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

THE EUROPEAN COMMISSION,

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

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

After consulting the Member States,

Whereas:

1. PROCEDURE

1.1. Initiation

(1) On 8 August 2024 the European Commission ('the Commission') initiated an anti-dumping investigation with regard to imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel, originating in Egypt, India, Japan and Vietnam ('the countries concerned') on the basis of Article 5 of the basic Regulation. The Commission 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 24 June 2024 by the European Steel Association ('EUROFER' or 'the complainant'). The complaint was made on behalf of the Union industry of certain hot-rolled flat products of iron, non-alloy or other alloy steel 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 of imports

(3) Under Article 14(5) of the basic Regulation, imports of the product concerned may be made subject to registration for the purpose of ensuring that, if the investigation results in findings leading to the imposition of anti-dumping duties, those duties can, if the necessary conditions are fulfilled, be levied retroactively on the registered imports in accordance with the applicable legal provisions. The Commission decided to make imports of the product concerned subject to registration on its own initiative by Commission Implementing Regulation (EU) 2024/2719 [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 Egyptian, Indian, Japanese and Vietnamese authorities, the known importers, suppliers and users, traders, as well as associations known to be concerned about the initiation of the investigation and invited them to participate.

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[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 hot-rolled flat products of iron, non-alloy or other alloy steel, originating in Egypt, India, Japan and Vietnam (OJ C, C/2024/4995, 8.8.2024, ELI: http://data.europa.eu/eli/C/2024/4995/oj).

[3] Commission Implementing Regulation (EU) 2024/2719 of 24 October 2024 making imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel, originating in Egypt, India, Japan and Vietnam subject to registration (OJ L, 2024/2719, 25.10.2024, ELI: http://data.europa.eu/eli/reg_impl/2024/2719/oj).

(5) 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. Hearings were held with the Egyptian Government, the Egyptian cooperating exporting producer, Nippon Steel Corporation, JFE Steel Corporation, the Japanese Ministry of Economy, Trade and Industry, and the Consortium for the defence of Imports of Hot-Rolled Flat products (the 'Consortium').

1.4. **Comments on initiation**

1.4.1. *Claims regarding absence of threat to the EU industry*

(6) Following initiation, the Egyptian cooperating exporting producer claimed that hot-rolled flat products of steel ('HRF') exports from Egypt to the Union were negligible, accounting for only 1,3 % of the open market. It also argued that being the sole producer of HRF in Egypt, its capacity was much smaller compared to the other countries concerned and did not increase since 1999.

(7) The same cooperating exporter argued that it had a longstanding partnership with several European equipment suppliers, banks and government, as regards in particular the purchase of raw material, including high-grade iron ore from one Member State.

(8) These claims were examined respectively under sections on causality and EU interest.

1.4.2. *Claims on absence of evidence*

(9) Comments were received from the Consortium, the Government of Egypt and the Egyptian cooperating exporting producer.

(10) The Consortium argued that the Union industry was already over protected with the implementation of a safeguard regime setting out a cap limiting to 15 % imports of third countries. The Consortium argued that in the last eight years, several anti-dumping and anti-subsidy measures have been taken against imports from major producing countries such as Brazil, China, Russia, Iran, Türkiye and Ukraine. This argument is further addressed in recital (198) below.

(11) One exporting producer claimed that rights of defence have been infringed due to the incompleteness of the open versions of the annexes to the complaint made available in the file open for consultation by interested parties.

(12) One Vietnamese exporting producer argued that the initiation was not compliant with Article 5.2 and 5.3 of the WTO Antidumping Agreement ('ADA') and Article 5(2)(d) of the basic Regulation, as it lacked positive evidence justifying the initiation of the proceeding.

(13) This exporting producer claimed that factors and indices having a bearing on the state of the Union industry, such as those listed in Article 3(3) and (5) and as required by Article 5(2) of the basic Regulation were not included in the complaint by the complainant or relevant information submitted on certain other aspects were incomplete or presented in a way to misrepresent the actual state of the Union industry. These concerned:

— a breakdown of import volumes per each targeted country;

— import volumes and value of non-targeted countries;

— sale prices of the Complainant and Union Industry;

— a breakdown of employment data for administrative staff and labour directly involved in the manufacturing;

— wages to personnel;

— cash flow.

(14) As a result, a high number of injury indicators requiring examination pursuant to Article 3(5) of the basic Regulation had not been dealt with in the complaint. These indicators include return on investments, factors affecting Union prices, actual and potential negative effects on cash flow, inventories, wages, or the ability to raise capital.

(15) Finally, this exporting producer claimed that the data provided by the complainant regarding market share were arithmetically impossible due to the consistently increasing domestic sales above the level of consumption growth.

(16) In reply to those arguments, it was considered that the version open for inspection by interested parties of the complaint contained all the essential evidence and non-confidential summaries of data provided under confidential cover in order for interested parties to exercise their right of defence throughout the proceeding.

(17) It is recalled that Article 19 of the basic Regulation and Article 6.5 ADA allow for the safeguarding of confidential information in circumstances where disclosure would be of significant competitive advantage to a competitor or would have a significantly adverse effect upon a person supplying the information or upon a person from whom that person has acquired the information.

(18) The information provided in the limited annexes to the complaint falls under these categories. In any event, the complainant has provided a meaningful summary of the information contained in the limited annexes of the complaint so that interested parties may have a 'reasonable understanding of the substance of the information submitted in confidence' as set forth by Article 19(2) of the basic Regulation. The complainant has adequately summarised the contents of these annexes, without disclosing sensitive company-specific data.

1.4.3. *Claims regarding preliminary dumping calculations for Egypt*

(19) The Egyptian government and the cooperating exporting producer both submitted comments on initiation, claiming the absence of dumping for Egyptian imports. They argued that the dumping for Egypt in the complaint was established by an 'incorrect use of the official exchange rate rather than the parallel market rate' to calculate the normal value and the dumping margin. They argued that the use of the 'parallel market rate' for the dumping calculation would demonstrate that Egyptian imports were not sold at unfairly low prices in the EU market. Both parties thus plead for the use of the parallel exchange rate for foreign currencies instead of the official Egyptian Central Bank ('CBE') rate for the conversion of Euro's and the United States dollar ('USD') into Egyptian pounds ('EGP'). To substantiate their claim, both parties referred to publications by Ernst & Young, the IMF and the European Commission and to Egyptian governmental decrees recognising the parallel market exchange rate, including a specific document issued after the investigation period by the Egyptian Financial Regulatory Authority authorising EZDK to use the actual exchange rates, supported by documents, rather than the official CBE ones for financial accounting and reporting purposes for the years 2023 and 2024.

(20) It has however been the Commission's consistent practice to use official exchange rates in cases where there are allegations of the use of parallel exchange rates ([4]). In addition, it has to be noted that the official CBE rate was the only legal exchange rate that prevailed during the investigation period of the complaint. and that there were no publicly recorded historic rates of a 'black' or parallel market for the investigation period. The complaint was considered to be supported by sufficient evidence for the purpose of initiating the case. For the investigation itself however, the Commission relied only on verified data, i.a. submitted by the parties in the questionnaire replies and verified on spot. This claim was therefore rejected.

(21) Both parties also claimed that an error was made in the calculation of dumping in the complaint, by using 'grossly inflated freight costs' without justification. The cooperating exporting producer claimed in addition that errors were made in the calculation of dumping in the complaint by applying the official exchange rate for the purpose of determining the normal value and by using 'erroneous domestic prices' and by making reference to HRF prices of two Egyptian companies, who do not produce the product under investigation.

(22) Also in this regard it should be mentioned that the complaint was considered to be supported by sufficient evidence for the purpose of initiating the case. For the investigation itself, the Commission relied only on verified data, i.a. submitted by the parties in the questionnaire replies and verified on spot. This claim was therefore rejected.

([4]) Egyptian Accounting Standard no.13, amended by Cabinet resolution no.1568/2022.

1.4.4. *Claims regarding preliminary dumping calculations for Vietnam*

(23) The two cooperating exporting producers in Vietnam, Formosa Ha Tinh Steel Corporation ('Formosa'), Hoa Phat Dung Quat Steel Joint Company ('HPDQ') and a user, Marcegaglia Carbon Steel S.p.A, submitted comments on dumping calculations in the complaint, and in particular on the allegations by the complainant on existence of 'a particular market situation' in Vietnam not allowing for a proper comparison according to Article 2(3) of the basic Regulation. The three parties argued that the allegations in the complaint on the existence of the particular market situation were unfounded.

(24) The Commission recalled that when assessing the evidence in the complaint, it only took into account those elements for which evidence in the complaint was sufficiently adequate and accurate. It considered that it was not the case with regard the evidence contained in the complaint on the existence of the particular market situation in Vietnam. In addition, the calculated dumping in the complaint however was established without taking the particular market situation into account. The existence of the particular market situation was also not established by the Commission during the investigation. The dumping calculations for the two cooperating exporting producers were therefore calculated in line with the method detailed in Section 3.4 below. The Commission thus rejected the claims.

1.4.5. *Claim regarding anticipated change of circumstances in Vietnam*

(25) Formosa argued that the domestic market in Vietnam experienced a high pressure from imports of the product under investigation from the People's Republic of China ('the PRC') and India at dumped prices. As a result, the Government of Vietnam initiated an anti-dumping investigation, and provisional measures were to be imposed in January 2025. Formosa thus argued that the Commission should pay attention to the anticipated change in circumstances, and it should ensure that eventual anti-dumping measures to be imposed on Vietnam would be adequate to the new situation of lasting nature.

(26) The Commission recalled that the assessment of dumping and the resulting injury related to the investigation period and the period considered as mentioned in Section 1.8 below, and that it could not anticipate the evolution of the market conditions nor of the future behaviour of the exporting producers in Vietnam. If justified, provided that a change of circumstances of a lasting nature could be demonstrated a review of duties on that basis could be opened under Article 11(3) of the basic Regulation. The Commission thus rejected the claim.

1.5. **Sampling**

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

1.5.1. *Sampling of Union producers*

(28) In the Notice of Initiation, the Commission stated that it had provisionally selected a sample of Union producers. The Commission selected a 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.

(29) As a result, the final sample consisted of three Union producers located in three different Member States. It accounts for over 34 % of the estimated total volume of production and more than 35 % of the total estimated sales of the like product in the Union.

1.5.2. *Sampling of importers*

(30) 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.

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

1.5.3. *Sampling of exporting producers in Egypt, India, Japan and Vietnam*

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

(33) With regard to Egypt, one group of exporting producers provided the requested information and agreed to be included in the sample. The group consists of a holding, Ezz Steel Company ('Ezz Steel'), which owns an exporting producer, All Ezz Dekheila Steel Company ('EZDK'), which in turn owns another exporting producer, Ezz Flat Steel Company ('EFS'). In view of the low number of replies, the Commission decided that sampling was not necessary.

(34) With regard to India and Japan, five exporting producers in each country provided the requested information and agreed to be sampled. One of the Japanese companies, however, was not an exporting producer of the product concerned and was disregarded for the purpose of establishing a sample. In accordance with Article 17(1) of the basic Regulation, the Commission selected a sample of two exporting producers in both India and Japan, on the basis of the largest representative volume of exports to the Union which could reasonably be investigated within the time available. In accordance with Article 17(2) of the basic Regulation, all known exporting producers concerned and the authorities of the two countries concerned were consulted on the selection of the samples. No comments on the samples were received.

(35) Finally, with regard to Vietnam, three companies provided the requested information and agreed to be included in the sample, however only two of them were exporting producers of the product concerned. In view of the low number of replies, the Commission decided that sampling was not necessary.

1.6. **Individual examination**

(36) No exporting producer requested individual examination under Article 17(3) of the basic Regulation.

1.7. **Questionnaire replies and verification visits**

(37) The Commission sent questionnaires to the three sampled Union producers, the complainant, the sampled exporting producers in Egypt, India, Japan and Vietnam, the known importers and the users. The same questionnaires were made available online ([5]) on the day of initiation.

(38) The complainant provided in the complaint sufficient prima facie evidence of raw material distortions in India and Vietnam regarding the product under investigation. Therefore, as announced in the Notice of Initiation, the investigation covered those 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 to the Government of India and Vietnam.

(39) The Commission sought and verified all the information deemed necessary for a provisional determination of dumping, resulting injury and Union interest. Verification visits pursuant to Article 16 of the basic Regulation were carried out at the premises of the following companies:

Union producers

— Thyssenkrupp Steel Europe AG, Duisburg, Germany

— Acciaieria Arvedi S.P.A., Cremona, Italy

— Tata Steel IJmuiden BV, Velsen-Noord, Netherlands

([5]) https://tron.trade.ec.europa.eu/investigations/case-view?caseId=2743.

