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To the Commission of the European Union

Anti-Dumping Complaint

Concerning

the imports of certain cold-rolled flat steel products originating in India, Japan, Taiwan, Turkey and Vietnam

Submitted by

EUROFER

OPEN VERSION

1 August 2025

1. INTRODUCTION

(1) The European Steel Association (Eurofer or 'the Complainant') requests the European Commission to initiate an anti-dumping investigation on imports of certain cold-rolled flat steel products ('CRF') originating in Japan, India, Taiwan, Turkey and Vietnam ('the Targeted Countries').

(2) This complaint shows how exporters from the Targeted Countries are dumping CRF on the Union market, how the Union CRF industry has suffered massive and aggravating injury as a result, and why the Commission should, as soon as possible, impose measures to stop these practices and restore a sustainable level playing field for the Union industry.

(3) Since 2021, the situation of the Union industry has degraded. Exporters from the Targeted Countries have rapidly emerged on the EU market and expanded their foothold, quickly saturating the domestic market. This has allowed exporters from Targeted Countries to expand their market share, with market shares doubling and even quadrupling at the expense of Union producers.

(4) Today, the Union industry's market share has collapsed – with multiple years of losses, profits rapidly declining and domestic consumption deteriorating, the Union industry shows no sign of recovery. The Union industry is forced to sell at a loss, and the situation will only deteriorate in the coming years if no appropriate corrective action is taken, as Targeted Countries have been able to capture domestic demand and are undercutting and underselling Union producers.

(5) The injury caused to the Union CRF industry will keep on aggravating as Targeted Countries show unambiguous signs that they will continue to produce for export with a focus on the EU market. They have strong incentives to do so, largely as a consequence of Chinese excess capacities and saturated domestic demand.

(6) In the absence of rapid corrective measures, and despite an established and efficient industrial base, current trends will continue. EU-produced CRF will progressively be replaced by imports from the Targeted Countries. As a result, the Union industry will see its production and employment shrink, resulting in the continuation of the loss of thousands of industry jobs along the EU-based supply chain.

(7) The European Commission must therefore act swiftly to restore a level playing field on the EU market. To that end, it should immediately initiate an anti-dumping investigation on imports of CRF from Targeted Countries and impose, as soon as possible, anti-dumping duties to counteract the unfair practices and to allow the recovery of the injured Union industry.

2. GENERAL INFORMATION

2.1 The Complainant

(8) The Complaint is submitted by Eurofer, the European Steel Association, on behalf of its members active in the production of cold-rolled flat products:

Eurofer - the European Steel Association

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B-1000 Brussels - Belgium
Tel: +32 2 738 79 20
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Contact Person: Karl Tachelet
Email: K.Tachelet@eurofer.eu

(9) Eurofer is the European Steel association, maintaining 35 steel-producing members across the EU as well as 14 national association members which represent the steel industry at EU Member State level.[1]

(10) The Complaint is filed on behalf of six Eurofer members active in the production of cold-rolled flat products as follows:

- ArcelorMittal (Belgium, France, Germany, Poland, Spain)
- Salzgitter AG (Germany)
- Tata Steel Ijmuiden BV (Nederland)
- Thyssenkrupp Steel Europe AG (Germany)
- Voestalpine AG (Austria)
- United States Steel Košice, s.r.o (Slovakia)

Annex 1. General information

2.2 Representativeness of the Complainant

(11) The companies on behalf of which the Complainant is acting represent 63,3**%** of the production of CRF in the EU. Consequently, the Complainant meets the representativeness requirements as set out in Article 5 of Regulation 2016/1036 of 8 June 2016 ("basic AD Regulation").

Annex 2. Standing assessment of complainant

(12) Other producers of CRF in the EU include the following:

- Acciaieria Averdi
- GO Steel
- ISD Dunafer
- Liberty Steel
- Lusosider
- Marcegaglia
- SIJ Acroni
- SSAB Europe

(13) The Complainant has no reason to believe that these companies would oppose the proposed measures as they did not oppose the application of previous measures on cold-

[1] Eurofer, "Members of the European Steel Association", https://www.eurofer.eu/about-steel/members

rolled flat steel products originating in the Russian Federation and the People's Republic of China in 2016.

Annex 3. List of known EU producers of the product concerned

2.3 Appointed Representative and Contact Details

(14) The Complainant is represented by the following legal representative, who is authorised to receive all relevant correspondence in relation to this Complaint at the following address for service in Brussels:

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Olivier Prost, Clement Bouvarel and Marie Parys
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3. PRODUCT CONCERNED AND LIKE PRODUCT

3.1 Production of CRF

3.1.1 Melting Stage

(15) The original stage of production of CRF is the melting of raw materials to obtain slabs, which are then hot-rolled and cold-rolled.

(16) The melting stage is achieved either through a Basic Oxygen Furnace (BOF) or an Electric Arc Furnace (EAF). Depending on the furnace, the raw materials used at the melting stage differ significantly.

(17) For BOF, iron ore is mixed with coke in the furnace. By injecting hot air in the furnace, carbon monoxide is formed and reacts with iron ore. Iron ore's two component elements (iron and oxygen) split to form molten iron on the one side and carbon dioxide (CO2) on the other.[2] The molten iron is then charged into an oxygen furnace together with scrap steel (15-25% steel scrap and 75-85% liquid hot metal). By injecting oxygen into the mix, any impurities are gradually eliminated.[3]

[2] ArcelorMittal, Climate Action report 1, May 2019, page 42, https://annualreview2018.arcelormittal.com/~/media/Files/A/Arcelormittal-AR-2018/AM_ClimateActionReport_2018.pdf

[3] Idem

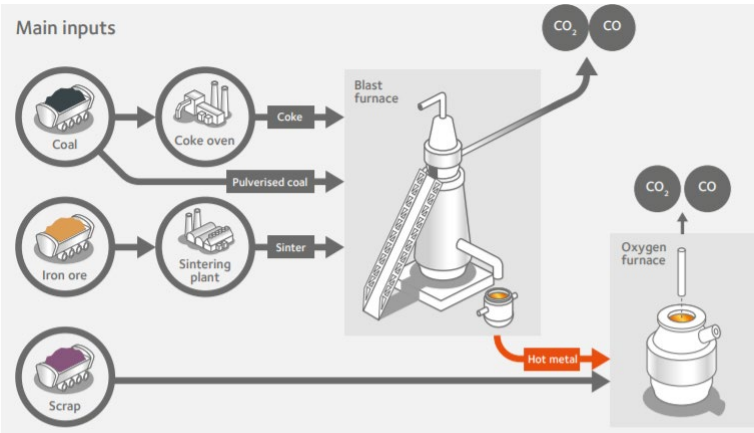

Illustration of the BOF process

(18) For EAF, however, the main raw material is steel scrap or direct reduced iron, which is melted in the EAF using electricity. Consequently, the quality of the finished material of EAF sourced hot-rolled coils depends mostly on the quality of the scrap used.

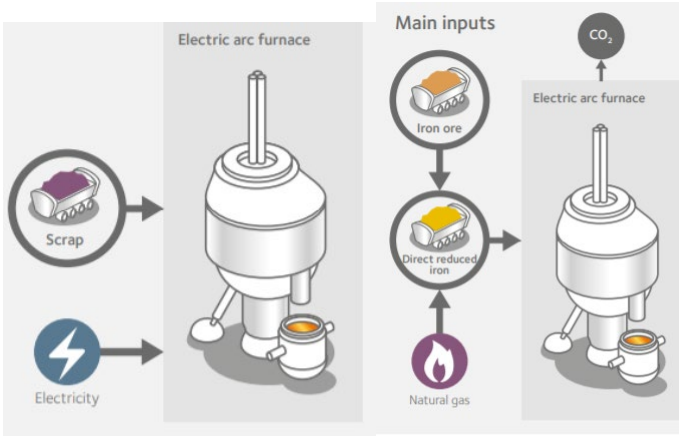

Illustration of the EAF process

(19) In both production routes, the molten metal is then transported to a continuous caster for casting into slabs ('pouring'), rectangular shaped semi-products which will then be further worked into the product concerned.

(20) EU producers use both EAF and BOF to produce hot-rolled coils. Worldwide, 29% of steel production is obtained using EAF, whereas in Europe this number is45%.[4]

(21) The share of the primary blast furnace-basic oxygen furnace (BF-BOF) route in global steel production is projected to shrink to 60% in 2030 from 71% in 2023, as per data, while the share of the electric arc furnace (EAF) in steel production may reach around 40% from

[4] Seaisi, "Share of EAF route in global steel production likely to rise to 40% in 2030",6 August 2024, https://www.seaisi.org/details/25179?type=news-rooms#:~:text=According%20to%20this%20estimate%2C%20EAF,from%201.34%20bnt%20in%202023.

29% in 2023.[5] It is expected that in the EU the share of EAF will rise to around 57% from 45% in 2023 given the widespread shift towards clean technologies as part of the EU Green Deal and 2050 net-zero target.[6]

3.2 Like Product

(22) CRF produced in the Union is 'like product' with CRF produced in the Targeted Countries.[7]

(23) CRF from the Targeted Countries exported to the EU is interchangeable with CRF produced in the EU, and as such, both products directly compete with each other. Both the like product and the product concerned present essentially the same physical, chemical and technical characteristics and have the same basic uses.

(24) Accordingly, EU-produced CRF and CRF produced and exported from the Targeted Countries are like products within the meaning of Article 1(4) of the basic AD Regulation.

Annex 4. Known Producers from Targeted Countries

3.2.1 Hot-rolling stage

(25) In the hot-rolling mill, the slabs coming from the continuous caster are re-heated to high temperatures, pass through high pressure water jets to remove the scale layer, and are then rolled until they reach the desired thickness.

(26) The metal then passes through water to lower the temperature and is rolled into coils. The hot-rolled coils are then pickled, i.e. the surface of the product is cleaned in a bath of sulfuric or hydrochloric acid to remove surface oxide (scale) formed during hot rolling and is oiled.

3.2.2 Cold-rolling stage

(27) In the Targeted Countries, like in the EU, cold-rolling is most often undertaken by integrated producers that undertake the entire production process from the melting phase to the cold-rolling phase. However, some producers also purchase slabs or hot-rolled coils and only undertake the remaining stages of the production process.

(28) To produce cold-rolled flat, the hot-rolled products are "de-coiled" and passed at an ambient temperature between rollers that further reduce its thickness to the desired level. Cold rolling requires several passes through the rolling mill to reduce the thickness of the products by crushing.

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[5] Seaisi, “Share of EAF route in global steel production likely to rise to 40% in 2030”, 6 August 2024, https://www.seaisi.org/details/25179?type=news-rooms#:~:text=According%20to%20this%20estimate%2C%20EAF,from%201.34%20bnt%20in%202023.

[6] Seaisi, “Share of EAF route in global steel production likely to rise to 40% in 2030”, 6 August 2024, https://www.seaisi.org/details/25179?type=news-rooms#:~:text=According%20to%20this%20estimate%2C%20EAF,from%201.34%20bnt%20in%202023.

[7] Commission implementing Regulation (EU) 2016/1328 of 29 July 2016 imposing a definitive anti-dumping duty and collecting definitively the provisional duty imposed on imports of certain cold rolled flat steel products originating in the People's Republic of China and the Russian Federation, recitals 16 to 18.

(29) Rolling mills can be continuous (the product passes though different rolls with a smaller and smaller 'roll gap') or reversing (the product goes back and forth while the gap between the rolls is gradually reduced). The thickness of the steel will typically be reduced by 30 to 90%.

(30) This cold-reduction process produces a “full hard” steel, making a product that is thinner, smoother and stronger, and which could not be achieved by hot rolling alone. Cold-rolled flat steel products have specific properties which provide excellent weldability.

(31) The full hard steel can be “annealed”. Annealing is a heat treatment process by which steel products are reheated to a suitable temperature to recrystallize the highly stressed grains in the steel. The resulting product is very soft and ductile. Annealing treatment helps recover the qualities of plasticity lost during the cold-rolling process and cleans the surface of the steel product of rolling oil residues.

(32) Cold-rolled flat steel products come in various conditions: full-hard, half-hard, quarter-hard, and skin-rolled. Full-hard rolling reduces significantly the thickness, while the others involve less of a reduction. Skin-rolling, also known as a skin-pass, involves the least amount of reduction: 0.5-1%. It is used to produce a smooth surface, a uniform thickness, and reduce the yield point phenomenon. Cold-rolled flat steel products can be delivered in various forms: in coils (oiled or not oiled), in cut lengths or narrow strips.

(33) Cold-rolled flat steel products are manufactured to meet certain specifications or proprietary end-user specifications. Despite the differences in grade, thickness and width, all types of cold-rolled flat steel products covered by this complaint are made from the same basic material, share the same basic physical and technical characteristics and have essentially the same use.

(34) Accordingly, cold-rolled flat steel products should form a single product for the purpose of the present complaint.

Annex 5. Product Concerned and Like Product

3.3 Uses, marketing and distribution

(35) Cold-rolled flat steel product is an industrial input purchased by end users for a variety of applications, mainly in manufacturing but also in construction. Cold-rolled flat steel products are used for building materials (tubes, profiles, hardware, metal frame, etc.), electrical machineries (oven, washing machine, etc.), equipment and accessories for air conditioning (ventilation, heating, etc.), metal packaging (metal drum, etc.), metal furniture (office equipment, etc.), road equipment, construction, shipbuilding, gas container, pressure vessels, power lines, cars, etc. End users form or cut the cold-rolled flat steel products for use in the products that they manufacture.

(36) In the European Union, a significant share of the production of CRF is used for internal consumption, as a feedstock to manufacture other flat-rolled steel products, primarily coated products such as organic coated steel, galvanized (hot dipped or electro galvanized) tubes and tin-plated sheet. These products do not enter the market as CRF, but only as downstream products.

(37) EU producers, importers and exporters sell cold-rolled flat steel products directly to end users or through steel service centres (SSC). SSC, in turn, resell cold-rolled flat steel products to end users. They may sell the cold-rolled flat steel product as purchased, or after adding value by cutting or slitting it to sizes needed by end users.

(38) Traditionally, EU producers have used "coil base prices" as the basis for establishing relative cold-rolled flat steel product prices. To these prices, extras are normally added for cutting to length, quality, finish or any other extra, as applicable.

(39) Cold-rolled flat steel products are offered in many grades, dimensions and finishes. The full range of qualities includes both commercial quality as well as non-prime and secondary goods. Commercial quality covers a standard range of sizes and finish specifications. There are also "non-prime" or "second" cold-rolled flat steel products that do not meet specifications for higher quality products and standard uses. EU producers, importers and exporters sell this product as “seconds”. SSC or end users can extract from seconds a "yield" of acceptable quality for their requirements. The anticipated yield determines the price of seconds in relation to the prime-quality product. The products covered by this Complaint include both commercial quality products as well as non-prime and secondary goods.

Annex 6. List of known Importers and Users

3.4 Definition of the product concerned

(40) The products concerned are flat-rolled products of iron or non-alloy steel, or other alloy steel but excluding of stainless steel, of all widths, cold-rolled (cold-reduced), not clad, plated or coated and not further worked than cold-rolled (cold-reduced), currently falling within CN codes ex 7209 15 00 (TARIC code 7209 15 00 90), 7209 16 90, 7209 17 90, 7209 18 91, ex 7209 18 99 (TARIC code 7209 18 99 90), ex 7209 25 00 (TARIC code 7209 25 00 90), 7209 26 90, 7209 27 90, 7209 28 90, 7211 23 30, ex 7211 23 80 (TARIC codes 7211 23 80 19, 7211 23 80 95 and 7211 23 80 99), ex 7211 29 00 (TARIC codes 7211 29 00 19 and 7211 29 00 99), 7225 50 80, 7226 92 00 and originating in the Targeted Countries.

(41) It does not include the following product types:

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

- flat-rolled products of iron or non-alloy steel, of all widths, cold-rolled (cold-reduced), not clad, plated or coated, in coils, of a thickness of less than 0.35 mm, annealed (known as ‘black plates’),

- flat-rolled products of other alloy steel, of all widths, of silicon-electrical steel, and ;

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

4. DUMPING

4.1 Taiwan

(42) As shown in the Annex, the dumping margin from Taiwan for the period concerned goes up to[5-10]%.

(43) With the profit adjustments justified by the particular market situation (see below), the dumping margin from Taiwan for the period concerned goes up to [9-15]%.

Annex 7.Taiwan dumping

4.1.1 Normal value

(44) The complainant has based the normal value calculation on MEPS price indices. The prices cover the period concerned on a monthly basis and contain certain CRF products.

4.1.2 Export price

(45) The complainant has based the export prices on TARIC data on a CIF basis. It converted these prices to EXW level using international and internal transportation and other costs based on EU producer and Cost of Doing Business data.

4.1.3 Dumping margin

(46) The complainant calculated dumping by dividing the difference between the normal value and the export price (EXW level) by the export price at CIF EU border level.

4.2 Japan

(47) As shown in the Annex, the dumping margin from Japan for the period concerned goes up to [6-20]% .

(48) With the profit adjustments justified by the particular market situation (see below), the dumping margin from Japan for the period concerned goes up to [10-25]%.

Annex 8. Japan dumping

4.2.1 Normal value

(49) The complainant has based the normal value calculation on MEPS price indices. The prices cover the period concerned on a monthly basis and contain certain CRF products.

4.2.2 Export price

(50) The complainant has based the export prices on TARIC data on a CIF basis. It converted these prices to EXW level using international and internal transportation and other costs based on EU producer and Cost of Doing Business data.

4.2.3 Dumping margin

(51) The complainant calculated dumping by dividing the difference between the normal value and the export price (EXW level) by the export price at CIF EU border level.

4.3 India

(52) As shown in the Annex, the dumping margin from India for the period concerned goes up to[1-8]%.

(53) With the cost adjustments justified by the particular market situation (see below), the dumping margin from India for the period concerned goes up to [5-15]%.

(54) With the profit adjustments justified by the particular market situation (see below), the dumping margin from India for the period concerned goes up to [5-12]%.

Annex 9. India dumping

4.3.1 Particular market situation on the Indian steel market

(55) The WTO case law on defining a particular market situation holds that as a general rule, the analysis should be conducted on a case-by-case basis with a focus on factual evidence, as confirmed by the WTO Panel in *Australia - Antidumping Measures on A4 Copy Paper*.[8]

(56) While the WTO Appellate Body declared in *EU - Anti-Dumping Measures on Biodiesel from Argentina*[9] that the export tax system implemented in Argentina, which resulted in distorted costs and abnormal market conditions, was not sufficient to conclude that domestics costs should be disregarded, the question of whether a distortion resulting from a government practice should be considered in determining a particular market situation is, in reality, more complex and nuanced.

(57) In *Australia - Antidumping Measures on A4 Copy Paper*,[10] for instance, the Panel held that the SCM Agreement does not interpret the term particular market situation as to "*exclude situations that arise from circumstances that include government action that could be characterized as a subsidy if it were examined under the SCM Agreement*."[11].

(58) In that context, the Complainant has compiled various elements that show significant and artificial price variations between domestic prices and international prices and thus justify the adjustment of costs under Article 2(3) basic anti-dumping Regulation. Pursuant to Article 2(3) of the Basic Antidumping Regulation, where "*there are no or insufficient sales of the like product in the ordinary course of trade, or where, because of the particular*

[8] Panel Report, *Australia-Anti-Dumping Measures on A4 Copy Paper*, recital 7.50, https://www.wto.org/english/tratop_e/dispu_e/529r_e.pdf

[9] Appellate Body Report, *European Union- Antidumping Measure on Biodiesel from Argentina*, WTO, https://www.wto.org/english/tratop_e/dispu_e/473abr_e.pdf

[10] Panel Report, *Australia-Anti-Dumping Measures on A4 Copy Paper*, recital 7.50, https://www.wto.org/english/tratop_e/dispu_e/529r_e.pdf

[11] Panel Report, *Australia-Anti-Dumping Measures on A4 Copy Paper*, recital 7.50, https://www.wto.org/english/tratop_e/dispu_e/529r_e.pdf

market situation, such sales do not permit a proper comparison", the costs taken into consideration for the calculation of the normal value can be adjusted.

(59) The difference between the domestic prices and international prices of inputs indicates the existence of a particular market situation on the Indian market. This is due to various regulatory and market realities, as will be described below, that have led to a reduction of costs of production of CRF.

(60) In fact, the price of iron ore in India is [Confidential information: the information contains confidential information pertaining to the price of iron ore in India].This difference in the pricing grants a significant advantage to Indian producers who are able to reduce costs of production as they are given access to cheap raw materials, such as iron ore and coal.

Iron ore price	2024
Indian iron ore EUR/MT	[50-100]
International iron ore EUR/MT	[80-120]
Difference	[20-40]

Coking coal price	2024
Indian coking coal coal EUR/MT	[180-230]
International coking coal EUR/MT	[200-250]
Difference	[5-25]

(61) Moreover, there is a similar difference for steel scrap.

Steel scrap cost	2024
Indian steel scrap EUR/MT	[290-340]
International steel scrap EUR/MT	[300-350]
Difference	[15-35]

(62) The difference in terms of pricing is the result of various regulatory and market realities that reduce prices on the Indian market and ultimately cause and maintain consistent distortions in the cost of production of CRF. This results in a particular market situation.

(63) The Indian National Mineral Policy of 2019 itself posits this particular market situation as an objective, invoking the importance of cheap minerals supplies: "*Mineral resources security is an important issue with strategic as well as economic significance. Securing access to sufficient, reliable, affordable, and sustainable supplies of minerals is increasingly becoming an important factor for functioning of downstream industries and the overall economy. Hence, ensuring long-term mineral security for nation shall be taken up with utmost priority*".[12]

(64) The Complainant has identified three distinct schemes which result in significant price variations between domestic prices and international prices.

[12] National Mineral Policy 2019, p.10, https://mines.gov.in/admin/storage/app/uploads/64352887bcfa41681205383.pdf

(65) First, the market is subject to various export restrictions in the form of both tariff and quantitative restrictions. These restrictions concern iron ore, coal and steel scrap. More specifically, India enforces and maintains quantitative and tariff export restrictions on raw materials essential in the production of CRF products which result in lower Indian prices for these inputs than world prices. The Commission identified various export restrictions on raw materials as key trade barriers in the market access data base,[13] acknowledging their potential negative economic effect on the EU industry in addition to their systemic impact.

(66) These export restraints result in a framework of dual pricing: lower prices for Indian inputs compared to international inputs. The larger the domestic production of the raw materials affected by such policies, and the more stringent the framework in place, the stronger the impact.

(67) Second, the Indian CRF sector has a great number of vertically integrated companies, as many Indian producers provide both raw materials as well as semi-finished or finished products. In particular, the market is shaped by the many Indian producers who have been allocated their own mine by the government for the extraction of raw materials. This policy results in steel producers being able to reduce the costs of raw material as they are able to get raw materials at extraction prices rather than market prices. Through these captive mining activities, Indian prices are artificially lower compared to international prices, which ultimately allows Indian CRF producers to produce CRF at a reduced cost.

(68) Lastly, a host of other, miscellaneous regulatory initiatives applicable in India result in an artificially low price of CRF inputs which clearly deviates from what would otherwise be determined by market dynamics.

(69) These distortions on key materials reduce the costs of production of CRF for Indian producers and result in a particular market situation in India. This justifies the adjustment of costs in accordance with the Basic Antidumping Regulation.

4.3.1.1 Measures relating to iron ore

(70) Iron ore in India is subject to various regulatory and market realities that distort the costs of iron ore and thereby do not allow an accurate reflection of the costs in the prices. These schemes take the form of export duties and quantitative restrictions.

(71) Iron ore is still very important as a raw material for steel production in India: in 2023, steel scrap accounted for only 20% of crude steel feedstock.[14] India has huge quantities of iron ore: in 2023, India was the world's fourth largest iron ore producer, still increasing production by almost 14% compared to 2022.[15]

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[13] European Commission, Trade Market Access Database, https://trade.ec.europa.eu/access-to-markets/en/content/welcome-access2markets-market-access-database-users

[14] S&P Global, India's ferrous scrap market, September 2024, https://www.spglobal.com/commodityinsights/PlattsContent/_assets/_files/en/specialreports/metals/india-circular-economy-goals-spotlight-ferrous-scrap.pdf.

[15] GMK, India increased iron ore production to historic high in 2023, 12 January 2024, https://gmk.center/en/news/india-increased-iron-ore-production-to-historic-high-in-2023/

(72) The Complainant also notes that the Commission found in the Ductile Pipes case, that "*the targeted export restraints achieved the goal pursued by the GOI of discouraging exports and keeping iron ore available for the domestic downstream industry at lower prices*",[16] thereby achieving the "*desired effect to distort the domestic market of iron ore in India and to depress the price to an artificially low level (…)*".[17] Iron ore prices are clearly decorrelated from international prices, as further acknowledged by the Commission: "*the GOI's targeted export restraints achieved the objective of making iron ore available to domestic industries at lower prices by keeping the domestic Indian price stable, although the iron ore prices were increasing significantly on the world market. The Commission concluded that there was no reason why the Indian prices should not have followed the trends of international prices, but for the system of targeted export restraints set up by the GOI*".[18] The disparity between Indian iron ore prices and international prices thus strengthens the idea that the domestics costs should not be taken as a reference in the calculation.

(a) Export tax

(73) To drive down domestic prices resulting from the increased supply, the Government of India imposed in 2011 an export duty of 50% on iron ore and concentrates with high grade than 58%, which was later reduced to 30% in 2023.[19] India is doubling down on this approach: the Indian Steel Association (ISA) recently declared that it was also in favour of an export tax on low-grade iron ore and pellets.[20]

(74) This system establishes a framework akin to dual pricing. On the one hand, the iron ore export duties make the export of iron ore so expensive as to render exports unviable or excessively costly for Indian producers. Flooding the Indian market with iron ore normally destined for export artificially lowers domestic prices by an important margin.

(75) Moreover, the National Mineral Development Corporation (NMDC), a State-Owned Enterprise, established a dual pricing policy concerning iron ore. In 2020, this GoI held a 69.95% equity in the firm.[21] In 2016, this practice had previously been approved by the Indian Supreme Court, especially concerning the National Mineral Development Corporation. [22] In 2019, a panel found that the measure implemented by the NMDC distorted the Indian iron ore market, as the iron ore prices were not fixed "*by the supply*

[16] Regulation 2022/927, rec. 144

[17] Regulation 2022/927, rec. 147

[18] Regulation 2022/927, rec. 145

[19] IEA50, "2022 decrease in customs duties for iron ore and concentrate export", 5 June 2024, https://www.iea.org/policies/20152-2022-decrease-in-customs-duties-for-iron-ore-and-concentrate-export

[20] Reuters, "Indian steelmakers' body seeks export tariff on low-grade iron ore, pellets", 12 August 2024, https://www.reuters.com/markets/commodities/indian-steelmakers-body-seeks-export-tariff-low-grade-iron-ore-pellets-2024-08-12/

[21] *Business Standard*, " Govt of India cuts stake in NMDC by 2,63%", 11th February 2020, https://www.business-standard.com/amp/article/news-cm/govt-of-india-cuts-stake-in-nmdc-by-2-63-120021100984_1.html.

