction, automotive, mechanical engineering and household appliances, which together represent a substantial share of consumption.

(939) Over the period considered, economic conditions in the Union were characterised by a slowdown in industrial activity and weaker demand in several of these downstream sectors. In particular, the construction sector was affected by reduced investment and higher financing costs, while the automotive and machinery sectors showed signs of deceleration linked to structural adjustments and lower industrial output. These developments are likely to have exerted downward pressure on consumption and contributed to a more competitive and price-sensitive market environment.

(940) A general economic slowdown would normally affect all market operators. However, while demand conditions weakened, imports from the countries concerned increased substantially in volume and market penetration, whereas the Union industry experienced a loss of market share. This divergence shows that macroeconomic and sectoral demand factors cannot explain the injury observed.

(941) The Commission therefore concluded that, although macroeconomic developments and demand contraction in downstream sectors may have influenced the overall market environment, they did not attenuate the causal link established between the dumped imports and the material injury suffered by the Union industry.

5.3.4. *Energy price developments*

(942) The Commission also examined whether energy price developments, in particular sustained high electricity and gas prices, could have contributed to the injury suffered by the Union industry. Energy costs constitute a significant component of production costs for the product concerned, and fluctuations in electricity and gas prices can materially affect the cost structure of energy-intensive industries.

(943) Over the period considered, energy markets remained characterised by persistently elevated and volatile prices compared to historical levels.

(944) However, the investigation revealed that in 2022, when energy prices were significantly higher than in the rest of the period considered, Union producers were able to generate a sustainable level of profitability. This was possible because Union producers were able to pass on higher energy costs to users, maintaining sales prices at levels consistent with their cost structure.

(945) By contrast, in 2023 and throughout the investigation period, energy prices had fallen to levels significantly below those observed in 2022. Nevertheless, the price pressure exerted by the dumped imports prevented the Union industry from maintaining sales prices at levels sufficient to cover its costs, resulting in a sharp deterioration in profitability. While the cost of production decreased by 23 %, average sales prices declined by 31 %, a reduction exceeding what could be justified by energy-related costs alone. This disconnect indicates that the deterioration in profitability did not arise from energy markets. This divergence demonstrates that, although energy prices influence production costs, the decisive factor behind the collapse in profitability was the Union industry's inability to keep its prices level in relation with the cost. This price depression coincided with the significant increase in the market share of imports from the countries concerned, which consistently undercut Union prices. The presence of these low-priced imports prevented the Union industry from passing on costs of production to customers, thereby directly contributing to the deterioration of profitability, which fell to unsustainable levels.

(946) The Commission therefore concluded that, although energy cost developments and efficiency efforts influenced the cost structure of the Union industry, they do not attenuate the causal link established between the dumped imports and the material injury suffered by the Union industry.

(947) Further to the disclosure, the Japanese Producers argued that the increase and volatility of energy prices, in particular for gas and electricity, had contributed significantly to the deterioration of the Union industry's situation. They referred to the higher energy costs faced by Union producers compared with producers in other regions and claimed that the Commission had underestimated their impact on the Union industry's competitiveness. In their view, the increase in energy costs, rather than the imports from Japan, explained an important part of the deterioration observed.

(948) The Commission considered that these arguments did not alter the assessment set out hereabove. The Commission took into account the development of energy prices and their effect on the Union industry's cost structure. However, as explained above in recitals (942) to (945), energy prices were significantly higher in 2022, when the Union industry was able to maintain a sustainable level of profitability, whereas energy prices subsequently decreased while the Union industry's profitability deteriorated sharply. Moreover, the decrease in production costs was significantly higher than could be explained by the development of energy costs, while sales prices decreased further.

(949) The Commission therefore considered that the energy price developments referred to by the Japanese Producers could not explain the deterioration in the Union industry's situation observed during the period considered and did not attenuate the causal link between the dumped imports and the material injury suffered by the Union industry. The claim was therefore rejected.

5.3.5. *EU Regulatory framework*

(950) Some parties claimed that the EU regulatory framework was the source of the injury.

(951) The Union industry operates in a structural environment that involves significant regulatory compliance obligations and substantial investment requirements linked to the ongoing decarbonisation transition. These factors form part of the Union's long term operating environment and differ from the conditions faced by producers in third countries with less stringent regulatory frameworks and lower compliance burdens. However, these structural conditions are of a permanent nature and were present throughout the entire period considered. As such, they cannot explain the deterioration of the Union industry's economic situation observed during the period considered.

(952) The investigation showed that the worsening of the Union industry's performance coincided with the increase in low-priced dumped imports, which exerted sustained downward pressure on Union sales prices and forced price alignment in order to mitigate further losses of market share. This price depression resulted in a deterioration of many injury indicators, including profitability, sales volumes, market share, employment, production capacity, and cash flow.

(953) While the structural cost framework is part of the overall level of costs borne by the Union industry, it did not break the causal link between the dumped imports and the material injury established. The timing and magnitude of the injury are instead consistent with the development of dumped import volumes and pricing behaviour, rather than with stable and long-standing cost conditions.

(954) On this basis, it is concluded that the material injury suffered by the Union industry was caused by the dumped imports from the countries concerned, and that the structural cost framework, considered in isolation or in combination with other factors, did not attenuate the causal link established.

5.3.6. *Raw material price volatility*

(955) The Commission also examined whether fluctuations in raw material prices, including iron ore, coking coal, scrap and alloying elements, could have contributed to the injury suffered by the Union industry. These inputs constitute a significant share of the cost structure in steel production, and their prices are subject to volatility driven by global supply and demand conditions, energy costs, and geopolitical developments.

(956) Over the period considered, raw material markets were characterised by significant price fluctuations rather than a uniform trend. Iron ore and coking coal prices experienced periods of volatility, while scrap and alloy prices were also subject to cyclical movements linked to global steel demand and regional supply constraints. Such volatility can lead to short-term increases in production costs and uncertainty in cost planning for producers.

(957) These developments may have contributed to fluctuations in unit production costs for the Union industry and affected cost predictability. However, such cost movements typically affect all steel producers globally and do not in themselves explain the specific deterioration in the Union industry's market position.

(958) In particular, despite the volatility in raw material input costs, the Union industry was able to reduce its overall unit cost of production by 23 % over the period considered, demonstrating efforts to mitigate input cost pressures through efficiency gains and operational adjustments.