Related trade and Steel Service Centre

— Centro Siderurgico Industriale S.R.L., Perugia, Italy

— Centro Siderurgico Adriatico S.R.L., Perugia, Italy

— Tata Steel Service Centre Feijen, BV, Maastricht, Netherlands

— Thyssenkrupp Stahlkontor AG, Essen, Germany

Users

— Marcegaglia Carbon Steel S.p.A., Gazoldo degli Ippoliti, Italy

— Network Steel S.L., Madrid, Spain

Exporting producer in Egypt

— Ezz Steel

Exporting producers in India

— ArcelorMittal Nippon Steel India Limited ('AMNSIL')

— Bhushan Power and Steel Limited, and JSW Steel Limited ('JSW Group')

Exporting producers in Japan

— Tokyo Steel Co. Ltd. ('Tokyo Steel')

— Nippon Steel Corporation ('Nippon Steel') and related companies

Exporting producers in Vietnam

— Formosa Ha Tinh Steel Corporation ('Formosa')

— Hoa Phat Dung Quat Steel Joint Company ('Hoa Phat')

1.8. **Investigation period and period considered**

(40) The investigation of dumping and injury covered the period from 1 April 2023 to 31 March 2024 ('the investigation period'). The examination of trends relevant for the assessment of injury covered the period from 1 January 2021 to the end of the investigation period ('the period considered').

(41) Following initiation, one exporting producer argued that the year 2020 should be included as the benchmark year in the period considered, in order to fully take into account the impact of market distortions from the COVID-19 crisis on the evolution of imports of hot-rolled flat steel products.

(42) The Commission considered that the period considered should not be extended to year 2020 since the market and the performance of the Union industry were severely influenced by exceptional circumstances triggered by the COVID-19 crisis. Such extension would not have added value. Moreover, the length of the period considered was consistent with normal investigation practices.

(43) Another exporting producer claimed that by selecting the investigation period at initiation the Commission left out the entire quarter between the end of the investigation period and the initiation date (8 August 2024) and thereby reduced the period considered to 2021 – Q1.2024 by excluding the full years 2020-2023.

(44) According to this exporting producer, this decision did not comply with the 'legal standard prescribed' by the basic Regulation and, by picking the non-representative year of 2021 as a benchmark it distorted the result of the material injury analysis.

(45) The Commission provisionally rejected these claims as, first, it is the Commission's standard practice and it is in its discretion to select an investigation period covering a period of no less than six months immediately prior to the initiation date ([6]) and to consider for the injury assessment three calendar years in addition to the investigation period and not four. Second, the losses incurred by the overall industry, whether in the EU or abroad, in the year 2020 were mainly due to COVID-19 crisis, which resulted in production closures, with several steel plants idled across the world. Once the economy started to recover from COVID-19 as from 2021, the demand for the product under investigation followed suit, which resulted in increases in prices and profits. This means that the year 2020 represents an exceptionally low point, rather than a typical year. Third, since 2021 the supply and demand have stabilised so that a period considered starting in 2021 was considered appropriate. In any event, in line with the Commission's standard practice, the Commission analysed all relevant factors to assess the evolution of the situation of the Union industry over the period considered.

2. PRODUCT UNDER INVESTIGATION, PRODUCT CONCERNED AND LIKE PRODUCT

2.1. Product under investigation

(46) The product under investigation is certain flat-rolled products of iron, non-alloy steel or other alloy steel, whether or not in coils (including 'cut-to-length' and 'narrow strip' products), not further worked than hot-rolled, not clad, plated or coated ('the product under investigation').

The following products are excluded:

(1) products of stainless steel and grain-oriented silicon electrical steel;

(2) products of tool steel and high-speed steel;

(3) products, not in coils, without patterns in relief, of a thickness exceeding 10 mm and of a width of 600 mm or more; and

(4) products, not in coils, without patterns in relief, of a thickness of 4,75 mm or more but not exceeding 10 mm and of a width of 2 050 mm or more.

(47) Hot-rolled flat steel products are produced through hot rolling; this is a metal forming process in which hot metal is passed through one or more pairs of hot rolls to reduce the thickness and to make the thickness uniform, whereby the temperature of the metal is above its recrystallisation temperature. They can be delivered in various forms: in coils (oiled or not oiled, pickled or not pickled), in cut lengths (sheet) or narrow strips.

(48) There are two main uses of the hot-rolled flat steel products. First, they are the primary material for the production of various value-added downstream steel products, starting with cold-rolled flat and coated steel products. Second, they are used as an industrial input purchased by end users for a variety of applications, including in construction (production of steel tubes), shipbuilding, gas containers, cars, pressure vessels and energy pipelines.

2.2. Product concerned

(49) The product concerned is the product under investigation originating in Egypt, India, Japan and Vietnam ('the countries concerned'), currently classified under CN code(s) 7208 10 00, 7208 25 00, 7208 26 00, 7208 27 00, 7208 36 00, 7208 37 00, 7208 38 00, 7208 39 00, 7208 40 00, 7208 52 10, 7208 52 99, 7208 53 10, 7208 53 90, 7208 54 00, 7211 13 00, 7211 14 00, 7211 19 00, ex 7225 19 10 (TARIC code 7225 19 10 90), 7225 30 90, ex 7225 40 60 (TARIC code 7225 40 60 90), 7225 40 90, ex 7226 19 10 (TARIC codes 7226 19 10 91, 7226 19 10 95), 7226 91 91 and 7226 91 99. The CN and TARIC codes are given for information only and without prejudice to a subsequent change in the tariff classification. The scope of this investigation is subject to the definition of the product under investigation as contained above.

([6]) Article 6.1 of the basic Regulation.

2.3. **Like product**

(50) 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 Egypt, India, Japan, and Vietnam (countries concerned), and

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

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

2.4. **Claims regarding product scope**

(52) One exporting producer (Daido Steel Co. Ltd, 'Daido') requested the exclusion of all its types of hot-rolled flat steel products on the basis that they are known in the industry as tool steel and high-speed steel, even though they do not fit the description of tool steel included in the EU Combined Nomenclature (CN). It claimed that its products (i) have significantly distinct physical, technical and chemical properties compared to other types of hot-rolled flat steel products; (ii) are marketed through specialised sales channels with different prices; and (iii) their different specifications and final uses should be included in the definition of the product scope.

(53) In previous investigations on the same product scope the Commission excluded tool steel and high-speed steel from the product scope of the anti-dumping proceeding concerning imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel [7]. The Commission found that there are indeed major physical and chemical differences between other types of the product concerned than tool steel and high-speed steel on the one hand, and tool steel and high-speed steel on the other hand. The Commission confirms such assessment in the investigation at hand. However, the Commission considered that the claim of Daido Steel Co. Ltd to exclude all its types of hot-rolled flat steel products was not specific enough. On these grounds, the Commission rejected Daido's claim to reject all of its products but confirmed the exclusion of tool steel as provided in Section 2.1. The Commission also considered that the use of the appropriate CN codes was of the responsibility of importer when declaring the goods to the customs authorities.

[7] See Commission Implementing Regulation (EU) 2017/649 of 5 April 2017 imposing a definitive anti-dumping duty on imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel originating in the People's Republic of China (OJ L 92, 6.4.2017, p. 68, ELI: http://data.europa.eu/eli/reg_impl/2017/649/oj); Commission Implementing Regulation (EU) 2017/1795 of 5 October 2017 imposing a definitive anti-dumping duty on imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel originating in Brazil, Iran, Russia and Ukraine and terminating the investigation on imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel originating in Serbia (OJ L 258, 6.10.2017, p. 24, ELI: http://data.europa.eu/eli/reg_impl/2017/1795/oj); Commission Implementing Regulation (EU) 2021/1100 of 5 July 2021 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 Turkey (OJ L 238, 6.7.2021, p. 32, ELI: http://data.europa.eu/eli/reg_impl/2021/1100/oj); Commission Implementing Regulation (EU) 2017/969 of 8 June 2017 imposing definitive countervailing duties on imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel originating in the People's Republic of China and amending Commission Implementing Regulation (EU) 2017/649 imposing a definitive anti-dumping duty on imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel originating in the People's Republic of China (OJ L 146, 9.6.2017, p. 17, ELI: http://data.europa.eu/eli/reg_impl/2017/969/oj).

3. DUMPING

3.1. Egypt

3.1.1. *Normal value*

(54) The Commission first examined whether the total volume of domestic sales for Ezz Steel 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 Ezz Steel of the like product on the domestic market were representative.

(55) 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.

(56) The Commission then examined whether the domestic sales by the 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 an identical or comparable 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 that product type to the Union.

(57) The Commission established that the domestic sales of all the product types for each product type that is identical or comparable with a product type sold for export to the Union were representative, except for two product types for which the domestic sales were below 5 % and thus not representative. For these product types, the normal value was constructed in line with the method below.

(58) 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.

(59) 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.

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

(61) The normal value is the actual domestic price per product type of only the profitable domestic sales of the product types during the investigation period, 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 selling price of this product type is below the weighted average unit cost of production.

(62) The analysis of domestic sales showed that more than 80 % of all domestic sales were profitable and that the weighted average sales price was higher than the weighted average unit cost of production. Accordingly, the normal value was calculated as a weighted average of the prices of all domestic sales during the investigation period.

(63) For the two product types which were not sold in representative quantities on the domestic market within the meaning of Article 2(3), first sentence of the basic Regulation, the Commission constructed the normal value in accordance with Article 2(3) and (6) of the basic Regulation.

(64) The normal value was constructed by adding the following to the average cost of production of the like product of the cooperating exporting producer during the investigation period:

(a) the weighted average selling, general and administrative ('SG&A') expenses incurred by the cooperating exporting producer on domestic sales of the like product, in the ordinary course of trade, during the investigation period; and

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

(65) 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.

3.1.2. *Export price*

(66) The exporting producer exported to the Union directly to independent customers or to independent traders and 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.

3.1.3. *Comparison*

(67) 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

3.1.3.1. Adjustments made to the normal value

(68) In order to net the normal value back to the ex-works level of trade, adjustments were made on the account of: transport, insurance, handling, loading, commissions and ancillary costs, where applicable.

(69) Allowances were made for the following factors affecting prices and price comparability: credit cost and bank charges where applicable.

3.1.3.2. Adjustments made to the export price

(70) In order to net the export price back to the ex-works level of trade, adjustments were made on the account of: inland transportation, ocean freight and insurance, and handling and loading.

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

(72) The Commission was made aware by the company of currency conversion issues in Egypt during the investigation period, see Section 1.4.3 above. Considering that the audited accounts of the cooperating exporting producers for the IP were based on the parallel market exchange rate, under a derogation issued by the Egyptian Authorities on 5 September 2023, the parallel exchange rate rather than the official one was used for the purpose of the calculation. Article 2(10)(j) of the basic Regulation provides that the date of sale should 'normally' be the date of invoice, and that the date of contract, purchase order or order confirmation might be used if these more appropriately establish the material terms of sale. Firstly, the Commission considered the parallel market exchange rate fluctuation of the EGP and overall significant fall of the EGP against the USD and the euro. Secondly, the Commission considered the price-setting practices of the Egyptian exporting producer, by which the material terms of sale were settled at the time of the sales contract rather than at the date of invoice for export sales. The Commission therefore used the monthly exchange rate, as reported in the financial statements of the exporting producer, applicable at the time of the sales contract to convert the export price from USD into EGP.

3.1.4. *Dumping margin*

(73) The Commission compared for the exporting producer 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.

(74) On this basis, the provisional weighted average dumping margin expressed as a percentage of the CIF Union frontier price, duty unpaid, calculated for the exporting producer is 12,8 %.

(75) The level of cooperation in the case of Egypt is high because the exports of the cooperating exporting producer 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 only cooperating company.

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

Table 1

Dumping margins

Company	Provisional dumping margin
Ezz Steel Company	12,8 %
All other imports originating in Egypt	12,8 %

3.2. **India**

(77) The two sampled exporting producers cooperated. On the domestic market, both sampled exporting producers sold the like product directly and through related traders. They exported the product concerned to the Union directly to independent customers and through related parties.

3.2.1. *Normal value*

(78) The Commission first examined for each sampled exporting producer whether the total volume of domestic sales 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 in the domestic market represented at least 5 % of its total export sales volume of the product under investigation 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.

(79) 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.

(80) The Commission then examined whether the identical or comparable product types sold by each of the cooperating exporting producers on their domestic market compared with product types sold for export to the Union were representative, in accordance with Article 2(2) of the basic Regulation. The domestic sales of an identical or comparable 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 that product type to the Union.

(81) The Commission established that the domestic sales of all the product types for each product type that is identical or comparable with a product type sold for export to the Union were representative, except for two product types of AMNSIL, and three product types of the JSW Group, for which there were no domestic sales, or the domestic sales were below 5 % and thus not representative. Where there were no domestic sales of a product type of the like product, normal value was constructed because the domestic sales price of the other sampled producer for that product type was also not available. No other sources for domestic prices of that product were available. For these product types, the normal value was constructed in line with the method below.

(82) 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 or whether to disregard the sales outside of the ordinary course of trade by reason of price, in accordance with Article 2(4) of the basic Regulation.

(83) The cost of manufacturing for each sampled exporting producer was adjusted for the so-called 'non-production costs'. These were costs which were considered as non-production costs by the sampled exporting producers, and consequently not allocated to the cost of manufacturing. It was found that these costs, even if not allocated, were costs related to the manufacturing of the product under investigation.

(84) All sampled exporting producers obtained iron ore partly on the Indian market and partly from their captive mines. To comply with the contractual obligations of the mining activity, the sampled exporting producers sold iron ore at a loss to avoid paying penalties or to reduce the penalty cost. The realised loss of iron ore sales was considered as a procurement cost by the Commission and was consequently allocated to the cost of manufacturing.