[22] Indian Supreme Court, 1st September 2016, No. 259, Samaj Parivartana Samudaya vs. State of Karnataka & Others, Case Writ Petition (Civil), No. 562 of 2009, see Financial express, "NMDC to continue with dual pricing of iron ore: Supreme Court", 1 September , See https://www.financialexpress.com/india-news/nmdc-to-continue-with-dual-pricing-of-iron-ore-supreme-court/363891/

and demand of the market", but instead according to the "*GOI's policy considerations and actions"*.[23]

(76) The support of downstream industries can be a major motivation for imposing export restraints and export taxes in particular. This was also established by the OECD report 'The Economic Impact of Export Restrictions on Raw Materials'.[24] The report confirms this objective "*Export quotas or outright export bans can also be aimed at limiting extraction or processing activities by reducing incentives for such activities in the domestic market, but they can also be used to lower the domestic prices, or reduce global supply, of raw materials in order to promote domestic processing and attract foreign investment in processing facilities*".[25]

(77) In the *Ductile Iron Pipes from India* anti-subsidy investigation, the Commission established that the export restraints on iron ore induce producers to sell their products on the domestic market for lower prices than what they could have obtained under free market conditions, i.e. in the absence of measures restraining exports.[26]

(78) In the same investigation, the Commission found that the policy was fruitful and Indian domestic iron ore prices were disconnected and substantially lower than international prices.[27] In fact, the export restraints on iron ore are of such a nature that the Commission found the entire market to be distorted to such extent that "*no single transaction for iron ore in India escapes the fact that the entire Indian market is compartmentalised and low-priced*".[28]

(79) The General Court confirmed the Commission's findings with regards to the distortion of iron ore prices, holding that "*[…] when the Standing Committee for Coal and Steel of the Indian Ministry of Steel, for the purposes of its 38th report of 29 August 2013, wanted to know 'how far the [then applicable] rate of export duty on iron ore [had] been successful in discouraging export of iron ore and whether it needed further revision', that ministry stated, inter alia, that it '[had] been taking up the matter regularly with the [Indian] Ministry of Finance for levying of appropriate export duty on iron ore in order to discourage its export effectively and to improve availability of iron ore for the domestic iron and steel industry at affordable price' and that '[i]mposition of higher export duty on iron ore is as per the policy of [the] Government [of India]*'."[29]

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[23] WTO Report of the Panel, United Stated- Countervailing measures on certain hot-rolled carbon steel flat products from India, 15 November 2019, recital 7.161, ,https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/WT/DS/436RW.pdf&Open=True

[24] OECD, "OECD Inventory of Export Restrictions on Industrial Raw Materials 2024: Monitoring the use of export restrictions amid market and policy tensions", September 2024, https://doi.org/10.1787/5e46bb20-en.

[25] OECD, "OECD Inventory of Export Restrictions on Industrial Raw Materials 2024: Monitoring the use of export restrictions amid market and policy tensions", September 2024, https://doi.org/10.1787/5e46bb20-en.

[26] Commission Implementing Regulation (EU) 2016/387 of 17 March 2016 imposing a definitive countervailing duty on imports of tubes and pipes of ductile cast iron (also known as spheroidal graphite cast iron), originating in India, rec. 167.

[27] Commission Implementing Regulation (EU) 2016/387 of 17 March 2016 imposing a definitive countervailing duty on imports of tubes and pipes of ductile cast iron (also known as spheroidal graphite cast iron), originating in India, rec. 212-215.

[28] Commission Implementing Regulation (EU) 2016/387 of 17 March 2016 imposing a definitive countervailing duty on imports of tubes and pipes of ductile cast iron (also known as spheroidal graphite cast iron), originating in India, rec. 234.

[29] GC, Case T-300/16, *Jindal Saw Ltd. And Jindal Saw Italia SpA v European Commission*, Judgement of 10 April 2019, ECLI:EU:T:2019:235, para. 117, https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX:62016TJ0300, (our underlining).

(80) Further, the Iron Ore Policy of 2021, also participates in maintaining low prices, specifically, for the domestic industry by giving higher priority to movement of iron ore traffic meant for domestic manufacturing activity.[30] Doing so boosts domestic supply of iron ore which result in reducing the price on the domestic market. In essence, the policy aims to *"promote domestic manufacture of steel under the Atmanisbhar Bharat Scheme, maximize iron-ore loading, leverage existing and create new infrastructure facilities*".[31]

(b) Quantitative restrictions

(81) In India, quantitative restrictions take several forms such as export restrictions, or restrictions to have directly access to raw materials.

(82) In addition to an export duty, iron ore is also subject to an export restriction in order to respond to domestic demand first. High-grade iron ore, with a Fe content above 64%, from Bailadila in Chhattisgarh is subject to restrictions on quantity.[32] Exports of iron ore lumps from Bailadila cannot exceed 3 million tonnes, and exports of fine iron ore from Bailadila cannot exceed 3.8 million tonnes.[33] Chhattisgarh plays a vital role in India's iron ore industry. It ranks as the second biggest producer of iron ore of the country, with up to 19% of the total iron ore reserves of India.[34] It is, therefore, very likely that the effects of the quantitative restrictions on exports will result in increasing domestic supply, and thereby reduce prices.

(83) The particular market situation created by these export restrictions has direct effects on Indian steel and CRF producers. For instance, Steel Authority India owns a plant in Chhattishgarh: the Bhilai Steel Plant, a fully integrated steel production setup.[35] Additionally, JSW Ispat Special Products Limited, merged with JSW Limited since July 2023, has its two manufacturing units established in Chhattishgarh.[36] Arcelor Mittal Nippon Steel India is also present in Kirandul as well as Eklema, both located in Chhattisgarh State. [37] Jindal Steel and Power Limited, part of Jindal Group owns a steel plant in Raigarh.[38]

(84) The GoI also has control over the quantity of iron ore that could potentially be exported through the mining process. The GoI's National Mineral Policy of 2019 states that efforts

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[30] Government of India, Press Information Bureau, "Ministry of Railways rolls out a new iron ore policy governing allocation of rakes and transportation or iron ore", 16 January 2021, https://www.pib.gov.in/PressReleseDetailm.aspx?PRID=1689035#:~:text=Within%20domestic%20movement%20of%20iron,C)%2C%20customers%20without%20any%20private

[31] Indian Journal of Projects Infrastructure and Energy Law, "Iron Ore Policy 2021: Catharsis or Axe in the Foot", 5 October 2021, https://ijpiel.com/index.php/2021/10/05/iron-ore-policy-2021-catharsis-or-axe-in-the-foot/#:~:text=Thus%2C%20the%202007%20Policy%20was,cons%20of%20the%202021%20Policy.

[32] Government of India Steel Lok Sabha, "Answer", 7 May 2012

https://eparlib.nic.in/bitstream/123456789/619965/1/121248.pdf

[33] India Council for research on International Economic Relations, "Mineral Policy Issues in the Context of Export and Domestic Use of Iron Ore in India", March 2008, p.51, https://www.econstor.eu/bitstream/10419/176225/1/icrier-wp-207.pdf

[34] Ministry of Mines, 'NCMM", https://mines.gov.in/webportal/statemineralscenario

[35] SAIL, 'About Bhilai Steel Plant", https://www.sail.co.in/en/plants/about-bhilai-steel-plant

[36] JSW Ispat Special Products Limited, Contact page, https://www.aionjsw.in/contact-us/

[37] Tata Nexarc, "Top 10 steel companies in India 2025", 26 March 2025, https://blog.tatanexarc.com/da/top-steel-companies-in-india/

[38] Tata Nexarc, "Top 10 steel companies in India 2025", 26 March 2025, https://blog.tatanexarc.com/da/top-steel-companies-in-india/

shall be made with respect to mining leases to ensure uninterrupted supply ore to the downstream industry.[39] In application of this policy, the GoI took several measures to discourage exports of iron ore, which can be verified on the OECD Database of Export Restriction on Industrial Raw Materials.[40]

(85) There are special procedures for enlisting as a long-term customer or iron ore in India. The National Mineral Development Corporation Limited is a Government of India Enterprise under Ministry of Steel and is primarily engaged in the business of exploring minerals and developing mines to produce raw materials for the industry. NMDC Limited is India's single largest producer of iron ore. This company published a guide on how to buy iron ore from them, and specified that "*to accept the request for enlistment shall be solely at the discretion of NMDC*". [41]

4.3.1.2 Measures relating to coal

(86) The Indian coal industry is dominated by a very small number of players, one of which, Coal India Limited, is largely predominant. There are three major players in the Indian coal industry: Coal India Limited ("CIL"), Neyveli Lignite Corporation India Limited ("NCL") and Singareni Collieries Company Limited ("SCCL).

(87) For many years, Coal India was the primary player in the Indian coal industry, operating through clear monopoly. Although Coal India no longer enjoys a monopoly, the state-owned company still dominates the market with a production representing up to 80% of India's overall coal production and supply.[42] In 2024-2025, India's overall production of coal reached 1074MT, with Coal India Limited and its subsidiaries accounting for more than 773 MT.[43] NLC India Limited, on the other hand, is a smaller key player with its production reaching up to 136 MT in 2024-2025.[44] Another important player on the Indian playfield is Singareni Collieries Company Limited. SCCL is a comparatively smaller player in terms of production size, compared to NCL and CIL, but primarily active player in the southern region where it is the main source of supply, with a production of 70 MT in 2024-2025.[45]

(88) The particularity of the coal industry lies in the nationalization process that occurred in the 1970s. Although the sector is now denationalized, the Industry remains contaminated by distortions. The remnants of the former nationalisation persist, manifesting, in part, through the benefits granted to SOEs, which ultimately result in artificially low prices. In

[39] National Mineral Policy 2019, p.4, https://mines.gov.in/admin/storage/app/uploads/64352887bcfa41681205383.pdf

[40] OECD (2024), "OECD Inventory of Export Restrictions on Industrial Raw Materials 2024: Monitoring the use of export restrictions amid market and policy tensions", September 2024,https://doi.org/10.1787/5e46bb20-en.

[41] NMDC, 'How to Buy Iron Ore from NMDC', available at : https://www.nmdc.co.in/assets/pdf/How-To-Buy-Iron-Ore-From-NMDC.pdf

[42] Ministry of Coal, "Historical Coal Production growth: Cheaper and Assured Availability", 4 March 2024, https://coal.nic.in/sites/default/files/2024-03/PIB2011252.pdf#:~:text=Notably%2C%20Coal%20India%20Limited%20(CIL%20(%20Coal,(%20Coal%20India%20Limited%20)%20since%202018.

[43] Ministry of coal, "Production and Supplies", https://coal.gov.in/en/major-statistics/production-and-supplies#:~:text=Through%20sustained%20programme%20of%20investment,%2C%20IISCO%2C%20DVC%20and%20others.

[44] Ministry of Coal, Monthly Statistical Report March 2025, https://coal.gov.in/sites/default/files/2025-05/srn-march-2025.pdf, p.14-15

[45] Ministry of Coal, Monthly Statistical Report March 2025, https://coal.gov.in/sites/default/files/2025-05/srn-march-2025.pdf, p.14-15

fact, although the sector is not "nationalised" as such, the Ministry of Coal still exercises its keys functions through the three main players mentioned above: "*Under the administrative control of the Ministry, these key functions are exercised through the Public Sector Undertakings, namely, Coal India Ltd. and its subsidiaries and Neyveli Lignite corporation India Limited (NLCIL). Other than Coal India Ltd. and Neyveli Lignite Corporation India Ltd., the Ministry of Coal also has a joint venture with Government of Telangana called Singareni Collieries Company Limited. Government of Telangana holds 51% equity and Government of India holds 49 % equity*".[46]

(89) Although the industry is concentrated in the hands of three main players, Coal India Limited remains the major player, as the market is being near-exclusively served by CIL.

~~(90)~~ The omnipresence of SOEs in the coal industry prevents coal companies from operating under market conditions. In fact, "*Under such circumstances, geographical diversification of coal supply does likely not take place under market conditions and results in lower than market prices for imported as well as domestically sourced coking coal, resulting in lower prices coking coal inputs to steel production* in India". [47]

(91) The benefits granted to SOEs including Coal India are further evidenced as: "*Coal India is an SOE steered by the Ministry of Coal the acquisition of coal assets in third countries is likely backed by direct and indirect government support, such as investment subsidies or guarantees*."[48]

(92) Further it was reported that several companies have received preferential benefits from CIL such as underpriced coal. This is the case for SAIL, one of India's major CRF producer: "*Companies like BEML (earth moving equipment), DVC (power generation), HEC (heavy engineering), SAIL (steel manufacturing) have all had financial difficulties in recent years and benefited from preferential contracts with CIL or underpriced coal*".[49]

(93) In addition to its SOE status, CIL also benefits from the "Maharatna" status. This status is "*a privileged status conferred by Government of India to select state owned enterprises in order to empower them to expand their operations and emerge as global giants. The select club has only ten members out of more than three hundred Central Public Sector Enterprises in the country*." [50]

(94) Indian coal producers are also able to leverage their costs of production by the reduced electricity prices. Therefore, domestic producers benefit from an important advantage which allows them to reduce costs of production and thus provide abnormally cheap inputs

[46] Ministry of Coal, About Ministry, https://coal.gov.in/en/about-us/about-ministry

[47] LSE report, "Research into Market Distortions in the Steel Sector", 23 February 2024, p.120 available at https://www.lse.ac.uk/business/consulting/reports/research-into-market-distortions-in-the-steel-sector

[48] LSE report, "Research into Market Distortions in the Steel Sector", 23 February 2024, p.119 available at https://www.lse.ac.uk/business/consulting/reports/research-into-market-distortions-in-the-steel-sector

[49] Wiley Interdisciplinary Reviews, "India's coal conundrum: Decarbonization amidst a developmental legacy", 2 February 2025, https://wires.onlinelibrary.wiley.com/doi/10.1002/wcc.928

[50] Coal India Limited, About the company, https://archive.coalindia.in/en-us/company/aboutus.aspx

to the downstream CRF: "*government support directed to the coal sectors also results in lower prices of electricity*."[51]

4.3.1.3 Measures on steel scrap

(95) Finally, in India certain plants rely on steel scrap rather than iron ore as a key input to production. While iron ore remains the primary source of steelmaking in India, scrap is the secondary raw material for the steel industry. Steel scrap consists of discarded steel and discarded steel products. Environmental concerns have increased the demand for steel scrap, which is a recycled product.

(96) To drive prices down, the Government of India introduced an export duty of 15% through Customs Notification 66/2008-Customs in 2008 on ferrous waste and scrap, re-melting scrap ingots of iron or steel.[52]

(97) In addition to this, the use of steel scrap is strongly encouraged by the Government of India, in an effort to encourage recycling steel scrap, which in turn leads to a reduction in production expenses. This objective is pursued through the Steel Scrap Recycling Policy, a comprehensive policy focused on the use and re-use of steel scrap. This policy should be considered as part of the implementation of the National Steel Policy of the Government of India to enhance the competitivity of India's steel industry globally. In concrete terms, the National Steel Policy has set the goal of increasing steel production by 2030 to reach 300 million tonnes per annum. Therefore, the continual availability of raw materials at competitive prices becomes essential to India's steel industry growth. In fact, "*The availability of raw materials at competitive rates is imperative for the growth of the steel industry and to achieve NSP-2017 target*".[53] Although scrap is not a primary raw material, it is still an essential input for primary raw material use: "*primary sector also uses Scrap in the charge mix of BOF to the tune of 15% to improve efficiency, minimize cost of production and other process needs*".[54] The availability of scrap, in quantity and quality, is thereby essential for the growth of the steel industry.

(98) It is in that context that, in 2019, the Ministry of Steel introduced the Steel Scrap Recycling Policy. Concretely, this policy aims to "*reduce imports; ensure processing and recycling of steel scrap in an organized, safe, and environment-friendly manner; ensure production of high-quality ferrous scrap for quality steel production thus minimizing the dependency on imports; conserve resources and save energy; and create a vibrant and responsive ecosystem*".[55] By promoting the use and re-use of scrap, India will save significant amounts of primary raw materials, such as iron ore or coking coal, as well as energy and water consumption. In fact, according to the Ministry of Steel, "*each tonne of scrap used for steel production can save 1.1 tonne of iron ore, 630 kg of coking coal, and 55 kg of limestone. It reduces energy consumption by 16-17% and cuts down water consumption*

[51] LSE report, "Research into Market Distortions in the Steel Sector", 23 February 2024, p.120 available at https://www.lse.ac.uk/business/consulting/reports/research-into-market-distortions-in-the-steel-sector

[52] Ministry of Steel, "The Second Schedule - Export tariff", https://upload.indiacode.nic.in/schedulefile?aid=AC_CEN_2_2_00039_197551_1554713855359&rid=791

[53] PIB Government of India, "Steel Scrap Recycling Policy issued", 8 November 2019, https://www.pib.gov.in/newsite/PrintRelease.aspx?relid=194359

[54] PIB Government of India, "Steel Scrap Recycling Policy issued", 8 November 2019, https://www.pib.gov.in/newsite/PrintRelease.aspx?relid=194359

[55] MTC Group, "How the steel scrap recycling policy has changed metal in India", 16 July 2022, https://www.mtcgroup.in/blog-2.php

and GHG emissions by 40% and 58%".[56] This policy is expected to increase market supply, thereby exerting pressure on prices on the Indian market. Therefore, by inciting the use of steel scrap through the implementation of the framework that facilitates the establishment of metal scrapping centres, the policy allows Indian producers to reduce costs of production, by giving them access to cheap steel scrap. [57]

(99) Ultimately, the Scrap Recycling Policy will ensure maximum domestic scrap availability on the market. In fact, the OECD reported in a paper published in 2024 that "*India's expected external scrap deficit is moderated by increased domestic availability due to the government's commitment to increase recycling and to the increased supply of home scrap as steel production grows*".[58]

(100) Through that export tariff, the steel industry benefits from domestic scrap prices below the scrap price on the world market. This export tax is identified as a trade barrier by the European Commission as it is reported in its Trade Market Database, since it has a systematic impact on the global market of scrap, thereby affecting the EU industry.[59]

4.3.1.4 Vertically integrated and self-sufficient producers

(101) Many of the India's main steel industry players are vertically integrated. By having an integrated production line covering all aspects of production from mining to the manufacturing of the end-product, producers can achieve significant benefits. In fact, many of the Indian producers provide both raw materials such as iron ore or coke coal as well as semi-finished or finished products. Others even operate their own mine for the extraction of raw materials or own power plants which allows them to benefit from energy supplies.

(102) As such, companies like Tata Steel Group, JSW Steel Limited, Steel Authority of India, Jindal Steel and Power Limited, and ArcelorMittal and Nippon Steel Corporation "*are vertically integrated and present throughout the steel value chain. They are largely self-sufficient producers and provide a range of steel-making raw materials (iron ore and coke coal) as well as a range of semi-finished and finished steel products. In addition to this, many also own energy companies. For instance, Tata Group owns Tata Power (and Tata UK), which is one of the largest power generating companies in India, JSW Group owns JSW Energy, while Jindal Steel and Power owns power plants in 2 states in India. AM/NS India is also planning to enter the energy sector to secure its value chain with the acquisition of power plants and integrating renewables into its energy supply chain. In addition, private steel companies in India own mines for the supply of raw material*

[56] Tata Nexarc, "Steel scrap recycling policy : Guidelines, process and benefits", 7 March 2024, https://blog.tatanexarc.com/da/steel-scrap-recycling-policy/

[57] Tata Nexarc, "Steel scrap recycling policy : Guidelines, process and benefits", 7 March 2024, https://blog.tatanexarc.com/da/steel-scrap-recycling-policy/

[58] OECD, 'Unlocking potential in the global scrap steel market : opportunities and challenges ', 2024, p.53, https://www.oecd.org/content/dam/oecd/en/publications/reports/2024/12/unlocking-potential-in-the-global-scrap-steel-market_b7014135/d7557242-en.pdf

[59] European Commission, Trade Market Access Database, https://trade.ec.europa.eu/access-to-markets/en/barriers/details?barrier_id=12204&sps=false

commodities and, downstream the value chain, they produce a variety of intermediate and final steel products."[60]

(103) For instance, along with its five integrated steel plants and its three special steel plants it operates,[61] Steel Authority of India recently reaffirmed its intention to increase its production of iron ore by setting up an additional integrated plant.[62] Similarly, JSW Steel owns JSW Energy which supposedly supplies JSW Steel of electricity through its captive power plant: "*Power will be sourced from captive power plant and the long term power purchase agreements with JSW Energy Limited and its subsidiaries*".[63] Similar findings were found for Tata Steel, one of the biggest CRF producer in India: "*Tata Steel is one of the most diversified integrated steel producers in the world, with an annual crude steel production capacity of 35 MTPA*".[64] Additionally, Tata Steel is part of the Tata Group which owns Tata Power.[65] In 2023, Tata Steel also acquired 26% of Tata Power Renewable Energy Ltd., a subsidiary of the Tata Group, to source renewable energy and agreed to a fixed-tariff long-term agreement with Tata Power to source 379 MW of captive renewable power.[66]

(104) Since these companies represent up to 70% of the crude steel production in India[67], the reduction in price induced by captive mining activities or in-house power plants significantly impacts domestic prices overall. As a result, Indian producers benefit from privileged access to raw material or reduced electricity prices which reduces the overall price of the product and consequently exacerbates the effect of price distortions on the Indian market.

4.3.1.5 Captive mining: iron ore and coal

(105) In India, many producers are self-sufficient due to their captive mining activities. Captive mining is the process according to which mines are allocated to steel manufacturers who are, therefore, able to extract raw material for their own production of steel, without requiring the acquisition of raw material supply from external mining companies. This allows producers to cover all aspects of production from mining to the manufacturing of the end-product, which thereby enables companies to be self-sufficient. As a result, steel

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[60] LSE report, "Research into Market Distortions in the Steel Sector", 23 February 2024, p.42 available at https://www.lse.ac.uk/business/consulting/reports/research-into-market-distortions-in-the-steel-sector

[61] Great Place To Work, "Why Steel Authority of India is a Great Place to work", Steel Authority of India Limited, https://www.greatplacetowork.in/great/company/steel-authority-of-india-limited#:~:text=Steel%20Authority%20of%20India%20Limited%20(SAIL)%20is%20a%20leading%20state,and%20three%20special%20steel%20plants.

[62] Great Place To Work, "Why Steel Authority of India is a Great Place to work", Steel Authority of India Limited, https://www.greatplacetowork.in/great/company/steel-authority-of-india-limited#:~:text=Steel%20Authority%20of%20India%20Limited%20(SAIL)%20is%20a%20leading%20state,and%20three%20special%20steel%20plants.

[63] JSW, Integrated Report, p.33, https://www.jswsteel.in/sites/default/files/assets/downloads/steel/IR/Financial%20Performance/Annual%20Reports%20Steel/22-23/JSW%20Steel%20IR%2022-23_Web_Final.pdf

[64] Tata Steel, Business page, https://www.tata.com/business/tata-steel

[65] LSE report, "Research into Market Distortions in the Steel Sector", 23 February 2024, p.42, https://www.lse.ac.uk/business/consulting/reports/research-into-market-distortions-in-the-steel-sector

[66] Tata Steel, "Tata Steel Limited to enter into agreement with Tata Power Renewable Energy Ltd. To source 370 MW of Renewable Power? A milestone towards achieving Net Zero", 19 October 2023, https://www.tatasteel.com/newsroom/press-releases/india/2023/tata-steel-limited-to-enter-into-agreement-with-tata-power-renewable-energy-ltd-tprel-to-source-379-mw-of-renewable-power-a-milestone-towards-achieving-net-zero/

producers are able to reduce the costs of raw material as they are able to get raw material at extraction prices rather than market price.

(106) The mining sector is regulated by laws and regulations, such as the Mines and Minerals Amendment Act, 1957[68] which is regularly amended. In 2023, the Act was amended with the aim of strengthening the exploration and extraction of critical minerals essential for India's economic development and national security.[69] The rules and regulations relevant to the operation of the iron ore and coal industries in India include:

- The Minerals (Evidence of Mineral Contents) Rules, 2015[70]
- The Mineral (Auction) Rules, 2015[71]
- The Mineral (Non-exclusive Reconnaissance Permits) Rules, 2015[72]
- The National Mineral Exploration Trust Rules, 2015[73]
- The Mineral (Mining by Government Company) Rules, 2015[74]
- The Mines and Minerals (Contribution to District Mineral Foundation) Rules, 2015[75]
- The Mineral Concession (other than Atomite and Hydrocarbon Energy Minerals) Rules, 2016[76] and Atomic Mineral Concession Rules, 2016[77]
- The Mineral Conservation & Development Rules, 2017[78]
- National Mineral Policy 2019[79]
- Iron ore policy 2021[80]
- The Coal Mine (Nationalisation) Act, 1973[81]
- The Coal Mine (Special Provisions) Second Ordinance, 2014[82]
- The Competitive Bidding of Coal Mines Amendment Rules, 2012[83]

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[68] Ministry of Mines, Mines and Minerals (Development and Regulation) Act, 1957, https://www.indiacode.nic.in/bitstream/123456789/1421/3/A1957-67.pdf

[69] Ministry of Law and Justice, The Mines and Minerales (Development and Regulation) Amendment Act, 2023, https://prsindia.org/files/bills_acts/bills_parliament/2023/Mines_and_Minerals_(Development_and_Regulation)_Amendment_Act,_2023.pdf

[70] Ministry of Mines, The Minerals (Evidence of Mineral Contents) Rules, 2015, https://www.ielrc.org/content/e1524.pdf

[71] Ministry of Mines, The Mineral (Auction) Rules, 2015, https://www.ielrc.org/content/e1517.pdf

[72] Ministry of Steel, Mineral (Non-exclusive Reconnaissance Permits) Rules, 2015, https://www.ielrc.org/content/e1523.pdf

[73] Ministry of Mines, National Mineral Exploration Trust Rules, 2015, https://indiankanoon.org/doc/46381115/

[74] Ministry of Mines, Mineral (Mining by Government Company) Rules, 2015, https://www.ielrc.org/content/e1526.pdf

[75] Ministry of Mines, The Mines and Minerals (Contribution to District Mineral Foundation) Rules, 2015, https://ibm.gov.in/writereaddata/files/11222021132940DMF%20Rules%202015%20updated%20upto%2031082016.pdf

[76] Ministry of Mines, Mineral Concession (other than Atomite and Hydrocarbon Energy Minerals) Rules, 2016, https://ibm.gov.in/writereaddata/files/10202016094948MCR_2016_18092016%20from%20SKS.pdf

[77] Ministry of Mines, Atomic Minerals Concession Rules, 2016, https://www.ielrc.org/content/e1612.pdf

[78] Ministry of Mines, Mineral Conservation & Development Rules, 2017, https://www.dgms.net/Mineral%20conservation%20and%20development%20ruesl%202017%20(27%20february,%202017).pdf pdf

[79] Ministry of Mines, National Mineral Policy 2019, https://mines.gov.in/admin/storage/app/uploads/64352887bcfa41681205383.pdf

[80] Ministry of Mines, Iron Ore Policy 2021, https://indianrailways.gov.in/railwayboard/uploads/directorate/traffic_tran/downloads/2021/Policy-Iron-Ore-Traffic-220121.pdf

[81] The Coal Mines (Nationalisation) Act, 1973, https://www.easterncoal.nic.in/rightstoinfo/nationali1973.pdf

[82] The Coal Mine (Special Provisions), 2014, https://prsindia.org/files/bills_acts/acts_parliament/2014/the-coal-mines-(special-provisions)-second-ordinance,-2014.pdf

[83] The Competitive Bidding of Coal Mines Amendment Rules, 2012, https://coal.gov.in/sites/default/files/2019-10/080512_0%20%281%29.pdf

(107) The mining activities of companies are strongly controlled and regulated by the GOI. The Government sets out the framework governing mining operations. The GOI is also responsible for defining the underlining goals and objectives for the mineral sector. As such, the GOI's National Mineral Policy ("NMP") adopted in 2019, sets out:

> "*(…) Securing access to sufficient, reliable, affordable, and sustainable supplies of minerals is increasingly becoming an important factor for functioning of downstream industries and the overall economy. Hence, ensuring long-term mineral security for nation shall be taken up with utmost priority.* ".[84]

(108) In practice, the GOI controls the activities of mining companies through mining licences. The mining licences allow the government to control the volume of extraction and sales of minerals in India. Over the years, the GOI has heavily intervened in the determination of the amount of minerals on the domestic market through the approval of certain mining licences.