(959) However, these cost dynamics did not translate into improved financial performance, as average sales prices declined by approximately 31 %, driven by sustained price pressure from dumped imports from the countries concerned. This divergence indicates that raw material price volatility did not drive the pricing in the Union market.

(960) The Commission therefore concluded that, while fluctuations in raw material prices may have affected production cost stability, they did not attenuate the causal link established between the dumped imports and the material injury suffered by the Union industry.

5.3.7. *Global overcapacity in the steel sector*

(961) The Commission also examined whether global overcapacity in the steel sector could have contributed to the injury suffered by the Union industry. The steel industry is characterised by persistent structural excess capacity at global level, which tends to exert downward pressure on prices through intensified international competition and increased availability of export volumes.

(962) In particular, significant excess capacity in China has contributed to increased competitive pressure in global steel markets. This has affected international trade flows and market conditions, including in the Union.

(963) In such a context, global overcapacity may influence market dynamics through increased availability of low-priced exports, which can intensify price competition and affect prevailing price levels in importing markets. These structural conditions are therefore relevant as a background factor in understanding global trade flows in steel products.

(964) However, the existence of global overcapacity does not alter the conclusions on causation. During the period considered, imports from the countries concerned significantly increased their presence on the Union market, with their combined market share rising from 16 % to 23 %, while remaining at consistently low price levels. The Commission therefore considered that global overcapacity constituted part of the overall market environment but did not break the causal link between the dumped imports from the countries concerned and the injury suffered by the Union industry.

(965) Imports from the countries concerned were systematically priced below those of the Union industry and exerted sustained downward pressure on Union prices, with average import prices decreasing by approximately 34 % over the period considered. This indicates that any effects stemming from global overcapacity, including the Chinese export push-out, were transmitted through and amplified by the dumped imports from the countries concerned.

(966) Moreover, the divergent performance of other third-country suppliers, whose market share declined from 14 % to 11 %, confirms that the injury cannot be explained by global capacity conditions alone, but is linked to the specific volume and price behaviour of the dumped imports.

(967) The Commission therefore concluded that, while global overcapacity constituted relevant structural background factors, they did not attenuate the causal link established between the dumped imports from the countries concerned and the material injury suffered by the Union industry.

(968) Following disclosure, the Japanese Producers further argued that the difficulties of the Union industry should be considered in the context of global steel overcapacity and subsidised production in third countries. They submitted that these factors could not be attributed to Japan, which had reduced its steelmaking capacity and cooperated with the Union in addressing global overcapacity. They therefore requested that the Commission reconsider its assessment of the causal link between imports from Japan and the injury suffered by the Union industry.

(969) The Commission considered that these arguments did not alter the conclusions set out hereabove. As explained in recitals (961) to (966), the Commission examined the potential impact of global overcapacity on the Union industry and concluded that, while it constituted a relevant structural background factor, it did not attenuate the causal link between the dumped imports from the countries concerned and the material injury suffered by the Union industry.

(970) The fact that Japan had reduced its steelmaking capacity or cooperated with the Union in addressing global overcapacity did not alter that assessment in particular in light of the Commission's finding that imports from Japan were dumped and contributed to the injury suffered by the Union industry. The Commission therefore rejected the claim.

5.3.8. *Covid-19 aftermath and geopolitical instability*

(971) Similarly, the Commission examined whether pandemic-related after-effects and geopolitical disruptions, including the consequences of COVID-19, armed conflicts, sanctions and regional instability, may have contributed to the injury suffered by the Union industry.

(972) While such events may have affected global supply chains and caused temporary demand and logistics disruptions, these effects were general in nature and impacted all market participants.

(973) In any event, they do not explain the divergent market performance observed over the period considered, in particular the increase in market share of imports from the countries concerned, alongside a decline in imports from other third countries.

(974) Moreover, imports from the countries concerned remained consistently priced below those of the Union industry, thereby exerting continuous downward pressure on Union prices independently of any pandemic-related or geopolitical developments.

(975) The Commission therefore concluded that such factors did not attenuate the causal link established between the dumped imports from the countries concerned and the material injury suffered by the Union industry.

5.4. **Conclusion on causation**

(976) A causal link was established between the dumped imports from the countries concerned on the one hand and the material injury suffered by the Union industry on the other hand. There was a clear coincidence in time between the increase in the volume of dumped imports at decreasing and depressed sales prices and the deterioration of the Union industry's economic situation, which became particularly evident over the period considered.

(977) Faced with strong price pressure from the dumped imports, the Union industry was forced to lower its prices in order to mitigate further losses of market share, which negatively affected its financial performance. This downward price adjustment resulted in a deterioration of many injury indicators such as profitability, sales volumes, market share, employment, production capacity and cash flow.

(978) The Commission examined whether other known factors could have contributed to the injury suffered by the Union industry. These included, inter alia, export performance of the Union producers, developments in demand, input cost fluctuations, and imports from third countries not subject to measures.

(979) While some of these factors may have had a limited impact on the Union industry's situation, none were found to break the causal link between the dumped imports and the material injury. Taken individually or collectively, they did not attenuate the injurious effects of the dumped imports.

(980) On the basis of the above, the Commission concluded that the dumped imports from the countries concerned caused material injury to the Union industry, and that no other factors were such as to attenuate the causal link established.

(981) In their post-disclosure comment, the Japanese Producers further argued that the Union industry should address structural competitiveness issues, including production efficiency and excess capacity, rather than rely on continuing tariff protection.

(982) The Commission considered that the arguments raised by the Japanese Producers were not supported by the findings of the investigation. As indicated in recital (869), the Union industry's production capacity decreased by 6 % over the period considered. This decrease reflected the adjustment of the production base to the decline in Union consumption, including the withdrawal of less efficient or non-essential capacity, with a view to avoiding excess capacity and ensuring more efficient use of resources.

(983) The Commission also took into account the investments made by the Union industry to maintain and modernise its production facilities, including investments aimed at improving the environmental performance and supporting the transition towards greener production. These investments are necessary to maintain the production base and adapt it to the evolving regulatory and technological requirements of the Union steel sector. They therefore cannot be regarded as evidence of a failure by the Union industry to address its structural competitiveness.

(984) The Commission therefore did not find that the injury suffered by the Union industry resulted from a failure to address its production capacity or efficiency. The arguments concerning structural competitiveness therefore did not call into question the Commission's assessment of injury and causation. The claim was therefore rejected.