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

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

(87) The normal value is the actual domestic price per product type of only the profitable domestic sales of the product types during the investigation period, 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 selling price of this product type is below the weighted average unit cost of production.

(88) When a product type was not sold in representative quantities or not sold at all on the domestic market within the meaning of Article 2(3), first sentence of the basic Regulation, the Commission constructed the normal value in accordance with Article 2(3) and (6) of the basic Regulation.

(89) Normal value was constructed per product type by adding the following to the average cost of production of the like product of the investigated exporting producers during the investigation period:

(a) the weighted average selling, general and administrative ('SG&A') expenses incurred by the investigated exporting producers on domestic sales of the like product, in the ordinary course of trade, during the investigation period; and

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

(90) 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. For the product types not sold at all on the domestic market, or where no sales were found in the ordinary course of trade, the weighted average SG&A expenses and profit of all transactions made in the ordinary course of trade on the domestic market were added.

3.2.2. *Export price*

(91) The sampled exporting producers exported to the Union either directly to independent customers or through related traders.

(92) 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.

(93) In addition to direct sales, one sampled exporting producer also sold the product concerned to the Union to related parties, which then further processed the product concerned. For these sales the export price was established in accordance with Article 2(8) of the basic Regulation because the Commission could verify that the prices between related parties were at arm's length and reflected market prices.

3.2.3. *Comparison*

(94) 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

3.2.3.1. Adjustments made to the normal value

(95) In order to net the normal value back to the ex-works level of trade, adjustments were made on the account of: inland transportation and insurance, and handling and loading.

(96) Allowances were made for the following factors affecting prices and price comparability: credit cost and packaging costs.

3.2.3.2. Adjustments made to the export price

(97) In order to net the export price back to the ex-works level of trade, adjustments were made on the account of: inland transportation, ocean freight and insurance, and handling and loading.

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

(99) All sampled exporting producers made a claim under Article 2(10)(b) of the basic Regulation for a duty drawback adjustment, arguing that the existence of a duty drawback scheme for certain raw materials would imply that all their domestic sales would incorporate an indirect tax compared to the export sales. The exporting producers were however unable to demonstrate that the mere existence of the duty drawback scheme would affect price comparability. The exporting producers could not demonstrate that the duty drawback amount was factored in the selling price. This claim could therefore not be accepted.

(100) One sampled exporting producer made a claim under Article 2(10)(k) of the basic Regulation for transport costs between the production plant and the different warehouses in the country. The exporting producer was however unable to demonstrate that an extra transport cost would affect price comparability. The exporting producer could not demonstrate that the extra transport cost did influence the selling price. This claim could therefore not be accepted.

3.2.4. *Dumping*

(101) 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 Articles 2(11) and (12) of the basic Regulation.

(102) On this basis, the weighted average dumping margin expressed as a percentage of the CIF Union frontier price, duty unpaid, calculated for the exporting producer is for the two sampled exporting producers were 0,77 % and 1,76 %, i.e. below the 2 % of the export price, which is *de minimis* threshold set out in Article 9(3) of the basic Regulation. On this basis, the Commission concluded that the country-wide dumping margin was also below *de minimis*. In these circumstances, the Commission intends to terminate the current proceeding as regards imports of the product concerned originating in India, in accordance with Article 9(3) of the basic Regulation.

(103) Interested parties are invited to comment on the Commission's intention to terminate the proceeding vis-à-vis India within 15 days of the publication of this Regulation.

3.3. **Japan**

3.3.1. *Normal value*

(104) To establish the normal value, the Commission first examined whether the total volume of domestic sales for the sampled exporting producers 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 exporting producer of the like product on the domestic market were representative.

(105) 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.

(106) The Commission then examined whether the domestic sales by the sampled exporting producers on the 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 such 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.

(107) The Commission established that the domestic sales of all the product types for each product type that is identical or comparable with a product type sold for export to the Union were representative, except for four product types of Tokyo Steel and two product types of Nippon Steel for which there were no domestic sales, or the domestic sales were below 5 % and thus not representative. Where there were no domestic sales of a product type of the like product, normal value was constructed because the domestic sales price of the other sampled producer for that product type could not be disclosed in a meaningful manner without breaching the confidentiality of that producer. The Commission did not find any other information on the prices of these products. For these non-representative product types, the normal value was constructed in line with the method below.

(108) The Commission next defined the proportion of profitable sales to independent customers on the domestic market for each product type during the investigation period 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.

(109) 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 weighted average unit cost of production.

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

(111) The normal value is the actual domestic price per product type of only the profitable domestic sales of the product types during the investigation period, 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 selling price of this product type is below the weighted average unit cost of production.

(112) The analysis of domestic sales showed that for both sampled exporting producers the volume of profitable sales of some product types during the investigation period represented less than 80 % of the total sales volume of this type. Accordingly, for these product types, the normal value was calculated as a weighted average of the profitable sales only. For all other product types the scenario outlined in recital (109) was applicable, and the normal value was calculated as a weighted average of the prices of all domestic sales during the investigation period.

(113) For the product types of the sampled exporting producers for which there were no or 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.

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

(a) the weighted average selling, general and administrative ('SG&A') expenses incurred by the two exporting producers on domestic sales of the like product, in the ordinary course of trade, during the investigation period; and

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

(115) 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. Where there were no domestic sales of a product type of the like product, normal value was constructed because the domestic sales price of other sampled producer for that product type could not be disclosed in a meaningful manner without breaching the confidentiality of that producer.

(116) The Commission notes that given some shortcomings in the information submitted for one of Nippon Steel's domestic traders and considering the limited volumes of impacted domestic sales, the Commission decided to use information from Nippon Steel and its other related companies as a reference for that domestic trader in order to establish the normal value. Due to the sensitive nature of the relevant data and explanations, further details were provided to Nippon Steel in the specific disclosure.

3.3.2. *Export price*

(117) Nippon Steel exported to the Union either directly to independent customers or through related companies acting as an importer, while Tokyo Steel only exported to the Union directly to independent customers.

(118) 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.

(119) In case the exporting producer exported the product concerned to the Union through related companies acting as importers, the export price was established based on 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.

3.3.3. *Comparison*

(120) 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.

3.3.3.1. Adjustments made to the normal value

(121) In order to net the normal value back to the ex-works level of trade, adjustments were made on the account of: inland transportation; ocean freight and insurance; handling, loading and ancillary costs; and packing.

(122) Allowances were made for the following factors affecting prices and price comparability: credit cost; bank charges; discounts and rebates; after-sales costs; and commissions.

3.3.3.2. Adjustments made to the export price

(123) In order to net the export price back to the ex-works level of trade, adjustments were made on the account of: inland transportation; ocean freight and insurance; handling loading and ancillary costs; packing; and safeguard duties.

(124) Allowances were made for the following factors affecting prices and price comparability: credit cost; bank charges; discounts; after-sales costs; and commissions.

(125) Nippon Steel claimed an additional adjustment to account for an alleged price difference between sales to different sectors, where prices would be on average significantly higher to one sector ('sector A') than another ('sector B'). The suggested adjustment would be based on the average price difference between the two sectors for all sales on the domestic market, without differentiating between sales period, product type or whether the customer was related or independent. The resulting overall price difference in yen per tonne would be deducted from the sales price by multiplying this price difference with the quantity sold to sector A on a transaction basis. During the on-spot verification, Nippon Steel provided some general information explaining why there would normally be a price difference between the two sectors.

(126) However, the company was (a) unable to quantify the underlying elements of the price difference, and only showed an overall price difference (the total average price to sector A minus the total average price to sector B during the investigation period); (b) unable to provide specific documentation explaining the price difference on a product or customer basis; (c) unable to explain why, although for some transactions the price on a product type basis was indeed higher for sector A as alleged by Nippon Steel, for other transactions the price was actually higher for sector B.

(127) In addition, the price difference between sales to the two sectors on a product type basis was inconsistent and ranged from a negative two-digit percentage to a positive two-digit percentage, both monthly as well as during the investigation period as a whole. Moreover, the price difference between the two sectors could differ from month to month. For example, for one product type, the Commission noticed that the price for sector A was indeed more expensive than for sector B in one month, cheaper the next and again more expensive the month after that.

(128) Finally, although the exporting producer Nippon Steel provided information on sales to the two different sectors, the Commission did not receive such information from any of its related entities. Therefore, in addition to the above-mentioned issues, it was not possible to analyse the alleged price difference on the level of the related entities and the impact on the final sales price to independent customers on the domestic market.

(129) For the above reasons, the Commission rejected Nippon Steel's adjustment claim.

3.3.4. *Dumping margin*

(130) 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.

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

Company	Provisional dumping margin
Nippon Steel Corporation	42,5 %
Tokyo Steel Co. Ltd.	6,9 %

(132) 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.

(133) On this basis, the provisional dumping margin of the cooperating exporting producers outside the sample is 32,9 %.

(134) 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. 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 investigation period, as established on the basis of Eurostat.

(135) 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 cooperating sampled company with the highest dumping margin.

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

Table 2

Dumping margins

Company	Provisional dumping margin
Nippon Steel Corporation	42,5 %
Tokyo Steel Co. Ltd.	6,9 %
Other cooperating companies: — Daido Steel Co., Ltd. — JFE Steel Corporation	32,9 %
All other imports originating in Japan	42,5 %

3.4. **Vietnam**

3.4.1. *Normal value*

(137) The Commission first examined whether the total volume of domestic sales of by each cooperating exporting producer (Formosa and Hoa Phat) 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 Formosa and Hoa Phat of the like product on the domestic market were found representative.

(138) 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.

(139) The Commission then examined whether the domestic sales by each cooperating 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.

(140) The Commission established that in case of Formosa, the domestic sales of all the product types for each product type that is identical or comparable with a product type sold for export to the Union were representative. In case of Hoa Phat, the domestic sales of all the product types for each product type that is identical or comparable with a product type sold for export to the Union were representative, except for two product types for which there were no domestic sales, or the domestic sales were below 5 % and thus not representative. Where there were no domestic sales of a product type of the like product, normal value was constructed because the domestic sales price of the other sampled producer for that product type could not be disclosed in a meaningful manner without breaching the confidentiality of that producer. The Commission did not find any other information on the prices of these products. For these product types, the normal value was constructed in line with the method below in this section.

(141) 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.

(142) 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.

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

(144) The normal value is the actual domestic price per product type of only the profitable domestic sales of the product types during the investigation period, 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 selling price of this product type is below the weighted average unit cost of production.

(145) The analysis of domestic sales showed that in case of Formosa, the volume of profitable sales of all the product types represented in the investigation period less than 80 % of the total sales volume of this type. Accordingly, for these product types, the normal value was calculated as a weighted average of the profitable sales only.

(146) In case of Hoa Phat, the sales volume of the product types, 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 the weighted average sales price of that product type was equal to or higher than the unit cost of production. Accordingly, the normal value was calculated as a weighted average of the prices of all domestic sales during the investigation period.

(147) For the product types of Formosa and Hoa Phat for which there were no or 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 according to Article 2(3) of the basic Regulation, the Commission constructed the normal value in accordance with Article 2(3) and (6) of the basic Regulation because the domestic sales price of the other sampled producer for that product type could not be disclosed in a meaningful manner without breaching the confidentiality of that producer. The Commission did not find any other information on the prices of these products.

(148) Normal value was constructed by adding the following to the average cost of production of the like product of Formosa and Hoa Phat during the investigation period:

(a) the weighted average selling, general and administrative ('SG&A') expenses incurred by the two cooperating exporting producers on domestic sales of the like product, in the ordinary course of trade, during the investigation period; and

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

(149) 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. For the product types not sold at all on the domestic market, the weighted average SG&A expenses and profit of all transactions made in the ordinary course of trade on the domestic market were added.

3.4.2. *Export price*

(150) The cooperating exporting producers exported to the Union either directly to independent customers or through a related trader in a third country.

(151) 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.

3.4.3. *Comparison*

(152) 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

3.4.3.1. Adjustments made to the normal value

(153) In order to net the normal value back to the ex-works level of trade, adjustments were made on the account of: inland transportation, ocean freight and insurance, and handling and loading.

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

3.4.3.2. Adjustments made to the export price

(155) In order to net the export price back to the ex-works level of trade, adjustments were made on the account of: inland transportation, ocean freight and insurance, and handling and loading.

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

3.4.4. *Dumping margins*

(157) For the 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.

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

Company	Provisional dumping margin
Formosa Ha Tinh Steel Corporation	12,1 %
Hoa Phat Dung Quat Steel Joint Company	0 %

(159) 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 investigation period, that were established on the basis of the complaint and the information provided by the Government of Vietnam.

(160) The level of cooperation in this case is high because the exports of the cooperating exporting producers constituted almost 100 % of the total imports during the investigation period. On this basis, the Commission decided to establish the dumping margin of all other imports at the level of Formosa.

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

Company	Provisional dumping margin
Formosa Ha Tinh Steel Corporation	12,1 %
Hoa Phat Dung Quat Steel Joint Company	0 %
All other imports originating in Vietnam	12,1 %

4. INJURY

4.1. Definition of the Union industry and Union production

(162) Within the Union, 15 companies provided production and sales data in the standing exercise and indicated that they produced the like product during the investigation period. Based on the information available in the complaint, these 15 companies were representing around 86 % of the production of the like product in the Union.

(163) Apart from these 15 companies, there were 7 other companies producing the like product during the investigation period.