(109) According to the GOI Minerals Concession Rules of 2016, captive mines have a right of first refusal when their mining lease expires. Article 8a of the Mines and Mineral Development Act of 1957 (as amended in 2015), also provides for extended periods of mining leases for captive users and reiterates the right of first refusal in auctions of mining leases for captive users.[85] This allows mining leases to remain predominantly in the hands of captive downstream iron ore producers.

(110) The GOI is focusing on ways to make the country self-sufficient in the production of raw material. In order to achieve this, the Government conducted a series of actions, including amending the legislative framework which governed mining activities. For instance, in 2021, the GOI amended the Mines and Minerals (Development and Regulation) Act, 1957, which previously restricted the sale of minerals by captive mines. Under the Mines and Minerals (Development and Regulation) Amendment Act, of 2021,[86] captive mines are now allowed to sell up to 50% of surplus iron ore in the Indian open market.[87] The Federation of Indian Mineral Industry clearly expressed resistance to this amendment and considered that the removal of the restriction on the sale of minerals *"goes counter to the very concept of captive mines. If this is allowed, it will lead to distortion of market and make a mockery of the concept of captive mines"*. [88]

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[84] National Mineral Policy 2019, https://mines.gov.in/admin/storage/app/uploads/64352887bcfa41681205383.pdf.

[85] Ministry of Mines, Mines and Minerals (Development and Regulation) Act, 1957, https://www.indiacode.nic.in/bitstream/123456789/1421/3/A1957-67.pdf

[86] Ministry of Mines, Mines and Minerals (Development and Regulation) Amendment Act, 2021, https://prsindia.org/files/bills_acts/bills_parliament/2021/Mines%20and%20Minerals%20(Development%20and%20Regulation)%20Amendment%20Bill,%202021.pdf

[87] PRS India, "The Mines and Minerals (Development and Regulation) Amendment Bill 2021, https://prsindia.org/billtrack/the-mines-and-minerals-development-and-regulation-amendment-bill-2021#:~:text=The%20Mines%20and%20Minerals%20(Development%20and%20Regulation)%20Amendment%20Bill%2C%202021,-Ministry%3A&text=Mar%2022%2C%202021-,The%20Mines%20and%20Minerals%20(Development%20and%20Regulation)%20Amendment%20Bill%2C,the%20mining%20sector%20in%20India.

[88] Federation of Indian Mineral Industry, 'Captives mines for iron and steel industry : a boon or a bane ?', October 2020, p.10, https://www.fedmin.com/fedmin/captive.pdf, accessed on the 17th of January 2025

(111) In a 2023 report published by the Competition Commission of India declared that "*The Study observed that though it is not possible to withdraw the already operational captive mines before completion of their tenure as this could disrupt synergies and efficient production, it noted that the amendments in mining law in 2021 have allowed the captive mines to sell up to 50 percent of surplus iron ore in the open market which is likely to boost supply of iron ore in the market"*[89] *i.e. lower prices*.

(112) Further, the Competition Commission of India, commented that "*the allocation of captive mines to some players creates entry barriers in the iron ore and steel sector as entry and successful operation become costly for new firms*". [90] By availing the government policy, the CCI approved the opening of captive mines to national firms. Opening the market will encourage the grant of mines to new players, thereby creating surplus capacity. This will guarantee that raw materials, such as iron ore and coal, are available at competitive prices.

(113) Additionally, In 2024, the Directorate of Mines and Geology of India invalidated the registrations of more than half of its iron ore traders after many companies failed to submit some documents for verification, proving the complexity of India's licensing process concerning Iron ore.[91]

(114) Various Indian CRF producers operate their own captive iron ore mines. For instance, in the fiscal year 2024-2025, Steel Authority of India produced 33.78 million tonnes of iron ore through its own captive mines and is expected to further increase its production. [92] Similarly, JSW Steel detains iron ore mines in Karnataka and Odisha[93] which provides JSW access to its own iron ore supply. Additionally, "*Tata Steel operates integrated manufacturing facilities in Jamshedpur and Kalinganagar, with captive iron ore and coal mines, a dolomite mine, a chromite mine and manganese mines spread across Jharkhand, West Bengal and Odisha"*.[94] As explained above, by operating their own mines, producers only pay the extraction costs, allowing them to save expenses, which reduces, overall, costs of production

4.3.1.6 Miscellaneous regulatory initiatives contributing to lower input and lower CRF prices

(115) The strategy of the GOI is clear: increase the availability of raw materials on the domestic market to depress costs of raw materials and consequently drive down the costs of production. The relationship between Public Sector Undertakings ("PSU") and the State can be defined as a reciprocal arrangement wherein the PSU provide a facilitated access

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[89] Competition Commission of India, Press release, 29th December 2023, https://www.cci.gov.in/images/pressrelease/en/press-release1704108671.pdf

[90] Competition Commission of India, Press release, 29th December 2023, https://www.cci.gov.in/images/pressrelease/en/press-release1704108671.pdf

[91] Steel Radar, "Licences of many iron ore traders suspended in India's Goa state", 9th July 2024, https://www.steelradar.com/en/haber/licenses-of-many-iron-ore-traders-suspended-in-indias-goa-state/

[92] Steel Orbis, "India's steel ministry planning separate mining vertical within SAIL to boost iron ore output", 20 May 2025, https://www.steelorbis.com/steel-news/latest-news/indias-steel-ministry-planning-separate-mining-vertical-within-sail-to-boost-iron-ore-output-1392309.htm

[93] JSW Steel, "Well-located and well-resources", https://www.jsw.in/sites/default/files/assets/downloads/steel/IR/Financial%20Performance/Annual%20Reports%20Steel/jsw-steel-19-20/operational-presence.html

[94] Tata Steel, "Inside Tata Steel India", https://www.tatasteel.com/tata-steel-brochure-2020-21/inside-tata-steel.html

to certain resources, in exchange of the State's support. This support can take the form of capital subsidies, tax reimbursement, interest subsidies.

(116) This, in addition to the regulatory framework implemented by the GOI, fosters an environment favorable to reduced prices.

(117) The particular market situation affecting CRF inputs also partly results from the GOI's interventionism in the steel sector. The State exercises its influence via Public Sector Undertakings, as well as through the regulatory framework it has put in place and which essentially constitute a variety of schemes contributing to the artificial lowering of prices of inputs.

(118) First, the GOI exercises a strong influence over the steel sector through state-owned enterprises, more specifically through Public Sector Undertakings ('PSU'). PSUs were first introduced in the 50s when the targets set by the State in the First Five Year plan for 1951-1956 were not reached. Consequently, "*the process of setting-up national champions in strategic sectors-heavy industry, steel, oil & gas, banking & insurance among others was initiated to achieve these targets*."[95]

(119) Public Sector Undertakings are companies owned by either the Central Government, any State Government or both.[96] Not only does the State own the companies, but it also controls the management by appointing most of the directors of PSUs. PSUs are "*vital to India's economic and social development*"[97] and considered to drive the economic growth of the country. The interconnection with the State is clear as "*PSUs provide a huge leverage to the government (their controlling shareholder) to intervene in the economy directly or indirectly to achieve the desired socio-economic objectives*."[98] While not explicitly focused on lowering prices, increased production and value addition are expected to contribute to price stability and potentially lower prices by meeting domestic demand and reducing reliance on imports. .

(120) For example, the State benefits from a facilitated access to resources or raw materials produced by the companies: "*the Government can secure substantial funds and obtain large loans with ease*"[99] and "*in times of urgent need for production, the government can quickly start large-scale initiatives, unlike the private sector*."[100]

(121) In exchange, PSUs are clearly pushed forward and benefit from advantages compared to other companies of the private sector. For example, PSUs benefit from much more

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[95] The Economic Times, "Role of PSU's and India macroeconomy", 24 November 2009, https://economictimes.indiatimes.com/role-of-psus-and-indias-macroeconomy/articleshow/5261448.cms?from=mdr

[96] Groww, "Everything about Public Sector Undertakings (PSUs) in India", 2 July 2024, https://groww.in/blog/public-sector-undertaking-in-india

[97] Groww, "Everything about Public Sector Undertakings (PSUs) in India", 2 July 2024, https://groww.in/blog/public-sector-undertaking-in-india

[98] The Economic Times, "Role of PSU's and India macroeconomy", 24 November 2009, https://economictimes.indiatimes.com/role-of-psus-and-indias-macroeconomy/articleshow/5261448.cms?from=mdr

[99] Groww, "Everything about Public Sector Undertakings (PSUs) in India", 2 July 2024, https://groww.in/blog/public-sector-undertaking-in-india

[100] Groww, "Everything about Public Sector Undertakings (PSUs) in India", 2 July 2024, https://groww.in/blog/public-sector-undertaking-in-india

flexibility when arranging their capital compared to private sector companies. [101] Additionally, "*public sector companies do not have competition from the private sector companies*" because "*the public sector is a complete government monopoly*."[102]

(122) PSUs are generally categorized into three categories: Central public-sector Entreprises ('CPSE'); Public Sector Banks ('PSB') and State Level Public Entreprises ('SLPE'). A CPSE is "*a company incorporated under the Companies Act, 2013 or under any previous company law, or institutions formed in pursuance of any Act of Parliament, in which not less than fifty-one per cent of the share capital is held by the Central Government or by any other CPSE or CPSEs, or partly by the Central Government and partly by one or more CPSEs, or partly by the Central Government and partly by one or more States with majority share capital with the Central Government, and includes a company which is a subsidiary company of such as institution*."[103] The Ministry of Steel has over seven CPSEs under its control, two of which are involved in the steel sector. Similarly, Steel Authority of India Ltd. and the Rashtriya Ispat Nigam Ltd, are companies involved in mining activities or production of raw materials.[104]

(123) CPSEs can also be given one of those three status based on their financial performance: Maharatna, Navratna and Miniratna companies. These statuses are viewed as privileged statuses and were introduced to help companies become global giants. In fact, "*The primary aim of the Government of India is to make these PSUs much more competitive and efficient*."[105] Essentially, when a company is given this status, it is recognized more power, more autonomy over both financial and administrative matters.[106]

(124) As a result of the overwhelming presence of the state in the steel industry through PSUs, companies are prevented from operating under market conditions, which, instead, are operating under the veil of the State.

(125) Second, the Government's implication is not limited to PSUs, as it is also apparent in the State's strategic initiatives. The National Steel Policy, published in 2017, setting out a long-term vision to increase production and consumption of steel on the Indian market with the final objective to enhance the competitivity of the market, clearly illustrates the State's implication in the sector. As such, in line with the strategy elaborated in the policy, the Government introduced various schemes and initiatives to support its strategy: "*To achieve these goals and objectives, the government of India has over the years introduced a variety of regulatory measures pertaining to the steel and related industries. These*

[101] Made Easy, "All about PSUs: Public sector enterprises in India", 30 November 2024, https://blog.madeeasy.in/all-about-psus-public-sector-enterprises-india#importance

[102] Made Easy, "All about PSUs: Public sector enterprises in India", 30 November 2024, https://blog.madeeasy.in/all-about-psus-public-sector-enterprises-india#importance

[103] Central Public Sector Enterprises (Projection of Interests of States) Bill, 2022, available here: https://sansad.in/getFile/BillsTexts/RSBillTexts/Asintroduced/central%20public-E.pdf?source=legislation

[104] LSE report, "Research into Market Distortions in the Steel Sector", 23 February 2024, p.43-44 available at https://www.lse.ac.uk/business/consulting/reports/research-into-market-distortions-in-the-steel-sector

[105] Made Easy, "What are the Navratna and Miniratna companies in India", 11 October 2024, https://blog.madeeasy.in/what-navratna-miniratna-companies-india

[106] Made Easy, "All about PSUs: Public sector enterprises in India", 30 November 2024, https://blog.madeeasy.in/all-about-psus-public-sector-enterprises-india#importance

include preferential public procurement schemes, subsidies, export and import tariffs, export related non-tariff measures, financial grants, and trade finance schemes."[107]

(126) The various measures show that the Government of India has put a comprehensive regulatory framework in place with the result of providing artificially low-priced inputs for the production of CRF.

(127) The Domestically Manufactured Iron & Steel Products Policy[108] introduced on 8 May 2017 clearly contributes to the artificial lowering of prices of inputs used, as, "*The measure acts as an incentive for domestic production which could indirectly reduce domestic production costs and prices through higher domestic production and the exploitation of economies of scale respectively*."[109]

(128) Additionally, the Promotion of Research & Development in the Steel Sector was introduced during the 11th Five-Year Plan and continued in the 12th Five-Year Plan. Although "*the impact of R&D support by the Gov's impact on cost of production is most probably relatively low, as expenditures for R&D amount to less than 1% of steel production costs*",[110] This program allocates up to INR 150 million per year, amounting to approximately USD 1,82 million, to priority areas including "*the development of new technologies for use of iron ore fines and non-coking coal, beneficiation of raw materials, the improvement in quality of steel produced, the development of commercially viable technology for utilisation of steel waste, and for achieving global benchmarks in productivity, quality, raw material consumption, energy consumption, water consumption, refractory consumption and reduction in GHG emissions*."[111] This program introduces subsidies that can affect costs of production, even to the slightest extent.

(129) Moreover, on 12 January 2020, the Steel Ministry unveiled the Mission Purvodaya, aimed at accelerating the development of East India through the development of an integrated steel hub in Kolkata. With the region holding up to 80% of the national iron ore reserves and almost 100% of the coking coal reserves, as well as nearly 30% of the country's port capacity, the region has all the assets, both in terms of infrastructure and resources, to rise as a hub. This is in fact the heart of the Mission Purdaya: "*The eastern states of India – Odisha, Jharkhand, Chhattisgarh, West Bengal – and the northern part of Andhra Pradesh collectively hold about 80 per cent of the national iron ore reserves and nearly 100 per cent of coking coal as well as vast reserves of chromite, bauxite, and dolomite. There is also the presence of major ports such as Paradip, Haldia, Vizag, Kolkata, etc., with around 30 percent of India's major port capacity. These resources and infrastructure can help the region come up as a major global exporting and industrial region, something*

[107] LSE report, "Research into Market Distortions in the Steel Sector", 23 February 2024, p.64 available at https://www.lse.ac.uk/business/consulting/reports/research-into-market-distortions-in-the-steel-sector

[108] Ministry of Steel, "Policy for giving preference to domestically manufactured iron & steel products in government procurement", available here: https://steel.gov.in/policies/policy-providing-preference-domestically-manufactured-iron-and-steel-product-govt

[109] LSE report, "Research into Market Distortions in the Steel Sector", 23 February 2024, p.64 available at https://www.lse.ac.uk/business/consulting/reports/research-into-market-distortions-in-the-steel-sector

[110] LSE report, "Research into Market Distortions in the Steel Sector", 23 February 2024, p.65 available at https://www.lse.ac.uk/business/consulting/reports/research-into-market-distortions-in-the-steel-sector

[111] LSE report, "Research into Market Distortions in the Steel Sector", 23 February 2024, p.65 available at https://www.lse.ac.uk/business/consulting/reports/research-into-market-distortions-in-the-steel-sector

the Purvodaya programme is targeting".[112] In sum, "*the objective of this hub would be to enable swift capacity addition, significant employment creation and improve the overall competitiveness of steel producers both in terms of cost and quality*."[113]

(130) Increasing the availability of raw materials on the domestic market will consequently lead to a decrease in the cost of raw materials and consequently drive down the costs of production. Concretely, "*The PLI scheme offers various benefits, including concessions on import and export duties, tax rebates, affordable land acquisition, and support for anchor investors managing new projects*."[114] These benefits can take the form of capital subsidies, tax reimbursement, electricity cost reduction or reimbursement or interest subsidies, which definitively affect costs of production. Given the extent of the subsidies granted, cost of production are clearly decreasing, driving prices of steel on the Indian market down.

(131) The calculation for the CRF cost adjustment in India is conservative as the complainant did not include the effect of overheads, SG&A and profit in the adjusted prices.

4.3.2 Normal value

(132) The complainant has based the normal value calculation on Fastmarkets price indices. The prices cover the period concerned on a monthly basis and contain certain CRF products.

4.3.3 Export price

(133) The complainant has based the export prices on TARIC data on a CIF basis. It converted these prices to EXW level using international and internal transportation and other costs based on EU producer and Cost of Doing Business data.

4.3.4 Dumping margin

(134) The complainant calculated dumping by dividing the difference between the normal value and the export price (EXW level) by the export price at CIF EU border level.

4.4 Vietnam

(135) As shown in the Annex, the dumping margin from Vietnam for the period concerned goes up to [26-35]%.

(136) With the cost adjustments justified by the particular market situation (see below), the dumping margin from Vietnam for the period concerned goes up to [40-60]%.

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[112] Ministry of External Affairs, Government of India, "Mission Purvodaya to help develop India's steel belt", 11 January 2020, https://indbiz.gov.in/mission-purvodaya-to-help-develop-indias-steel-belt/

[113] Ministry of External Affairs, Government of India, "Mission Purvodaya to help develop India's steel belt", 11 January 2020, https://indbiz.gov.in/mission-purvodaya-to-help-develop-indias-steel-belt/. Emphasis added.

[114] Nextias, "Production Linked Incentive (PLI) Scheme: Objectives, Benefits & Issues", 19 November 2024, https://www.nextias.com/blog/production-linked-incentive-pli/#:~:text=The%20India%20PLI%20scheme%20works,to%20the%20country's%20economic%20growth.

(137) With the profit adjustments justified by the particular market situation (see below), the dumping margin from India for the period concerned goes up to [36-44]%.

Annex 10. Vietnam dumping

4.4.1 Particular market situation in Vietnam

(138) With regards to Vietnam, the Complainant has identified various measures adopted by the Government of Vietnam that result in significant distortions in the costs of production of CRF. The various regulatory and market realities found on the Vietnamese market demonstrate that the market is tainted with distortions that cause raw material prices to deviate from the usual market trends. This was confirmed by the USA who considered Vietnam to be a non-market economy, and reaffirmed this finding a few months ago.

(139) The impact of the distortions on the Vietnamese market is clearly visible due to the price difference between international prices and Vietnam's domestic prices. [Confidential information: the information contains confidential information pertaining to the price of iron ore and coking coal in Vietnam].This clearly serves as evidence that the industry is not market-driven but rather clearly distorted.

Iron ore cost	2024
Vietnamese iron ore EUR/MT	[50-100]
International iron ore EUR/MT	[80-120]
Difference	[18-38]

Coking coal cost	2024
Vietnamese coking coal EUR/MT	[40-100]
International coking coal EUR/MT	[200-250]
Difference	[125-200]

(140) Moreover, there is a similar difference for steel scrap.

Steel scrap cost	2024
Vietnamese steel scrap EUR/MT	[215-270]
International steel scrap EUR/MT	[300-350]
Difference	[75-100]

(141) Vietnamese producers benefit from cheap inputs. This results from distinct schemes and features specific to the Vietnamese market, which lead to significant price variations between domestic prices and international prices.

(142) First, the various restrictions on exports on raw materials, ensure supply of the domestic markets at a reduced level of prices. The export restrictions pave the way for a system that fosters dual pricing strategies. This system operates in a manner that benefits domestic producers by artificially reducing their input costs while simultaneously increasing prices in international markets. The Complainant found relevant evidence of distortions regarding for iron ore, coal and steel scrap.

(143) Second, there are several Vietnamese vertically integrated companies in the Vietnamese CRF industry. This allows Vietnamese companies to achieve significant benefit as they are able to undertake the entire production process.

(144) Alternatively, while some producers supply their own raw material in the production of CRF, other purchase slabs or hot-rolled coils from external sources. A significant portion of hot-rolled products used in the production process of CRF imported by Vietnam is supplied by China at artificially low prices.

(145) Lastly, the extensive state presence in the steel industry, mainly on raw materials, disrupts the normal conditions of the market and clearly results in distorting the steel market.

(146) The full extent of these elements taken all together as a whole participate in creating a particular market situation according to Article 2(3) of the Basic Antidumping Regulation, which thus justifies adjustment of costs.

4.4.1.1 Measures relating to iron ore: restriction on exports

(147) Pursuant to the Decree 26/2023/ND-CP of 31 May 2023, the Government published the export tariff schedule according to which iron ores are subjected to a 40% export tax (previously at 30%). [115] By restricting exports, the Vietnamese market is flooded with iron ore, which causes domestic prices to be artificially lowered. The measure, therefore, grants an artificial benefit to the users of this raw material, including domestic CRF producers. The export restriction thus disconnects domestic prices of iron ore from international prices.

(148) In 2012, the Vietnamese government released Notice No 02/CT-TTg on exploration, mining, export of domestic minerals. According to this notice, all iron ore exports by domestic miners or traders has been banned. [116] Large amounts of iron ore have remained unsold in the domestic market, leading to enterprises breaking contracts and asking that this ore be exported instead.

4.4.1.2 Measures relating to steel scrap: export taxes

(149) In addition to export restrictions on iron ore products, there are also export duties on the Vietnamese market on steel scrap, a major input in the production of CRF in Vietnam. Pursuant to Vietnam's export tax schedule, steel scrap is subject to a duty between 15 to 17% export duty in Vietnam.[117]

[115] Corporate Law, "Export tax schedule according to the list of taxable items in Group 26 from 15, 2023", 21 June 2023, https://thuvienphapluat.vn/phap-luat-doanh-nghiep/bai-viet/bieu-thue-xuat-khau-theo-danh-muc-mat-hang-chiu-thue-nhom-26-tu-ngay-15-7-2023-5002.html; and Custom Vietnam website, https://www.customs.gov.vn/index.jsp?pageId=24&id=XUAT_KHAU&name=Xu%E1%BA%A5t%20kh%E1%BA%A9u&cid=1201

[116] Prime Minister of Vietnam, Notice No 02/CC-TTg, available, in English, at https://thuvienphapluat.vn/van-ban/EN/Tai-nguyen-Moi-truong/Directive-No-02-CT-TTg-on-enhancing-the-state-management-for-exploration/135312/tieng-anh.aspx

[117] MRS STEEL, "Draft adjustment of Vietnam's steel export duty policy in 2022", 6 April 2022, https://mrssteel.com.vn/blogs/steel-news/draft-adjustment-vietnam-steel-export-duty-policy-2022#:~:text=Therefore%2C%20the%20export%20duty%20rates,export%20duty%20rate%20of%200%25.

4.4.1.3 Measures related to coal: export restrictions

(150) Vietnam adopted several initiatives which resulting in distortions on domestic coal. Indeed, increasing the internal production of coal to serve the Vietnamese industry has been progressively an objective of the Government, which has been especially achieved through export restrictions.

(151) Here, coal is subject to an export tax of 10 % and on cokes of 13%.[118] Through that export tariff, domestic producers are given access domestic coking coal prices below the coal price on the world market (see above).

(152) Additionally, the Notice No 02/CT-TTg, from 2012 also temporarily suspended all coal mining activity except that allowed by permits for coal exploration and mining.[119]

(153) These distortions on key raw materials allow domestic producers to produce CRF at a significantly reduced cost. This significantly and artificially reduces the costs of production of CRF and results in the existence of a particular market situation in Vietnam. This justifies the adjustment of costs in accordance with Basic Antidumping Regulation.

4.4.1.4 Vertically integrated and self-sufficient producers

(154) Many of the Vietnam's main steel industry actors are vertically integrated. This allows producers to achieve significant benefit as they are able to cover a considerable portion, if not all, of the different stages of production, from mining to manufacturing of the end-product.

(155) For instance, Hoa Phat Group both "*simultaneously self-supplies and purchases iron ores from mining companies due to its significant demand*".[120] Similarly, both Vietnam Steel Corporation and POSCO Vietnam Co Ltd have built integrated plants in Vietnam.[121]

(156) Vietnam Steel Corporation further declared that "*For over nearly 30 years of establishment and development, VNSTEEL has owned and co-owned many of the largest iron ore mines in the country (Thach Khe, Quy Xa, Tien Bo, Trai Cau). The establishment of an efficient mining and operating system has provided VNSTEEL good quality raw material sources with competitive price*".[122] Additionally, Hoa Sen declared in a recent annual report that "*With the integrated production and business process, Hoa Sen Group proactively regulates and tightly controls the costs at each stage of production process*".[123]

(157) Additionally, Vietnam seems to be shifting towards a vertical structure to streamline operations and cover bigger portion of the production process: "*In recent years(…), the*

[118] Circular No. 164/2013/TT-BTC, 15 November 2013, https://www.industry.gov.au/sites/default/files/adc/public-record/non-confidential_exhibits_39-46_of_46.pdf

[119] Prime Minister of Vietnam, Notice No 02/CC-TTg, available, in English, at https://thuvienphapluat.vn/van-ban/EN/Tai-nguyen-Moi-truong/Directive-No-02-CT-TTg-on-enhancing-the-state-management-for-exploration/135312/tieng-anh.aspx

[120] Speeda, "Iron Ore Mining in Vietnam", 17 May 2023, https://sea.ub-speeda.com/asean-insights/industry-reports/ironoreminingvietnam-2023/

[121] Yieh Corporation, "Tata invests steel plant in Vietnam", 14 August 2008, https://www.yieh.com/ru/tata-invests-steel-plant-in-vietnam/31498

[122] VNSTEEL, Profile VNSTEEL Report, 2023, p.27, https://vnsteel.vn/Uploads/PublicOther/2023/07/14/14/profile-vnsteel-e.pdf

[123] Hoa Sen Group, Annual report 2023-2024, p.39, https://hoasengroup.vn/en/detail-file/annual-report-of-the-fiscal-year-2020-2021/8711/

industry has built a complete value chain from hot-rolled steel to cold-rolled steel and coated steel, making it capable of expanding exports to other markets".[124]

4.4.1.5 The effect of the distorted Chinese hot-rolled imports on the Vietnamese market

(158) The assessment here is quite straightforward: while several Vietnamese companies are able to source the raw material required for the production of CRF internally, due to their vertically integrated structure, other companies purchase their raw material from external sources. That being said, a significant portion of hot-rolled products used in the production process of CRF is imported from China, whose steel market is distorted.

(159) The distortions affecting HRF in China are first clear because of the push-out demonstration set out elsewhere in this complaint and which apply *mutatis mutandis* to HRF, a product directly upstream and as such very close to CRF. The EU has further recognised that significant distortions apply to hot-rolled steel in China.[125] The Commission found on HRF that "*The steel industry is regarded as a fundamental sector of the Chinese economy, a national cornerstone by the Chinese government, and as such is a particularly supported industry. The current problem of overcapacity is arguably the clearest illustration of the implications of the Chinese Government's policies for the industry and the resulting distortions*".[126] That China is widely recognized as non-market economy, that it is clear that severity of the overcapacity crisis in China is the result of the excessive government-backed stimulation of capacity on the market, and that Vietnam itself has recently recognized China's unfair practices regarding HRF exports to its market,[127] demonstrates that HRF in China is artificially low-priced. When imported into Vietnam, this distortion is passed on to the Vietnamese market. It artificially lowers HRF and CRF prices.

(160) Various Vietnamese producers are engaged in re-rolling activities (see below). The existence of re-rollers indicates that many Vietnamese producers simply purchase hot-rolled steel before rolling it down and re-rolling it in order to produce cold rolled steel. That some producers are re-rollers combined with the fact that China ranks as the main source of imports makes it very likely that re-rollers are re-rolling Chinese products which originate from a distorted market. As such, re-rollers would most probably benefit from cheap imports from China due to distorted nature of the Chinese market.

(161) The Commission confirmed in the SSCR circumvention case that Vietnamese producers have spare re-rolling capacity and a practice of importing hot-rolled steel from third

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[124] WTO Center VVC, "Hot-rolled steel imports to Vietnam skyrocket, China dominates market", 14 October 2024, https://antidumping.vn/hot-rolled-steel-imports-to-vietnam-skyrocket-china-dominates-market-n27906.html

[125] Commission Implementing Regulation (EU) 2023/1122 of 7 June 2023 imposing a definitive anti-dumping duty on imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel originating in People's Republic of China following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council, rec. 44.

