COMMISSION IMPLEMENTING REGULATION (EU) 2022/1167

of 6 July 2022

amending Implementing Regulation (EU) 2021/633 imposing a definitive anti-dumping duty on imports of monosodium glutamate originating in the People's Republic of China and in Indonesia following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council following a partial interim review

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 11(3) thereof,

Whereas:

1. PROCEDURE

1.1. Previous investigations and measures in force

(1) By Council Regulation (EC) No 1187/2008 ([2]), the Council imposed definitive anti-dumping duties on imports of monosodium glutamate ('MSG') originating in the People's Republic of China ('China', the 'PRC' or the 'country concerned') ('the original investigation').

(2) On 21 January 2015, following an expiry review in accordance with Article 11(2) of the basic Regulation, pursuant to Commission Implementing Regulation (EU) 2015/83 ([3]), the Commission decided to maintain the measures as established in the original investigation.

(3) On 14 April 2021, following a second expiry review in accordance with Article 11(2) of the basic Regulation, pursuant to Commission Implementing Regulation (EU) 2021/633 ([4]), the Commission decided to maintain the level of the anti-dumping duties as established in the original investigation and as confirmed by Commission Implementing Regulation (EU) 2015/83.

(4) The definitive anti-dumping duties currently in force range from 33,8 % to 39,7 %.

1.2. Name change request

(5) In January 2019, a Chinese exporting producer, Tongliao Meihua Bio-Tech Co., Ltd allegedly changed its name to Tongliao Meihua Biological Sci-Tech Co., Ltd.

(6) The company is one of the two related exporting producers pertaining to Meihua Group, together with Hebei Meihua MSG Group Co., Ltd, that currently benefits from an individual duty rate of 33,8 % under TARIC additional code A883. Tongliao Meihua Biological Sci-Tech Co., Ltd requested therefore to reflect the change of its name for the application of the existing individual duty rate of 33,8 %.

(7) The supporting documentation provided by Tongliao Meihua Biological Sci-Tech Co., Ltd to justify the request showed, however, that the Meihua Group underwent an important structural reorganisation well beyond a simple name change. Therefore, it was considered that the individual dumping margin established for the original entities (Hebei Meihua MSG Group Co., Ltd and Tongliao Meihua Bio-Tech Co., Ltd or 'Meihua Group') under TARIC additional code A883 may no longer be appropriate.

([1]) OJ L 176, 30.6.2016, p. 21.
([2]) OJ L 322, 2.12.2008, p. 1.
([3]) OJ L 15, 22.1.2015, p. 31.
([4]) OJ L 132, 19.4.2021, p. 63.

(8) Based on the above, the Commission considered that there was sufficient evidence that the circumstances leading to the imposition of the existing measures on the two related exporting producers of Meihua Group during the original investigation had changed. It further concluded that that these changes were of a lasting nature.

1.3. **Initiation of a partial interim review**

(9) Based on the information mentioned in recital 8, on 24 January 2022, the Commission decided on its own initiative to initiate a partial interim review of the anti-dumping measures applicable to imports of monosodium glutamate originating in China pursuant to Article 11(3) of the basic Regulation and published a Notice initiating a partial interim review in the *Official Journal of the European Union* (the 'Notice of Initiation') ([5]). A Corrigendum to the Notice of Initiation of 24 January 2022 was published on 22 March 2022 ([6]).

(10) The partial interim review was limited in scope to the examination of dumping as far as the two Chinese exporting producers of Meihua Group, Tongliao Meihua Bio-Tech Co., Ltd and Hebei Meihua MSG Group Co., Ltd (TARIC additional code A883), were concerned.

1.4. **Review investigation period**

(11) The investigation of dumping covered the period from 1 January 2021 to 31 December 2021 ('the review investigation period').

1.5. **Interested parties**

(12) In the Notice of Initiation, interested parties were invited to contact the Commission in order to participate in the review. In addition, the Commission specifically informed the two exporting producers of Meihua Group, the sole Union producer, and the Government of China about the initiation of the review and invited them to participate.

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

1.5.1. *Questionnaire replies*

(14) The Commission sent questionnaires to the two exporting producers of Meihua Group and to the authorities of the country concerned. The Commission did not receive any questionnaire replies, neither from the two exporting producers of Meihua Group nor from the authorities of the country concerned.

2. **PRODUCT SUBJECT TO THIS REVIEW AND LIKE PRODUCT**

(15) The product subject to this review is the same as in the original investigation and in the following reviews mentioned in recitals 2 and 3, i.e. monosodium glutamate originating in the People's Republic of China and currently falling under CN code ex 2922 42 00 (TARIC code 2922 42 00 10).

(16) As in the original investigation and the following reviews mentioned in recitals 2 and 3, the Commission found that the product produced in the PRC and exported into the Union and the product produced and sold in the Chinese domestic market have the same basic physical, technical and chemical characteristics and the same basic end-uses. They were therefore considered to be like products within the meaning of Article 1(4) of the basic Regulation.

([5]) OJ C 35, 24.1.2022, p. 12.
([6]) OJ C 129, 22.3.2022, p. 18.