(164) The total Union production during the investigation period was established at around 59,1 million tonnes. The Commission established the figure on the basis of all the available information concerning the Union industry, such as information from the complainant and from all known producers in the Union.

(165) As indicated in recital (28), three Union producers were selected in the sample representing 34 % of the total Union production of the like product and 35 % of estimated total EU sales quantity of the like product.

(166) The Union producers accounting for the total Union production constitute the 'Union industry' within the meaning of Article 4(1) of the basic Regulation and are referred to as the 'Union industry'.

(167) The business model of the Union producers and their degree of vertical integration varies. Nevertheless, the Union industry can overall be characterised as an industry with a high degree of vertical integration, as Union producers were found to be at the same time suppliers of the like product to importers and users and themselves competitors of the same independent importers, users and Steel Service Centres ('SSC') as mentioned in recital (302).

4.2. Union consumption

(168) As mentioned in recital (46), the product under investigation falls within a number of CN codes including certain ex codes. In order not to underestimate Union consumption, and in view of the apparent marginal impact of such codes on total consumption, import volumes of CN ex codes have been fully accounted for the purpose of calculating Union consumption.

(169) As the Union industry is mostly vertically integrated and the product under investigation is regarded as a primary material for the production of various value added downstream products, such as cold-rolled products, hot dip galvanised coils, hot rolled steel sheets, strips and cut-to-length or coated hot rolled sheets, the captive and free market consumptions were analysed separately.

(170) 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.

(171) To provide a picture of the Union industry that is as complete as possible, the Commission obtained data for the entire activity of the like product and determined whether the production was destined for captive use or for the free market.

4.2.1. *Captive consumption on the Union market (tonnes)*

(172) 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 3

Captive consumption on the Union market (tonnes)

	2021	2022	2023	Investigation period
Captive Consumption	39 224 645	33 094 190	33 000 256	33 143 141
Index (2021=100)	*100*	*84*	*84*	*84*

Source: Eurofer questionnaire reply.

(173) It was established that 56,1 % of the Union production of HRF is dedicated to the captive market whilst the remaining 43,9 % is sold under free market conditions.

(174) During the period considered the Union captive consumption on the Union market decreased by around 16 %. This decrease is mainly due to a reduction of the demand in captive markets, including manufacturing parts such as for the automotive and construction industries.

(175) One exporting producer argued that the share of captive consumption (i.e. internal transfers for further processing of the product under investigation without invoicing and entering into free market, and 'captive sales at non-arm's length transactions with related companies for further processing) in the overall production of hot-rolled flat steel products should be considered. In the view of this exporting producer this would have strong impact on the final injury determination, particularly since a different approach has been applied to the employment trends or profitability margins.

(176) One user argued that several Union producers of hot-rolled flat steel products being vertically integrated and their captive use and sales of the like product accounting for some 50 % of the total production, in fact, the Union producers' share in terms of EU (free) consumption accounted for more than 70 %.

(177) The Commission has closely examined the question of 'captive use' and 'captive sales' which is highly relevant in the investigation at hand. It has considered sales in the open market and captive sales separately in its injury assessment.

(178) The Commission notes that while some of the Union producers have related companies either trading or processing the like product, also their sales to these related entities are done at arm's length and that these related entities are allowed to purchase from all suppliers, including those from the countries concerned and not just from a related primary steel makers and all these purchases are done at market price. Thus, not all sales between related parties were considered captive sales and included in the volume or value thereof.

4.2.2. *Free market consumption on the Union market (tonnes)*

(179) The Commission established the Union free market consumption on the basis of (a) the sales on the Union market of all known producers in the Union; and (b) the imports into the Union from all third countries as reported by Eurostat ([8]), thereby also considering the data submitted by the cooperating exporting producers in the countries concerned. On this basis, the Union free market consumption developed as follows:

Table 4

Union free market consumption (tonnes)

	2021	2022	2023	Investigation period
Free market Consumption	[33 097 951 – 39 993 358]	[28 245 156 – 34 452 883]	[30 127 073 – 36 275 456]	[31 192 346 – 37 690 752]
Index (2021=100)	*100*	*90*	*89*	*94*

Source: Eurofer questionnaire reply, sampled Union producers, Eurostat.

(180) According to information provided by the Union industry, during the period considered, the Union free market consumption decreased in the investigation period by around 6 %.

4.2.3. *Overall consumption*

(181) Overall consumption – the sum of captive and free market consumption – evolved as follows during the period considered:

Table 5

Union overall consumption (free and captive market) (tonnes)

	2021	2022	2023	Investigation period
Overall Union Consumption	[75 785 251 – 91 095 403]	[60 606 914 – 73 927 115]	[62 726 141 – 75 931 644]	[62 426 794 – 75 709 091]
Index (2021=100)	*100*	*87*	*86*	*87*

Source: Eurofer questionnaire reply, sampled Union producers.

(182) The above table shows that the overall consumption in 2022 dropped by 13 % as compared to 2021. Captive consumption represented almost 56,1 % of overall consumption in the investigation period.

4.3. **Imports from the countries concerned**

4.3.1. *Cumulative assessment of the effects of imports from the countries concerned and import volumes and import prices from the countries concerned*

([8]) EUROSTAT data were amended to reflect the export volume reported by the Vietnamese exporting producers for the investigation period.

(183) After initiation three exporting producers from Egypt and Japan, as well as users, contested the Commission's initial decision to cumulatively assess imports from the four countries concerned arguing that:

(a) The volume exported from Egypt were negligible and followed a different pattern of imports in the EU. These exports remained stable during the period considered increasing by only 5 % during the period considered when comparing with combined hot rolled flat steel products imports of the countries concerned. In addition, as mentioned in recital (6) above, the Egyptian producers argued that it had a very low production capacity compared to other exporting countries, including the countries concerned and has already reached its maximum production capacity.

(b) The hot rolled flat steel products manufactured and exported from Japan to the EU were readily distinguishable by their high-quality from the products produced in the other countries concerned, as well as the like Union product, and were not subject to the same, or even similar conditions of distribution/sale.

(c) The total production capacity available in Japan was declining and was lower than the EU total production capacity. Furthermore, Japanese exports of hot rolled flat steel products to the EU did not follow the same trend as the trend of cumulative exports.

(184) On the basis of the above, these interested parties alleged that the cumulative conditions set out in Article 3(4) of the basic Regulation were not met with regard to exports from Egypt and Japan.

(185) The Commission examined whether imports of the product concerned originating in the countries concerned should be assessed cumulatively, in accordance with Article 3(4) of the basic Regulation.

(186) That provision stipulates that the imports from more than one country shall be cumulatively assessed only if it is determined that:

(a) the margin of dumping established in relation to the imports from each country is more than *de minimis* as defined in Article 9(3) and that the volume of imports from each country is not negligible; and

(b) a cumulative assessment of the effects of the imports is appropriate in light of the conditions of competition between imported products and the like Union product.

(187) The Commission rejected the arguments put forward by the three exporting producers on the following grounds:

(a) Article 3(4) of the basic Regulation refers to the negligibility, without setting a threshold. While Article 3(4) does not incorporate by reference those thresholds, Article 5(7) of the basic Regulation may serve as guidance for defining negligible import volumes, in a case-by-case analysis under Article 3(4). In this particular case, imports of the product under investigation originating in the countries concerned accounted individually for at least 2,5 % of market share in the investigation period and for more than 8 % when considered together in the investigation, as reported in Table 6. Therefore, the Commission concluded they were not negligible under Article 3(4) of the basic Regulation.

(b) The applicant did not produce evidence that those products had different physical characteristics or that they were not interchangeable. The differences between the countries concerned stemmed from variations in production processes between the producers in the countries concerned, not from the quality of the products. Also, the investigation revealed that users were buying significant volumes of the product under investigation of the same quality of steel from multiple countries concerned. The quality of the imports originating in Japan was also similar to that of some EU producers.

(c) The margin of dumping established in relation to the imports from Egypt, Japan and Vietnam 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 were [2,2 – 2,7] %, [1,7 – 2,3] % and [1,1 – 1,4] %, respectively.

The volumes of imports from Egypt, Japan and Vietnam were assessed to be not negligible within the meaning of Article 3(4) of the basic Regulation. Egypt, Japan and Vietnam held, in the investigation period with a total market share of [8,0 – 8,5] %.

(d) The Commission also noted that the basic Regulation does not foresee any condition related to production capacity or capacity utilisation.

(188) The Commission therefore concluded that all criteria set out in Article 3(4) were met for the two countries concerned and provisionally confirmed that Egypt, Japan and Vietnam should be examined cumulatively for the purposes of the injury determination.

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

(189) The Commission established the volume of imports on the basis of data provided by Eurostat, and, in the case of Vietnam, on the basis of the export volumes reported by the exporting producers (see Table 6). Market shares were established by comparing import volumes with the Union free market consumption as reported in Table 4.

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

Table 6

Import volume (tonnes) and market share

	2021	2022	2023	Investigation period
EGYPT				
Volume of imports from Egypt	[757 029 – 914 743]	[508 554 – 614 503]	[738 891 – 888 162]	[741 336 - 906 077]
Market share Egypt	[2,2 – 2,7]%	[1,3 – 1,8]%	[2,0 – 2,5]%	[2,3 – 2,8]%
JAPAN				
Volume of imports from Japan	592 624	1 049 208	1 072 332	1 080 049
Market share Japan	[1,7 – 2,3]%	[3,2 – 3,7]%	[3,0 – 3,5]%	[2,9 – 3,4]%
VIETNAM				
Volume of imports from Vietnam (excluding Hoa Phat)	[376 064 – 452 812]	[391 091 – 475 197]	[791 275 – 956 124]	[791 008 – 957 536]
Market share Vietnam (excluding Hoa Phat)	[1,1 – 1,4]%	[1,3 – 1,6]%	[2,5 – 3,1]%	[2,4 – 2,9]%
COUNTRIES CONCERNED				
Volume of imports from the countries concerned	[1 676 689 – 2 029 676]	[1 801 528 – 2 219 425]	[2 457 927 – 2 988 514]	[2 654 306 – 3 201 585]
Market share countries concerned	[4,9 – 5,4]%	[6,0% –6,5]%	[8,4 – 8,9]%	[8,0 – 8,5]%
Index (2021=100)	*100*	*119*	*159*	*156*

Source: Eurostat and verified questionnaire replies Formosa and Hoa Phat. Market shares were established by comparing import volumes with the Union free market consumption as reported in Table 2.

(191) The above table shows that, in absolute figures, imports from the countries concerned increased during the period considered. In parallel, the total market share of their imports into the Union went up by almost 3 percentage points (from [4,9 – 5,4] % in 2021 to [8,0 – 8,5] %, or an increase by 56 %) during the period considered.

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

(192) The Commission established the prices of imports on the basis of Eurostat data.

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

Table 7

Import prices (EUR/tonne)

	2021	2022	2023	Investigation period
EGYPT				
Average price of Egyptian dumped imports	826	916	706	696
Index (2021=100)	*100*	*111*	*85*	*84*
JAPAN				
Average price of Japanese dumped imports	854	891	688	678
Index (2021=100)	*100*	*104*	*81*	*79*
VIETNAM				
Average price of Vietnamese dumped imports (excluding Hoa Phat)	[785 – 943]	[727 – 885]	[644 – 776]	[622 – 754]
Index (2021=100)	*100*	*100*	*84*	*83*
COUNTRIES CONCERNED				
Average price of the dumped imports from the countries concerned	[819 – 985]	[798 – 973]	[630 – 763]	[645 – 780]
Index (2021=100)	*100*	*106*	*83*	*82*

Source: Eurostat.

(194) The Commission assessed the price undercutting during the investigation period by comparing: the weighted average sales prices per product type of the three Union producers charged to unrelated customers on the free Union market, adjusted to an ex-works level; and the corresponding weighted average prices at CIF Union frontier level per product type of the imports from the cooperating producers of the countries concerned to the first independent customer on the Union market, established on a Cost, Insurance, Freight (CIF) basis, with appropriate adjustments for post-importation costs.

(195) 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.

(196) On the basis of the above, the dumped imports from the majority of the sampled exporting producers concerned were found to undercut the Union industry prices in a range between – 0,0 % and 10,1 % as can be seen in the table below.

Table 8

Undercutting margins

Country	Company	Undercutting margins
EGYPT		
	EFS&EZDK group	0%
JAPAN		
	Nippon Steel Corporation	10,1%
	Tokyo Steel Co. Ltd.	10,4%
VIETNAM		
	Formosa Ha Tinh Steel Corporation	3,3%

(197) The bulk of the product concerned is very price-sensitive and competition is largely based on price. In addition, prices are known in the market through various specialised websites. The investigation revealed that only a portion of the orders are based on fixed duration contracts, customers having always the possibility to switch from one supplier to another in a quite volatile market. In such context, with exception of Egypt, the undercutting margins are considered significant. The investigation also revealed that the Union industry's prices were suppressed by the low priced imports originating in Egypt, which followed similar trends and trade patterns.

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

4.4.1. *General remarks*

(198) 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.

(199) As mentioned in recital (28), sampling was used for the determination of possible injury suffered by the Union industry.

(200) 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, available official statistics (Eurostat) and exporting producers' data as far as Vietnam is concerned. 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. The data related to the sampled Union producers. Both sets of data were found to be representative of the economic situation of the Union industry.