6. **LEVEL OF MEASURES**

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

6.1. **Injury margin**

(986) The injury would be removed if the Union industry were able to obtain a target profit by selling at a target price within the meaning of Articles 7(2c) and 7(2d) of the basic Regulation.

(987) In accordance with Article 7(2c) of the basic Regulation, for establishing the target profit, the Commission took into account the following factors: the level of profitability before the increase of imports from the countries concerned, the level of profitability needed to cover full costs and investments, research and development ('R & D') and innovation, and the level of profitability to be expected under normal conditions of competition. Such profit margin should not be lower than 6 %.

(988) The Commission considered that the profitability achieved by the Union industry during the period considered was not representative due to the strong price pressure caused by low-priced imports from the countries concerned. The Commission also noted that the steel industry operates in a structurally volatile environment during the period considered characterised by fluctuations in raw material and energy prices and persistent global overcapacity.

(989) The Commission further considered that it was not possible to establish a representative target profit on the basis of the years immediately preceding the investigation period, as those years were either affected by dumped imports from other countries, in particular China or by exceptional market circumstances. For example, the years 2020 and 2021 were heavily affected by the COVID-19 pandemic and the subsequent economic recovery, resulting in exceptional market conditions that could not be regarded as representative of normal competition. The Commission also considered that years in which the industry operated at sustained losses could not serve as an appropriate benchmark for determining a reasonable target profit.

(990) The Commission also examined the profitability achieved by the Union CRF industry in 2018, as established in Implementing Regulation (EU) 2022/2068. However, the Commission considered that 2018 was characterised by exceptional circumstances, including the introduction of safeguard measures and the effects of the US Section 232 measures, which led to significant market distortions and trade diversion. Therefore, the profitability achieved in 2018 could not be regarded as sufficiently representative for establishing the target profit in the present investigation.

(991) The Commission therefore examined earlier representative periods. In particular, the original CRF investigation where the Commission concluded that 2008 represented the most recent year reflecting normal conditions of competition and established a target profit of 9,9 % based on the weighted average profitability achieved by the Union industry during that year.

(992) In light of the above, the Commission considered that a profit margin of 9,9 % represented a reasonable and sufficiently substantiated level of profitability that the Union industry could achieve under normal conditions of competition in the absence of dumped imports. The basic profit was therefore established at 9,9 %.

(993) The Union industry submitted that its level of investments, research and development ('R & D') and innovation ('IRI') during the period considered would have been slightly higher under normal conditions of competition. The Commission verified the information provided during the verification visits, including internal investment plans, management documents and financial records. The investigation confirmed that certain IRI-related expenditures had been affected by the injurious situation of the Union industry. On the basis of the verified information, the Commission therefore adjusted the target profit accordingly. The resulting adjustment amounted to up to 0,07 % depending on the sampled producer.

(994) Consequently, the target profit established in this investigation in accordance with Article 7(2c) of the basic Regulation amounted to up to 9,97 % depending on the situation of each sampled producer.

(995) On this basis, the Commission calculated a non-injurious price of the like product for the Union industry by applying the respective target profit margins to the cost of production of the sampled Union producers during the investigation period.

(996) In accordance with Article 7(2d) of the basic Regulation, as a final step, the Commission assessed the future costs resulting from Multilateral Environmental Agreements, and protocols thereunder, to which the Union is a party, that the Union industry will incur during the period of the application of the measure pursuant to Article 11(2). Based on the submitted information, which was supported by the companies' reporting tools and forecasts, the Commission established an additional cost which represented up to EUR 7,78/tonne, depending on the situation of each sampled producer, in comparison with the cost of compliance with such conventions during the investigation period. This additional cost was added to the non-injurious price.

(997) The Commission then determined the injury margin level on the basis of a comparison of the weighted average import price of the sampled cooperating exporting producers in countries concerned, on a type-by-type basis (landed price) with the weighted average non-injurious price of the like product sold by the sampled Union producers on the free Union market during the investigation period, as established for the price undercutting calculations. Any difference resulting from this comparison was expressed as a percentage of the weighted average import CIF value. The result of this calculation is shown in the table below.

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

(999) Following the comments on final disclosure described in recitals (844) to (849), the Commission revised the injury margins for Japan and Türkiye.

Country	Company	Dumping margin (%)	Underselling margins (%)
India	— JSW Steel Limited — JSW Steel Coated Products Limited	9,5	25,5
	Other cooperating companies	9,5	25,5
	All other imports originating in India	9,5	25,5
Japan	— Nippon Steel Corporation — Daido Steel Co., Ltd.	54,7	27,9
	Other cooperating companies	54,7	27,9
	All other imports originating in Japan	54,7	27,9
Taiwan	— China Steel Corporation — Chung Hung Steel Corporation	33,3	20,7
	Other cooperating companies	33,3	20,7
	All other imports originating in Taiwan	59,6	27,0
Türkiye	Borçelik Çelik Sanayi Ticaret A.Ş..	7,8	12,9
	Tatmetal Çelik Sanayi ve Ticaret A. Ş..	3,0	17,8
	Other cooperating companies	4,9	16,4
	All other imports originating in Türkiye	7,8	17,8
Vietnam	POSCO VIETNAM CO., LTD	16,0	25,8
	Other cooperating companies	16,0	25,8
	All other imports originating in Vietnam	16,0	25,8

6.2. **Comments on disclosure regarding target profit**

(1000) Following disclosure, Nippon Steel Corporation ('NSC') and China Steel Corporation ('CSC') challenged the 9,9 % target profit used for the calculation of the non-injurious price. They argued that the reference to 2008 did not reflect the conditions of competition prevailing during the investigation and requested that a more recent year, in particular 2017, be used. Alternatively, they requested that a lower target profit be applied. In support of their arguments, they referred to changes in the Union steel market, including higher energy costs and weaker demand, as well as to more recent Commission practice in other steel investigations. CSC reiterated this claim in its comments on the additional final disclosure, despite the fact that the matter was not subject to the additional final disclosure and the company was instructed to only comment on the issues covered by the additional final disclosure.

(1001) The Commission carefully considered the comments concerning the target profit of 9,9 %.

(1002) The Commission first recalled that the target profit must reflect the profitability that the Union industry producing the product concerned, namely CRF, could reasonably achieve under normal conditions of competition in the absence of dumped imports. The target profit therefore needs to be supported by evidence relating to CRF. Profitability levels established for other steel products or in other investigations cannot, in themselves, determine the appropriate target profit for CRF.