[126] Commission Implementing Regulation (EU) 2023/1122 of 7 June 2023 imposing a definitive anti-dumping duty on imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel originating in People's Republic of China following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council, rec. 50.

[127] Vietnam recently announced the imposition of temporary anti-dumping duties on certain hot-rolled products imported from China, in February 2025, see here: Comprehensive Cooperation Network, "Ministry of Industry and Trade imposes temporary anti-dumping duties on imported hot-rolled steel from China", https://ccnvietnam.vn/ministry-of-industry-and-trade-imposes-temporary-anti-dumping-duties-on-imported-hot-rolled-steel-from-china

countries, re-rolling it, and exporting it to the EU (the same capacity can be used to re-roll stainless and carbon steel).[128]

(162) In 2018, the US Commerce Department even found in an investigation that cold-rolling activity was a common practice of the Vietnamese market. As such, "*Importing HRC and processing it into CRC, hot-dipped galvanized coil (HDG), color-coated coil (PPGI) and other flat steel products has* ***long been a staple of the Vietnamese flat steel industry****, which* ***has numerous re-rollers throughout the country****. These include majors such as Hoa Sen, Nam Kim Steel and Ton Dong A*".[129] Additionally, "*These re-rollers ship the processed flat steel to worldwide destinations, including Australia, the Middle East, Africa, the US and* ***Europe****, where it is used in various downstream sectors such as the construction and automotive industries, and often at prices which undercut material from local producers"*.[130]

(163) The data is unequivocal: figures clearly show that the major portion of HRC imported by Vietnam originates from China. Besides, it is well established that Vietnamese re-rollers benefit from the Chinese HRC exports to Vietnam, as confirmed by the US Commerce Department.

(164) According to Vietnam's trade data, "*in 2023, Vietnam imported approximately 13.33 million mt of various finished steel products, with an import value exceeding $10.4 billion, a quantity increase of 14.07% YoY, but a value decrease of 12.55% YoY. China was the largest supplier, accounting for over 62% of Vietnam's total steel import volume and over 54% of the total value, followed by Japan (14.3%) and South Korea (8.3%)*".[131]

(165) In 2023, Vietnam's imports of HRF were mainly supplied by Japan, Korea, and China, ranking first. This was confirmed in 2024, as China remained the largest source of imports of steel for Vietnam. In 2023, China ranked first with the biggest share of imports to Vietnam, accounting for more than 65%.

2023[132]			
Source of Imports	**Volume(in kg)**	**Volume (in Tonnes)**	**Ratio**
China	4 413 746 718	4 413 747	65,44%
Japan	995 898 743	995 899	14,76%
Republic of Korea	479 686 820	479 687	7,11%

[128] Commission Implementing Regulation (EU) 2024/1268 of 6 May 2024 extending the definitive countervailing duties imposed by Implementing Regulation (EU) 2022/433 on imports of stainless steel cold-rolled flat products originating in Indonesia to imports of stainless steel cold-rolled flat products consigned from Taiwan, Türkiye and Vietnam, whether declared as originating in Taiwan, Türkiye and Vietnam or not, rec. 113-120.

[129] Fastmakers, "US duty circumvention probe on Chinese HRC inconsequential, Vietnam re-rollers say", 18 May 2018, https://www.fastmarkets.com/insights/us-duty-circumvention-probe-on-chinese-hrc-inconsequential-vietnam-re-rollers-say/

[130] Fastmakers, "US duty circumvention probe on Chinese HRC inconsequential, Vietnam re-rollers say", 18 May 2018, https://www.fastmarkets.com/insights/us-duty-circumvention-probe-on-chinese-hrc-inconsequential-vietnam-re-rollers-say/

[131] Shanghai Metal Market, "China's Largest Export Market-Detailed Analysis of Vietnam's Steel Industry",27 November 2024, https://www.metal.com/en/newscontent/103058507

[132] Source: UN Comtrade.

(166) Vietnam's imports of steel mainly concern hot-rolled steel. It was reported that "*Vietnam's hot-rolled steel imports have grown significantly over the past three years*".[133] In 2023, Vietnam's imports of hot-rolled accounted for more than 70% of Vietnam's total steel imports.[134] This increase and extensive dominance of hot-rolled from China is mainly due to the fact that Vietnam has the largest steel demand market in Southeast Asia with a consumption levels ranking first among ASEAN countries.[135]

(167) Similarly, imports of hot-rolled coil have skyrocketed in 2024, as "*the volume of HRC imported from China in the first nine months of 2024 has already surpassed the total imported in all of 2023"*[136].

(168) Moreover, the prices of Chinese-imported hot-rolled flat steel are considerably lower than those of both other main sources (Japan and South Korea). This is a difference from the *Epoxy Resin* case, where the Commission found two reasons not to consider the effect of Chinese distortions: the price of Chinese imports was higher than the import price from other sources[137] and the Chinese overcapacity of bisphenol-A (a main input in epoxy resin) was not supported by evidence. [138]

2023[139]	
Source of Imports	**Price (EUR/MT)**
China	712
Japan	751
Republic of Korea	799

(169) For CRF, Chinese import prices of HRF are well below that of the other main sources, Japan and South Korea. Moreover, the overcapacity of HRF has been confirmed by the Commission itself: "*The steel industry is regarded as a fundamental sector of the Chinese economy, a national cornerstone by the Chinese government, and as such is a particularly supported industry. The current problem of overcapacity is arguably the clearest illustration of the implications of the Chinese Government's policies for the industry and the resulting*

[133] Shanghai Metal Market, "China's Largest Export Market-Detailed Analysis of Vietnam's Steel Industry",27 November 2024, https://www.metal.com/en/newscontent/103058507

[134] Shanghai Metal Market, "China's Largest Export Market-Detailed Analysis of Vietnam's Steel Industry",27 November 2024, https://www.metal.com/en/newscontent/103058507

[135] Shanghai Metal Market, "China's Largest Export Market-Detailed Analysis of Vietnam's Steel Industry",27 November 2024, https://www.metal.com/en/newscontent/103058507

[136] WTO Center VVC, "Hot-rolled steel imports to Vietnam skyrocket, China dominates market", 14 October 2024, https://antidumping.vn/hot-rolled-steel-imports-to-vietnam-skyrocket-china-dominates-market-n27906.html

[137] Commission Implementing Regulation (EU) 2025/393 of 26 February 2025 imposing a provisional anti-dumping duty on imports of epoxy resins originating in the People's Republic of China, Taiwan, and Thailand, rec. 194.

[138] Commission Implementing Regulation (EU) 2025/393 of 26 February 2025 imposing a provisional anti-dumping duty on imports of epoxy resins originating in the People's Republic of China, Taiwan, and Thailand, rec. 195.

[139] Source: UN Comtrade.

distortions".[140] The arguments on CRF overcapacity and distortions set out elsewhere in this complaint also apply *mutatis mutandis* to HRF.

(170) Thus, Chinese imports of hot-rolled products enables domestic producers to produce CRF at a significantly reduced cost, as they are able to source the main product in their re-rolling activity from a highly distorted market. This significantly and artificially reduces the costs of production of CRF and participate to the existence of a particular market situation in Vietnam.

(171) All these distortions on raw materials contribute to the existence of a particular market situation in Vietnam. This justifies the adjustment of costs in accordance with Basic Antidumping Regulation.

4.4.1.6 Miscellaneous regulatory initiatives contributing to lower input and lower CRF prices

(172) Artificially boosting domestic production increases the availability of raw materials on the domestic market, which in turn causes prices to decreases costs of raw materials. Vietnam's regulatory framework displays the ideal conditions for prices to decrease, thereby reducing production costs.

(173) On 21 May 2021, the Ministry of Industry and Trade held a working session to define the different priorities aimed to support the development of the steel industry in reference to the Steel Industry Development Strategy to 2030 with a vision to 2050. The steel sector plays an crucial role in the country's economy and serves the wider goal of industrialization and modernization of the country: "*Firstly, focus on research, building strategies, plans and policies that are strong, synchronous and feasible enough to achieve the steel industry's development goals, creating a premise for the country's industrialization and modernization process*."[141] The GoV thus holds a strong interest and intends to maintain a certain level of authority over the sector. The Minister stressed the importance to ensure the consideration of the State's interests, and not solely the interests of the enterprises and the consumers: "*the Steel Association must rise up to play the role of "midwife" for domestic steel manufacturing enterprises, and at the same time act as an arbitrator to contribute to stabilizing the steel market, ensuring the interests of three parties: the State, enterprises and consumers*."[142] In addition, the Minister also highlighted the role of the Government as being in charge of finding solutions when the industry is facing difficulties: "*The Minister of Industry and Trade suggested that, in the process of production and business, if there are any difficulties or problems, steel enterprises should promptly make recommendations to the Government and relevant ministries, branches and localities to find solutions*."[143] The working session occurred after the former Prime Minister Ming Khai urged the Ministry of Industry and Trade "*to study and take measures to promote the*

[140] Commission Implementing Regulation (EU) 2023/1122 of 7 June 2023 imposing a definitive anti-dumping duty on imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel originating in People's Republic of China following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council, rec. 50. Emphasis added.

[141] Bô Công thuong Viêt Nam, "Ministry of Industry and Trade prioritizes supporting steel industry enterprises to develop", 28 May 2021, https://moit.gov.vn/tin-tuc/hoat-dong/bo-cong-thuong-uu-tien-ho-tro-doanh-nghiep-nganh-thep-phat-t.html

[142] Bô Công thuong Viêt Nam, "Ministry of Industry and Trade prioritizes supporting steel industry enterprises to develop", 28 May 2021, https://moit.gov.vn/tin-tuc/hoat-dong/bo-cong-thuong-uu-tien-ho-tro-doanh-nghiep-nganh-thep-phat-t.html

[143] Bô Công thuong Viêt Nam, "Ministry of Industry and Trade prioritizes supporting steel industry enterprises to develop", 28 May 2021, https://moit.gov.vn/tin-tuc/hoat-dong/bo-cong-thuong-uu-tien-ho-tro-doanh-nghiep-nganh-thep-phat-t.html

increase of domestic finished steel production capacity, aiming to basically meet domestic demand. At the same time, propose solutions to adjust the imbalance in steel product supply in the domestic market, through balancing the volume of finished steel exports."[144]

(174) The focus on the domestic production is clearly addressed by the Minister. Among the different priorities discussed, the Minister highlighted the need to "*focus on developing the mining and ore processing industry and forming a healthy steel raw material market*."[145]

(175) Similarly, another scheme implemented by the authorities that leads to artificially stimulating domestic market, and thereby allowing prices to decrease, is the Directive 494/CT-TTg. This directive issued in 2010 artificially boosts demand for domestic steel companies by requiring state enterprises to prioritize reliance on domestic companies and to rely on international supplies only when domestic companies are not able to meet the demand: "*For bidding for commodity procurement, international bidding will be held only when commodities, supplies and equipment which are domestically available fail to meet requirements of bid packages or cannot be domestically produced or when it is so requested by donors with regard to bid packages under official development assistance (ODA)-funded projects*."[146] Concretely, this initiative grants a priority to the domestic producers and thus artificially stimulates demand and boosts production. This scheme was even interpreted as a subsidy to the steel sector in the OECD report on "Subsidies to the steel industry": "*This creates a reserved procurement market for domestic firms and represents a subsidy from the viewpoint of the Secretariat's subsidy exercise, as it artificially boosts the demand for a domestic steel firm's output compared to foreign firms, thus conferring a benefit to that firm. According to the Secretariat's desk research, there is little transparency on specific procurement conditions and outcomes online*."[147]

(176) Moreover, the 'Vietnamese people prioritize using Vietnamese goods' campaign also contributes to the various support measures of the Government to stimulate domestic production. The results of a public opinion survey launched by the Institute of Social Opinion, Central Propaganda Department in September 2022 showed that most participants recognized that the campaign was efficient as it did not only encourage Vietnamese consumers to prioritize Vietnamese goods, but also as it pushed "*domestic enterprises and production establishments to prioritize using raw materials, fuels, materials and input factors that are Vietnamese products, goods and services*."[148]

(177) Additionally, in June 2024, the Ministry of Industry and Trade proposed that "*Ministry of Finance review, update and have appropriate import tax regulation policies for some steel*

[144] Bô Công thuong Viêt Nam, "Ministry of Industry and Trade prioritizes supporting steel industry enterprises to develop", 28 May 2021, https://moit.gov.vn/tin-tuc/hoat-dong/bo-cong-thuong-uu-tien-ho-tro-doanh-nghiep-nganh-thep-phat-t.html

[145] Bô Công thuong Viêt Nam, "Ministry of Industry and Trade prioritizes supporting steel industry enterprises to develop", 28 May 2021, https://moit.gov.vn/tin-tuc/hoat-dong/bo-cong-thuong-uu-tien-ho-tro-doanh-nghiep-nganh-thep-phat-t.html

[146] Thu' Viên Phap Luât, Directive on the use of domestically produced supplies and commodities in bidding for state-funded investment projects", 20 April 2010, available here: https://thuvienphapluat.vn/van-ban/Dau-tu/Directive-No-494-CT-TTg-on-the-use-of-domestically-produced-supplies-108164.aspx

[147] OECD, "Subsidies to the steel industry", April 2023, https://www.oecd.org/content/dam/oecd/en/publications/reports/2023/04/subsidies-to-the-steel-industry_71693a1e/06e7c89b-en.pdf

[148] Tuyên giao, "The campaign 'Vietnamese people prioritize using Vietnamese products' changes consumer awareness and behavior", 8 November 2022, https://tuyengiao. vn/nhip-cau-tuyen-giao/ban-tuyen-giao-tw/cuoc-van-dong-nguoi-viet-nam-uu-tiendung-hang-viet-nam-lam-thay-doi-nhan-thuc-va-hanh-vi-cua-nguoi-tieu-dung-141624

products with large price fluctuations; Propose the State Bank to direct and encourage commercial banks to deploy preferential credit packages to support investment, production and trading of steel."[149]

(178) Moreover, these distortions in the Vietnamese economy have been confirmed by other trade defence authorities worldwide. In 2024, the US Department of Commerce ('DOC') confirmed that it considered Vietnam to be a non-market economy. In line with previous findings, the United States designated Vietnam to be a non-market economy (NME) for the purposes of anti-dumping (AD) and countervailing duty (CVD) investigations, citing the GoV's involvement in the economy as a reason for not lifting the designation.[150]

(179) According to the DOC, "*Vietnam's economy is still characterized by significant state ownership and control over the means of production, most notably over companies and land. Moreover, the GoV continues to play a significant role over the pricing and allocation of credit in Vietnam. State-owned enterprises (SOE) command a disproportionate amount of lending credit, among other structural advantages, despite the SOE's relatively low efficiency levels compared to their private-sector counterparts. The GOVN also uses state-directed planning to communicate its objectives for the economy in terms of business outcomes and resource allocations, and pervasive government price controls continue to influence final prices of goods in Vietnam."* .[151]

(180) The extensive measures implemented by the GoV illustrate its intent to shift the focus on its domestic production. To this end, the GoV has adopted a wide range of measures that provide domestic CRF producers with inputs at a distorted cost allowing them to have an unjustified and artificial competitive edge over their international competitors resulting in the existence of a particular market situation. This is further evidenced by the restrictions on exports on raw materials, as will be demonstrated below.

4.4.2 Normal value

(181) The complainant has based the normal value calculation on publicly available information. The prices cover the period concerned on a monthly basis and contain certain CRF products.

4.4.3 Export price

(182) The complainant has based the export prices on TARIC data on a CIF basis. It converted these prices to EXW level using international and internal transportation and other costs based on EU producer and Cost of Doing Business data.

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[149] Vietnam.vn, "Many solutions to solve difficulties for the steel industry", 16 June 2024, https://www.vietnam.vn/en/nhieu-giai-phap-go-kho-cho-nganh-thep/

[150] US Department of Commerce, Decision in Review of the Non-Market Economy Status of Vietnam, 2 August 2024, https://www.trade.gov/press-release/department-commerce-final-decision-review-non-market-economy-status-vietnam

[151] Department of Commerce, A-552-833, "*Raw Honey from the Socialist Republic of Vietnam : Final Results of Antidumping Duty Changed Circumstances Review*", 7 August 2024, https://www.federalregister.gov/documents/2024/08/07/2024-17418/raw-honey-from-the-socialist-republic-of-vietnam-final-results-of-antidumping-duty-changed , emphasis added

4.4.4 Dumping margin

(183) The complainant calculated dumping by dividing the difference between the normal value and the export price (EXW level) by the export price at CIF EU border level.

4.5 Turkey

(184) As shown in the Annex, the dumping margin from Turkey for the period concerned goes up to [20-32]%.

(185) With the profit adjustments justified by the particular market situation (see below), the dumping margin from Turkey for the period concerned goes up to [21-28]%.

Annex 11. Turkey dumping

4.5.1 Normal value

(186) The complainant has based the normal value calculation on SteelOrbis price indices. The prices cover the period concerned on a monthly basis and contain certain CRF products.

4.5.2 Export price

(187) The complainant has based the export prices on TARIC data on a CIF basis. It converted these prices to EXW level using international and internal transportation and other costs based on EU producer and Cost of Doing Business data.

4.5.3 Dumping margin

(188) The complainant calculated dumping by dividing the difference between the normal value and the export price (EXW level) by the export price at CIF EU border level.

4.6 Particular market situation: push-out effect of Chinese overcapacity

4.6.1 Introduction: push-out as a particular market situation under Article 2(3) basic Regulation

Annex 12. Push-out Chinese overcapacity

(189) As further detailed below, domestic prices of the Targeted Countries have been artificially reduced as a consequence of years of imports of Chinese CRF at low prices caused by excess capacity. The effects of Chinese overcapacities, worldwide and on their own market, have obligated Targeted Countries' producers to lower their own prices. This has pushed Targeted Countries prices below sustainable levels.

(190) These artificially low prices have created a particular market situation on the domestic markets of the Targeted Countries. This particular market situation follows from theses demonstrated below. First, there are steel overcapacities (including for CRF) worldwide which originate in China. Second, these overcapacities have depressed steel prices on third country markets (including the Targeted Countries), which has led to artificially lowered profits.

(191) Article 2(3) of the basic anti-dumping Regulation allows to deviate from the normal dumping methodology of Article 2(1) in case of a particular market situation: "*When there are no or*

insufficient sales of the like product in the ordinary course of trade, or where, because of the particular market situation, such sales do not permit a proper comparison, the normal value of the like product shall be calculated on the basis of the cost of production in the country of origin plus a reasonable amount for selling, general and administrative costs and for profits, or on the basis of the export prices, in the ordinary course of trade, to an appropriate third country, provided that those prices are representative."

(192) On the definition of a particular market situation, the second sentence of the Article adds that "*A particular market situation for the product concerned within the meaning of the first subparagraph may be deemed to exist, inter alia, when prices are artificially low, when there is significant barter trade, or when there are non-commercial processing arrangements*". In Regulation 197/2002, the General Court clarifies that a particular market situation reflects situations where "*(…) market signals may not properly reflect supply and demand which in turn may have an impact on the relevant costs and prices (…)*."[152]

(193) These low prices have suppressed the profitability of CRF producers in the Targeted Countries. Econometric GFSEC research has proven a causal link between Chinese excess capacity and a decline in the EBITDA of steel producers worldwide.[153] As a result, the profits realised by steel producers are not in the ordinary course of trade. For this reason, and following Article 2(6) of the basic anti-dumping Regulation, the complainant respectfully requests the Commission to address this particular market situation by replacing the actual profit data by the profits which would have been realised were it not for the particular market situation.

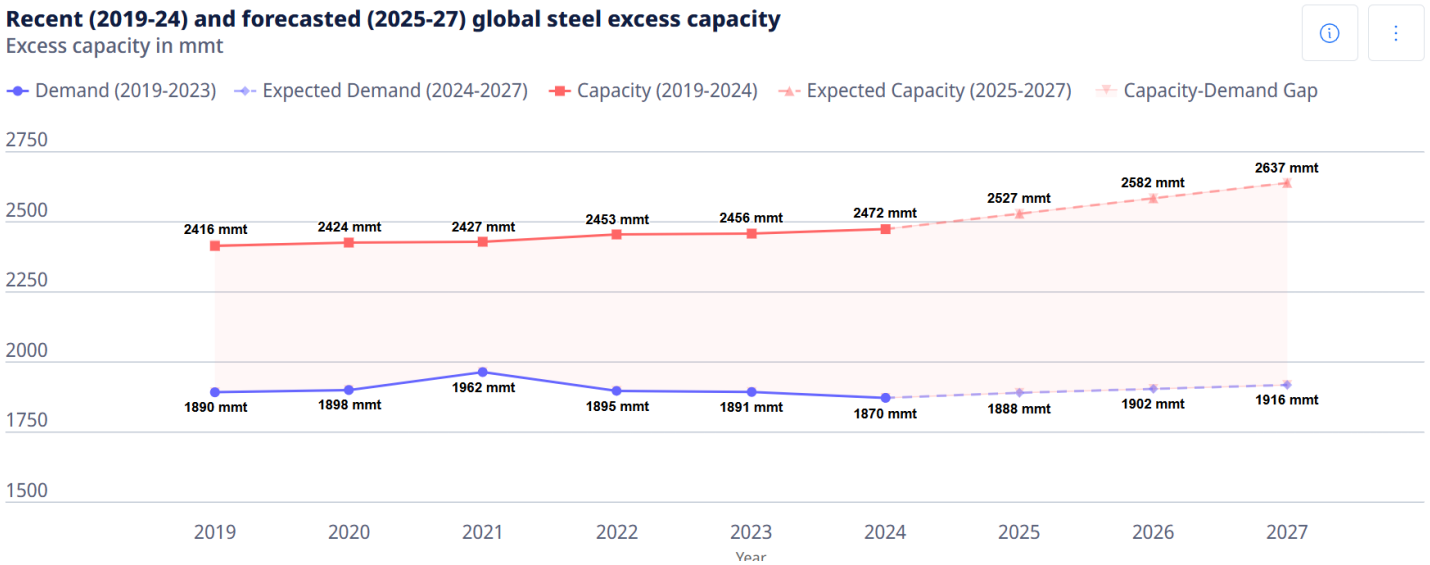
[152] Council Regulation (EC) No 1972/2002 of 5 November 2002 amending Regulation (EC) No 384/96 on the protection against dumped imports from countries not members of the European Community, rec. 3; Case T-118/10, *Acron OAO v. Council*, 7 February 2013, para. 40.

[153] Global Forum on Steel Excess Capacity (GFSEC): Impacts of global excess capacity on the health of GFSEC steel industries March 2024 OECD Facilitator Anthony DE CARVALHO Rodrigo PAZOS Willem THORBECKE, Senior Fellow at RIETI (Tokyo), https://www.steelforum.org/content/dam/steel-forum/en/publications/gfsec-impacts-of-global-excess-capacity_0325.pdf.

4.6.2 CRF overcapacity worldwide and in China

4.6.2.1 Steel overcapacity worldwide

(194) Steel has an overcapacity problem. This is not new: overcapacity has been a global issue in the steel industry since the early 2000s. Nominal steelmaking capacity grew through the 2000s to 1 056 million metric tons (mmt) and accelerated rapidly after 2001 to reach 2 371 mmt in 2015.[154] Between 2018 and 2023, world steelmaking capacity increased by 61,8 mmt. This increase was moreover extremely asymmetrical: while the OECD region recorded a slight decrease of 9 mmt, the non-OECD region recorded an increase of 70,9 mmt. By 2023 global crude steelmaking capacity reached a record 2,432mmt – "*a level that exceeded global demand by slightly more than 500 mmt"*.[155]



Recent (2019-2024) and forecasted (2025-27) global steel excess capacity[156]

(195) Overcapacity is generally defined as the gap between steel production capacity and (expected) demand. The Global Forum for Steel Excess Capacity (GFSEC) also uses this definition. The GFSEC is an international platform formed by steel-producing countries after a 2016 G20 summit working on steel excess capacity issues.[157] Facilitated by the OECD, the GFSEC does economic, econometric and factual research on the extent and the consequences of steel overcapacity.

(196) This research includes the graph above, which shows the full extent of the increasing gap between steel demand and steel capacity.[158] This gap stood at 602 mmt in 2024. For comparison,

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[154] BRUN Lukas, "Overcapacity in steel China's Role in a Global Problem", September 2016, https://www.americanmanufacturing.org/wp-content/uploads/2023/08/OvercapacityReport2016_R3.pdf

[155] OECD, "Latest developments in steelmaking capacity and outlook until 2026", 12 June2024, p.9, https://one.oecd.org/document/DSTI/SC(2024)3/FINAL/en/pdf#:~:text=Global%20steelmaking%20capacity%20is%20projected,mmt%20in%20the%20planning%20stage.

[156] OECD Steel Outlook 2025, "Recent (2019-2024) and forecasted (2025-27) global steel excess capacity", p.16, https://www.oecd.org/content/dam/oecd/en/publications/reports/2025/05/oecd-steel-outlook-2025_bf2b6109/28b61a5e-en.pdf

[157] GFSEC, "Who we are", https://www.steelforum.org/en.html#who-we-are.

[158] GFSEC, https://www.steelforum.org/.

the EU produced 129 mmt of crude steel in 2024.[159] Total, actual EU production is thus about a fifth of sheer excess, empty capacity worldwide. Considering that this excess capacity makes it easy to scale up production (and, crucially, that high overhead costs are a strong incentive to do so whenever possible), this is a constant sword of Damocles hanging over the industry's survival.

(197) The EU itself acknowledges and refers to the overcapacity issue in the steel safeguards, holding that "*The situation of overcapacity continued deteriorating in the second half of 2024 and early 2025. By the end of 2024, it was estimated that the global installed capacity reached 2 482 million tonnes, representing an increase of more than 50 million tonnes compared to 2023 (…) Going forward, significant additional capacity is expected to come on stream, with around 145 million tonnes either as ongoing or planned projects, while demand in 2025 is only expected to grow moderately, reaching 2023 levels, i.e. still outpaced by the sustained growth in capacity. As a result, the level of overcapacity is set to remain at very high levels. Estimates indicate that the gap between installed capacity and production may reach 630 million tonnes in 2026. The concerns about the deteriorating situation of overcapacity and its negative impact on steelmakers were clearly reflected in the Global Steel Forum's Ministerial Statement of 8 October 2024. The statement recalled the severe negative impact that overcapacity had on jobs, production, prices, market share, revenue and profitability of the industry, and recognised the importance to take concrete actions to address overcapacity*."[160]

(198) What is the reason for the gap between capacity and demand? Excess capacity causes high overheads – why is the market not correcting this by closing down capacity? To understand this, it is crucial to understand the overcapacity in its right context: that of "*government interventions that distorted markets and competition, tilted the playing field towards inefficient producers, encouraged unfair trade practices, and disadvantaged efficient and sustainable production*."[161] In certain countries, the opening and closure of steel plants is not based on the "*commercial decisions of private companies*".[162]

(199) Rather, this follows "*government interventions that stimulate investments in new plants, with capacities that often exceed underlying market demand for steel, or which keep inefficient plants in the market that would otherwise exit, are non-market factors that drive excess capacity (…) As a result, the capacity that emerges in these latter cases is excessive with respect to the underlying market demand for steel; thus, steel is oversupplied and prices and profitability are lower than what normal market conditions would dictate. In other words, the excess capacity is market distorting*." [163] This is due in particular to interventions in certain countries in particular, with China being the most important by far.

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[159] Eurometal, "EU records first production growth in 3 years", 30 January 2025, https://eurometal.net/eu-records-first-production-growth-in-3-years/#:~:text=The%20EU%20recorded%20in%202024,Kallanish%20notes%20from%20worldsteel%20data..

[160] Commission Implementing Regulation (EU) 2025/612 of 24 March 2025 amending Commission Implementing Regulation (EU) 2019/159 imposing a definitive safeguard measure on imports of certain steel products, rec. 19-21. Footnotes and paragraph numbers omitted. Emphasis added.