(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.

(201) 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.

(202) These factors are on the one hand: sales, market share, unit prices, unit cost, profitability, and cash flow. However, other economic indicators could meaningfully be examined only by referring to the whole activity, including the captive use of the Union industry.

(203) These factors are: 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 ([9]).

(204) The Consortium claimed that the Union industry of hot-rolled flat steel products was already over protected by anti-dumping and safeguard measures. In the last eight years, anti-dumping and anti-subsidy measures have been taken against imports of the product under investigation from several exporting countries such as China, Russia, Brazil, Iran, Ukraine and Türkiye. The measures against Ukraine were allowed to expire in 2023. Furthermore, the safeguard regime was recently modified with the setting of a cap limiting at 15 % imports of countries covered by the Tariff-Rate-Quotas (TRQs), such as, e.g. Vietnam, Egypt and Japan.

(205) It should be noted that anti-dumping and safeguard measures pursue different purposes. Anti-dumping and anti-subsidy measures address unfair pricing situation, whilst safeguard measures cover import volumes (i.e. threat of serious injury due to rapid increase of import volumes). Moreover, the Commission addressed these claims of double remedy in the so-called 'double remedy regulation' ([10]). The Commission previously rejected similar arguments on double remedies based on the fact that the safeguard regulations ensure that when imports exceed the volume of free-of-duty Tariff-Rate-Quotas, then only those imports may be subject to the applicable anti-dumping and/or countervailing duty so that it does not lead to an effect on trade greater than desirable.

4.4.2. *Macroeconomic indicators*

4.4.2.1. Production, production capacity and capacity utilisation

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

Table 9

Production, production capacity and capacity utilisation

	2021	2022	2023	Investigation period
Production volume (tonnes)	70 393 719	60 844 987	59 352 805	59 119 252
Index (2021=100)	*100*	*86*	*84*	*84*
Production capacity (tonnes)	93 650 041	93 399 984	93 292 683	93 419 713

([9]) ECJ, Case C-315/90 Gimelec v Commission EU:C:1991:447, paragraphs 16 to 29; Report of the WTO Appellate Body 24.7.2001, WT/DS184/AB/R, para 181 to 215.

([10]) Regulation (EU) 2019/287 of the European Parliament and of the Council of 13 February 2019 implementing bilateral safeguard clauses and other mechanisms allowing for the temporary withdrawal of preferences in certain trade agreements concluded between the European Union and third countries (OJ L 53, 22.2.2019, p. 1, ELI: http://data.europa.eu/eli/reg/2019/287/oj).

	2021	2022	2023	Investigation period
Index (2021=100)	*100*	*100*	*100*	*100*
Capacity utilisation	75 %	65 %	64 %	63 %
Index (2021=100)	*100*	*87*	*85*	*84*

Source: Eurofer questionnaire reply.

(207) During the period considered, the Union industry's production volume decreased about 11,274 million tonnes (– 16 %) as a consequence of the combined decrease in sales in the free and captive markets

(208) The reported capacity figures refer to technical capacity, which implies that adjustments, considered as standards by the industry, for set-up time, maintenance, bottle necks and other normal stoppages have been taken into consideration The production capacity remained stable during the period considered

(209) The capacity utilisation rate decreased during the period considered, ranging between 63 % and 75 % in line with the decrease in production volume.

4.4.2.2. Sales volume and market share

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

Table 10

Sales volume and market share of the Union industry on the free market

	2021	2022	2023	Investigation period
Sales volume in the Union free market (tonnes)	27 729 413	25 319 395	24 045 946	23 570 313
Index (2021=100)	*100*	*91*	*87*	*85*
Market share	72,2 %	73,6 %	70,8 %	70,2 %
Index (2021=100)	*100*	*102*	*98*	*97*

Source: Eurofer questionnaire reply and Eurostat.

(211) The Union industry sales volume in the Union free market (excluding captive sales) decreased by 15% during the period considered from 27,729 million tonnes to 23,570 million tonnes.

(212) During the period considered, the Union industry's market share in terms of Union consumption went down by 2 percentage points, from 72,2 % to 70,2 %. The decrease in sales volume in the Union free market and the loss of Union industry's market share significantly exceeded the decrease of consumption in the Union free market, which is an indicator of the deterioration of the competitive position of the Union steel producers.

(213) As far as the captive market in the Union is concerned, the captive volume and market share developed over the period considered as follows:

Table 11

Captive volume on the Union market and market share

	2021	2022	2023	Investigation period
Captive volume in the Union market (tonnes)	39 224 645	33 094 190	33 000 256	33 143 141
Index (2021=100)	*100*	*84*	*84*	*84*
Total production of Union industry (tonnes)	70 393 719	60 844 987	59 352 805	59 119 252
Index (2021=100)	*100*	*86*	*84*	*84*
% of captive volume compared to total production	55,7%	54,4%	55,6%	56,1%

Source: Eurofer questionnaire reply.

(214) The Union industry captive volume (composed of captive transfers and captive sales in the Union market) in the Union market in absolute figures went down by more than 16 %, from 39,224 million tonnes to 33,143 million tonnes during the period considered.

(215) The share of the captive use (expressed as a percentage of total production) of the Union industry remained stable over the period considered, ranging between 55,7 % to 56,1 %.

4.4.2.3. Employment and productivity

(216) The employment was calculated by taking only the employees directly working for the like product in the different primary steel makers of the Union producers This method provided accurate data.

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

Table 12

Employment and productivity

	2021	2022	2023	Investigation period
Number of employees	42 145	40 632	36 856	38 047
Index (2021=100)	*100*	*96*	*87*	*90*
Productivity (tonne/employee)	1 670,2	1 497,4	1 610,3	1 553,8
Index (2021=100)	*100*	*90*	*96*	*93*

Source: Eurofer questionnaire reply.

(218) The level of the Union industry employment decreased during the period considered in order to reduce production costs and gain efficiency in view of the increasing competition from the imports from the countries concerned and from other imports on the market. This resulted in a reduction of workforce by 9,7 % during the period considered, without taking into consideration any indirect employment. As a consequence, and in view of the decrease of production volume (– 16,0 %) over the period considered, the productivity of the Union industry's workforce, measured as output per person employed per year, decreased less (– 7,0 %) than the decrease in actual production. This shows that the Union industry was willing to adapt to the changing market conditions in order to remain competitive.

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

(219) With the exception of one exporting producer in Vietnam, 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 not negligible, given the volume and prices of imports from the countries concerned.

4.4.2.5. Growth

(220) The Union consumption (free market) decreased by 6 % during the period considered, however the sales volume of the Union industry on the Union market decreased even more by 15 %. The Union industry thus lost market share, contrary to the market share of the imports from the countries concerned which increased during the period considered.

4.4.3. *Microeconomic indicators*

4.4.3.1. Prices and factors affecting prices

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

Table 13

Sales prices on the free market in the Union

	2021	2022	2023	Investigation period
Average unit sales price in the Union on the total market (EUR/ tonnes)	759	990	778	769
Index (2021=100)	*100*	*130*	*102*	*101*
Unit cost of production (EUR/ tonnes)	687	886	839	814
Index (2021=100)	*100*	*129*	*122*	*118*

Source: Questionnaire reply of sampled Union producers.

(222) 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. Average sales prices were first higher than the average unit costs of production in 2021 and 2022. The situation reversed in 2023 and the IP where the unit costs of production became higher than the average sales prices.

(223) The extraordinary situation of one of the sampled producers whereby its production was substantially reduced during the IP due to a longer period of maintenance of one its furnace than originally planned is explained in recitals (254) to (256). The additional costs generated by this situation, were not considered in the determination of the evolution of the costs of production.

(224) The COVID-19 crisis affected the market demand and prices to a lesser extent in 2021 and 2022, when comparing with 2023 and the investigation period which showed a negative trend illustrated by a sharp decrease in prices resulting from a decrease in steel demand.

(225) Despite the efforts of the Union industry to reduce cost (see recital (218)), the cost of production remained significantly higher than the decreasing sales prices in 2023 and the investigation period. In order to limit the loss in market share, the Union producers followed the downward price spiral and reduced their sales price significantly, in particular during 2023 and the investigation period. As the product under investigation is a commodity, Union producers had to follow the decreasing price spiral.

(226) Among the sampled producers, certain hot-rolled flat products of iron, non-alloy or other alloy steel for captive use steel were transferred or delivered at transfer prices for further downstream processing into different products using different pricing / costing policies (cost and/or cost plus) which could not be considered as falling under free market conditions. Therefore, no meaningful conclusion can be drawn from captive use price or from cost evolution. When sales between related parties were made at arm's length as described in recital (177), they were taken into account in the calculation of the average unit sales price on the free Union market reported in Table 13.

4.4.3.2. Labour costs

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

Table 14

Average labour costs per employee

	2021	2022	2023	Investigation period
Average labour costs per employee (EUR)	82 734	77 979	92 410	86 923
Index (2021=100)	*100*	*94*	*112*	*105*

Source: Questionnaire reply of sampled Union producers.

(228) During the period considered, the average wage per employee went up by 5 % mostly to due external factors such as the high rate of inflation. The increase in 2023 was due to the severance payments that had to be booked following the reduction in headcount.

4.4.3.3. Inventories

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

Table 15

Inventories

	2021	2022	2023	Investigation period
Closing stocks (tonnes)	537 978	591 841	645 521	669 764

	2021	2022	2023	Investigation period
Index	*100*	*110*	*120*	*124*
Closing stocks as a percentage of production	3,8%	4,7%	5,2%	5,4%
Index (2021=100)	*100*	*124*	*136*	*141*

Source: Questionnaire reply of sampled Union producers.

(230) The level of inventories increased during the period considered, following an opposite trend to that of the production volume. Although such inventories represent an important amount of financial resources in absolute terms, they remained at a reasonable level when expressed as a percentage of the production volume.

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

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

Table 16

Profitability, cash flow, investments and return on investments

	2021	2022	2023	Investigation period
Profitability of sales in the Union free market (% of sales turnover)	12,4%	14,1%	– 5,1%	– 3,0%
Index (2021=100)	*100*	*113*	*- 41*	*- 24*
Cash flow (EUR)	763 849 964	860 448 884	- 313 097 226	- 307 289 972
Index (2021=100)	*100*	*113*	*- 41*	*- 40*
Investments (EUR)	374 726 305	351 764 473	558 256 760	527 217 213
Index (2021=100)	*100*	*94*	*149*	*141*
Return on investments	39,2%	40,2%	– 19,4%	– 18,4%
Index (2021=100)	*100*	*102*	*- 49*	*- 47*

Source: Questionnaire reply of sampled Union producers.

(232) 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. In 2021 and 2022, due to the aftermath of the COVID-19 crisis, the Union industry could achieve some profit. However, during the second half of the investigation period, the profitability developed negatively. Losses were incurred in 2023 and in the investigation period.

(233) As shown in Table 13, after sales prices increased significantly in 2022, the unit sales price decreased sharply going back to the level achieved in 2021. Unit costs of production did not follow a similar trend and remained at a much higher level leading to a loss of – 5,1 % in 2023 and – 3,0 % during the investigation period.

(234) Despite the deteriorating situation, the Union industry continued to invest significant amounts. Such investments were made mainly to replace existing equipment, which pertains to the normal activity of a company active in a capital intensive industry, where such investments are required. The Union industry also invested in green transition, in order to reduce its CO_2 footprint.

(235) The net cash flow is the ability of the Union producers to self-finance their activities. The trend in net cash flow deteriorated a lot during the period considered going down from positive to negative unsustainable levels, as a consequence of the deteriorating profitability and increased level of inventories.

(236) The return on investments is the profit in percentage of the net book value of investments. Return on investment deteriorated and reached negative levels in 2023 and the investigation period following the negative profitability trend. The sampled Union producers' ability to raise capital was affected by the losses incurred during the period considered as can be seen from the investments that had to be postponed (see recital (277) addressing the issue of foregone investments).

4.5. **Conclusion on injury**

(237) The Union industry as a whole could not maintain its production and sales volumes and improve its capacity utilisation rate due to the reduction in captive and free consumption. The production and sales volumes actually decreased more than the consumption on the Union market. In view of the decreasing production, the Union industry took concrete actions to improve efficiency by keeping a tight grip on cost of production (mainly raw materials and labour costs) and by increasing the production per employee when the situation of the Union industry started to deteriorate. Nonetheless, the cost of production increased by 18 % when the unit sales price remained stable, with the exception of the year 2022, during the period considered. Consequently, the profitability of the Union industry deteriorated significantly going from 12 % in 2021 and 2022, when the Union industry benefitted from the recovery of the economy after the COVID-19 crisis, to a loss-making situation in 2023 and the IP. The sampled Union producers could still make investments throughout the period considered showing its dynamism against a deteriorating financial situation.

(238) In the light of the foregoing, it is concluded at this stage that the above data show that the Union industry has suffered material injury during the period considered within the meaning of Article 3(5) of the basic Regulation.

5. **CAUSATION**

(239) 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. 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. Finally, the import volumes concerning India and the Vietnamese exporter Ha Tinh Steel Corporation, for which no dumping was found, were not considered in the analysis of the causal link between the imports from the countries concerned and the Union industry, but when analysing other potential causes of injury.