(1003) In this regard, the original CRF investigation provides directly relevant evidence. The Commission had verified profitability data for the Union CRF industry for the years 2005 to 2008, which showed profitability levels between 9 % and 15 %. On that basis, 2008 was considered the most recent year reflecting normal conditions of competition, and a target profit of 9,9 % was established on the basis of the weighted-average profitability achieved by the Union industry in that year.

(1004) The information submitted by CSC concerning 2017 did not provide equivalent evidence. In particular, the data in its Annex 1 concerned selected Union steel producers or steel segments and did not establish the profitability of CRF specifically. The information was therefore not comparable with the product-specific and verified profitability data on which the 9,9 % target profit was based.

(1005) CRF-specific evidence shows that profitability increased substantially following the imposition of the original measures, reaching 12 % in 2017 ([150]), 16,1 % in 2018, before falling to – 2,8 % in 2019 and – 14,7 % in 2020 ([151]). This development confirms both that profitability above 9,9 % was achievable by the Union CRF industry under normal market conditions and that the profitability of CRF was subject to significant fluctuations depending on market conditions.

(1006) The Commission further considered that the target-profit levels referred to by the parties in other steel investigations could not alter this conclusion. Those investigations concerned different products and different factual circumstances. Product-specific verified profitability data is a more appropriate basis than figures drawn from other proceedings, even where the latter are more recent. The target profit established for HRF, in particular, cannot be regarded as a benchmark applicable to CRF merely because HRF and CRF may be produced in integrated mills. The relevant evidence for the present assessment remains the evidence concerning the profitability of CRF.

(1007) The Commission therefore considered that the information submitted following disclosure did not demonstrate that the target profit of 9,9 % was unreasonable or insufficiently substantiated. The Commission consequently confirmed the target profit established above in recital (992).

(1008) NSC also challenged the inclusion of projected ETS-related environmental costs in the non-injurious price. It argued that, following the entry into force of CBAM and other recent developments in the EU environmental framework, including such costs could result in double counting. NSC therefore requested that the costs be removed or, alternatively, that the amount be revised to reflect the latest developments in the EU ETS.

(1009) The Commission considered that the introduction of CBAM did not, in itself, render future costs arising from the applicable environmental requirements irrelevant for the purposes of Article 7(2d) of the basic Regulation. The EU ETS and CBAM apply to different economic operators and serve complementary functions: the EU ETS applies to emissions from Union installations, while CBAM applies to the embedded emissions of relevant imported products. CBAM accordingly does not reduce or substitute the compliance costs directly incurred by Union producers under the EU ETS; those costs continue to be incurred by the Union industry irrespective of the carbon costs imposed on imports under CBAM. The introduction of CBAM therefore does not, in itself, demonstrate that the future costs to be incurred by the Union industry under the applicable environmental framework should no longer be taken into account.

(1010) In accordance with Article 7(2d) of the basic Regulation, the Commission assessed the future costs that the Union industry is expected to incur during the period of application of the measures. As explained hereabove, the additional costs established by the Commission were based on information submitted by the sampled Union producers and supported by their reporting tools and forecasts. NSC did not demonstrate that the specific costs established on this basis were already accounted for through CBAM or that their inclusion would result in double counting.

([150]) Info sourced from Expiry review request regarding measures applicable to imports of certain cold-rolled flat steel products originating in the People's Republic of China and the Russian Federation.

([151]) See recital (208) of Implementing Regulation (EU) 2022/2068.

(1011) The Commission therefore considered that neither the introduction of CBAM nor the other developments referred to by NSC provided a basis for removing or revising the projected environmental costs. The claim was therefore rejected.

(1012) Moreover, NSC argued that the amount included for investment, research and development and IRI should cover only investments directly related to the production of CRF at the cold-rolling stage. It considered that upstream investments should be excluded to avoid double counting with the separate investigation concerning hot-rolled products.

(1013) As explained hereabove, the Commission carefully examined and verified the information submitted by the Union industry, including internal investment plans, management documents and financial records. In establishing the adjustment, the Commission took care to include investments and IRI-related expenditures relevant to the production of the product concerned.

(1014) The Commission therefore considered that the adjustment was based on verified information and appropriately reflected the investments and IRI-related expenditures relevant to the production of CRF. The claim was therefore rejected.

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

(1015) As explained in the Notice of Initiation, the complainant provided the Commission sufficient evidence that there are raw material distortions in India and Vietnam regarding the product under investigation. Therefore, in accordance with Article 7(2a) of the basic Regulation, this investigation examined the alleged distortions to assess whether, if relevant, a duty lower than the margin of dumping would be sufficient to remove injury.

(1016) However, as the margins adequate to remove injury are higher than the dumping margins, it was not necessary to address this aspect.

(1017) Following the above assessment the Commission concluded that it is appropriate to determine the amount of definitive duties in accordance with Article 7(2) of the basic Regulation.

6.4. Conclusion on the level of measures

(1018) Following the above assessment, definitive anti-dumping duties should be set as below in accordance with Article 7(2) of the basic Regulation:

Country	Company	Definitive anti-dumping duty (%)
India	— JSW Steel Limited — JSW Steel Coated Products Limited	9,5
	Other cooperating companies	9,5
	All other imports originating in India	9,5
Japan	— Nippon Steel Corporation — Daido Steel Co., Ltd.	27,9
	Other cooperating companies	27,9
	All other imports originating in Japan	27,9
Taiwan	— China Steel Corporation — Chung Hung Steel Corporation	20,7
	Other cooperating companies	20,7
	All other imports originating in Taiwan	27,0

Country	Company	Definitive anti-dumping duty (%)
Türkiye	Borçelik Çelik Sanayi Ticaret A.Ş.	7,8
	Tatmetal Çelik Sanayi ve Ticaret A. Ş.	3,0
	Other cooperating companies	4,9
	All other imports originating in Türkiye	7,8
Vietnam	POSCO VIETNAM CO., LTD	16,0
	Other cooperating companies	16,0
	All other imports originating in Vietnam	16,0

7. **UNION INTEREST**

(1019) Having decided to apply Article 7(2) of the basic Regulation, the Commission examined whether it could clearly conclude that it was not in the Union interest to adopt measures in this case, despite the determination of injurious dumping, in accordance with Article 21 of the basic Regulation. The determination of the Union interest was based on an appreciation of all the various interests involved, including those of the Union industry, importers, users.