3. NON-COOPERATION

(17) As mentioned in recital 14, on 24 January 2022, the Commission sent the questionnaire for exporting producers to the two known Chinese exporting producers of Meihua Group and the questionnaire on the existence of significant distortions within the meaning of Article 2(6a)(b) of the basic Regulation to the Government of China. The Commission did not receive any reply nor any other reaction from either of the exporting producers or from the authorities of the country concerned.

(18) By letter of 7 April 2022, the Commission informed the two known Chinese exporting producers of Meihua Group that, in absence of cooperation and in accordance with Article 18 of the basic Regulation, findings would be made based on facts available and invited them to comment. No comments were received from either of the two exporting producers of Meihua Group. No explanation was given for this lack of cooperation.

(19) Likewise, the Commission informed the Mission of the People's Republic of China to the European Union that it intended to apply Article 18(1) of the basic Regulation and base its findings with regard to dumping of the two exporting producers of Meihua Group and the existence of significant distortions on the facts available in the file. It invited the Mission of the People's Republic of China to the European Union to comment. The Commission received no comments.

(20) Given the absence of cooperation, the Commission considered that the partial interim review proceeding should be decided based on facts available in this investigation. Regarding the specific situation of the Meihua Group, the Commission relied on the relevant evidence submitted in the context of the request for a name change, which led to the initiation of the interim review.

(21) In its request for a change of name, it appeared that one of the exporting producers within the Meihua Group, namely Tongliao Meihua Bio-Tech Co., Ltd, changed its name to Tongliao Meihua Biological Sci-Tech Co., Ltd. However, according to the documentation provided in support to the name change application, the Commission further considered that the changes within the Meihua Group went well beyond a name change.

(22) First, the applicant informed the Commission that in 2008 the other exporter of the Meihua Group, i.e. Hebei Meihua MSG Group Co., Ltd, had also changed its name. The current name of this company is Meihua Holdings Group Co., Ltd. The applicant explained that Meihua Holdings Group Co., Ltd did not notify the Commission of this fact because, at that time, the Meihua Group was reorganizing its business to form a group of companies and the outcome of this reorganization was not very clear, especially for the sale activity. In the documentation submitted in support of the name change application, the applicant stated that Meihua Holdings Group Co., Ltd started to sell the product concerned only on the domestic market.

(23) Second, the applicant added that Meihua Group International Trading (Hong Kong) Limited ('Meihua Hong Kong') was incorporated to the group in 2012 and conducts the export business. Therefore, the current exporter of the product concerned would be Meihua Hong Kong. According to the applicant, Meihua Hong Kong is exporting MSG to the Union using TARIC additional code A883.

(24) To conclude, in 2011 Tongliao Meihua Biological Sci-Tech Co., Ltd incorporated with another producer of the product concerned, Xinjiang Meihua Amino Acid Co., Ltd. The applicant declared that in 2016 Xinjiang Meihua Amino Acid Co., Ltd also sold the product concerned to the Union through Meihua Hong Kong.

4. CONCLUSION AND DISCLOSURE

(25) For the reasons outlined in recitals 21 to 24, it appeared that Meihua Group to which the duty applies underwent a structural reorganisation. This reorganisation created a new entity, consisting of a group of companies, which included an exporting producer (Xinjiang Meihua Amino Acid Co., Ltd) and a related trader (Meihua Hong Kong) that were never reported to nor investigated by the EU. Therefore the Commission could not simply assume that the current dumping margin applicable to Hebei Meihua MSG Group Co., Ltd and Tongliao Meihua Bio-Tech Co., Ltd was still valid.

(26) Given the complete lack of cooperation from the exporting producers, the Commission was prevented from examining the actual composition of the entities on which the original duty applied, whether the duty rate would still be relevant for the new organisational structure of the Meihua Group or whether a new dumping calculation would be warranted and if so the level thereof.

(27) In those circumstances, and on the basis of facts available, the Commission could only conclude that the Meihua Group (composed by Tongliao Meihua Bio-Tech Co., Ltd and Hebei Meihua MSG Group Co., Ltd) to which an individual duty rate under TARIC additional code A883 was allocated, no longer exist as such. The group appears to be composed of other exporting producers. Therefore, the above-mentioned duty rate and TARIC additional code should be removed.

(28) For the reasons recalled above, the Commission is not in a position to establish an individual duty rate and company specific TARIC additional code for the newly created entity. Exports made by the newly created entity, if any, would then be subject to the rate applicable for 'All other companies' under TARIC additional code A999.

(29) Interested parties were informed accordingly and were granted an opportunity to submit comments.

(30) The Commission received no comments.

(31) Therefore, Article 1(2) of Commission Implementing Regulation (EU) 2021/633 should be amended accordingly.

(32) This Regulation is in accordance with the opinion of the Committee established by Article 15(1) of the basic Regulation,

HAS ADOPTED THIS REGULATION:

Article 1

Article 1(2) of Implementing Regulation (EU) 2021/633 is amended as follows:

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

Country	Company	Anti-dumping duty (%)	TARIC additional code
The PRC	Fujian Province Jianyang Wuyi MSG Co. Ltd	36,5	A884
The PRC	All other companies	39,7	A999'

Article 2

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

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

Done at Brussels, 6 July 2022.

For the Commission
The President
Ursula VON DER LEYEN