[161] GFSEC, 2023 Results Report, p. 13, https://www.steelforum.org/content/dam/steel-forum/en/publications/GFSEC-results-report-2023.pdf

[162] Global Forum on Steel Excess Capacity (GFSEC): Steel exports, trade remedy actions and sources of excess capacity, May 2024, OECD Facilitator, https://www.steelforum.org/content/dam/steel-forum/en/publications/gfsec-steel-exports-trade-remedy-actions-and-sources-of-excess-capacity_0525.pdf.

[163] Global Forum on Steel Excess Capacity (GFSEC): Steel exports, trade remedy actions and sources of excess capacity, May 2024, OECD Facilitator, https://www.steelforum.org/content/dam/steel-forum/en/publications/gfsec-steel-exports-trade-remedy-actions-and-sources-of-excess-capacity_0525.pdf.

4.6.2.2 CRF overcapacity in China

(200) The original and by far most important source of excess capacity and as such of distortions is China. China currently holds 47% of the world's crude steel capacity, or 1 173 mmt.[164] The Commission has many times over recognized the existence of steel overcapacity in China as a consequence of Chinese government policy. This is true for all steel and for CRF specifically.

(201) As the Commission consistently established it previous investigations, the Chinese economy is marked by a proactive involvement of the Chinese Government.[165] The GoC's intervention is particularly striking in the steel sector and has been found to create significant market distortions.[166] The government's support granted at various levels by the GoC to companies in the steel sector indicates that the steel market in China does not operate under normal market forces.[167]

(202) This is also true for CRF specifically. In the 2022 expiry review on CRF from China, the Commission found that "*there is substantial government intervention in the PRC resulting in a distortion of the effective allocation of resources in line with market principles. In particular, the Commission concluded that in the steel sector, which is the main raw material to produce the product under review, not only does a substantial degree of ownership by the GOC (…), but the GOC is also in a position to interfere with prices and costs through State presence in firms (…) the State's presence and intervention in the financial markets, as well as in the provision of raw materials and inputs have an additional distorting effect on the market. Indeed, overall, the system of planning in the PRC results in resources being concentrated in sectors designated as strategic or otherwise politically important by the GOC, rather than being allocated in line with market forces*."[168]

(203) The Commission also acknowledged that Chinese policy lead to overcapacity issues for CRF with larger market ramifications: "*The market of CRF is served to a significant extent by enterprises which operate under the ownership, control or policy supervision or guidance of the PRC authorities, given in particular the CCP's influence over both private and state-owned companies by means of CCP nominations in companies, as well as in view of the systematic intermingling of State and CCP offices. The applicant further submitted that while the steel sector consists approximately half of state-owned and half of private companies in terms of production and production capacity, four out of the five biggest steel producers are SOEs, including Baowu, the second largest crude steel producer worldwide which is fully state-owned and closely aligned with the GOC's steel policy. The applicant pointed out in this connection that the GOC has been pursuing the plan to consolidate 70 % of iron and steel production in ten champion companies*

[164] Global Forum on Steel Excess Capacity (GFSEC): Steel exports, trade remedy actions and sources of excess capacity, May 2024, OECD Facilitator, https://www.steelforum.org/content/dam/steel-forum/en/publications/gfsec-steel-exports-trade-remedy-actions-and-sources-of-excess-capacity_0525.pdf, p. 6.

[165] Regulation (EU) 2024/1666

[166] Commission implementing Regulation (EU) 2020/508 of 7 April 2020 imposing a provisional anti-dumping duty on imports of certain hot rolled stainless steel sheets and coils originating in Indonesia, the People's Republic of China and Taiwan.

[167] Trade Policy Hub & LSE Consulting. (2024). Research into market distortions in the steel sector. In *The London School of Economics and Political Science*. https://www.lse.ac.uk/business/consulting/assets/documents/Research-into-Market-Distortions-in-the-Steel-Sector.pdf

[168] Commission Implementing Regulation (EU) 2022/2068 of 26 October 2022 imposing a definitive anti-dumping duty on imports of certain cold-rolled flat steel products originating in the People's Republic of China and the Russian Federation following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council, rec. 58. Footnotes removed.

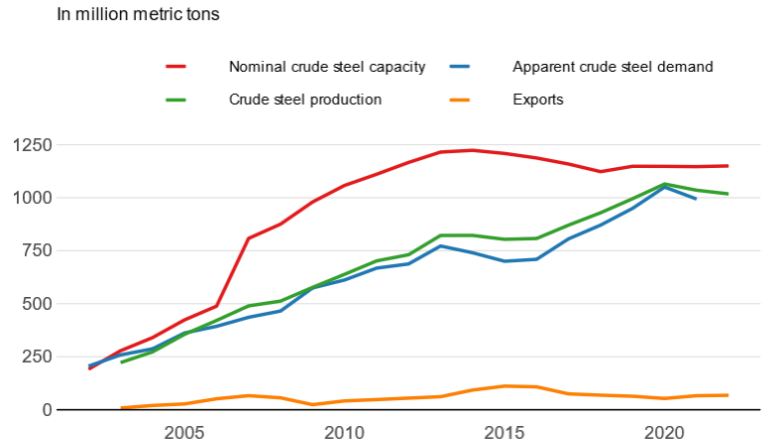
by 2025, a strategy which affects also the CRF industry, e.g. by the Baowu acquisition of the CRF producer Maanshan Iron & Steel in 2019 (…) The lack, discriminatory application or inadequate enforcement of bankruptcy, corporate or property laws results in the survival of large numbers of 'zombie companies' which contribute to the persistence of unused capacities, an issue particularly felt in the steel sector and reverberating in the Chinese financial and borrowing markets."[169]

(204) In more detail on spare capacity, the Commission found in the same investigation that: "*the spare capacity in China was estimated at 20 million tonnes in 2020 (…) despite 'the exceptional consumption surge experienced in China' (…) the 2020 [GFSEC] Ministerial Report, based on data up to 2019, provided that 'the immediate implication of the demand outlook is that the global capacity-demand gap, an indicator of over-supply risks for the steel market, is going to increase significantly to at least 606 mmt in 2020'. It also noted 'this reversal in excess capacity can lead to trade disturbances, trigger sharply lower steel prices and hurt the economic sustainability of the steel industry'. Third, this situation was also confirmed in the OECD document, entitled 'latest development in steelmaking capacities in 2021.' The document referred not only to 'a number of new investments related to China's measures to replace outdated and small steel plants, especially in the eastern and southern coastal areas of China' but also to the fact that the Chinese government 'has found instances where some steel mills have expanded their production capacity under the framework of the capacity swap scheme'. Moreover, the OECD document referred to investments of Chinese steel companies in South Asian countries, such as the Philippines and Indonesia. Finally, even if the data of the WorldSteel Association for the year 2021 are for crude steel only, they can be considered indicative for the product concerned as the cold-rolled steel production is basically the second steel production process, after the hot-rolled steel production. In this respect, the 2021 data for the crude steel production showed that China was responsible for 52,9 % of the global world steel production, which is also an indication of the enormous production capacity of the product concerned in the PRC during the year 2021*."[170]

[169] Commission Implementing Regulation (EU) 2022/2068 of 26 October 2022 imposing a definitive anti-dumping duty on imports of certain cold-rolled flat steel products originating in the People's Republic of China and the Russian Federation following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council, rec. 62. Footnotes removed. Emphasis added.

[170] Commission Implementing Regulation (EU) 2022/2068 of 26 October 2022 imposing a definitive anti-dumping duty on imports of certain cold-rolled flat steel products originating in the People's Republic of China and the Russian Federation following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council, rec. 128. Footnotes removed. Emphasis added.

Figure 1. Chinese overcapacity trends have correlated with exports



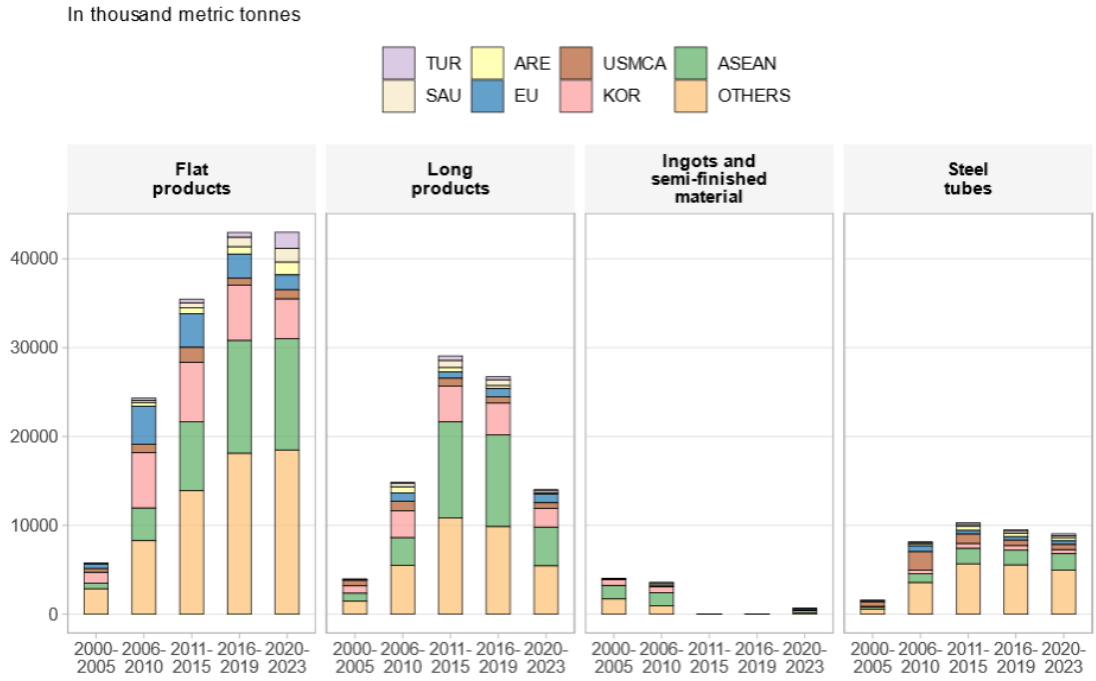
Note: Exports include finished and semi-finished steel products.
Source: Facilitator calculations based on OECD and worldsteel data.

Chinese overcapacity trends have correlated with exports[171]

(205) Chinese steel overcapacity spans all steel products and thus also includes CRF. As confirmed by the Commission in 2022 (see above), China's excess capacity of CRF is vast and the demand gap is significant. In fact, China's steel exports are particularly present on flat products (which includes CRF). These flat products, furthermore, particularly and increasingly target the Targeted Countries, including Turkey and ASEAN countries.

[171] Global Forum on Steel Excess Capacity (GFSEC): Steel exports, trade remedy actions and sources of excess capacity, May 2024, p.7, OECD Facilitator, https://www.steelforum.org/content/dam/steel-forum/en/publications/gfsec-steel-exports-trade-remedy-actions-and-sources-of-excess-capacity_0525.pdf.

Figure 6. China: exports of steel products by main destination markets

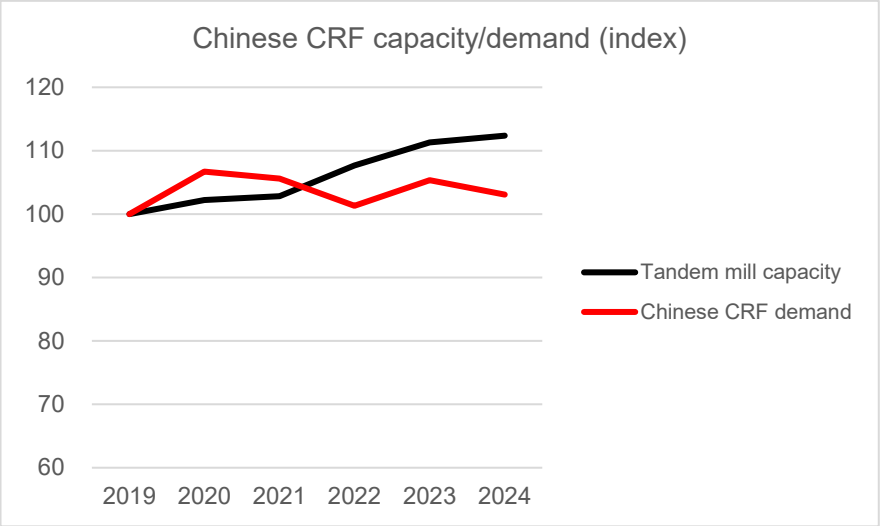


Note: For the calculation of average exports for 2020-2023, annualized values of 2023 export flows were computed, based on the latest monthly data available for each country.
Source: Facilitator calculations based on COMTRADE and ISSB

China: exports of steel products by main destination markets[172]

(206) Moreover, Chinese CRF capacity is completely out of step with domestic demand. As Chinese demand weakened and decreased between 2020 and 2024, capacity showed a regular and consistent build-up with no signs of stopping.

[172] Global Forum on Steel Excess Capacity (GFSEC): Steel exports, trade remedy actions and sources of excess capacity, May 2024, p.12, OECD Facilitator, https://www.steelforum.org/content/dam/steel-forum/en/publications/gfsec-steel-exports-trade-remedy-actions-and-sources-of-excess-capacity_0525.pdf.



Chinese CRF capacity/demand (index)[173]

(207) This build-up of CRF capacity is not new: as shown above, Chinese steel capacity took flight after the 2008 financial crisis and has only skyrocketed since. Despite historically low consumption growth in China, despite lagging demand, despite a barrage of trade defence measures from an increasing number of its trade partners: Chinese capacity is growing. This is as true for CRF as it is for other steel.

[Confidential information: the information contains confidential information pertaining to China's CRF capacity. The information was obtained on WV Stahl, Plantfacts, MetalSpans. as provided by the Complainants][174].

(208) For context: 2024 EU consumption was at 8 660 000 Tonnes.[175]. This is less than the *increase* alone of tandem mill capacity in 2022 and 2023 together in China.

(209) This explosion in overcapacity is largely due to the Chinese government's massive financing plans in response to the global financial crisis of 2008-2009 (clearly visible on the graphs above).[176] Global steel production and capacity is still growing, despite warnings from the Global Forum on Steel Excess Capacity[177] – which China quit in 2019 – and communications from Canada, the United States, the European Union and Japan to the WTO to ban systematic support for uncontrolled steel production.[178] According to the OECD, "*[g]lobal steelmaking capacity is*

[173] See *Annex_CRF_Chinese capacity*, 'Chinese Capacity and Demand' sheet

[174] See *Annex_CRF_Chinese capacity*, 'Chinese Capacity and Demand' sheet

[175] Please see below.

[176] Source: Global Forum on Steel Excess Capacity (GFSEC): Steel exports, trade remedy actions and sources of excess capacity, May 2024, OECD Facilitator, https://www.steelforum.org/content/dam/steel-forum/en/publications/gfsec-steel-exports-trade-remedy-actions-and-sources-of-excess-capacity_0525.pdf.

[177] GFSEC, report, 30 November 2017,

http://www.steelforum.org/global-forum-on-steel-excess-capacity-report.pdf?__blob=publicationFile

[178] Committee on Subsidies and Countervailing Measures, Role of Subsidies in Creating Overcapacity and Options for Addressing this Issue in the Agreement on Subsidies and Countervailing Measures, G/ SCM/W/572/Rev.1. 24/04/2017, https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/G/SCM/W572R1.pdf&Open=True.

projected to increase significantly over the next three years (2024-2026) with 68 mmt".[179] Projected additional capacities for the next years will only aggravate the situation (as was highlighted by the EU in the steel safeguards Regulation cited above).[180]

(210) How these overcapacity exports work is relatively simple. As the GFSEC puts it: "*(…) spillovers from the structural excess capacity that tends to distort markets […] is often characterised by three conditions: (1) the excess from the steel production is exported; (2) often at artificially low prices; and (3) capacity or production is sustained through significant government support. Steel exports driven by China surged in 2007, dipped in 2009, and then resumed a sharp upward trend through 2015 -2016. After a period of stabilised exports until the end of the decade, exports from China alone have reached 114.8 MMT in 2024 (in annualised terms), equivalent to their peak levels in 2015-2016. These exports are at a level that exceeds the steel production of the third-largest steel-producing country. Finally, evidence shows that Chinese excess capacity is supported extensively by government interventions, including subsidies, also outside of the period of high excess capacity (de Carvalho and Pazos, 2024[1]). Finally, when domestic demand stalls, Chinese steel firms tend to export their excess production at lower than market prices*".[181]

(211) In that sense, it is necessary to distinguish cyclical excess capacity from structural excess capacity. While the former "*results from normal fluctuations in the business cycle*", the latter "*refers to excess capacity that is due to subsidies and other forms of government support*".[182] Delegations of Canada, the European Union, Japan and the United States express their concern of subsidies supporting structural excess capacity: "*Given the highly distortive nature of these subsidies and the often-resulting spill-over of excess production onto export markets, the effects on trade of these subsidies often can be the same as – if not worse than – export subsidies*."[183]

(212) This structural subsidy problem has been aggravated by recent Chinese market trends. In fact, the construction sector in China faced a serious crisis in the aftermath of the Covid-19 pandemic, with activity grinding to a halt, construction sites ceasing activity, and with the threat of enormous bankruptcies. As the Covid-19 pandemic burst the Chinese real estate bubble, property developers have lacked finances to keep on the constant growth, and government has put limits on real estate spending. As a result, the Chinese real estate market plummeted in 2022 and has continued to do so from 2023 to date.[184] The crisis continues to exert pressure on the economy and hinder growth as "*China's efforts to revive its construction sector have failed, with new construction starts (a key driver of steel demand) declining by approximately 24% in the first half*

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[179] OECD, "Latest developments in steelmaking capacity and outlook until 2026", 12 June2024, p.4, https://one.oecd.org/document/DSTI/SC(2024)3/FINAL/en/pdf#:~:text=Global%20steelmaking%20capacity%20is%20projected,mmt%20in%20the%20planning%20stage.

[180] GFSEC, Assessing Steel Decarbonisation Progress in the Context of Excess Capacity, http://www.steelforum.org/steel-indicator-decarbonisation-dashboard.pdf

[181] Global Forum on Steel Excess Capacity (GFSEC): Global excess capacity and employment in steel and downstream activities, 5 March 2025, https://www.steelforum.org/content/dam/steel-forum/en/publications/GFSEC-Employment_and-excess-capacity_31_jan_2025-(002)_250305_1015.pdf.

[182]OECD Trade Policy Paper, "Measuring distortions in international markets: Below-Market finance", May 2021 n°247, https://www.oecd.org/content/dam/oecd/en/publications/reports/2021/05/measuring-distortions-in-international-markets-below-market-finance_ef463ae3/a1a5aa8a-en.pdf

[183] Committee on Subsidies and Countervailing Measures," Role of Subsidies in Creating Overcapacity and Options for Addressing this Issue in the Agreement on Subsidies and Countervailing Measures", G/SCM/W/572/Rev.1. 24/04/2017 https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/G/SCM/W572R1.pdf&Open=True

[184] The New York Times, "With 'Zero Covid' Behind It, China's Economy Starts to Recover", 17 April 2023, https://www.nytimes.com/2023/04/17/business/china-gdp-q1-2023.html

of 2024, following significant drops in 2022 and 2023".[185] The contraction of the Chinese real estate market has severely impacted the local steel industry as "*55% of steel output typically goes to the construction sector*".[186]

(213) As a result of the sharp drop in domestic demand, Chinese steel producers were left with a choice: "*maintain production levels or slow down due to decreased demand*".[187] The Chinese government chose to push forward and "*pursue progress while maintaining stability, promote stability through growth*" as President Xi Jinping said in December 2023.[188]

(214) By focusing efforts on stimulating growth, despite the local demand remaining weak, the Chinese industry consequently face an issue of oversupply, This leaves Chinese producers with no other option than to focus on other markets: "*Until then, China has little choice but to export aggressively to stabilize the economy and create jobs, assuming it's better to close a steel plant in Chile than in China*".[189] In line with this strategy, Chinese producers are prioritizing exports and focusing on expanding on other markets. As such, the Chinese government data indicated that Vietnam was the second largest export market for Chinese steel by value in 2023 with $6.08 billion.[190]

(215) This is also fully in line with GFSEC findings, which have held that "*The global excess capacity has distorted markets over the years and has had a significant negative impact on the economic performance of steel firms operating under market conditions, including undermining the income and jobs of employees working in the steel industry. Previous GFSEC analytical work has shown that much of the current excess capacity is structural in nature, driven by market-distorting government interventions, and tends to be eventually exported when domestic demand conditions begin to weaken in countries that are sources of excess capacity (de Carvalho and Pazos, 2024[1]).*"[191]

(216) As set out in more detail below, these exported overcapacities have been devastating to steel industries worldwide. This first through direct exports: imports replace domestic supply, flood the market and push down prices. Second, on third markets: Chinese imports flood export markets of the Targeted Countries and ensure Targeted Countries lose sales volumes there. This means more pressure to sell domestically, more supply on the domestic markets, and lower domestic prices. Third, through outbound investments by Chinese steel producers, including that under the heading of Belt and Road. This increases production volume and capacity on third country markets worldwide, including on the Targeted Country markets.

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[185] Credendo, "China's ongoing construction crisis drives global steel prices down", 28 August 2024, https://credendo.com/en/knowledge-hub/steel-sector-global-steel-prices-under-pressure-amid-chinas-real-estate-downturn

[186] CTECH, "The iron curtain falls: China steel exports surge amid domestic crisis", 3 September 2024, https://www.calcalistech.com/ctechnews/article/sxv9qbfq2

[187] CTECH," The iron curtain falls: China steel exports surge amid domestic crisis", 3 September 2024, https://www.calcalistech.com/ctechnews/article/sxv9qbfq2

[188] CTECH, "The iron curtain falls: China steel exports surge amid domestic crisis", 3 September 2024, https://www.calcalistech.com/ctechnews/article/sxv9qbfq2

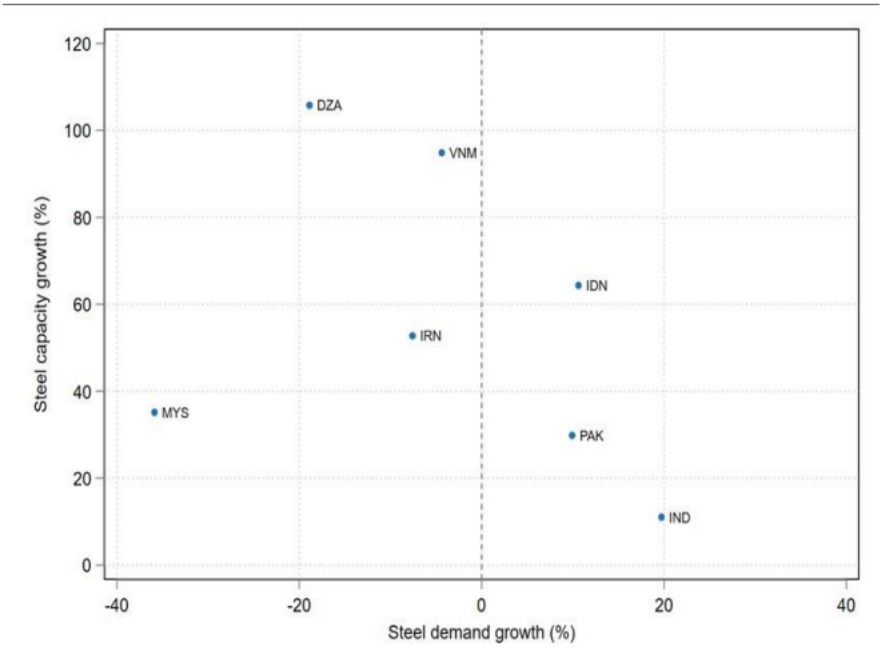
[189] CTECH, "The iron curtain falls: China steel exports surge amid domestic crisis", 3 September 2024, https://www.calcalistech.com/ctechnews/article/sxv9qbfq2

[190] CTECH, "The iron curtain falls: China steel exports surge amid domestic crisis", 3 September 2024, https://www.calcalistech.com/ctechnews/article/sxv9qbfq2

[191] Global Forum on Steel Excess Capacity (GFSEC): Global excess capacity and employment in steel and downstream activities, 5 March 2025, https://www.steelforum.org/content/dam/steel-forum/en/publications/GFSEC-Employment_and-excess-capacity_31_jan_2025-(002)_250305_1015.pdf. Emphasis added.

(217) All three of these lead to market share capture by Chinese exporters and as such to injury to other producers. More importantly, all three in themselves lead to additional excess capacities. This can be through the addition of new Chinese-owned capacity in China or in third countries but subsidised by China. Moreover, countries are motivated to maintain an industry as crucial for economic independence and security as the steel sector. For this purpose, they will often, themselves, start subsidising steel capacities, out of tune with market demand and leading to lower prices still (see below).

Figure 2. Crude steel capacity growth versus local steel demand growth in economies with the fastest growing capacity, 2016-21



Note: DZA denotes Algeria, IDN Indonesia, IND India, IRN Iran, MYS Malaysia, PAK Pakistan and VNM Viet Nam. Excluding small steel-producing economies with capacity below 5 mmt.
Source: OECD for capacity, worldsteel for apparent steel consumption in crude equivalent

Crude steel capacity growth versus local steel demand growth in economies with the fastest growing capacity, 2016-2021[192]

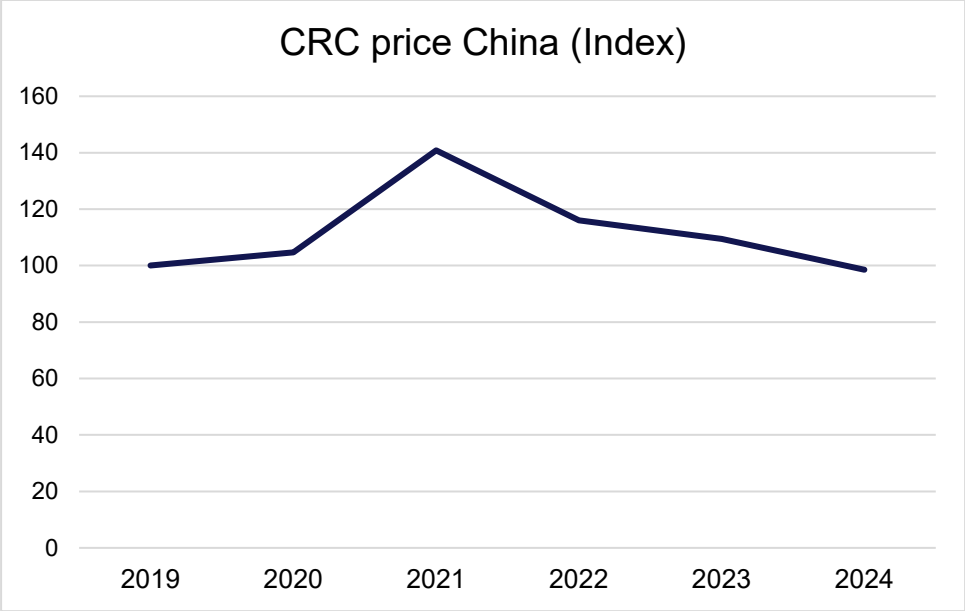
(218) In any case, the consequences are the same: when the consequences of non-market excess capacities inevitably worsen through a combination of a decrease in demand and a vicious cycle of artificial overproduction, steel production in market economies suffers. Artificially cheap steel imports gain market share, domestic production decreases in volume, overhead costs go up, jobs disappear, profitability drops. In the words of the GFSEC research: "*The notion of excess capacity, therefore, is inherently linked with market-distorting government interventions and other non-market factors. It is not simply a comparison of a country's capacity and production, or defined as a low capacity utilisation rate. A government that subsidises its steel industry heavily*

[192] Global Forum on Steel Excess Capacity (GFSEC): Steel exports, trade remedy actions and sources of excess capacity, May 2024, OECD Facilitator, p.8, https://www.steelforum.org/content/dam/steel-forum/en/publications/gfsec-steel-exports-trade-remedy-actions-and-sources-of-excess-capacity_0525.pdf.

may see its industry enjoy a high utilisation rate, even though the plants producing that output would not be economically viable were it not for the special conditions, subsidies or support they received from the government. Conversely, countries functioning under market conditions may see the output of their efficient and non- subsidised steel producers being displaced by import surges from excess capacity economies, such as China, thus leading to domestically low utilisation rates. The low utilisation rates in these importing countries should not be misconstrued as excess capacity, as they are the result of distortions in competition."[193]

(219) Low utilisation, in these cases, can and do lead to closures: the EU is the "*only major steelmaking region*" in the world currently seeing a decrease in steel capacity.[194]

4.6.2.3 Price consequence of overcapacities in China



Evolution of CRC price in China since 2019[195]

[Confidential information: the information contains confidential information pertaining to the evolution of Chinese capacity and Chinese CRF demand since 2019].[196]

(220) The combined result of increasing capacity and decreasing demand is clear: prices go down. In RMB, the price of cold-rolled carbon steel in China has decreased by over 30% between 2021 and 2024. Moreover, 2024 prices are lower than even 2012 prices. Overall, since 2019, prices

[193] Global Forum on Steel Excess Capacity (GFSEC): Steel exports, trade remedy actions and sources of excess capacity, May 2024, OECD Facilitator, https://www.steelforum.org/content/dam/steel-forum/en/publications/gfsec-steel-exports-trade-remedy-actions-and-sources-of-excess-capacity_0525.pdf.