7.1. **Interest of the Union industry**

(1020) The Union industry is located in several Member States (Austria, Belgium, Czech Republic, Germany, Hungary, Italy, Luxemburg, Netherlands, Portugal, Slovakia, Slovenia, Spain and Sweden) and it employs directly 8 598 FTE in relation to the product under investigation.

(1021) Eleven producers cooperated during the investigation. None of the known producers opposed the initiation of the investigation. As concluded in section 4.5, the situation of the whole Union industry deteriorated as a result of dumped imports from the countries concerned. Material injury was shown in both the micro and the macro indicators and particularly material when it comes to the profitability, sales volumes and market shares of the Union industry.

(1022) It is expected that the imposition of the anti-dumping duties will restore fair trading conditions on the Union market, end the price depression and enable the Union industry to recover. This would result in an improvement of the Union industry's profitability towards levels considered necessary for this capital-intensive industry. The Union industry has suffered material injury caused by imports at dumped prices from the countries concerned. It is recalled that many injury indicators showed a negative trend during the period considered. In particular, market share and sales volume, as well as indicators pertaining to the financial performance of the sampled Union producers, such as profitability and return on investment, were seriously affected. It is therefore important to restore fair prices in order to allow all producers to operate on the Union market on a level playing field.

(1023) In the absence of measures, a further deterioration of the Union industry's economic situation is very likely. A bad performance on CRF would impact the downstream activities of Union producers, and in particular their captive production. Union producers rely on the business model of a combination of free market sales and captive production. A deterioration of the free market segment could likewise put at risk the captive production segment, which represents bigger production volumes and employment figures than the former

(1024) It is therefore concluded that the imposition of anti-dumping duties is in the interest of the Union industry as it would enable recovery from the effects of the injurious dumping established and support the long-term sustainability of Union production.

7.2. Interest of unrelated importers

(1025) As mentioned in recital (96) no unrelated importer completed a questionnaire or provided the Commission with individual elements showing to what extent importers would be harmed by the imposition of measures.

(1026) In the absence of cooperation and specific data, the likely effects of the imposition of measures on importers must be assessed based on facts available.

(1027) It can reasonably be assumed that importers may face some cost increases as a result of the imposition of anti-dumping duties. However, as further developed in Section 7.4.1 below, the investigation confirmed the existence of alternative sources of supply, including from Union producers, and the possibility of continued imports at fair prices. These factors mitigate the potential impact of the measures; thus, any negative impact is expected to be limited.

(1028) While importers may experience a narrowing of supply options or increased costs in the short term, these effects are likely to be moderate. Maintaining the status quo, on the other hand, would, ultimately threaten the viability of domestic supply and potentially lead to greater dependency on dumped imports in the future. On balance, the benefits to the Union industry outweigh the limited and unsubstantiated potential drawbacks for importers.

7.3. Interest of users, consumers or suppliers

(1029) No users, consumers or suppliers cooperated in the investigation providing a questionnaire reply that was timely, complete, and in the required form. Consequently, no evidence was submitted indicating that the imposition of measures would have a significant adverse effect on users or downstream industries.

(1030) Following the initiation of the investigation, BSH submitted comments (see recital (90), arguing that measures would increase input costs for downstream industries, and negatively affect competitiveness, employment and supply chain stability. However, BSH did not cooperate further in the investigation by submitting a questionnaire reply, nor did it substantiate its claims with verifiable data on, the share of the product concerned in its total costs of production, the ability to source the product from alternative suppliers, or the capacity to pass on any cost increase to its customers. In the absence of such substantiation, the claim could not be verified and was therefore rejected.

(1031) In the absence of cooperation from users, the Commission assessed the likely effects of measures on the basis of the information available. The investigation showed that CRF products generally account for only a limited share of the overall production costs incurred by downstream users, including the automotive, construction, household appliances and industrial manufacturing sectors. Therefore, any potential price increase resulting from the imposition of measures would likely have only a limited impact on the overall cost structure of downstream users.

(1032) At the same time, the imposition of measures would contribute to restoring fair competition on the Union market and to preserving a viable Union industry capable of ensuring a reliable supply of CRF products to downstream industries in the Union, thereby reducing the risk of supply disruptions and excessive dependence on dumped imports.

(1033) In view of the above, the Commission concluded that there were no compelling reasons to consider that the imposition of anti-dumping measures would be against the interest of users.

(1034) Following disclosure, the Japanese Producers and the Government of Japan argued that greater consideration should be given to the impact of the measures on Union downstream users. They submitted that high energy costs were already being passed on to users and that additional anti-dumping duties, together with existing trade restrictions, could further increase CRF prices and restrict its availability. They therefore requested that the interests of downstream users be taken into account in the assessment of the measures.

(1035) The Commission considered that the arguments raised did not alter the conclusions set out hereabove in which the Commission assessed the likely effects of the measures on downstream users on the basis of the information available and found no evidence indicating that the imposition of measures would have a significant adverse effect on users or downstream industries.

(1036) In particular, as explained hereabove, CRF generally accounts for only a limited share of the overall production costs of downstream users. The arguments concerning the possible increase in CRF prices therefore did not demonstrate that the imposition of measures would have a significant impact on the overall cost structure or competitiveness of downstream users. Nor did the parties provide evidence establishing that the measures would result in significant supply difficulties.

(1037) At the same time, as explained above, the imposition of measures would contribute to restoring fair competition on the Union market and preserving a viable Union industry capable of ensuring a reliable supply of CRF to downstream industries. The possible effects on downstream users therefore had to be considered in the context of both the potential costs of the measures and the benefits of maintaining a reliable Union supply.

(1038) The Commission therefore concluded that there were no compelling reasons to consider that the imposition of anti-dumping measures would be against the Union interest. The claims were therefore rejected.

7.4. **Other factors**

7.4.1. *Availability of Supply*

(1039) Some interested parties claimed that the Union industry's structural limitations prevent it from supplying the Union market with the necessary volumes and qualities of cold-rolled steel. According to these parties, imposing additional trade measures would further tighten supply conditions, aggravate existing shortages, and lead to higher prices within the Union

(1040) The Commission noted that the investigation confirmed the existence of alternative sources of supply, including Union producers, as well as the possibility of continued imports at fair prices. Specifically, as described in Table 31, the Union industry is operating at 72 % of its production capacity, leaving an available capacity of approximately 12 million tonnes that could be mobilised to meet additional demand. The combined imports from the countries concerned represent a significantly lower volume than this available capacity. Furthermore, the investigation also identified the possibility of additional imports from other origins, which could contribute to ensuring sufficient supply to the Union market. The claim was therefore rejected.