(240) The factors considered by the Commission were:

— Effects of the dumped imports from Egypt, Japan and Vietnam,

— Low capacity utilisation,

— Export sales performance of the Union producers,

— Imports from other third countries than the countries concerned,

— Imports from the countries concerned by the Union industry,

— The impact of the situation of a sampled Union producer on the injury picture,

— Increase in the cost of the main raw materials, energy costs and environmental investments,

— Reduced demand.

5.1. Effects of the dumped imports from Egypt, Japan and Vietnam

(241) Sales prices of the exporting producers decreased significantly during the period considered from 828 EUR/tonne on average in 2021 to 679 EUR/tonne during the investigation period. By continuously lowering their unit sales price during the period considered, exporting producers from Egypt, Japan and Vietnam were able to increase their market share from [4,9 – 5,4] % in 2021 to [8,0 – 8,5] % in the investigation period, as shown in Table 6. There was also a substantial increase in the volume of imports from the countries concerned in 2023 when compared to the previous year: from [1 676 689 – 2 029 676] to [2 654 306 – 3 201 585] tonnes in 2023.

(242) The Commission found that the increasing volumes and the sharp decrease in the prices of imports from the countries concerned during the period considered caused injury to the Union industry. This is because, faced with the aggressive pricing strategy of the exporting producer of the countries concerned, Union producers had no choice but to also decrease prices and to sell at a loss in order to maintain a certain level of sales volume and market share. Moreover, the current measures against imports of hot-rolled flat steel products from China and Russia in particular have allowed the countries concerned to, while lowering their unit sales price during the period considered, increase their market share previously taken by the Chinese exporting producers. This had, consequently, a negative impact on the industry's profitability, which reached the unsustainable level of – 3,0 % during the investigation period. Furthermore, the Commission also noted that the sharp increase in imports from countries concerned combined with dumped prices that were either undercutting and/or suppressing the Union industry prices, which coincided with the significant deterioration of the situation of the Union industry in 2023 and continued in the investigation period.

5.2. Low capacity utilisation

(243) While alleging that there was no causal link between the injury and the imports from the countries concerned, Hoa Phat Group argued that the capacity utilisation of the Union industry was already low at the beginning of the period considered, although the market share of the countries concerned was between [4,9 – 5,4] %.

(244) In fact, the production capacity utilisation rates was much higher in 2021 (75%) than in 2023 or the investigation period when it dropped to less than 65 % as a consequence of the increase in imports from the countries concerned and decrease in demand. Whether the EU industry's capacity utilisation would have been higher in 2021 in the absence of any imports from the countries concerned is irrelevant and in no way denotes that injury would have not been caused by their dumped imports. On the contrary, the coincidence in time between the increase of dumped imports and the decrease in capacity utilisation suggests that the dumped imports were the cause of the decrease in capacity. This claim was therefore rejected.

5.3. Export sales performance of the Union producers

(245) The volume of exports of the sampled Union producers developed over the period considered as follows:

Table 17

Export sales of the Union producers

Total exports to unrelated customers	2021	2022	2023	Investigation period
Total exports (EUR)	650 898 419	633 788 344	473 973 825	477 671 676
Index (2021=100)	*100*	*97*	*73*	*73*

Total exports to unrelated customers	2021	2022	2023	Investigation period
Total exports (tonnes)	736 702	659 023	577 824	590 812
Index (2021=100)	*100*	*89*	*78*	*80*
Average unit price (EUR/tonnes)	883	961	820	808
Index (2021=100)	*100*	*109*	*93*	*92*

Source: Questionnaire reply of sampled Union producers.

(246) The complainant argued that its export performance could not be the cause of the injury suffered by the Union industry. The investigation revealed that, export sales of the sampled Union producers accounted for only about 15,4 % of their total sales in the free market during the investigation period and an even smaller proportion of total production (4,7%) in the same period. Second, whilst the exports of the Union industry to unrelated customers decreased significantly, they followed a similar pattern as the overall Union consumption which decreased by 11 % between 2022 and 2023 as shown in recital (179). Third, the export prices were mostly at a higher level than its prices on the Union free market (+ 38 EUR/tonne in the investigation period) and followed the same trend.

(247) The Commission concluded that the export sales performance of the Union producers contributed to the injury of the Union industry. However, it found that this factor did not attenuate the causal link due to the limited volumes involved and the parallel trend followed by export sales.

5.4. **Imports from countries other than the countries concerned**

(248) Marcegaglia, Al Ezz Dekheila Steel Company S.A.E , Hoa Phat Group argued that the complainant failed to examine appropriately the impact of imports of the product under investigation from South Korea and Taiwan in its complaint. In their views, a proper examination of volume and value trends confirmed that these imports should have been necessarily taken into account in both the injury and in the dumping analysis contained in the complaint.

(249) Nippon and JFE Steel Corporation claimed that, first, the lower market share of the Complainant was directly linked to an increase in imports from Taiwan and South Korea, which have collectively increased their market share by over 5,5 %. Second, the poor export performance by the complainant could explain the steepest and most significant decline in terms of injury indicators provided in the Complaint. The Union industry's export sales volume fell by 31 % over the period considered.

(250) Considering the above and the provisional conclusions drawn in Sections 3.2 and 3.4, the Commission analysed the evolution of imports from third countries including India and Vietnam, as far as Hoa Phat is concerned. The volume of imports from other third countries developed over the period considered as follows:

Table 18

Volumes, unit prices and market shares from third countries

Country	2021	2022	2023	Investigation period
India				
Volume of imports from India	1 376 560	658 720	1 063 077	1 376 471
Index (2021=100)	*100*	*48*	*77*	*100*

Country	2021	2022	2023	Investigation period
Unit import prices from India	678	966	698	685
Index (2021=100)	*100*	*143*	*103*	*101*
Market share in total Union import volume	4,0%	2,1%	3,5%	4,2%

South Korea

Volume of imports from South Korea	471 645	728 997	810 335	745 900
Index (2021=100)	*100*	*155*	*172*	*158*
Unit import prices from South Korea	773	957	729	723
Index (2021=100)	*100*	*124*	*94*	*93*
Market share in total Union import volume	1,4 %	2,3 %	2,6 %	2,3 %

Taiwan

Volume of imports from Taiwan	702 961	845 353	1 045 768	1 038 571
Index (2021=100)	*100*	*120*	*149*	*148*
Unit import prices from Taiwan	773	922	716	702
Index (2021=100)	*100*	*119*	*93*	*91*
Market share in total Union import volume	2,0 %	2,7 %	3,4 %	3,2%

Country	2021	2022	2023	Investigation period
Vietnam (Hoa Phat)				
Volume of imports from Vietnam (Hoa Phat)	0	[33 856 – 36 489]	[645 812 – 660 826]	[763 125 – 789 249]
Index (2021=100)	-	*100*	*1 852*	*2 189*
Unit import prices from Vietnam (Hoa Phat)	-	[680 – 690]	[601- 625]	[586 – 614]
Index (2021=100)	-	*100*	*89*	*87*
Market share in total Union import volume	-	[0,1% – 0,2%]	[1,9% – 2,3%]	[2,2% – 2,5%]
Total of all third countries except the countries concerned				
Volume of imports from all other countries	7 831 765	[6 186 523 – 6 189 156]	[6 334 027 – 6 346 041]	[6 952 714 - 6 978 838]
Index (2021=100)	*100*	*79*	*81*	*89*
Average unit import prices from all other countries	755	915	702	687
Index (2021=100)	*100*	*121*	*93*	*91*
Market share of all third countries except the countries concerned				
Market share in total Union import volume	[21,7 – 23,1]%	[19,9 - 20,0]%	[20,4 – 20,7]%	[21,2 - 21,5]%
Market share of all third countries including the countries concerned				
Market share in total Union import volume	[27,8 - 28,0]%	[26,2 - 26,5]%	[29,1 - 29,6]%	[29,7 - 30,2]%

Source: Eurostat, Formosa, Hoa Phat.

(251) The investigation revealed that imports from India, South Korea, Taiwan and Vietnam (Hoa Phat) increased over the period considered both in absolute and relative terms On the contrary, the Commission observed that the imports from other third countries not concerned by this investigation decreased even more over the same period so that imports from all third countries not covered by this investigation overall decreased. In parallel, imports from the countries concerned increased significantly.

(252) The Commission also analysed the evolution of import prices from third countries. Except for the year 2021, the average import prices from third countries were on average higher than the import prices from the countries concerned. On this basis, the Commission considered that the evolution of imports from third countries did not attenuate the causal link.

5.5. **Imports from the countries concerned by the Union industry**

(253) Nippon and JFE Steel Corporation alleged that the complainant did not address the issue of the Union industry's own imports of HRF into the EU and simply stated, without further evidence, that this factor was not such as to impact the causal link. With regard to purchases of the product concerned done by Union producers' related entities from the countries concerned, the investigation revealed that since these entities act on an arm's length basis and that such imports concerned very limited quantities, these imports cannot break the causal link.

5.6. **Impact of the situation of a sampled Union producer on the injury picture**

(254) One sampled company was faced with an extraordinary situation in the investigation period, which reduced temporarily its production capacity due to a longer period of maintenance of one its furnaces than originally planned. This exceptional situation aggravated the reduction of the production of this company during the period considered. This event, however, does not explain the reduction in the overall production levels of the Union industry (– 11,3 million tonnes) during the period considered. Indeed, this producer had anticipated the maintenance with higher production volume to compensate for the period of maintenance to come. Hence, also considering the large number of other Union producers with spare capacity which were able to produce and sell relatively more to 'fill the gap', such extraordinary situation did not have a bearing on the production level of the Union industry in the period considered.

(255) The Commission also ensured that the costs reported by the sampled Union producer concerned were adjusted not to be impacted by such extraordinary situation.

(256) The Commission therefore concluded that this extraordinary situation did not contribute to the injury caused to the Union industry.

5.7. **Increase in cost of the main raw materials, energy prices and environmental investments**

(257) Nippon Steel, JFE Steel Corporation, Marcegaglia, Al Ezz Dekheila Steel Company S.A.E and Hoa Phat Group alleged that the Union producers were not sufficiently competitive due to comparatively higher manufacturing costs stemming from higher raw material costs, higher energy costs and also referred to inflation and to investments in decarbonisation efforts made by the Union industry to comply with more stringent environmental standards.

(258) With regard to energy, they argued that the cost increases were exacerbated by the consequences of Russia's unjustified and unprovoked war of aggression against Ukraine. Alternatively, they argued that the structurally high energy costs in the EU compared to virtually all other major steel producing countries was putting the EU steel industry at a serious competitive disadvantage in comparison to many other steel producers.

(259) The investigation revealed that the cost of the main raw material as shown in table 19 increased substantially in 2022 before going down in 2023 and the IP. The Union industry could transfer the increase in cost of production to its customers in 2021 and 2022, leading to a sudden and significant rise in the unit sales price. In 2023, the cost of raw material per ton of finished product decreased significantly. However, the level of prices on the Union market decreased even more so that the Union industry had to absorb the cost differential. The year 2023 and the IP coincide with the increase in import volume from the countries concerned, which was exacerbated by the accompanying sharp decrease in prices.

Table 19

Cost of raw materials (iron ore, coking coal and certain alloys)

	2021	2022	2023	Investigation period
Total costs (EUR)	5 286 595 383	6 050 962 798	5 195 661 057	5 089 341 440
Index (2021=100)	*100*	*114*	*98*	*96*
Average unit price (EUR/tonnes)	372	482	416	406
Index (2021=100)	*100*	*129*	*112*	*109*

Source: Questionnaire reply of sampled Union producers

(260) The Commission therefore concluded that under fair market conditions, the Union industry could have maintained its sales price levels so as to reap the benefits of a reduction in costs as from 2023 and remain profitable. Therefore, the Commission rejected the claim that the worldwide increase in the raw material prices contributed to the injury suffered by the Union industry.

(261) The impact of the cost of energy was closely examined. Although important, energy is not the main cost component for producing the product under investigation. Also, the arguments on energy costs could not be reconciled with the fact that the sampled Union producers were still able to achieve profits of more than 10 % in 2022, when this alleged comparative disadvantage in cost terms would also have existed. Considering the limited share of energy costs in the total cost of production (on average 8 % for the sampled producers in the investigation period), the Commission concluded that the increase in energy costs did not contribute to the material injury found during the investigation period.

(262) The impact of investments driven by environmental compliance was also examined and the Commission provisionally found that R&D and innovation investments related to environmental compliance remained broadly stable during the period considered. The Commission thus concluded that the costs incurred by the EU industry to comply with environmental regulation did not contribute to the material injury found.

5.8. **Reduced demand**

(263) Marcegaglia, Formosa, Al Ezz Dekheila Steel Company S.A.E and Hoa Phat Group claimed that the considerable decline in demand in the EU market was not considered by the complainant in its causality analysis.

(264) The investigation revealed that although market demand decreased over the period considered, imports from the countries concerned followed an opposite trend and increased in absolute terms by close to 1 million tonnes, consequently gaining significant market share to the detriment of the Union industry. The Commission also noted that the Union industry's situation was better in 2022 than in the investigation period although consumption was at a lower level than in the investigation period. Thus, the Commission concluded that the decrease in demand for HRF did not contribute to the injury suffered by the Union industry.