[194] Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, A European Steel and Metals Action Plan, 19 March 2025, https://single-market-economy.ec.europa.eu/document/download/7807ca8b-10ce-4ee2-9c11-357afe163190_en?filename=Communication%20-%20Steel%20and%20Metals%20Action%20Plan.pdf.

[195] See *Annex_CRF_CRC Prices*, 'CRC prices in China' sheet. Source: Fastmarkets And Argus databases.

[196] See Annex_CRF_Chinese capacity,*'Chinese Capacity and Demand' sheet.* Sources: WV Stahl, Plantfacts, MetalSpans as provided from clients.

have decreased by 1% with a further downturn as a result of steel overcapacities and decreasing internal consumption still going down.

(221) This is not a recent evolution. Below are carbon cold-rolled prices in China since 2012.

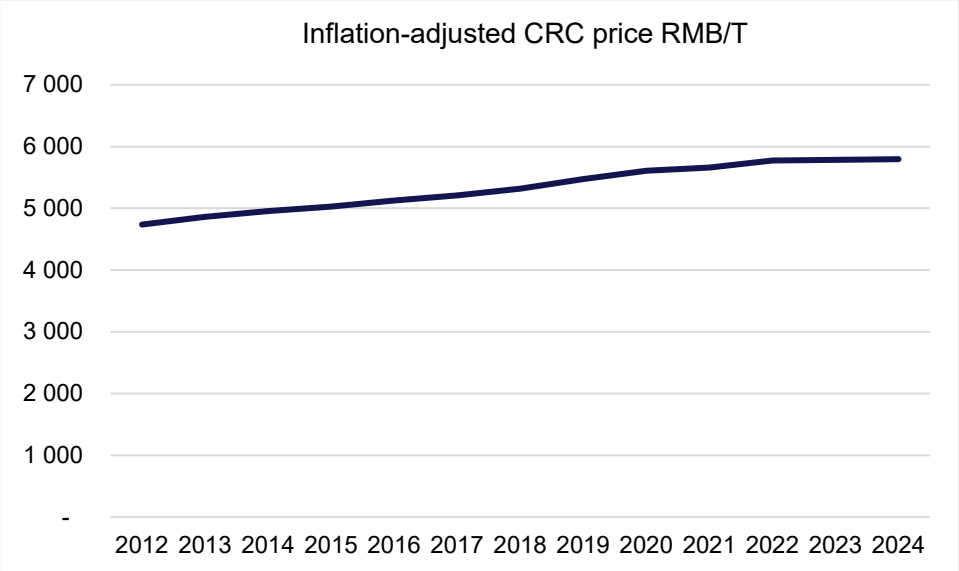
[Confidential information: the information contains confidential information pertaining to the evolution of CRC in China since 2012].[197]

(222) Despite an average inflation rate of 1,8% of inflation between 2012 and 2024, a tonne of cold-rolled coil today costs less in China than it did in 2012.

(223) Inflation is expected to drive prices upwards, while deflation, to the contrary, is typically seen as a catalyst for declining prices. An average inflation rate of 1,8% with yearly rates that remained positive over all the period would be expected to drive prices upwards, which is clearly not the case here.

(224) As shown below, prices of CRC, taking account of the inflation, would be steadily increasing. Compared to 2012 levels, prices would have gone up by 22%. Nonetheless, according to the Chinese prices, on average, the price of CRC reported by China decreased by 12% over the course of 12 years. For instance, in 2024, the inflation-adjusted price of CRC is 39% higher than the price of CRC reported by China.

(225) The analysis of the prices reported by China strongly suggests that prices are not driven by market forces but rather by the Government of China. The Government is significantly influencing the market, and thereby lowering prices.



Evolution of CRC inflation-adjusted price in China since 2012[198]

(226) The increase observed in 2021 was an isolated occurrence, both exceptional and punctual. It was driven by a legislative shift by Chinese authorities. The increase was not enduring as

[197] See *Annex_CRF_CRC Prices*, 'CRC prices in China' sheet. Source: Fastmarkets And Argus databases.

[198] See *Annex_CRF_CRC Prices*, 'Inflation China' sheet. Sources: Fastmarkets and Argus market data bases as provided from clients and Worldbank data for inflation data.

subsequent figures reflect a sustained decrease of CRC prices going forward, reaching the lowest level recorded since 2012.

(227) The increase in 2021 was the consequence of the Government of China's decision to cancel the export VAT refund for various iron and steel products.[199] The regulation was initially implemented on 1 May 2021 targeting certain products of iron and steel, before its scope being expanded on 29 July 2021 to cover a broader range of products, including CRC.

(228) The rationale behind this policy was that it aimed at controlling the production capacity and curtailing the exports of the said products to meet domestic demand, as well as inciting product upgrade in view of reducing carbon emission.[200] In fact, "*The two rounds of tax changes are part of a policy shift to curb growth of China's 1bn t/yr steel production. Provincial governments have directed mills to keep steel output and exports flat from 2020 levels. State-controlled mills said they have no choice but to follow the policy*". [201]

(229) Prior to the cancellation of the price rebate, exporters were granted tax refund, for the VAT of 13% applicable on exports. The cancellation of this refund had a direct effect on CRC prices. This effect on prices was observed even prior to the legislation introduction as "*Fears of a removal of the tax rebates for exports of Chinese CRC and HDG have kept the market muted in recent weeks, with overseas buyers deciding to wait things out*".[202] Since August 1st, 2021, exports of the targeted products have been subjected to a 13% VAT rate, "*resulting in a higher cost for the exporters if they cannot shift it to the foreign buyers by increasing the price*".[203] In fact, "*CRC and HDG export prices will have to cover the full cost of the 13pc VAT, which was until 31 July is fully covered by the rebate. The rebate cancellations were within market expectations and could lead to higher export prices for CRC and HDG with supply flowing back to China's domestic market*".[204]

(230) Although the legislation has led to a clear increase in prices in 2021, the general aggressive strategy of China to propose cheap products remains undeniable. As such, it is essential to recognize the relative nature of this sudden increase of prices, which is clearly confined to a specific timeframe as prices subsequently decreased again afterwards to even lower levels.

(231) With the abolition of the VAT rebate on CRC, prices should have increased accordingly, not solely in 2021. Nonetheless, overall, prices after 2021 remained low, showing no significant increase. There are several reasons for this.

(232) First, that prices remained low is mainly the consequence of the companies' buildup of capacities. As such, as described previously, China has been working in building up its capacities, placing

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[199] Argus, "China raises steel export tax to boost domestic supply", 29 July 2021, https://www.argusmedia.com/es/news-and-insights/latest-market-news/2239009-china-raises-steel-export-tax-to-boost-domestic-supply

[200] Cuatrecasas, "China cancelled export VAT refund for a wide range or iron and steel products", 20 May 2021, https://www.cuatrecasas.com/en/global/tax/art/china-cancelled-export-vat-refund-fo-wide-range-iron-steel-products

[201] Argus, "China raises steel export tax to boost domestic supply", 29 July 2021, https://www.argusmedia.com/es/news-and-insights/latest-market-news/2239009-china-raises-steel-export-tax-to-boost-domestic-supply

[202] Fastmarkets, "China to cancel more steel export rebates from Aug 1", 29 July 2021, https://www.fastmarkets.com/insights/newsbreak-china-to-cancel-more-steel-export-rebates-from-aug-1/

[203] Cuatrecasas, "China cancelled export VAT refund for a wide range or iron and steel products", 20 May 2021, https://www.cuatrecasas.com/en/global/tax/art/china-cancelled-export-vat-refund-fo-wide-range-iron-steel-products

[204] Argus, "China raises steel export tax to boost domestic supply", 29 July 2021, https://www.argusmedia.com/es/news-and-insights/latest-market-news/2239009-china-raises-steel-export-tax-to-boost-domestic-supply

it by far as the most important source of excess capacity today. This allows producers to remain very aggressive and maintain low prices. As a result, the main objective of the abolition of the rebate being to control production capacity was clearly offset by the continuous build-up of capacities.

(233) Second, exporters have been engaging in non-VAT exports, by resorting to "proxy exports" or via other ways aimed to bypass VAT, such as false invoicing, forged transactions, etc. In fact, "*Following the abolition of tax rebates on steel exports in 2021, many exporters have resorted to so-called "proxy exports*. *This has led to lower export prices, loss of tax revenues, and growing concerns from other countries about dumping by Chinese suppliers*".[205] Many exporters are evading the VAT and thereby proposing cheap products which explains why the prices have not increased despite the cancellation of the rebate: "*some traders view the Chinese market as unstable and are still offering at $520-530/mt CRF to the Philippines, Vietnam and Thailand. Market sources believe that the latest offers are still non-VAT as even most second-tiers mills in China are asking for $530-540/mt FOB*".[206] In March 2025, the Government of China acknowledged the issue by introducing a regulation designed to penalize companies who are involved in illegal non-VAT exports. In fact, "*In the past few years, Chinese steel exporters gain price advantages by evading VAT-payment, thereby increasing their competitiveness in overseas markets. The practice intensified last year, achieving a sharp increase in annual export volume. Last year's steel exports thus hit the second highest in history. The essence of the operation is that steel mills use shell agents to export steel, but agents do not pay the 13% VAT that should be paid to the domestic tax department during the receipt and export stage. In the past year, this usually has meant that exports through this route are about $15-20/tonne lower than normal exports*".[207]

(234) CRF prices in China – and, given the size of the Chinese markets and its exports, the world – are kept artificially low and volatile by an overcapacity which spurs oversupply and which stands no chance of being corrected by the market.

4.6.3 Effects of overcapacities on third country markets

4.6.3.1 Direct Chinese exports to Targeted Countries

Chinese CRF exports[208]	2019	2020	2021	2022	2023	2024
India	27 497	19.135	23.414	18.436	18.569	33.032
Index	***100***	***70***	***85***	***67***	***68***	***120***
Japan	123 969	53.946	110.186	64.840	92.517	113.406
Index	***100***	***44***	***89***	***52***	***75***	***91***
Taiwan	167 257	150.889	540.573	280.766	303.140	434.126
Index	***100***	***90***	***323***	***168***	***181***	***260***

[205] GMK, "China tightens steel export rules", 31 March 2025, https://gmk.center/en/news/china-tightens-steel-export-rules/#:~:text=Following%20the%20abolition%20of%20tax,about%20dumping%20by%20Chinese%20suppliers.

[206] Steel Orbis, "China issues serious warnings to non-VAT exporters, effect on prices too uneven so far", 24 April 2024, https://www.steelorbis.com/steel-prices/steel-prices-market-analyses/flats-and-slab/china-issues-serious-warnings-to-non-vat-exporters-effect-on-prices-too-uneven-so-far-1337463.htm#:~:text=Though%20some%20traders%20have%20already,sellers%2C%20like%20Japan%20and%20India.

[207] Eurometal, "China's non-VAT exports fact strict control", 7 April 2025, https://eurometal.net/chinas-non-vat-exports-face-strict-control/#:~:text=The%20lead%20of%20the%20State,fined%20illegal%20non%2DVAT%20exports.

[208] See *Annex_CRF_Chinese exports to TC_Export price and internal price*, 'Agg_Index export price'

Turkey	7 661	20.258	280.091	176.062	224.006	158.098
Index	***100***	***264***	***3 656***	***2 298***	***2 924***	***2 064***
Vietnam	160 809	113.373	111.324	108.335	113.481	128.359
Index	***100***	***71***	***69***	***67***	***71***	***80***
Total	487 192	357 602	1 065 587	648 439	751 713	867 021
Index	***100***	***73***	***219***	***133***	***154***	***178***

(235) Since 2019, China's exports have increased significantly on all Targeted Countries' markets expect for Japan and Vietnam.

(236) For those two countries, the decline since 2019 does not mean that Chinese overcapacities have not had a non-distortive effect. Even beyond the global, indirect and price effects set out elsewhere in this section, this decrease should be contextualised by two factors. First, 2019 was a year with a relatively high global steel demand and with a very high Chinese steel production.[209] Second, besides Covid-affected years 2020 and 2021, exports from China to third countries have increased year-on-year and will continue to do so for the overcapacity-related reasons set out elsewhere. Since 2020, in any case, exports to Japan and Vietnam have surged respectively by 110% points and 13 percentage points.

(237) The surge of Chinese exports since 2019 is already crystal clear on the Turkish, Taiwanese and Indian market. Exports to Turkey grew by over 20 times original export levels. Exports to Taiwan and India also significantly increased with an increase of 160 points and 20 points since 2020.

(238) Overall, China's exports to the Targeted Countries have surged on Targeted Countries markets by 78% since 2019: from 487 192 tonnes to 867 021 tonnes.

(239) Chinese exports levels have grown exponentially in 2024, which illustrate China's overcapacity, as China has been compelled to focus on exports to clear its excess supply. As set out above, the figures are in line with the fact that Chinese producers have been prompted to export more to other countries including Targeted Countries: "*Slumping domestic demand in China, which accounts for more than 50 percent of global steel production, has prompted producers to export more of the material, mostly to countries in Southeast Asia and increasingly to Europe*".[210]

[209] International Trade Administration, Global Steel Report 2019, https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&cad=rja&uact=8&ved=2ahUKEwi82_bEyoqPAxWiwAIHHaPRLG4QFnoECBgQAQ&url=https%3A%2F%2Fwww.trade.gov%2Fsites%2Fdefault%2Ffiles%2F2021-03%2FGlobal%2520Report%25202019%2520.pdf&usg=AOvVaw3AMCjPgmaDOG0PggGfbFD_&opi=89978449.

[210] Arab Iron & Steel Union, "China's record steel exports threaten global trade tensions", 2 September 2024, https://aisusteel.org/en/28933/

% share of China CRF imports into Targeted Country[211]	2019	2020	2021	2022	2023	2024
India	8	5	5	3	4	12
Japan	16	35	96	39	10	16
Taiwan	71	55	81	74	80	78
Turkey	2	5	32	25	22	18
Vietnam	39	34	34	34	37	37

(240) Prices of CRF within the Targeted Countries have not been able to escape these effects. This has happened in two ways: indirectly and directly. Indirectly, global overcapacities have artificially lowered international steel prices worldwide. Directly, Chinese imports of CRF have had a direct effect on their destined market, in the form of increased volumes or lower prices (both of which are naturally connected).

(241) This price difference is particularly clear as from 2021, where Chinese overcapacities were exacerbated by sudden increases in domestic demand, as set out elsewhere in this chapter.

CRF price (EUR/T)	2019	2020	2021	2022	2023	2024
India	[400-650]	[400-650]	[750-950]	[750-950]	[600-800]	[550-700]
Index	***100***	***99***	***151***	***154***	***128***	***118***
Japan	[650-775]	[575-700]	[800-1000]	[950-1200]	[800-1000]	[675-850]
Index	***100***	***93***	***127***	***146***	***124***	***109***
Taiwan	[400-650]	[400-650]	[850-1000]	[775-950]	[600-800]	[600-750]
Index	***100***	***97***	***163***	***154***	***122***	***117***
Turkey	[400-600]	[400-600]	[875-1100]	[775-950]	[600-800]	[600-700]
Index	***100***	***99***	***186***	***172***	***142***	***130***
Vietnam	[475-700]	[400-700]	[875-1100]	[750-900]	[675-850]	[575-700]
Index	***100***	***100***	***165***	***148***	***126***	***115***

Comparison of price from China and TCs internal prices [213]

[211] See *Annex_CRF_Share of China CRF imports into Targeted Countries*, '% China CRF Imports in TC' sheet. Source: Trade Data Monitor (https://tradedatamonitor.com/) as obtained from Eurofer.

[212] See Annex_CRF_Chinese exports to TC_Export price and internal price, 'Agg_Index export price' sheet

[213] See Annex_CRF_Chinese exports to TC, '*Agg_Index export price*' sheet. Sources: domestic prices were sourced from MEPS (https://mepsinternational.com/gb/en) as provided by Eurofer; export and imporpt prices were sourced from Trade Data Monitor as provided by Eurofer (https://tradedatamonitor.com/). For Japan, the complainant has relied on adjusted export prices rather than import prices because the imported quantities of Chinese CRC reported by Japan were minimal in 2022 and onwards and the

[Confidential information: the information contains confidential data pertaining to Chinese exports of CRF to the Targeted Countries].

(242) This harmful impact in terms of volume and price of Chinese imports on the third country markets are in any case clear to the Targeted Countries markets and producers. Some of them had no other choice but to impose trade measures: Turkey initiated an anti-dumping investigation into cold rolled flat steel from China in December 2024.[214] In April 2025, the Indian authorities imposed a temporary 12% safeguard duty on imports of certain steel products including cold-rolled steel coils and sheets.[215] However, the duty was unable to sufficiently eliminate distortions: authorities are currently considering raising the duty to 24%, a possibility specifically driven by concerns of potential circumvention by Chinese companies. In fact, "*With Chinese goods facing levies and other actions in several markets, especially the US, there are widespread fears of trade diversion, with India seen as one of the markets where these goods could be dumped or sold at subsidized prices*".[216]

(243) Additionally, in 2020, Vietnam imposed anti-dumping duties on cold rolled steel products originating from China, with a duty ranging between 4.43% and 25.22%.[217] The measures are currently under review to evaluate whether the expiration of duties would lead to a recurrence of dumping or harm Vietnam's industry. Others, like Nippon Steel, has since long been pushing the Japanese government to impose anti-dumping duties on Chinese steel imports to protect the domestic industry.[218]

(244) The harmful effects of China's overcapacity issue is clear as several countries, notably Turkey, India and Vietnam have imposed trade measures, whether through antidumping duties or safeguard duties. Nevertheless, the relatively low duties have yet demonstrated very limited effectiveness as evidenced by the data provided by the Complainant: Chinese exports of CRF to Targeted Countries have clearly increased and China has expanded its market presence in Targeted Countries' markets. As such, Chinese imports have had an important impact on Targeted Countries and are expected to exacerbate even further as many countries have restricted access to their market to Chinese CRF, which has compelled and will continue to compel Chinese exporters to shift the focus towards other markets, including Targeted Countries.

(245) For instance, on 14 July 2016, the U.S. Department of Commerce issued a first order imposing an antidumping duty on imports of cold-rolled steel flat products from Japan and China. [219] In

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average imported price was considered not reliable. For this reason, the complainant applied the difference between export and imported price in 2021, which represents ocean freight cost, insurance and other costs, to all years to reach the CIF import price to Japan.

[214] Steel Radar, "Türkiye starts dumping investigation on steel products originating from China and South Korea", 25 December 2024, https://www.steelradar.com/en/haber/turkiye-starts-dumping-investigation-on-steel-products-originating-from-china-and-korea/

[215] PIB, "Centre imposes 12% safeguard duty to shield Indian steel sector", 21 April 2025, https://www.pib.gov.in/PressReleasePage.aspx?PRID=2123294

[216] Arab Iron & Steel Union", "India mulls doubling safeguard duty on steel from 12% to 24%", 1 June 2025, https://aisusteel.org/en/34109/

[217] Reuters, Vietnam imposes anti-dumping tax on Chinese cold-rolled steel, 23 December 2020, https://www.reuters.com/business/energy/vietnam-imposes-anti-dumping-tax-chinese-cold-rolled-steel-2020-12-23/

[218] Yieh, Japan's Nippon Steel joins push to impose tariffs on China's steel exports, 30 August 2024, https://www.yieh.com/en/News/japans-nippon-steel-joins-push-to-impose-tariffs-on-chinas-steel-exports/149960.

[219] United States ITC, "Investigation Nos. 701-TA-540-543 and 731-TA-1283-1287 and 1290 (Review) Cold-Rolled Steel Flat Products from Brazil, China, India, Japan, Korea, and the United Kingdom", 24 May 2021,https://www.usitc.gov/secretary/fed_reg_notices/sunset/701_540_notice05242021sgl.pdf.

2021, the measures were extended as the US authorities found proof that the revocation would likely lead to continuation or recurrence of dumping.[220]

(246) Further, the climate of uncertainty resulting from the turmoil of the last few months regarding trade with the US under the Trump administration, lead to trade diversion as the uncertainty of the severity of the measures causes exporters to be reluctant towards the American market, thereby simultaneously resulting in increased exports to other countries, where the trade environment is more favourable towards Chinese exports. In other words, the contraction of the domestic market of Targeted Countries market will certainly exacerbate even further as the tensions between Washington and Beijing keep rising.

(247) Similarly, on 31 October 2018, the Canadian authorities announced the imposition of antidumping duties on cold-rolled steel originating from various countries, including China, with duties reaching up to 91.9% for China.[221] The Canadian International Trade Tribunal announced the continuation of the measures in September 2024.[222]

(248) Late 2024, Egypt[223] and Turkey[224] also imposed duties on Chinese imports, similarly to the United Kingdom who also imposed an antidumping duty on cold rolled flat products from China since 2021.[225]

(249) In April 2025, India also found necessary to control the access to its market and imposed a safeguard duty on flat steel imports.[226]

(250) Given the global overcapacity problem and given the effect on the markets of the Targeted Countries in particular, as many markets have banned access to Chinese exports resulting in sustained pressure from China, Chinese imports have depressed prices and as a consequence the latter do not properly reflect supply and demand.

4.6.3.2 Chinese exports to other third countries leading to oversupply domestic production and lower prices

(251) The effect of China overcapacities' is also clearly visible on third countries markets, where Targeted Countries are pushed out of third country's markets due to China's heavy presence. Several of the Targeted Countries feature as principal export destinations for Chinese steel, but

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[220] Federal Register, "Cold-Rolled Steel Flat Products From Brazil, China, India, Japan, Republic of Korea, and United Kingdom: Final Results of the Expedited Sunset Reviews of the Antidumping Duty Orders, 5 October 2021, https://www.federalregister.gov/documents/2021/10/05/2021-21658/cold-rolled-steel-flat-products-from-brazil-china-india-japan-republic-of-korea-and-united-kingdom.

[221] Canadian International Trade Tribunal, "Cold-Rolled Steel Originating in or Exported from the People's Republic of China, the Republic of Korea and the Socialist Republic of Vietnam", https://www.cbsa-asfc.gc.ca/sima-lmsi/mif-mev/crs-eng.html.

[222] Government of Canada, "Tribunal Continues Finding-Cold-rolled Steel from China, Korea and Vietnam", 19 September 2024, https://www.canada.ca/en/international-trade-tribunal/news/2024/09/tribunal-continues-findingcold-rolled-steel-from-china-korea-and-vietnam.html.

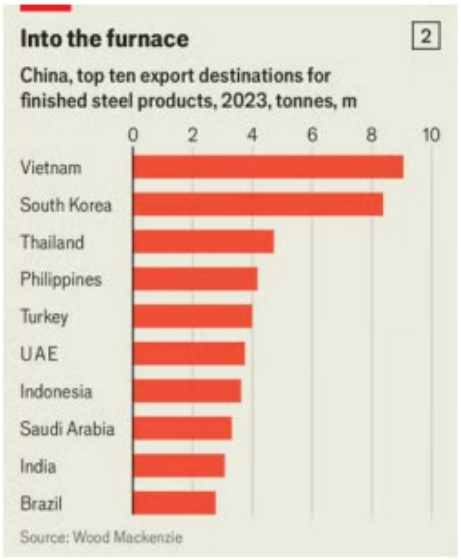
[223] GMK, "Egypt investigates dumping of cold-rolled and coated steel products from Turkey and China", 6 November 2024, https://gmk.center/en/news/egypt-investigates-dumping-of-cold-rolled-and-coated-steel-products-from-turkey-and-china/.

[224] Official Gazette, Notification on prevention of unfair competition in imports, NO 2024/41, 25 December 2024, https://www.resmigazete.gov.tr/eskiler/2024/12/20241225-15.htm.

[225] GMK, "UK lifts safeguard measures on imports of cold-rolled steel products", 23 January 2025, https://gmk.center/en/news/uk-lifts-safeguard-measures-on-imports-of-cold-rolled-steel-products/

[226] Argus, "India imposes 12pc safeguard duty on flat steel imports", 22 April 2025, https://www.argusmedia.com/en/news-and-insights/latest-market-news/2680381-india-imposes-12pc-safeguard-duty-on-flat-steel-imports

the consequence also stretches beyond them: Chinese exports to other third countries make it impossible for exports from Targeted Countries to compete, pushing them out and towards additional domestic supply.



China's top ten export destinations for finished steel products 2023[227]

(252) This is e.g. the case for Thailand and Pakistan where Targeted Countries exports have significantly lowered while Chinese exports have surged. The Malaysian market is another example of this despite the situation being slightly different, as the country has been focusing on building its own capacities. Nevertheless, the takeaway remains unchanged: Targeted Countries exports are squeezed out of third countries markets in a faster and to a greater extent compared to Chinese.

(253) Thus is the result of China's well-known low-price strategy which causes Targeted Countries to cede ground to China in third country markets. Chinese exports to third countries effectively displaces competitors from these markets. By lowering the prices focusing on exports, China is crushing competition.

(254) For instance, exports from Targeted Countries to Pakistan reduced by over nine times compared to 2019 levels.

	Imports to Pakistan (Index)[228]	
	China	Five Countries
2019	100	100
2024	626	11

[227] The Economist, « Chinese overcapacity is crushing the global steel industry", 17 September, https://www.economist.com/business/2024/09/17/chinese-overcapacity-is-crushing-the-global-steel-industry, provided as a pdf.

[228] See Annex_CRF_Exports to 3rd countries, '*Exports 3rd-Plantfacts'* sheet. Source: plantfacts

(255) Similarly, Thailand has seen its exports from Targeted Countries reduced by more than 60% since 2019.

	Imports to Thailand (Index)[229]	
	China	Five Countries
2019	100	100
2024	268	63

(256) Malaysia shows similar trends and though the decrease is also due to the Country's strategy to build capacities, it remains clear that Targeted Countries are losing ground faster compared to China. Despite the Countries reduction of imports due to the domestic capacities, China is losing less compared to competitors.

	Imports to Malaysia (Index)[230]	
	China	Five Countries
2019	100	100
2024	83	37

(257) As Targeted Countries are pushed out of third countries market due to China's aggressive pricing strategy, it is only logical that Targeted Countries are left with an oversupply that they are unable to sell, thereby compelled to find new markets, notably the EU market.