7.4.2. *Other steel measures*

(1041) Some interested parties claimed that the simultaneous application of anti-dumping measures and the new steel measure, in force since 1 July 2026 could unduly restrict access to the Union market. They argued that the combined effect of these measures could create disproportionate constraints on steel supply and raise concerns regarding consistency with the Union's wider external trade policy objectives.

(1042) The Commission noted that anti-dumping measures and any prospective horizontal trade policy measures concerning steel served distinct legal purposes and pursued different objectives; one addresses unfair trading practices causing injury to the domestic industry while the other seeks to address the negative trade-related effects of global overcapacity in the Union's steel market. These instruments are based on different legal bases and required different evidentiary standards. They were therefore not interchangeable, and the existence, or possible future adoption, of one could not be a substitute for the other.

(1043) The Commission noted that a quota-based measure or similar volume restriction would not address the price injury element established in the investigation. As shown in Section 4 and Section 5, the investigation established undercutting, underselling and price depression caused by dumped imports. These effects materialised regardless of import volumes. By contrast, anti-dumping duties counterbalance the unfair pricing component of the injury suffered by the Union industry.

(1044) The Commission further noted that the imposition of duties is fully consistent with the Union's broader steel and trade policy objectives. By contrast, allowing injurious dumping to continue unaddressed would have undermined the rationale of the Union trade policy.

(1045) In view of the above, the Commission concluded that there were no compelling reasons to consider that the imposition of anti-dumping measures would be against the Union interest. The arguments raised by the interested parties were therefore rejected.

(1046) The Government of Japan argued after disclosure that the tightening of the safeguard measures in April 2025 should be taken into account when assessing the development of Japanese imports. It referred to a decline in Japanese imports following the tightening and considered that this development was inconsistent with the finding that increasing Japanese imports contributed to injury.

(1047) The Commission considered that the arguments of the Government of Japan did not alter the conclusions set out in recital (833) to (838) . In this case the findings on injury and causation rested on the verified data for the period considered. Those data show that imports from Japan increased from 126 021 tonnes in 2022 to 250 001 tonnes during the investigation period, corresponding to an increase of 98 %. Their market share also increased from 2 % to 3 %.

(1048) The increase in Japanese imports over the period considered and their increased market share are not consistent with the assertion that Japanese imports did not increase their presence on the Union market. The Commission therefore considered that the development of Japanese imports during the period considered supported, rather than contradicted, the finding that those imports contributed to the injury suffered by the Union industry. The claim was therefore rejected.

(1049) Also, the Japanese Producers and CSC argued that the new steel measure applicable from 1 July 2026 already provides substantial protection to the Union industry. They submitted that the Commission should take the interaction between that measure and the anti-dumping measures into account when assessing the necessity and level of the anti-dumping duties. CSC further argued that maintaining a target profit of 9,9 % in addition to the protection provided by the new measure could result in over-protection. CSC reiterated this claim in its comments on the additional final disclosure, despite the fact that the matter was not subject to the additional final disclosure and the company was instructed to only comment on the issues covered by the additional final disclosure.

(1050) The arguments raised did not alter the conclusions set out in recital (1045). The existence of the new steel measure applicable from 1 July 2026 does not, in itself, affect the assessment of the injurious effects of the dumped imports or the level of the anti-dumping measures required to remove such injury. The two instruments serve distinct legal purposes and pursue different policy objectives. Anti-dumping duties address unfair pricing practices causing injury to the Union industry, whereas the steel measure responds to the negative effects of global overcapacity on the Union market. These instruments rely on different legal bases and different evidentiary standards and therefore cannot be considered interchangeable.

(1051) The Commission also considered that the target profit of 9,9 % was established on the basis of the CRF-specific evidence described hereabove and reflects the level of profitability that the Union industry could reasonably achieve under normal conditions of competition. It is therefore not a level of protection resulting from, or determined by, the new steel measure. The mere coexistence of the two measures does not demonstrate that the target profit or the resulting anti-dumping measures would provide over-protection.

(1052) The Commission therefore considered that the arguments concerning the interaction between the new steel measure and the anti-dumping measures did not provide a basis for changing the target profit or the level of the anti-dumping measures. The claims were therefore rejected.

(1053) In its comments on the additional final disclosure, the Government of Japan reiterated that the tightening of safeguard measures in April 2025 and the subsequent decline in Japanese imports undermined the finding that imports from Japan contributed to the injury suffered by the Union industry. It also maintained that the increase in imports from the countries concerned could reflect a shift in sourcing from other third countries rather than increased import pressure. Finally, Japan argued that the Steel Overcapacity Regulation, which reduces the import quota and introduces a 50 % out-of-quota duty, would further reduce imports and therefore called into question the need for additional anti-dumping measures.

(1054) Such matters were not subject to the additional final disclosure. In any case, the Commission's assessment of these arguments is already set out in recitals (1046) to (1048) and (1050) to (1052) respectively. In these recitals the Commission explained why the arguments raised did not undermine its assessment of injury and causation or its conclusions on the target profit and the need for anti-dumping measures. The Commission therefore confirmed its conclusions and dismissed the claims.

7.5. **Conclusion on Union interest**

(1055) On the basis of the above, the Commission concluded that there were no compelling reasons that it was not in the Union interest to impose measures on imports of CRF originating in countries concerned.

8. **DEFINITIVE ANTI-DUMPING MEASURES**

(1056) In view of the conclusions reached with regard to dumping, injury, causation, level of measures and Union interest, and in accordance with Article 9(4) of the basic Regulation, definitive anti-dumping measures should be imposed in order to prevent further injury being caused to the Union industry by the dumped imports of the product concerned.