5.9. **Conclusion on causation**

(265) A causal link was established between the dumped imports from Egypt, Japan and Vietnam on the one hand and the injury suffered by the Union industry on the other hand. There was a coincidence in time between the sharp increase in the volume of dumped imports at continuously decreasing sales prices from Egypt, Japan and Vietnam and the worsening of the Union's performance, which became obvious in 2023. The Union industry had no other choice but to follow the price level set by the dumped imports in order to avoid losing further market share. This resulted in a deterioration of the situation of the Union industry as showed by various macro and micro indicators such as profitability, sales volume, market share, employment and cash flow. In parallel, the Union industry was unable to benefit from anti-dumping and countervailing measures applicable to imports from various countries and also imposed during the period considered (see recital (53)).

(266) The Commission has found that other factors that may have had an impact on the situation of the Union industry were the export sales performance of the Union producers and the imports from countries other than the countries concerned.

(267) 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 the other factors, considered individually or collectively, did not attenuate the causal link between the dumped imports and the material injury.

6. **LEVEL OF MEASURES**

(268) As stated 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. In the course of the investigation, the complainant requested the Commission to extend the application of Article 7(2a) to Egypt and Japan as well.

(269) However, the additional request did not contain sufficient evidence of the distortions listed in Article 7(2a) of the basic Regulation and therefore did not justify an amendment to the Notice of Initiation and subsequent investigation regarding potential raw material distortions for Egypt and Japan.

(270) Due to the finding of *de minimis* levels of dumping for India and the Commission's intention to terminate this proceeding against India in accordance with Article 9(3) of the basic Regulation, the claim concerning raw material distortions in India became moot.

(271) Thus, the Commission assessed the injury elimination measure under 7(2a) for Vietnam, and under 7(2) for Egypt and Japan.

6.1. **Vietnam**

(272) In order to conduct the assessment on the appropriate level of measures for Vietnam, the Commission first established the underselling (that is, what would be the injury margin in the absence of distortions under Article 7(2a) of the basic Regulation) for the Vietnamese exporting producer found to be dumping. Then it examined whether its dumping margin was higher than its injury margin.

(273) In the absence of raw material distortions, the injury would be removed if the Union Industry was able to obtain a target profit by selling at a target price in the sense of Articles 7(2c) and 7(2d) of the basic regulation.

(274) In this regard, the complainant considered that a reasonable target profit should range between 10 % and 15 %, whilst several interested parties argued that it should range between 6 and 8 %.

(275) In accordance with Article 7(2c) of the basic Regulation, for establishing the target profit, the Commission took into account the following factors: the level of profitability before the increase of imports from the country concerned, the level of profitability needed to cover full costs and investments, research and development (R&D) and innovation, and the level of profitability to be expected under normal conditions of competition. Such profit margin should not be lower than 6%. With regard to the level of profitability before the increase of imports from the countries concerned, it was not possible to establish a profit margin on the basis of any of the years prior to the increase thereof, as in those years the Union industry suffered an influx of dumped imports from other origins. Also, the years 2021 and 2022 were found to be heavily influenced by the post COVID-19 economic recovery and did not appear appropriate to set the target profit. Therefore, none of these years could qualify as a year with a normal competitive situation on the Union market.

(276) Thus, the Commission considered more appropriate to use the profitability level of 6,8 % reached in 2017 as found in the HRF case against Türkiye ([11]).

(277) The EU Industry provided evidence that its level of investments, research and development (R&D) and innovation during the period considered would have been higher under normal conditions of competition. The Commission verified this information during the on-spot verification visits by checking the company's internal records relating to investment plans, management decisions and financial statements. Indeed, the claims of the EU Industry were found to be warranted. To reflect this in the target profit, the Commission calculated the difference between investments, R&D and innovation ('IRI') expenses under normal conditions of competition as provided by the EU Industry and verified by the Commission with actual IRI expenses over the period considered. Based on verified information regarding investments which could not be implemented during the period considered, the target profit margins were increased by up to 1,05 % depending on the sampled producers.

(278) Hence, the target profit which was established in this investigation and in accordance with Article 7(2c) of the basic Regulation ranged between 6,8 % and 7,85 % according to the situation found in each of the sampled companies.

(279) 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.

(280) 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 in a range between EUR 15,28/tonne and EUR 41,12/tonne, in comparison with the cost of compliance with such conventions during the investigation period. This additional cost was added to the non-injurious price.

(281) The Commission then determined the injury elimination level on the basis of a comparison of the import price of the exporting producer in Vietnam 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. 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.

Country	Company	Dumping margin (%)	Underselling margin (%)
Vietnam	Formosa Ha Tinh Steel Corporation	12,1%	27,0%
Vietnam	All other imports originating in Vietnam	12,1%	27,0%

([11]) Implementing Regulation (EU) 2021/1100.

(282) Having found that the underselling was higher than the dumping, the analysis of the raw material distortions became moot as the anti-dumping duty cannot be higher than actual dumping.

(283) According to the evidence in the complaint, exports of iron ore and coking coal that respectively accounted for [30-40 %] and [26-39 %] of the cost of production Vietnam, were subject to export duties.

(284) In its analysis of the distortions of Article 7(2a) of the basic Regulation, as stated in the Notice of Initiation, the Commission examined all distortions covered by that provision.

(285) The Commission first identified the main raw materials used in the production of the product concerned by each of the cooperating exporting producers. As main raw materials were considered those raw materials which were likely to represent at least 17 % of the cost of production of the product concerned.

(286) The investigation confirmed that both iron ore and coking coal were among the main raw materials used in the production of the product concerned and that they each accounted for more than 17 % of the cost of production of each of the exporting producer. During the investigation period, both companies however imported both iron ore and coke from several different suppliers and countries, due to an inexistant or insufficient domestic production, and the generally low quality of the domestic production. Therefore, the purchase prices by the exporting producers of these two raw materials were not found affected by domestic prices and could not be subject to domestic distortions.

(287) The Commission concluded that the existence of distortions on the iron ore and coking coal could not be established.

6.2. **Japan and Egypt**

(288) In relation to Japan and Egypt, the injury suffered by the Union industry would be removed if Union producers were able to obtain a target profit by selling at a target price in the sense of Articles 7(2c) and 7(2d) of the basic regulation.

(289) To establish the injury elimination level for those countries, the Commission used the same methodology described in recitals (275) to (281). The injury margins for each of the sampled exporting producers are listed below. For 'other cooperating companies' and for 'all other imports originating in Japan' the injury margins were set in the same manner as the respective dumping margins (see recitals (132) to (135)).

Country	Company	Injury margin (%)
Egypt	Ezz Steel Company	18,2 %
Egypt	All other imports originating in Egypt	18,2 %
Japan	Nippon Steel Corporation	31,8 %
Japan	Tokyo Steel Co. Ltd.	29,3 %
Japan	Other cooperating companies: — Daido Steel Co., Ltd. — JFE Steel Corporation	31,1 %
Japan	All other imports originating in Japan	31,8 %

7. UNION INTEREST

(290) 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 and consumers.

7.1. Interest of the Union industry

(291) The Union industry is located in several Member States (France, Germany, Czech Republic, Slovak Republic, Italy, Luxembourg, Belgium, Poland, The Netherlands, Austria, Finland, Sweden, Portugal, Hungary and Spain), and employs around 38 047 employees, directly working for the like product in the different primary steel makers of the Union producers (see recital (216)).

(292) Fifteen 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.

(293) Anti-dumping measures against imports from the countries concerned are expected to restore fair trade conditions on the Union market and enable the Union industry to obtain sustainable profitability levels for such a capital intensive industry. As a result, Union producers are expected to recover from the injurious situation, further invest and reach their different commitments, including social and environmental ones.

(294) The non-imposition of measures would mean heavier losses within the Union industry, endanger its viability and probably lead to the closure production facilities and dismissals.

(295) The Commission therefore concluded at this stage that the imposition of anti-dumping duties would be in the interest of the Union industry.

7.2. Interest of unrelated importers

(296) As mentioned in recital (31) 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. However, several importers which were grouped in the Consortium came forward by providing general comments on Union interest.

(297) The Consortium is an ‘ad hoc’ organisation which was formed for the purpose of defending the interest of certain users, SSC as well as importers of the product under investigation following the initiation of the investigation at hand.

(298) The Consortium submitted comments opposing to the imposition of duties arguing that they would lead to (i) lack of adequate supply from European steel mills which nominal capacity is much higher than their actual capacity; (ii) unbearable cost increase for downstream industries; (iii) competitive disadvantage of users vis à vis the related users (i.e. SSC related to primary steel makers); and (iv) distortions of the worldwide supply chain since users and steel service centres would be put at a clear disadvantage vis-à-vis their competitors in third countries. In addition, one hearing was held on their request.

(299) The Consortium claimed that it accounted for more than 50 % of the total imports of the product under investigation from the countries concerned and that the imposition of antidumping duties would have severe negative effects on users/importers' business activities. HRF is the main raw material used by users in the production of downstream products. It is the main cost item for them, and they are strongly relying on imports from third countries to supply users and SSC in the Union.

(300) As mentioned in recital (298), the members of the Consortium were also directly competing with the Union industry which is processing the product concerned on a captive sale or use basis for similar downstream products sold in the free market. Since the Consortium represented both the interests of two users which cooperated in the investigation, these claims were therefore analysed in more details in the next chapter.

7.3. **Interest of users**

(301) Two users, based in Italy (Marcegaglia Carbon Steel Spa) and Spain (Network Steel S.L.), with imports from the countries concerned and producing inter alia tubes, pipes and downstream steel products came forward and provided a questionnaire reply. The product concerned/like product was a major cost item for these users. Other users came forward but did not provide a questionnaire reply. Both Network Steel S.L. and Marcegaglia Carbon Steel Spa were opposed to the initiation as well as the possible imposition of measures.

(302) Union users compete with the related companies of the Union producers on the downstream markets of the product under investigation. They use the product under investigation as a raw material for the manufacture of downstream products such as cold-rolled flat, coated steel, hollow sections, welded tubes and profiles in different qualities, and also use it as industrial output for a variety of applications, including construction, shipbuilding, gas containers and pressure vessels.

(303) The activity of the steel industry is closely linked to the economic cycle, and is significantly affected by the general economic conditions, consumption trends as well as the global production capacity and the fluctuations in the international trade of steel and the tariffs imposed.

(304) Several parties raised competitiveness and competition-related issues. An exporting producer argued that the imposition of measures against the countries concerned would lead to an (enhanced) oligopoly in the Union, while unrelated users complained that Union producers place independent SSC and users in a less competitive situation than the related ones. The complainants contested the second claim on the grounds that their transactions with related SSC are at arm's length.

(305) The Commission found the oligopoly claim unjustified in light of the number of steel-producing mills and groups in the Union as mentioned in recital (317). Union producers show healthy competition amongst them and will continue competing with imports from third countries, which will not stop.

(306) As to the second claim, the Commission deemed the claim unfounded namely to the extent the Union industry supplies significant quantities to the independent SSC and users that provided questionnaire replies, both on arm's length price.

(307) The two users claimed that their business was highly dependent of imports, not only in terms of volumes, but also on certain types of raw material with high quality and thickness characteristics that the Union industry was either not able to produce, with some few exceptions, or not willing, as it would lower the productivity of the hot rolled production line. Furthermore, they alleged that third country suppliers were particularly reliable. The investigation however revealed that they would be able to source these products from other exporting producers in third countries like India or Vietnam, which were found not be dumping, as well as exporting producers from countries like South Korea or Taiwan. Their respective estimated capacity production of HRF was respectively of 21,8 million tonnes and 12,5 million tonnes in 2023.

(308) The users alleged that due to the increase of the price of their raw material and the scarcity of the product concerned on the free market, resulting from the application of measures against the countries concerned, users would not be able to compete on equal footing with exporting producers of downstream products produced from the product under investigation in third countries.

(309) Furthermore, according to the same users, exporting producers in the countries concerned could be tempted to concentrate on exports of value-added steel products made from the product concerned such as galvanised coils, pre-painted coils, cold-rolled coils, welded tubes, etc. should measures be applied against HRF.

(310) Finally, SSC located in the Union might relocate their production of downstream products in third countries, which could severely endanger the economic sustainability of unrelated users, such as re-rollers, tube producers, service centres, that also provide the Union downstream markets with capillarity, service orientation and employ, directly and indirectly, thousands of workers.

(311) These two users alleged that the imposition of measures on imports from the countries concerned would lead to a situation whereby they would no longer have access to reliable sources of supply of the product under investigation on the Union market, in particular of high quality coils used for re-rolling. They alleged that Union producers have still relatively high market share and they can exercise a strong pressure both on the market of the product under investigation as on the downstream market.

(312) In order to decide whether the imposition of measures was in the Union interest the Commission considered the situation of other interested parties, the users, namely the Steel service centres (SCC). Steel service centres are companies that deal with the service-related activities of the steel industry. They act as an intermediary between primary steel makers, steel distributors and consumers, offering value-added services such as cutting, slitting, and shaping steel products according to customer specifications. According to EUROMETAL ([12]), in 2023, 150 SCC groups or companies processed flat metal products with an estimated shipment capacity of 31,3 million tons. The sector provides more than 20 000 direct and indirect jobs in the EU. Independent SSCs are estimated to have a market share of 48 %, the rest belonging to primary steel makers owned SSC or primary steel makers' partners' SSC. Primary steelmakers and steel processors are in competition also with third country imports and therefore, share the challenges and concerns caused by global overcapacity.