4.6.3.3 Chinese exporters opening new capacity in third countries

(258) Not only has China engaged in huge volumes of exports to the Targeted Countries, it also acts directly from within by establishing a local presence on the Targeted Countries' markets. This by opening local factories and forming joint ventures with local CRF companies. By establishing a local presence, the distortions are propagated, adding excess capacity.

(259) GFSEC data confirms this. In fact, *"(…). Cross-border investments by Chinese companies indicate that its capacity growth is shifting from the home to foreign markets, particularly Southeast Asia, where capacity has surged by 24 per cent (15.5 mmt) over the last five years*".[231] The report flags an increase of Vietnam's capacity growth of 28% in the five years to 2022.[232] GFSEC research further shows: *"(…) the moderation in capacity growth within China is being offset by investments abroad by Chinese companies, many being SOEs that tend to be heavily*

[229] See Annex_CRF_Exports to 3rd countries, '*Exports 3rd-Plantfacts'* sheet. Source: plantfacts

[230] See Annex_CRF_Exports to 3rd countries, '*Exports 3rd-Plantfacts'* sheet. Source: plantfacts

[231] Global Forum on Steel Excess Capacity, 2023 Results Report, https://www.steelforum.org/content/dam/steel-forum/en/publications/GFSEC-results-report-2023.pdf. Emphasis added.

[232] Global Forum on Steel Excess Capacity, 2023 Results Report, https://www.steelforum.org/content/dam/steel-forum/en/publications/GFSEC-results-report-2023.pdf

subsidised. This is generating non-market excess capacity outside of its borders, notably in Southeast Asia". [233]

(260) This was also confirmed by the OECD in the 2023 report. It states that : "*While steelmaking capacity in China has remained relatively stable in the last few years, Chinese steel companies are investing heavily in capacity projects overseas. Chinese companies are involved in 13 cross-border investments and participate in nine joint venture investments abroad*".[234] More recently in the 2024 report, it was reported that "*Steelmaking excess capacity is on the rise again and is excepted to be as high as in 2014, at the start of the last steel crisis. The bleak outlook for steel demand and the increasing relocation of steel capacity from the People's Republic of China (hereafter "China") to other regions create a worrying outlook for the coming years*". [235] Further, the report confirms that China's overseas' presence is particularly focused on ASEAN and Africa: "*Chinese steel companies are investing significantly overseas, specifically in ASEAN and other parts of Asia, as well as Africa. Capacity expansions by Chinese companies in third countries, through cross-border investments, account for 65.1% of total cross-border investments in new steelmaking capacity taking place around the world. Their investments in ASEAN account for 81% of the region's total capacity expansion*".[236]

(261) Additionally, the trade war with the US led to a notable increase of China's interest for the Vietnamese market. An expert from Dezan Shira, a consultancy firm in ASEAN, confirmed that "*Chinese have been planning to relocate to Vietnam for many years. However, because of the trade war, they decided to take action now*". In fact, the intent of Chinese companies to establish a strong presence on the Vietnamese market is clear: "*many steel manufacturers from China are planning to set up steel mills in Vietnam or are hunting for unprofitable Vietnamese steel enterprises to take over enterprises and inherit their operation licenses*".[237]

(262) For instance in 2017, Metallurgica Corporation of China, an affiliate of China Minmetals Corporation, a state-owned company, invested in Formosa Ha Tinh Steel Plant: "*The project has prompted USD3.35 billion worth of exports in China's services outsourcing industry, including exports of Chinese-made equipment and steel structures worth USD2.45 billion*".[238]

(263) In sum, the various references to the establishment of delocalised factories in the Targeted Countries or the establishment of joint ventures, throughout both the OECD report and the GFSEC, combined with the concrete examples, is consistent with the overcapacity issue that China has been facing. It demonstrates a commitment to further strengthen its presence on Targeted Countries' markets, in addition to activities conducted through exports.

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[233] Global Forum on Steel Excess Capacity (GFSEC): Steel exports, trade remedy actions and sources of excess capacity, May 2024, OECD Facilitator, https://www.steelforum.org/content/dam/steel-forum/en/publications/gfsec-steel-exports-trade-remedy-actions-and-sources-of-excess-capacity_0525.pdf.

[234] OECD, "Latest Developments in steelmaking capacity 2023", January 2024, https://one.oecd.org/document/DSTI/SC(2023)3/FINAL/en/pdf

[235] OECD, "Latest Developments in Steelmaking Capacity 2024", 2024, https://one.oecd.org/document/DSTI/SC(2023)10/FINAL/en/pdf

[236] OECD, "Latest Developments in Steelmaking Capacity 2024", 2024, https://one.oecd.org/document/DSTI/SC(2023)10/FINAL/en/pdf

[237] Vietnam Net Global, "Chinese steel manufacturers flock to Vietnam to avoid US trade war", 27 July 2018, https://vietnamnet.vn/en/chinese-steel-manufacturers-flock-to-vietnam-to-avoid-us-trade-war-E205749.html#:~:text=Fearing%20a%20China%2DUS%20trade,from%20China%20have%20been%20soaring.

[238] YiCai, "Biggest overseas steel project undertaken by a Chinese company starts production in Vietnam", 4 August 2017, https://www.yicaiglobal.com/news/biggest-overseas-steel-project-undertaken-by-a-chinese-company-starts-production-in-vietnam

4.7 Consequence of particular market situation: profit distortion

(264) The consequence of excess capacity, a problem which has its origin in China but which has quickly fanned out to the rest of the world, is artificially low prices. Artificial in particular because they are not based on market considerations: because they are so profoundly subsidised, companies can accumulate years of losses and not close down capacity.

(265) Lower prices mean lower profits. The Economist reported that in 2024 "*(…) barely 1% of the 250 steel mills in China that report their finances to the government turned a profit*".[239] In the first nine months of 2024, China's steel industry suffered a total loss of RMB 34 billion (about 5 billion USD). *Average* market prices in China no longer cover the cost of production. The 2025 hot-rolled coil price (a product very similar to CRF in production) in China has fallen "*well below the marginal cost of production*", Fastmarkets reports.[240] Moreover, the domestic demand drop has resulted in an export surge that has put "*the world export price, including freight, is at a loss-making level, "resulting in what we see as a death spiral condition that's now been in effect for two years, putting it below the cost of production for a sustained period of time*".[241] When steel exports from China, *including freight*, end up on foreign markets, they are priced below the China cost of production.

(266) The consequence is perfectly logical: prices on third country markets are pushed down as competition on the steel markets is almost entirely determined by price and the lowest seller sets the price. A knock-on effect follows: steel producers can no longer sell the same volumes, which reduces capacity utilisation. Fixed costs skyrocket as a result, which further depresses profits. Companies are no longer able to invest, which makes them less innovative and less efficient.

[239] The Economist, Chinese overcapacity is crushing the global steel industry, 17 September 2024, https://www.economist.com/business/2024/09/17/chinese-overcapacity-is-crushing-the-global-steel-industry.

[240] Fastmarkets, China's steelmaking losses incentivize global rebalancing, 23 June 2025, https://www.fastmarkets.com/insights/chinas-steelmaking-losses-incentivize-global-rebalancing/.

[241] Fastmarkets, China's steelmaking losses incentivize global rebalancing, 23 June 2025, https://www.fastmarkets.com/insights/chinas-steelmaking-losses-incentivize-global-rebalancing/. Emphasis added.

(267) They are no longer able to compete with the artificially low market price and disappear, taking thousands of jobs and the economic health of entire regions with them. In the words of GFSEC experts, "*Turnover and assets of steel firms fell by about 2% per year, and the outcomes are strongly significant, which means that the probability that the observed relationship occurred by chance is less than 1% (…) Excess capacity drives the negative performance of firms through multiple channels, starting with higher distortions in competition when steel products are sold at artificially lower prices. This directly influences the profit margins of steel firms in the GFSEC member countries. The decline in operating turnover demonstrates weaker demand for steel firms' products and smaller revenues from their sales. Turnover is directly linked to the firm's financial health, as it determines the profitability performance. Among the outcomes of this process is an inability to finance new investments. The decline in assets points to smaller capital investments or devaluation of assets that steel firms in GFSEC member countries have experienced in the years leading up to 2020. These can reduce operational capacity, and lead to a loss of competitiveness and an inability to invest in the necessary technological advancements for the industry*".[242]

Figure 3.5. Steel firms face worsening financial performance

The average difference in yearly growth rate in percentage points, steel vs manufacturing firms, 2012-2020

Note: The results of multivariate log-linear regression with fixed effects. The dependent variable is the difference in log value of exports, assets, operating turnover and labour productivity in the current and previous year, winsorised at 5%. The control variables include the fixed effects for the year, country, and size group. Only firms with at least 50 employees in a given year are considered to target steel-producing firms and their comparability with firms of similar size in the manufacturing sector. The errors are clustered on the firm level. The sample is restricted to the manufacturing firms only.
The results should be interpreted as the average difference between the growth rate in a steel firm compared to manufacturing firms of similar size, in the same year and the same country. Hence, the negative sign suggests that firms in the steel sector experienced lower export/asset/turnover/ productivity growth compared to firms in other sectors during the period studied, holding other factors constant. The margin of error is represented by the vertical line. If the line crosses the 0 line, the results are statistically insignificant, as is the case for the labour productivity in column (4).
The firms in the steel sector are defined based on their reporting of 4-digit Nace 2 Rev 2 sector classification as 2410 or 2431 (see Annex A for classification details of steel firms).
The final sample includes 56 000 firm-year observations for export regression, 383 000 for assets, 338 000 for turnover, and 338 000 for productivity. For the dataset coverage, see Annex A. The complete regression output can be provided at request.
The 25 countries covered by the analysis are Austria, Australia, Belgium, Brazil, Canada, Finland, France, Germany, Greece, Hungary, Italy, Japan, Korea, Mexico, The Netherlands, Norway, Poland, Slovakia, Spain, South Africa, Sweden, Switzerland, Türkiye, the UK, and the USA.
Source: OECD-Orbis (2024).

Steel firms face worsening financial performance[243]

(268) The effect of Chinese overcapacities on third country steel prices has further been specifically researched and demonstrated by econometric GFSEC research, which holds that: "*The panel*

[242] GFSEC, Global excess capacity and employment in steel and downstream activities, March 2025, OECD Facilitator, https://www.steelforum.org/content/dam/steel-forum/en/publications/GFSEC-Employment_and-excess-capacity_31_jan_2025-(002)_250305_1015.pdf.

[243] GFSEC, Global excess capacity and employment in steel and downstream activities, March 2025, OECD Facilitator, p.18, https://www.steelforum.org/content/dam/steel-forum/en/publications/GFSEC-Employment_and-excess-capacity_31_jan_2025-(002)_250305_1015.pdf.

regressions at firm level are unequivocal in their results. Non-market excess capacity has strong and significantly negative impacts on profitability. So long as the root causes of global excess capacity are not addressed, GFSEC steel industries will suffer from lower profitability than would otherwise be the case".[244] The table below shows that the subsidies received, as a proxy for excess capacity, lower third country steel producers' revenue and their EBITDA as a percentage of total revenue.

Table 1. Impacts of excess capacity over a set of market variables

Signs of the coefficients obtained and degree of significance of the estimated parameters

	Aggregated panel (72 countries)			Firm-level panel (46 firms)		
	Chinese imports / Total domestic demand	Exports / Total production	Utilisation rate	Total revenue	EBITDA / Total revenue	Export revenue / Total revenue
Cash grants ratio	+	Nil	-	-	-	Nil
Below-market borrowings ratio	+	Nil	-	-	-	Nil
Chinese steel demand	-	Nil	+			
Cash grants ratio x Chinese steel demand	-	Nil	+			
Below-market borrowings ratio x Chinese steel demand	-	Nil	+			

Note: The cells indicate the sign of the coefficient corresponding to the impact of the variables in rows over the variables shown in columns. The colour scale reflects the degree of significance of the results obtained in the different specifications. For example, the darkest shade indicates that very significant results have been found in all the different estimations (greater than 1% confidence level), the lighter shades depict generally lower confidence levels across the model specifications, albeit very significant overall. No shading indicates that the parameters estimated were insignificant, thus are assumed not to have any effect on the dependent variable (denoted "Nil").
Source: Facilitator calculations

Impacts of excess capacity over a set of market variables[245]

[244] Global Forum on Steel Excess Capacity (GFSEC): Impacts of global excess capacity on the health of GFSEC steel industries March 2024 OECD Facilitator Anthony DE CARVALHO Rodrigo PAZOS Willem THORBECKE, Senior Fellow at RIETI (Tokyo), https://www.steelforum.org/content/dam/steel-forum/en/publications/gfsec-impacts-of-global-excess-capacity_0325.pdf. Emphasis added.

[245] Global Forum on Steel Excess Capacity (GFSEC): Impacts of global excess capacity on the health of GFSEC steel industries March 2024 OECD Facilitator Anthony DE CARVALHO Rodrigo PAZOS Willem THORBECKE, Senior Fellow at RIETI (Tokyo), p.11, https://www.steelforum.org/content/dam/steel-forum/en/publications/gfsec-impacts-of-global-excess-capacity_0325.pdf.

(269) In other words, "*Excess capacity affects domestic industries by lowering steel product prices and intensifying competition. Over time, these adverse market conditions erode profitability, reduce market shares, and lead to layoffs, plant closures, and firm liquidations*".[246]

(270) The effects on jobs and steel workers is dramatic: "*The data confirm the gloomy picture: this study shows that around 1 in 33 steel plants closed between 2014 and 2023, and nearly 1 in 10 steel workers lost their job between 2013 and 2021. The worsening financial situation of steel firms, falling exports, stagnating productivity, and eventually plant and firm closures coincide with the period of growing global excess capacity. The causality is hard to miss: the affected steel firms face uneven competition from the countries generating the global steel excess capacity and are not able to produce steel at profitable margins, usually ending up closing a plant or liquidating all of its operations*."[247] Further on the correlation between excess capacities and lay-offs in the steel sector: "*Employment declines were particularly severe during the peak of excess capacity periods, highlighting that domestic employment impacts tend to intensify at the height of excess capacity crises. In 2016, for instance, firms in some GFSEC countries saw employment growth rates fall over 6 percentage points below those of other manufacturing firms (Figure 3.3)*." [248]

(271) Moreover, steel uniquely stays behind the broader manufacturing sector due to its uniquely harmful and omnipresent excessive capacities, as shown in the table below: "*The assumption is that the steel sector's employment growth should mirror that of the broader manufacturing sector, given steel's critical role as an input used by manufacturing, after controlling for factors that affect employment in all industries, (…)".*[249]

[246] Global Forum on Steel Excess Capacity (GFSEC): Global excess capacity and employment in steel and downstream activities, 5 March 2025, https://www.steelforum.org/content/dam/steel-forum/en/publications/GFSEC-Employment_and-excess-capacity_31_jan_2025-(002)_250305_1015.pdf.

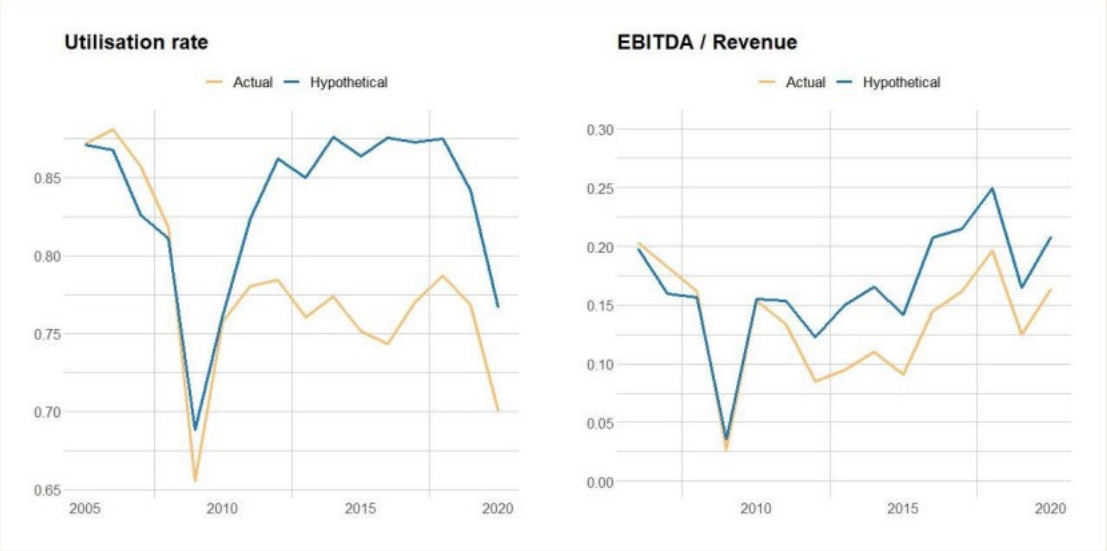
[247] Global Forum on Steel Excess Capacity (GFSEC): Global excess capacity and employment in steel and downstream activities, 5 March 2025, https://www.steelforum.org/content/dam/steel-forum/en/publications/GFSEC-Employment_and-excess-capacity_31_jan_2025-(002)_250305_1015.pdf.

[248] Global Forum on Steel Excess Capacity (GFSEC): Global excess capacity and employment in steel and downstream activities, 5 March 2025, https://www.steelforum.org/content/dam/steel-forum/en/publications/GFSEC-Employment_and-excess-capacity_31_jan_2025-(002)_250305_1015.pdf.

[249] Global Forum on Steel Excess Capacity (GFSEC): Global excess capacity and employment in steel and downstream activities, 5 March 2025, https://www.steelforum.org/content/dam/steel-forum/en/publications/GFSEC-Employment_and-excess-capacity_31_jan_2025-(002)_250305_1015.pdf.

Figure 3. Actual versus hypothetical series

Global utilisation rates (left) and average profits (EBITDA as share of total revenues)



Note: The utilisation rate was computed as the cross-country average share of world crude steel production and crude capacity excluding China. The profits indicator (EBITDA / Revenue) corresponds to the annual average share computed for the sample of non-Chinese firms.

Evolution of global utilisation rates and average profits : actual versus hypothetical series[250]

(272) The obvious effect on the profits of third country steel producers was also recently mentioned by the CEO of Tata Steel in India: "*(…) though the Chinese steel companies are losing money at these prices, they're still selling. That's predatory pricing and that's not ok. It'll derail the investment plans of this industry*".[251]

(273) Finally, the harmful effect of excess capacities on steelmakers' profits was acknowledged by the European Commission itself in the steel safeguards regulations when referring to the GFSEC Ministerial Statement.[252] This Ministerial Statement includes the statement that " *Excess capacity causes significant harm to the profitability of GFSEC steel industries, leading to a loss in domestic market shares. Estimates show that government support and other market-distorting practices in the major source of global excess capacity have led to a five percentage point decline in corporate profit ratios in major steel-producing GFSEC economies in the period 2016-2021*." [253]

(274) The conclusion of the above is clear: years of Chinese subsidising and policy has led to enormous, unprecedented excess capacity in the Chinese steel sector, also for CRF. This has in turn and for various reasons led to excess capacities worldwide. This has led to artificially low

[250] Global Forum on Steel Excess Capacity (GFSEC): Impacts of global excess capacity on the health of GFSEC steel industries March 2024 OECD Facilitator Anthony DE CARVALHO Rodrigo PAZOS Willem THORBECKE, Senior Fellow at RIETI (Tokyo), p.19, https://www.steelforum.org/content/dam/steel-forum/en/publications/gfsec-impacts-of-global-excess-capacity_0325.pdf.

[251] Moneycontrol, Tata Steel boss Narendran flags concerns on Chinese imports, warns of impact on the industry's capex, 1 August 2024, https://www.moneycontrol.com/news/business/tata-steel-boss-narendran-flags-concerns-on-chinese-imports-warns-of-impact-on-the-industrys-capex-12784720.html.

[252] Commission Implementing Regulation (EU) 2025/612 of 24 March 2025 amending Commission Implementing Regulation (EU) 2019/159 imposing a definitive safeguard measure on imports of certain steel products, rec. 21.

[253] GFSEC Ministerial Statement 8 October 2024, https://www.oecd.org/content/dam/oecd/en/events/2024/10/gfsec-ministerial-meeting/GFSEC-2024-ministerial-statement-and-references.pdf.

steel prices on the Targeted Countries markets. As a result, profits everywhere and on the Targeted Countries markets have been artificially lowered. This is a particular market situation.

5. CONSISTENT DUMPING FINDINGS IN THIRD COUNTRIES AND CLOSE PRODUCTS

5.1.1 Dumping findings in third countries

Annex 13. Consistent dumping findings in 3rd countries and close products

(275) The large number of dumping findings by third countries and the European Commission on the product concerned or neighbouring products confirms that the same exporting countries and exporters are similarly dumping on the Union market.

(276) In recent years, a vast number of countries have found that the product concerned or neighbouring products originating in the Targeted Countries were dumped on their market, sometimes to a very significant extent. Many of these countries have adopted measures restricting the trade of the product concerned. Such dumping findings were made in the United States, Canada, Egypt, Mexico, India and Malaysia.

(277) While the below examples do not intend to provide an exhaustive list of the anti-dumping measures imposed on cold-rolled flat steel products originating from the Targeted Countries, the vast number of investigations in a variety of countries over the world demonstrates a clear pattern of unfair commercial practices of CRF producers from Targeted Countries.

5.1.1.1 United States

(278) On 14 July 2016, the U.S. Department of Commerce issued a first order imposing an antidumping duty on imports of cold-rolled steel flat products from Japan and China. It later issued a second order, on 20 September 2016, targeting similar products but originating from Brazil, India, Korea and the UK on 20 September 2016.[254]

(279) On 5 October 2021, following the U.S. Department of Commerce sunset reviews of the two AD orders, the U.S. authorities announced that the revocation of the orders would likely lead to continuation or recurrence of dumping and thus continued the measures.[255]

5.1.1.2 Canada

(280) On 31 October 2018, the Canada Border Services Agency published its final determinations regarding the dumping investigation on cold-rolled steel originating from China and Vietnam, with duties reaching 99.3% for imports from Vietnam.[256] On 19

[254] United States ITC, "Investigation Nos. 701-TA-540-543 and 731-TA-1283-1287 and 1290 (Review) Cold-Rolled Steel Flat Products from Brazil, China, India, Japan, Korea, and the United Kingdom", 24 May 2021,https://www.usitc.gov/secretary/fed_reg_notices/sunset/701_540_notice05242021sgl.pdf.

[255] Federal Register, "Cold-Rolled Steel Flat Products From Brazil, China, India, Japan, Republic of Korea, and United Kingdom: Final Results of the Expedited Sunset Reviews of the Antidumping Duty Orders, 5 October 2021, https://www.federalregister.gov/documents/2021/10/05/2021-21658/cold-rolled-steel-flat-products-from-brazil-china-india-japan-republic-of-korea-and-united-kingdom.

[256] Canadian International Trade Tribunal, "Cold-Rolled Steel Originating in or Exported from the People's Republic of China, the Republic of Korea and the Socialist Republic of Vietnam", https://www.cbsa-asfc.gc.ca/sima-lmsi/mif-mev/crs-eng.html.

September, the Canadian authorities announced that it would continue to impose antidumping duties on cold-rolled steel originating from China and Vietnam.[257]

5.1.1.3 Egypt

(281) On 31 October 2024, the Egyptian government announced the initiation of an antidumping investigation on imports of cold-rolled and coated steel products originating from Turkey and China.[258]

5.1.1.4 Mexico

(282) In 2022, Mexico initiated an antidumping investigation with regards to cold-rolled steels coils imported from Vietnam and issued its conclusion on 28 December 2023, confirming the dumping practices with dumping margins ranging between 11,64% and 79,24%.[259]

5.1.1.5 India

(283) In April 2017, Indian authorities imposed antidumping measures against imports of cold-rolled flat steel products of iron or non-allow steel or other alloy steel, from Korea and Japan at a rate of UDS 576 per tonne.[260] Later, on 14 September 2021, India published its final findings regarding the sunset review investigation concerning imports of cold-rolled/cold-reduced flat steel products originating from China, Japan, Korea and Ukraine. It confirmed that continued imposition of anti-dumping duty was required given the likelihood of continuation or recurrence of dumping and injury.[261]

(284) Additionally, in March 2025, the Government of India advised the implementation of a safeguard duty on steel products including CRF.[262] It later introduced a 12% safeguard duty on 21 April 2025, effective for 200 days, aiming to shield the domestic industry.[263]

5.1.1.6 Malaysia

(285) On 31 January 2023, the Malaysian Ministry of International Trade and Industry initiated an investigation on imports of cold-rolled products of alloy or non-alloy steel of a width less than 1,300 mm originating from Japan. Following the investigation, Malaysia imposed in

[257] Government of Canada, "Tribunal Continues Finding-Cold-rolled Steel from China, Korea and Vietnam", 19 September 2024, https://www.canada.ca/en/international-trade-tribunal/news/2024/09/tribunal-continues-findingcold-rolled-steel-from-china-korea-and-vietnam.html.

[258] GMK, "Egypt investigates dumping of cold-rolled and coated steel products from Turkey and China", 6 November 2024, https://gmk.center/en/news/egypt-investigates-dumping-of-cold-rolled-and-coated-steel-products-from-turkey-and-china/.

[259] WTO Center VCC, "Summary of Vietnamese steel trade defense cases in Canada, Mexico, EU and India 2023", 31 May 2024, https://antidumping.vn/summary-of-vietnamese-steel-trade-defense-cases-in-canada-mexico-eu-and-india-2023-n27401.html.

[260] Tax Guru, "Anti-dumping duty on Cold Rolled Flat Products of alloy or non-alloy steel", 12 May 2017, https://taxguru.in/custom-duty/seeks-levy-definitive-antidumping-duty-cold-rolled-flat-products-alloy-nonalloy-steel-originating-exported-china-pr-japan-korea-rp-ukraine-period-years-revoked-superseded-amended-earlier-date-impositi.html

[261] Government of India, "Final Findings in the Sunset review investigation concerning imports of "Cold-Rolled/cold reduced flat steel products of iron or Non-alloy steel, or other Allow Steel of all width and thickness- not clad, plated or coated" originating in or exported from China PR, Japan, Korea RP and Ukraine", 14 September 2021, https://www.dgtr.gov.in/sites/default/files/FF_CR_NCV.pdf, p. 71-73.

[262] Yieh, "India proposes 12% safeguard duty on imported steel products", 2025, https://yieh.com/en/india-proposes-12-safeguard-duty-on-imported-steel-products/153512.

[263] Argus, "India imposes 12pc safeguard duty on flat steel import", 22 April 2025, https://www.argusmedia.com/en/news-and-insights/latest-market-news/2680381-india-imposes-12pc-safeguard-duty-on-flat-steel-imports

September 2023 antidumping duties effective until September 2028,[264] with a duty rate ranging between 9.03% to 22.62%.[265]

(286) Besides the consistent findings of dumping for CRF originating in the Targeted Countries, authorities around the world have made many similar findings on steel products directly upstream and downstream of the product concerned.

5.1.1.7 Dumping findings on upstream products

(287) As far as upstream products are concerned, several countries have imposed antidumping measures or opened investigations on imports originating from the Targeted Countries. Findings of dumping practices on hot-rolled coil ('HRC') are of particular relevance because such findings demonstrate the risk of recurrence of dumping of CRF products due to the close interconnection between the two products. HRC is an intermediary stage in the production of CRF (see above). Because the same producers most often produce and sell not only CRF but also its upstream products, it is very likely that if they engage in dumping for any of the products in the production chain, they also engage in dumping on the other products.