(1057) On the basis of the above, the definitive anti-dumping duty rates, expressed on the CIF Union border price, customs duty unpaid, should be as follows:

Country	Company	Dumping margin (%)	Injury margin (%)	Definitive anti-dumping duty (%)
India	— JSW Steel Limited — JSW Steel Coated Products Limited	9,5	25,5	9,5
	Other cooperating companies	9,5	25,5	9,5
	All other imports originating in India	9,5	25,5	9,5
Japan	— Nippon Steel Corporation — Daido Steel Co., Ltd.	54,7	27,9	27,9
	Other cooperating companies	54,7	27,9	27,9
	All other imports originating in Japan	54,7	27,9	27,9

Country	Company	Dumping margin (%)	Injury margin (%)	Definitive anti-dumping duty (%)
Taiwan	— China Steel Corporation — Chung Hung Steel Corporation	33,3	20,7	20,7
	Other cooperating companies	33,3	20,7	20,7
	All other imports originating in Taiwan	59,6	27,0	27,0
Türkiye	Borçelik Çelik Sanayi Ticaret A.Ş.	7,8	12,9	7,8
	Tatmetal Çelik Sanayi ve Ticaret A. Ş.	3,0	17,8	3,0
	Other cooperating companies	4,9	16,4	4,9
	All other imports originating in Türkiye	7,8	17,8	7,8
Vietnam	POSCO VIETNAM CO., LTD	16,0	25,8	16,0
	Other cooperating companies	16,0	25,8	16,0
	All other imports originating in Vietnam	16,0	25,8	16,0

(1058) The individual company anti-dumping duty rates specified in this Regulation were established on the basis of the findings of this investigation. Therefore, they reflect the situation found during this investigation in respect to these companies. These duty rates are thus exclusively applicable to imports of the product under investigation originating in the country concerned and produced by the named legal entities. Imports of the product concerned manufactured by any other company not specifically mentioned in the operative part of this Regulation, including entities related to those specifically mentioned, cannot benefit from these rates and should be subject to the duty rate applicable to 'all other imports originating in the countries concerned'.

(1059) A company may request the application of these individual anti-dumping duty rates if it changes subsequently the name of its entity. The request must be addressed to the Commission ([152]). 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*.

([152]) Email: TRADE-TDI-REQUESTS@ec.europa.eu, European Commission, Directorate-General for Trade, Directorate G, Rue de la Loi/Wetstraat 170, 1040 Bruxelles/Brussel, BELGIQUE/BELGIË. Mention the number of this Regulation and the case number (AD739) in the request.

(1060) To minimise the risks of circumvention due to the difference in duty rates, special measures are needed to ensure the proper application of the individual anti-dumping duties. The application of individual anti-dumping duties is only applicable upon presentation of a valid commercial invoice to the customs authorities of the Member States. The invoice must conform to the requirements set out in Article 1(3) of this Regulation. Until such invoice is presented, imports should be subject to the anti-dumping duty applicable to 'all other imports originating in the countries concerned'.

(1061) While presentation of this invoice is necessary for the customs authorities of the Member States to apply the individual rates of anti-dumping duty to imports, it is not the only element to be taken into account by the customs authorities. Indeed, even if presented with an invoice meeting all the requirements set out in Article 1(3) of this Regulation, the customs authorities of Member States should carry out their usual checks and may, like in all other cases, require additional documents (shipping documents, etc.) for the purpose of verifying the accuracy of the particulars contained in the declaration and ensure that the subsequent application of the rate of duty is justified, in compliance with customs law.

(1062) Should the exports by one of the companies benefiting from lower individual duty rates increase significantly in volume, in particular after the imposition of the measures concerned, such an increase in volume could be considered as constituting in itself a change in the pattern of trade due to the imposition of measures within the meaning of Article 13(1) of the basic Regulation. In such circumstances, an anti-circumvention investigation may be initiated, provided that the conditions for doing so are met. This investigation may, inter alia, examine the need for the removal of individual duty rate(s) and the consequent imposition of a country-wide duty.

(1063) To ensure a proper enforcement of the anti-dumping duties, the anti-dumping duty for all other imports originating in the countries concerned should apply not only to the non-cooperating exporting producers in this investigation, but also to the producers which did not have exports to the Union during the investigation period.

(1064) For the countries concerned where the duty rate for cooperating companies not included in the sample is lower than the duty rate applicable to all other imports originating in that country, exporting producers that did not export the product concerned to the Union during the investigation period should be able to request ([153]) the Commission to be made subject to the anti-dumping duty rate for cooperating companies not included in the sample. The Commission should grant such request provided that three conditions are met. The new exporting producer would have to demonstrate that: (i) it did not export the product concerned to the Union during the IP; (ii) it is not related to an exporting producer that did so; and (iii) has exported the product concerned thereafter or has entered into an irrevocable contractual obligation to do so in substantial quantities.

9. **RETROACTIVE COLLECTION**

(1065) As mentioned in recital (3), the Commission made imports of the product under investigation subject to registration.

(1066) Eurofer claimed that the retroactive application of definitive anti-dumping duties should remain legally available where the conditions set out in Article 10(4) of the basic Regulation are fulfilled and imports have been registered pursuant to Article 14(5), even in the absence of provisional measures. In support of its claim, Eurofer argued that Article 10(4) does not expressly require the prior imposition of provisional measures and referred to case law concerning the objective of preventing stockpiling and preserving the effectiveness of definitive measures.

([153]) Email: TRADE-TDI-REQUESTS@ec.europa.eu, European Commission, Directorate-General for Trade, Directorate G, Rue de la Loi/Wetstraat 170, 1040 Bruxelles/Brussel, BELGIQUE/BELGIË. Mention the number of this Regulation and the case number (AD739) in the request.

(1067) However, the Commission considered that Article 10(4) of the basic Regulation cannot be interpreted in isolation but must be read together with Article 10 as a whole, which governs the relationship between provisional and definitive duties. In this respect, the retroactive application provided for in Article 10(4) constitutes an exceptional extension of the system of provisional measures, allowing definitive duties to be collected on registered imports made prior to the imposition of provisional duties. Therefore, the Commission considered that the retroactive application mechanism under Article 10(4) is intrinsically linked to the prior imposition of provisional measures. The Commission therefore concluded that, as provisional measures were not imposed in the present investigation, the conditions for the retroactive application of definitive anti-dumping duties pursuant to Article 10(4) of the basic Regulation were not met.

(1068) Following disclosure, Eurofer stated that it disagreed with the Commission's conclusion that the imposition of provisional measures is a prerequisite for the retroactive collection of duties under Article 10(4) of the basic Regulation. Eurofer argued that Article 10(4) provides for a distinct mechanism for the retroactive collection of duties following registration and that the application of that provision is not conditional upon the prior imposition of provisional measures. Eurofer further argued that registration and retroactive collection are separate mechanisms and should not be considered as forming part of a single mechanism linked to provisional measures. Eurofer therefore requested that the Commission reconsider its interpretation of Article 10(4) of the basic Regulation.