(313) First, the Commission noted that the objective of anti-dumping duties is not to close the Union market from any imports, but to restore fair trade by removing the effect of injurious dumping. Imports from the countries concerned are therefore not expected to come to an end, but to continue, albeit at non-dumped prices.

(314) Second, the Commission found that the users were not exclusively dependent on imports from the countries concerned, but also purchased the like product during the investigation period from Union producers as well as from producers found not to be dumping in third countries such as India, Vietnam, South Korea and Taiwan.

(315) Third, because most of imports from the countries concerned are expected to continue after the imposition of anti-dumping duties, and since alternative sources of supply with no anti-dumping measures will still remain (South Korea, Taiwan and India), the claim that the imposition of anti-dumping duties would result in the Union industry being able to exercise strong price pressure is unfounded. The Union industry consists of 22 producers which provide users with a wide range of supply already within the Union, in addition to the option of imports from third countries which produce and export the like product.

([12]) European Federation of steel tubes and metals distribution and trading. Members are the national federations of steel, metals and tubes distribution as well as distribution, Steel Service Centres and trading companies having cross border activities in European OECD countries.

(316) Furthermore, according to industry specialised sources ([13]) whilst tariff-free quotas under the safeguard measures applicable to steel products ([14]) were exceeded for some third countries like Vietnam, Japan and Taiwan, other countries such as India or South Korea, however, remained underutilised, leaving scope for importers to diversify their sources to maintain supply. In fact, according to the steel market analysis company MEPS International, '*many importers have already been able to diversify their supply chain. HRFS import volumes have increased since the introduction of the 15 % "other countries" cap. This apparent uptick [.] helped to maintain downward pressure on hot rolled coil prices recorded by MEPS in the second half of last year'(2024).* Therefore, the Commission rejected the claim that the imposition of measures would lead to a shortage of supply of the product concerned/like product.

(317) Furthermore, with the existence of several producers belonging to different groups headquartered in various countries, the market cannot be considered as highly concentrated or even controlled by a limited number of large steel producers. In fact, the presence of several undertakings players in the market indicates a highly competitive environment.

(318) There was no evidence that independent users and traders were put in an unfavourable negotiating position vis-à-vis Union producers, nor that users would be forced to relocate production outside the EU. Moreover, as mentioned above, the purpose of antidumping measures is not to suppress competition from imports, but merely to ensure that they are traded on fair terms, i.e. at non-dumped prices. Imports can continue to enter the EU after imposition of measures; they would, however, be sold at fair prices.

(319) The Commission also concluded that anti-dumping measures would not strengthen the position of EU producers at the expense of downstream sectors. With a competitive market and the availability of spare capacity among EU producers, contrary to what was argued by the users, prices should remain competitive.

(320) It was noted that the estimated total Union production capacity of HRF is over 90 million tonnes and thus significantly exceeds the Union consumption (free and captive), which has been estimated at around 66 million tonnes. It is therefore highly unlikely that maintaining the measures would lead to any scarcity of supply.

(321) Finally, the investigation also revealed that the users that provided a questionnaire reply actually performed better than the Union industry as far as the processing and resale of the product under investigation is concerned during the investigation period and most of the period considered despite the competitive market conditions on the EU market.

(322) Although the profitability of the cooperating users was more favourable than that of the Union industry, they had to cope with the following factors:

(a) The price volatility of the product under investigation, with high spot market prices at the beginning of the investigation period and an abrupt decrease at the end.

(b) The contraction of the demand for downstream products in the EU was due to the slowdown of some industry segments like automotive, construction or 'white' goods sectors.

(c) The similar price evolution pattern for downstream products of Hot Rolled coils (which are the main type of the product concerned) such as the Cold Rolled coils, Hot Dip Galvanised Coils, but also, hot rolled steel sheets, strips and cut-to-length or coated hot rolled sheets prices.

(323) In comparison, the situation of the EU producers is even more fragile since they cannot raise prices without risking a loss of sales to competitors offering lower prices, whether EU producers or imports, particularly since hot rolled flat steel products are a price-sensitive commodity. Users would easily shift to alternative, more affordable supplies.

([13]) MEPS International – Global Steel Prices, Edition January 2025.

([14]) 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).

(324) As far as the impact of measures on the users is concerned, the Commission considered that the users could already cope with the existence of safeguard measures amounting to 25 %, once the duty-free quotas were exhausted, without showing losses thanks to their flexibility, leaner cost structure and ability to offer products with a higher added value and profit margin.

(325) On this basis and considering the relatively similar level of the proposed duties, the existence of alternative sources of supply, the Commission concluded that the effects of a potential imposition of duties on users would not be significant and do not outweigh the positive effects of measures on the Union industry. Indeed, the above analysis rather shows that the imposition of duties would have a limited impact on users of HRF.

7.4. **Conclusion on Union interest**

(326) 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 certain hot-rolled flat products of iron, non-alloy or other alloy steel originating in Egypt, Japan and Vietnam at this stage of the investigation.

8. **PROVISIONAL ANTI-DUMPING MEASURES**

(327) On the basis of the conclusions reached by the Commission on dumping, injury, causation, level of measures and Union interest, provisional measures should be imposed to prevent further injury being caused to the Union industry by the dumped imports.

(328) Provisional anti-dumping measures should be imposed on imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel originating in Egypt, Japan and Vietnam, in accordance with the lesser duty rule in Article 7(2) of the basic Regulation. The Commission compared the injury margins and the dumping margins (see recital (288)). The amount of the duties was set at the level of the lower of the dumping and the injury margins.

(329) On the basis of the above, the provisional anti-dumping duty rates, expressed on the CIF Union border price, customs duty unpaid, should be as follows:

Country	Company	Provisional anti-dumping duty
Egypt	Ezz Steel Company	12,8 %
Egypt	All other imports originating in Egypt	12,8 %
Japan	Nippon Steel Corporation	31,8 %
Japan	Tokyo Steel Co. Ltd.	6,9 %
Japan	Other cooperating companies: — Daido Steel Co., Ltd. — JFE Steel Corporation	31,1 %
Japan	All other imports originating in Japan	31,8 %
Vietnam	Formosa Ha Tinh Steel Corporation	12,1 %
Vietnam	Hoa Phat Dung Quat Steel Joint Company	0 %
Vietnam	All other imports originating in Vietnam	12,1 %

(330) 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 with respect to these companies. These duty rates are exclusively applicable to imports of the product concerned originating in the countries concerned and produced by the named legal entities. Imports of the product concerned produced by any other company not specifically mentioned in the operative part of this Regulation, including entities related to those specifically mentioned, should be subject to the duty rate applicable to 'all other imports originating in [country concerned]'. They should not be subject to any of the individual anti-dumping duty rates.

(331) To minimise the risks of circumvention due to the difference in duty rates, special measures are needed to ensure the application of the individual anti-dumping duties. The 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 [country concerned]'.

(332) While presentation of this invoice is necessary for the customs authorities of the Member States to apply the individual rates of anti-dumping duty to imports, it is not the only element to be taken into account by the customs authorities. Indeed, even if presented with an invoice meeting all the requirements set out in Article 1(3) of this Regulation, the customs authorities of Member States must carry out their usual checks and may, like in all other cases, require additional documents (shipping documents etc.) for the purpose of verifying the accuracy of the particulars contained in the declaration and ensure that the subsequent application of the lower rate of duty is justified, in compliance with customs law.

(333) Should the exports by one of the companies benefiting from lower individual duty rates increase significantly in volume after the imposition of the measures concerned, such an increase in volume could be considered as constituting in itself a change in the pattern of trade due to the imposition of measures within the meaning of Article 13(1) of the basic Regulation. In such circumstances and provided the conditions are met an anti-circumvention investigation may be initiated. This investigation may, inter alia, examine the need for the removal of individual duty rate(s) and the consequent imposition of a country-wide duty.

9. **REGISTRATION**

(334) As mentioned in recital (3), the Commission made imports of the product concerned subject to registration. Registration took place with a view to possibly collecting duties retroactively under Article 10(4) of the basic Regulation.

(335) In view of the findings at provisional stage, the registration of imports should be discontinued.

(336) No decision on a possible retroactive application of anti-dumping measures has been taken at this stage of the proceeding.

10. **INFORMATION AT PROVISIONAL STAGE**

(337) In accordance with the basic Regulation, the Commission informed interested parties about the planned imposition of provisional duties. This information was also made available to the general public via DG TRADE's website. Interested parties were given three working days to provide comments on the accuracy of the calculations specifically disclosed to them. Following comments received from NSC and EZZ, the Commission made corrections to the calculations where warranted. Comments following pre-disclosure with respect to methodological or other aspects of the investigation, not related to the accuracy of the calculations, will be considered at the definitive stage of the investigation.

11. **FINAL PROVISIONS**

(338) In the interests of sound administration, the Commission will invite the interested parties to submit written comments and/or to request a hearing with the Commission and/or the Hearing Officer in trade proceedings within a fixed deadline.

(339) The findings concerning the imposition of provisional duties are provisional and may be amended at the definitive stage of the investigation,

HAS ADOPTED THIS REGULATION:

Article 1

1. A provisional anti-dumping duty is imposed on imports of certain flat-rolled products of iron, non-alloy steel or other alloy steel, whether or not in coils (including 'cut-to-length' and 'narrow strip' products), not further worked than hot-rolled, not clad, plated or coated, currently falling under CN codes 7208 10 00, 7208 25 00, 7208 26 00, 7208 27 00, 7208 36 00, 7208 37 00, 7208 38 00, 7208 39 00, 7208 40 00, 7208 52 10, 7208 52 99, 7208 53 10, 7208 53 90, 7208 54 00, 7211 13 00, 7211 14 00, 7211 19 00, ex 7225 19 10 (TARIC code 7225 19 10 90), 7225 30 90, ex 7225 40 60 (TARIC code 7225 40 60 90), 7225 40 90, ex 7226 19 10 (TARIC codes 7226 19 10 91, 7226 19 10 95), 7226 91 91 and 7226 91 99 originating in Egypt, Japan and Vietnam.

The following products are excluded:

(1) products of stainless steel and grain-oriented silicon electrical steel;

(2) products of tool steel and high-speed steel;

(3) products, not in coils, without patterns in relief, of a thickness exceeding 10 mm and of a width of 600 mm or more; and

(4) products, not in coils, without patterns in relief, of a thickness of 4,75 mm or more but not exceeding 10 mm and of a width of 2 050 mm or more.

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

Country of origin	Company	Provisional anti-dumping duty	TARIC additional code
Egypt	Ezz Steel Company	12,8 %	89M8
Egypt	All other imports originating in Egypt	12,8 %	8999
Japan	Nippon Steel Corporation	31,8 %	89M9
Japan	Tokyo Steel Co. Ltd.	6,9 %	89MA
Japan	Other cooperating companies: — Daido Steel Co., Ltd. — JFE Steel Corporation	31,1 %	 89MB 89ME
Japan	All other imports originating in Japan	31,8 %	8999
Vietnam	Formosa Ha Tinh Steel Corporation	12,1 %	89MC
Vietnam	All other imports originating in Vietnam	12,1 %	8999

3. Anti-dumping duties are not applicable to the Vietnamese exporting producer Hoa Phat group/Hoa Phat Dung Quat Steel Joint Company, consisting of Hoa Phat Dung Quat Steel Joint Company, Hoa Phat Cold Rolled Steel Company Limited, Hoa Phat Steel Sheet Limited Liability Company, Hoa Phat Steel Pipe Company Limited – Hung Yen branch, Binh Duong Hoa Phat Steel Pipe Company Limited and Hoa Phat Da Nang Steel Pipe Company Limited (TARIC additional code 89MD).

4. 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 (product concerned) sold for export to the European Union covered by this invoice was manufactured by (company name and address) (TARIC additional code) in [Egypt, Japan or Vietnam]. 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 [Egypt, Japan or Vietnam] shall apply.

5. The release for free circulation in the Union of the product referred to in paragraph 1 shall be subject to the provision of a security deposit equivalent to the amount of the provisional duty.

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

Article 2

1. Interested parties shall submit their written comments on this regulation, including on the Commission's intention to terminate the current proceeding vis-à-vis India, to the Commission within 15 calendar days of the date of entry into force of this Regulation.

2. Interested parties wishing to request a hearing with the Commission shall do so within 5 calendar days of the date of entry into force of this Regulation.

3. Interested parties wishing to request a hearing with the Hearing Officer in trade proceedings are invited to do so within 5 calendar days of the date of entry into force of this Regulation. The Hearing Officer may examine requests submitted outside this time limit and may decide whether to accept to such requests if appropriate.

Article 3

1. Customs authorities are hereby directed to discontinue the registration of imports established in accordance with Article 1 of Implementing Regulation (EU) 2024/2719.

2. Data collected regarding products which entered the EU for consumption not more than 90 days prior to the date of the entry into force of this Regulation shall be kept until the entry into force of possible definitive measures, or the termination of this proceeding.

Article 4

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

Article 1 shall apply for a period of six months.

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

Done at Brussels, 4 April 2025.

For the Commission
The President
Ursula VON DER LEYEN