(1069) The Commission noted that registration and retroactive collection are different steps but reached a different conclusion. Registration preserves the possibility of retroactive collection should the legal conditions be met. It does not itself give a right to collect duties retroactively; that right remains conditioned to the requirements of Article 10(4), which limits retroactive collection to products entered for consumption no more than 90 days prior to the date of application of provisional measures. As provisional measures are the express reference point for calculating that period, retroactive collection under Article 10(4) cannot be applied where no provisional measures have been imposed. Furthermore, this interpretation is also consistent with the Commission's recent practice ([154]).

(1070) The Commission therefore maintained that the conditions for the retroactive application of definitive anti-dumping duties pursuant to Article 10(4) of the basic Regulation were not met. The claim was therefore rejected.

10. **FINAL PROVISIONS**

(1071) In view of Article 109 of Regulation (EU) 2024/2509 of the European Parliament and of the Council ([155]), 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.

(1072) The measures provided for in this Regulation are in accordance with the opinion of the Committee established by Article 15(1) of Regulation (EU) 2016/1036,

([154]) Commission Implementing Regulation (EU) 2022/191 of 16 February 2022 imposing a definitive anti-dumping duty on imports of certain iron or steel fasteners originating in the People's Republic of China (OJ L 36, 17.2.2022, p. 1, ELI: http://data.europa.eu/eli/reg_impl/2022/191/oj).

([155]) 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).

HAS ADOPTED THIS REGULATION:

Article 1

1. A definitive anti-dumping duty is imposed on imports of flat-rolled products of iron or non-alloy steel, or other alloy steel but excluding stainless steel, of all widths, cold-rolled (cold-reduced), not clad, plated or coated and not further worked than cold-rolled (cold-reduced), but not including:

— flat-rolled products of iron or non-alloy steel, of all width, cold-rolled (cold-reduced), not clad, plated or coated, not further worked than cold-rolled, whether or not in coils, of all thickness, electrical,

— flat-rolled products of iron or non-alloy steel, of all width, cold-rolled (cold-reduced), not clad, plated or coated, in coils, of a thickness of less than 0,35 mm, annealed (known as 'black plates'),

— flat-rolled products of other alloy steel, of all width, of silicon-electrical steel, and

— flat-rolled products of alloy steel, not further worked than cold-rolled (cold-reduced), of high-speed steel,

currently falling under CN codes ex 7209 15 00, 7209 16 90, 7209 17 90, 7209 18 91, ex 7209 18 99, ex 7209 25 00, 7209 26 90, 7209 27 90, 7209 28 90, 7211 23 30, ex 7211 23 80, ex 7211 29 00, 7225 50 80, 7226 92 00 (TARIC codes 7209 15 00 90, 7209 18 99 90, 7209 25 00 90, 7211 23 80 19, 7211 23 80 95, 7211 23 80 99, 7211 29 00 19, 7211 29 00 99), and originating in India, Japan, Taiwan, Türkiye and Vietnam.

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

Country	Company	Definitive anti-dumping duty (%)	TARIC additional code
India	— JSW Steel Limited — JSW Steel Coated Products Limited	9,5	88GB
	Other cooperating companies listed in the Annex	9,5	See Annex
	All other imports originating in India	9,5	8999
Japan	— Nippon Steel Corporation — Daido Steel Co., Ltd.	27,9	88GD
	Other cooperating companies listed in the Annex	27,9	See Annex
	All other imports originating in Japan	27,9	8999
Taiwan	— China Steel Corporation — Chung Hung Steel Corporation	20,7	88GG
	Other cooperating companies listed in the Annex	20,7	See Annex
	All other imports originating in Taiwan	27,0	8999

Country	Company	Definitive anti-dumping duty (%)	TARIC additional code
Türkiye	Borçelik Çelik Sanayi Ticaret A.Ş.	7,8	88GI
	Tatmetal Çelik Sanayi ve Ticaret A. Ş.	3,0	88GJ
	Other cooperating companies listed in the Annex	4,9	See Annex
	All other imports originating in Türkiye	7,8	8999
Vietnam	POSCO VIETNAM CO., LTD	16,0	88GO
	Other cooperating companies listed in the Annex	16,0	See Annex
	All other imports originating in Vietnam	16,0	8999

3. The application of the individual duty rates specified for the companies mentioned in paragraph 2 shall be conditional upon presentation to the Member States' customs authorities of a valid commercial invoice, on which shall appear a declaration dated and signed by an official of the entity issuing such invoice, identified by his/her name and function, drafted as follows: *'I, the undersigned, certify that the (volume in tonnes) of cold rolled flat steel 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 applicable country concerned, i.e. India, Japan, Taiwan, Türkiye or Vietnam shall apply.

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

Article 2

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

(a) it did not export the goods described in Article 1(1) during the period of investigation (1 July 2024–30 June 2025);

(b) it is not related to an exporter or producer subject to the measures imposed by this Regulation, and which could have cooperated in the original investigation; and

(c) it has either actually exported the product concerned or has entered into an irrevocable contractual obligation to export a significant quantity to the Union after the end of the period of investigation.

Article 3

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

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

Done at Brussels, 13 November 2026.

For the Commission
The President
Ursula VON DER LEYEN

ANNEX

Other cooperating exporting producers not sampled

Country	Name	TARIC additional code
India	Tata Steel Limited	88GC
Japan	JFE Steel Corporation	88GE
	Proterial, Ltd.	88GF
Taiwan	Synn Industrial Co., Ltd.	88GH
Türkiye	Erdemir Group — Ereğli Demir ve Çelik Fab. T.A.Ş. — Erdemir Çelik Servis Merkezi San. ve Tic. A.Ş.	88GK
	Atakaş Çelik Sanayi ve Ticaret Anonim Şirketi	88GL
	Yıldız Entegre Ağaç Sanayi ve Ticaret A.Ş.	88GM
	Gazi Metal Mamülleri Sanayi ve Ticaret A.Ş	88GN
Vietnam	Công Ty Cổ Phần China Steel & Nippon Steel Việt Nam	88GP
	Công ty Cổ phần Tập đoàn Hoa Sen	88GQ