(288) For example, in July 2022, Turkish authorities imposed antidumping duties on hot-rolled flat steel products imports originating from the Republic of Korea, with a rate ranging between 7% to 8.95%.[266]

(289) Similarly, on 26 July 2024, the Ministry of Industry and Trade of Vietnam initiated an antidumping investigation against HRC from India.[267] The investigation is still ongoing but several sources indicates that the domestic industry remains under high pressure due to rising imports from Vietnam: "*However, the investigation may last for a year, while steel imports are still inundating the domestic market".*[268] More recently, in August 2024, the Indian Directorate General of Trade Remedies initiated an anti-dumping investigation concerning imports from Vietnam of HRC.[269]

(290) Similar findings were also made by the U.S. Department of Commerce, which reached multiple positive findings of dumping and subsequently imposed antidumping duties on imports of HRF originating from several of the concerned countries. On 14 November

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[264] SteelOrbis, "Malaysia imposes AD duties on cold rolled products from Japan", 2023, https://www.steelorbis.com/steel-news/latest-news/malaysia-imposes-ad-duties-on-cold-rolled-products-from-japan-1308547.htm;
MRS Steel, "Malaysia slays anti-dumping duty on CRC imported from Japan", 2023, https://mrssteel.com.vn/blogs/steel-news/malaysia-slays-anti-dumping-duty-on-crc-imported-from-japan.

[265] MRS Steel, "Malaysia slays anti-dumping duty on CRC imported from Japan", 2023, https://mrssteel.com.vn/blogs/steel-news/malaysia-slays-anti-dumping-duty-on-crc-imported-from-japan

[266] Global Trade Alert, "Turkiye : Definitive antidumping duty on imports of hot-rolled flat steel from the European Union and the Republic of Korea", 7 July 2022, https://www.globaltradealert.org/intervention/83673/anti-dumping/turkiye-definitive-antidumping-duty-on-imports-of-hot-rolled-flat-steel-from-the-european-union-and-the-republic-of-korea.

[267] WTO Center VCC, "Hot rolled coils (HRC) – Vietnam Anti-Dumping Investigation (AD20)", 1 August 2024, https://antidumping.vn/hot-rolled-coils-hrc--vietnam-anti-dumping-investigation-ad20-n27601.html.

[268] Tuoi Tre News, "HRC steel imports into Vietnam surge despite anti-dumping measures", 16 October 2024, https://tuoitrenews.vn/news/business/20241016/hrc-steel-imports-into-vietnam-surge-despite-antidumping-measures/82440.html

[269] MRS Steel, "India launches anti-dumping investigation into imported HRC from Vietnam", 5 September 2024, https://mrssteel.com.vn/blogs/steel-news/india-launches-anti-dumping-investigation-into-imported-hrc-from-vietnam

2024, U.S. authorities announced it would maintain the antidumping measures on HRC originating, among others, from India and Taiwan.[270]

(291) Similarly, the Australian Anti-Dumping Commission confirmed on 5 November 2019, the continuation of anti-dumping measures against imports from among others Japanand Taiwan.[271] It also announced, in November 2022, the continuation of antidumping measures on HRC originating from Taiwan with rates ranging between 2% and 5.5%.[272]

5.1.1.8 Dumping findings on downstream products

(292) Similar findings are also common on downstream CRF products, including on galvanized steel. Galvanised products are made from cold-rolled flat steel products that are sunk into molten zinc to acquire corrosion resistance. Because CRF and dipped galvanised products are often exported by the same producers, the directly downstream product being dumped makes it likely that the directly upstream product (CRF) is also dumped.

(293) While the below examples do not intend to provide an exhaustive list of the anti-dumping measures, the various findings of dumping practices in upstream and downstream products of cold-rolled flat steel show that dumping practices form part of the usual commercial modus operandi of producers from the Targeted Countries. It is very likely that if producers engage in dumping for any of the product in the production chain, they also engage in dumping on the other products.

(294) For example, Malaysia announced, on 14 August 2024, the initiation of an antidumping investigation on coated iron or non-allow steel flat rolled products from China, India and Japan.[273]

(295) Moreover, after initiating an antidumping investigation in August 2021, regarding imports of galvanized steel originating from Vietnam, the Mexican authorities issued their conclusion on 24 February 2023, finding a dumping margin ranging from 0% to 12.34%.[274]

(296) In 2023, the Australian Ministry of Industry and Science confirmed the continuation of antidumping measures against galvanized steel exported from Taiwan, with rates ranging between 2.4 to 28.2% for Taiwan.[275]

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[270] Steel Orbis, “United States to continue AD and CVD orders on HRC from six countries”, 14 November 2024, https://www.steelorbis.com/steel-news/latest-news/us-to-continue-ad-and-cvd-orders-on-hrc-from-six-countries-1365925.htm

[271] Anti-Dumping Commission, “Anti-Dumping Notice NO 2019/126”, https://www.industry.gov.au/sites/default/files/adc/public-record/505-060_-_notice_-_adn_2019-126_-_findings_in_relation_to_a_continuation_inquiry.pdf

[272] Anti-Dumping Commission, “Anti-Dumping Notice NO 2022/109”, https://www.industry.gov.au/sites/default/files/adc/public-record/adn_2022-109_findings_of_continuation_inquiry_594.pdf

[273] S&P Global, “Malaysia launches antidumping duty probe on coated steek from China, India, Japan, South Korea”, 15 August 2024, https://www.spglobal.com/commodityinsights/en/market-insights/latest-news/metals/081524-malaysia-launches-antidumping-duty-probe-on-coated-steel-from-china-india-japan-south-korea

[274] WTO Center VCC, Summary of Vietnamese steel trade defense cases in Canada, Mexico, EU and India 2023”, 31 May 2024, https://antidumping.vn/summary-of-vietnamese-steel-trade-defense-cases-in-canada-mexico-eu-and-india-2023-n27401.html

[275] SEAISI, ”Australia extends AD duties on galvanized steel”, 7 July 2023, https://www.seaisi.org/details/23121?type=news-rooms

(297) Additionally, on 26 September 2024, the United States authorities initiated an antidumping investigation on corrosion-resistant steel from several countries including Vietnam, Taiwan and Turkey.[276]

5.1.2 EU dumping findings on related flat steel products from Targeted Countries

(298) In addition to the unfair commercial practices of the Targeted countries around the world, the Commission's findings of dumping practices with regards to related products of CFR also demonstrate the risk of dumping for CRF.

(299) Additionally, because a significant share of the HRF producers who have adopted dumping practices on the European market are integrated producers manufacturing both hot-rolled and cold-rolled steel, the probability of dumping practices recuring on CRF is extremely high. The findings made by the Commission with regards to dumping practices concerning HRF steel are particularly relevant to assess the likelihood of recurrence of dumping for CRF. In particular, as the main cost item in the production of both HRF and CRF is the costs of the raw materials, and as the transformation of the latter in the former represents a limited share of the production costs, HRF and CRF costs and prices answer to a common pattern.

(300) For example, since 2021, imports of hot-rolled coil originating from Turkey are subject to antidumping duties, with duties ranging between 4.7% to 7.3%.[277]

(301) Additionally, the Commission announced on 8 August 2024 the initiation of an investigation concerning imports of HRF from several countries including Egypt, India, Japan and Vietnam.[278] Given the vast number of antidumping measures imposed by other countries on HRF originating from Targeted Countries, the likelihood of the investigation yielding in dumping findings on the EU market as well is extremely high, especially since dumping practices are part of the modus operandi of producers from Targeted Countries. The provisional anti-dumping Regulation imposes anti-dumping duties on Egypt, Japan and Vietnam.[279]

(302) As to downstream products, for instance, in 2022 the EU imposed antidumping duties on galvanized steel originating from Turkey, with ranges reaching up to 37.4%.[280]

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[276] International Trade administration, "Commerce initiates antidumping and countervailing duty investigations of corrosion-resistant steel products from multiple trading partners", 2024, https://www.trade.gov/initiation-antidumping-and-countervailing-duty-investigations-corrosion-resistant-steel-products .

[277] Eurometal, "EU imposes definitive anti-dumping duties on Turkish HRC », 27 April 2021, https://eurometal.net/eu-imposes-definitive-anti-dumping-duties-on-turkish-hrc/#:~:text=The%20European%20Commission%20(EC)%20has,hot%2Drolled%20coil%20from%20Turkey.

[278] GMK, "Potential EU anti-dumping duties on hot-rolled steel may lead to shortages", 8 October 2024, https://gmk.center/en/news/potential-eu-anti-dumping-duties-on-hot-rolled-steel-may-lead-to-shortages-assofermet/#:~:text=In%20August%202024%2C%20the%20European,European%20Steel%20Association%20(EUROFER).

[279] 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.

[280] EuroMetal, "EU imposes anti-dumping duties of up to 37.4% on galvanized steel from Russia, Turkey", 15 August 2022, https://eurometal.net/eu-imposes-anti-dumping-duties-of-up-to-37-4-on-galvanized-steel-from-russia-turkey/

6. THE INJURY SUFFERED BY THE COMPLAINANT

6.1 Consumption, sales, imports and market shares on the EU market

Annex 14.The injury suffered by the Complainant

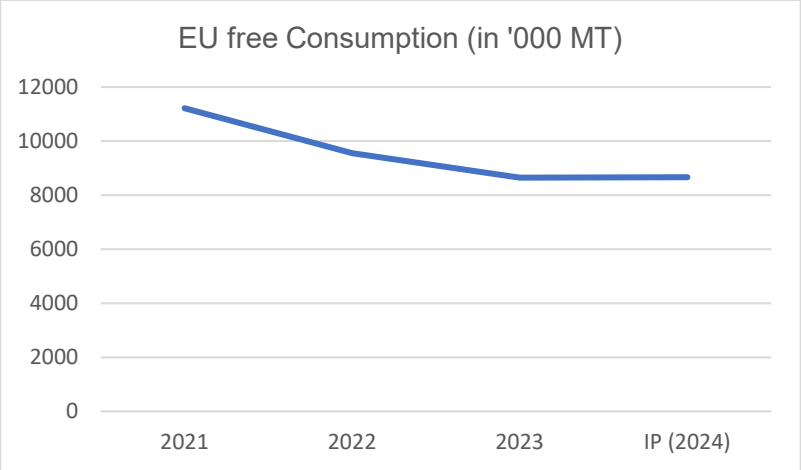
(303) The injury data is clear: from 2021 onwards, all injury indicators have deteriorated. Profitability in particular was severely affected, at levels that make continued operation unsustainable. Today, costs remain very high and profitability show no signs of recovery. The industry has also seen its volumes drop well beyond the already difficult circumstances of a decreasing Union consumption. As the pressure of CRF imports continues to increase, and even while selling at a loss, the Union industry remains unable to increase sales volume. Instead, it is forced to reduce production output and lose significant market share.

6.1.1 Consumption, EU sales and total imports

(304) Free market consumption data shows that the EU market has diminished in size over the period considered. More precisely, the decrease has put it today at three quarters of its 2021 size.

(305) Following a global slowdown in steel demand, consumption has plummeted. The period between 2021 and the IP shows a massive decrease of 23%. In other words, the market has shrunk by a fourth.

(306) This steel demand slowdown within the Union creates a vulnerable situation for the Union industry, which primarily supplies the domestic market. Through unfairly priced imports, as shown below EU sales have decreased much faster than free consumption – despite the already very significant consumption drop. Moreover, as further shown below, the industry is forced to sell its limited volumes at a loss.



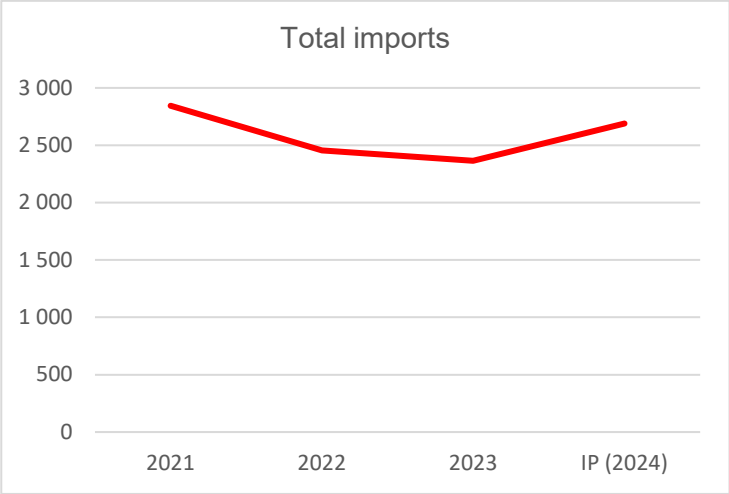
in 000/Tonnes	2021	2022	2023	IP
Free consumption	11.218	9.556	8.649	8.660
Index	***100***	***85***	***77***	***77***

(307) EU sales show an image that is even more grim. The total drop in EU sales between 2021 and the IP thus stands at no less than 29%, almost a third of the market. This is extremely high. While the consumption decrease has slowed down between 2023 and the IP, this is not the case for Union sales. As a matter of fact, total EU sales have dropped by another 4 percentage points between 2023 and the IP. This has been disastrous in itself for the Union industry but even more so when combined with the enormous losses incurred by the industry on the same period, as shown below.

in 000/Tonnes	2021	2022	2023	IP
Total EU sales (related and unrelated)	8374	7100	6284	5971
Index	***100***	***85***	***75***	***71***
Complainant EU sales (related and unrelated)	4.794	3.890	3.568	3.507
Index	***100***	***81***	***74***	***73***
Complainant turnover (related and unrelated) (in '000 EUR)	3.980	4.239	3.121	2.822
Index	***100***	***107***	***78***	***71***

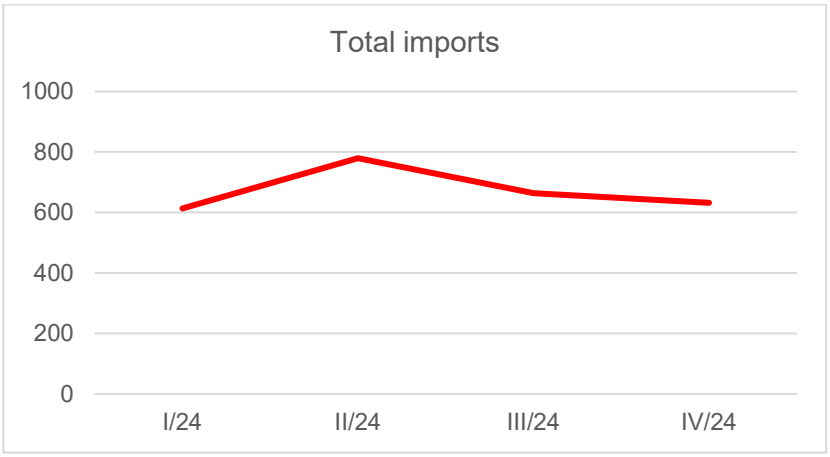
(308) Over the period considered, total imports have decreased by 5 points. It is however crucial to interpret this decrease in view of the market's underlying context. In particular, the decrease in imports is much lower than the -23% drop in consumption. Moreover, imports from the countries concerned have actually gone up. While volumes of imports have decreased, this decrease has been extremely limited compared to the sharp decline of consumption.

(309) While imports followed consumption trends between 2021 and 2022, volumes stagnated and then started increasing as from 2022 onwards. In particular, imports increased by no less than 12 percentage points between 2023 and 2024 (the IP). In the IP, they stand at the highest point since 2021. This is diametrically opposed to EU sales trends, which have never been lower since 2021 than during the IP. Imports showed a 5% decrease, Union sales showed a 29% decrease. The stagnation in the consumption decrease has thus entirely been captured by imports – Union sales have continued to decrease unabated. Self-imports by the complainants has been marginal (see causation section).



in 000/Tonnes	2021	2022	2023	IP
Total Imports	2.844	2.456	2.365	2.689
Index	***100***	***86***	***83***	***95***

(310) This trend is confirmed over the IP: despite fluctuations, imports show a net increase of 3% from Q1/24 to Q4/24. This against an additional consumption drop of 18%.



in 000/Tonnes	I/24	II/24	III/24	IV/24
Total Imports	613	779	664	632
Index	***100***	***127***	***108***	***103***
Consumption	**2.273**	**2.396**	**2.134**	**1.857**
Index	**100**	**105**	**94**	**82**

(311) After a slight 5% recovery between Q1/24 and Q2/24 (though never as high as the +27% imports increase), the Union market saw a steep decline in both Q3/24 (-11 percentage points) and Q4/24 (additionally minus 12 percentage points). In these two later quarters, consumption levels consistently fell below the levels seen in Q1. Meanwhile, import

volumes are higher in Q3/24 and Q4/24 than in Q1/24. The danger for the Union industry thus continues unabated.

in 000/Tonnes	I/24	II/24	III/24	IV/24
Consumption	2.273	2.396	2.134	1.857
Index	100	105	94	82

(312) The trends are clear: in a shrinking market, imports are increasing their market share every quarter and increasingly more aggressively. On the individual quarters, and in a context of a drastic 18,3% total consumption decrease, imports have seen their volume increase by 3% overall.

(313) As shown below, this increase in volume is driven by the Targeted Countries.

(314) An estimation of total EU industry captive use is set out below, following closely the captive use of the complainant. Here, once more, the decrease is slower than that of free market sales, showing that the complainant's injury is due to import competition.

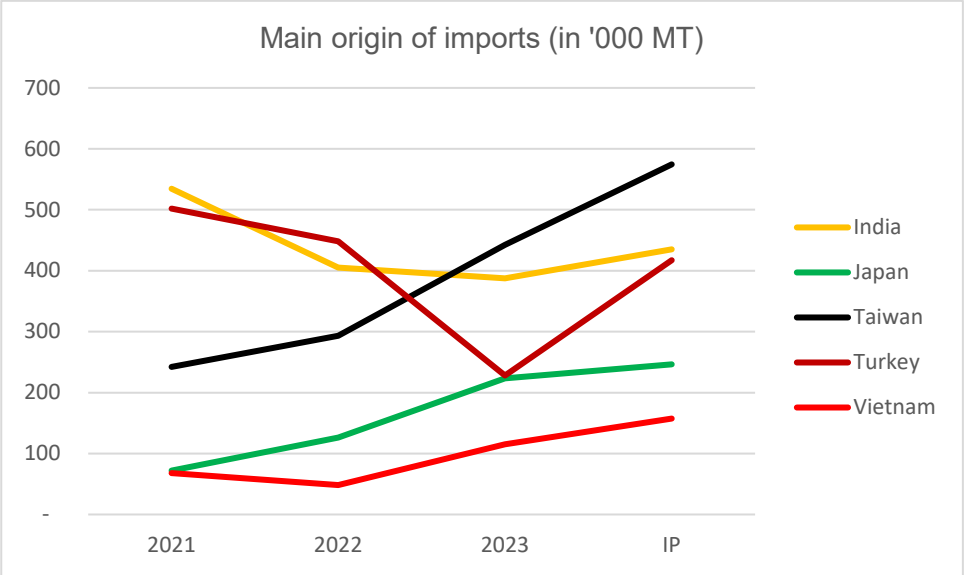
Metric tonnes ('000 T)	Y 2021	Y 2022	Y 2023	Y 2024
Total EU sales	8.374	7.100	6.284	5.971
Total EU production	41.282	35.464	34.395	35.199
Total EU exports (Source: Eurostat)	1.143	1.047	1.154	1.315
TOTAL EU INDUSTRY Estimated captive use	31.765	27.317	26.957	27.913

(315) This is confirmed by the total consumption, free and captive. The total decrease is less than that of free consumption alone, and much less than that of EU sales alone. The injury to the Union industry is taking place on the free market.

in 000/Tonnes	2021	2022	2023	IP
Total consumption (free + estimated captive)	42.983	36.873	35.606	36.573
Index	***100***	***86***	***83***	***85***

6.1.2 Volume of imports from Targeted Countries

(316) Imports from most of the Targeted Countries, notably from Japan, Vietnam and Taiwan, have increased considerably since 2021, with the exceptions of Turkey and India. Japan demonstrates a +242% increase, Vietnam a +132% increase and Taiwan a +137% increase. In the context of the overall consumption slowdown, these are enormous gains. While Turkey shows a 17% decrease and India a 19% decrease, this is still higher than the overall Union consumption decrease of 23%.



in 000/Tonnes	2021	2022	2023	IP
India	535	405	388	435
Index	***100***	***76***	***72***	***81***
Japan	72	126	223	246
Index	***100***	***175***	***310***	***342***
Taiwan	242	293	442	575
Index	***100***	***121***	***183***	***237***
Turkey	502	448	228	417
Index	***100***	***89***	***45***	***83***
Vietnam	68	48	115	157
Index	***100***	***71***	***170***	***232***
Total Target countries	1 419	1 321	1 397	1 831
Index	***100***	***93***	***98***	***129***

(317) Turkey's exports dropped over the 2022-2023 period. Compared to 2021 levels, Turkey's exports volumes in 2022 decreased by up to 11 points. Tukey further cut more than half of its exports in 2023. This downturn observed in 2022 and 2023 can be attributed to a number of macroeconomic factors that have challenged the industry and negatively impacted Turkey's exports. Exports mainly decreased due to the impact of the war in Ukraine, inflation and the expectation of a global recession.[281] The low demand and high energy costs further worsened the situation for local steelmakers.[282] Experts estimated

[281] GMK, "Turkiye reduced steel exports by 17.7% y/y in 2022-CIB", 30 January 2023, https://gmk.center/en/news/turkiye-reduced-steel-exports-by-17-7-y-y-in-2022-cib/

[282] GMK, "Turkey cut steel production by 21% y/y in July 2022", 7 September 2022, https://gmk.center/en/news/turkey-cut-steel-production-by-21-y-y-in-july-2022/#:~:text=In%20July%202022%2C%20Turkish%20steel,Steel%20Producer's%20Association%20(TCUD).

that the decline would continue until at least mid-2023 and predicted an upturn in the second half of 2023. However, the situation was exacerbated further due to the dramatic earthquake early 2023, which has put a halt to one-third of Turkey's steel production plant.[283] Nevertheless, it is essential to bear in mind that this decline was temporary and driven by specific circumstances, rather being a long-term structural downturn. Exports have since recovered with indicators showing that the industry has, since, experienced a recovery, with a notable increase in Turkish imports during the period from 2023 to 2024 (+83%).

(318) Similarly, imports from India have decreased by 18.6% during the period under review. Nonetheless, the decline in imports must be viewed in the context of the decline in consumption, which, as previously mentioned, has fallen by 23% since 2021. India is thus nonetheless gaining market share. Moreover, there has been an increase of 11% between 2023 and the IP, representing the highest volume since 2021.

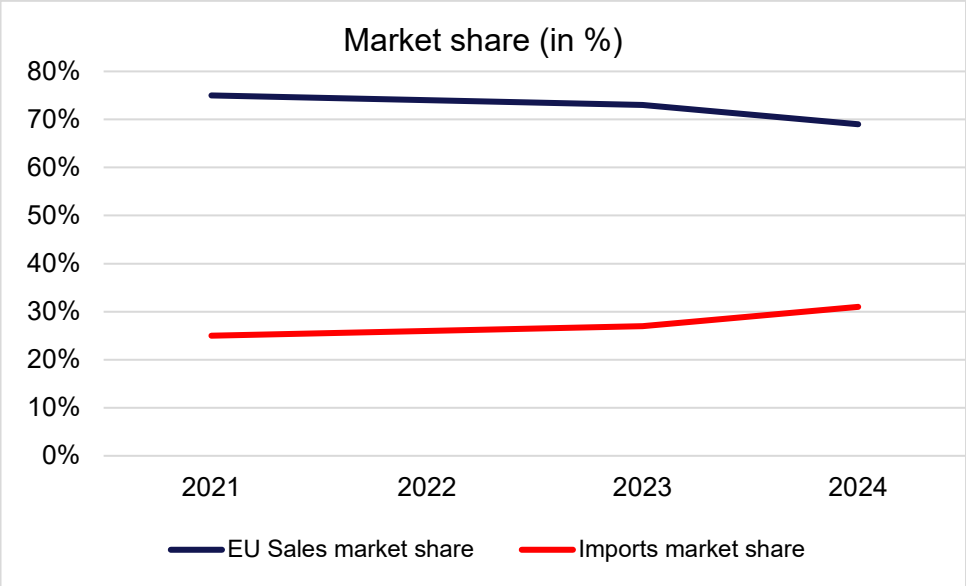
(319) As such, imports from Japan, Vietnam and Taiwan are dangerously progressing and capturing domestic demand at the expense of Union producers. A similar conclusion can also be drawn for India, as the level of import is now exceeding import levels of 2021, in spite of the temporary downturn that occurred starting 2021. Similarly Turkey has demonstrated a notable rise of 11% since 2023, clearly suggesting a clear and dangerous resurgence in imports .This drop in volume has threatened the survival of the Union industry, even more so when considered together with dangerously low profits.

6.1.3 Market shares on the EU market

(320) As set out above, imports overall as well as imports from the Targeted Countries have increased relative to consumption.

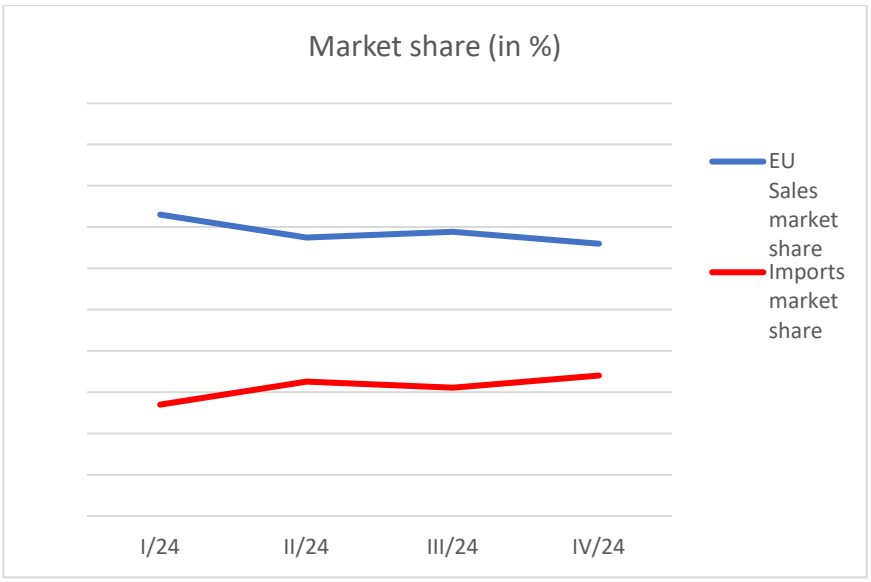
(321) This has directly translated into loss of market share for the EU industry. Indeed, the EU industry's market share decreased by 8% over the period considered while the market share of imports has increased by 22%. The most significant drop in Union market share, and conversely the most significant increase of imports' market share took place on the most recent period between 2023 and the IP: a 5 percentage point drop for the Union industry and a 15 percentage point increase for imports in less than a year.

[283] MRS Steel, Turkey aims to lead the EU in steel production, 31 January 2024, https://mrssteel.com.vn/blogs/steel-news/turkey-aims-to-lead-the-eu-in-steel-production



%	2021	2022	2023	IP
EU Sales	74,6%	74,3%	72,7%	69,0%
Total Imports	25,4%	25,7%	27,3%	31,0%

(322) The increase in the imports' market share is even more apparent on the IP. Between Q1/24 and Q4/24, the Union industry lost no less than 10% of its market share, while imports' market share increased by 26%. The Union market share now stands at 66%. This is a historic low and the result of a constant decrease of the 74,6% market share in 2021. Indeed, the Union industry has seen its market share drop steadily and securely by no less than 8 percentage points on less than four years.



%	I/24	II/24	III/24	IV/24
EU Sales	***73***	***67***	***69***	***66***
Total Imports	***27***	***33***	***31***	***34***

(323) This analysis confirms and reinforces the idea that imports from Targeted Countries are well underway to gradually substitute EU sales.

(324) The market shares of all the Targeted Countries increased over the period considered, with increases in market share between 5% and 343%. Japan's market share in particular more than quadrupled over the period concerned (+343%), rising from 0,6% in 2021 to 2,8% in the IP. Vietnam's market share showed a 200% increase between 2021 to the IP, reaching up to 1,8% during the IP.

%	2021	2022	2023	IP
India	4,8%	4,2%	4,5%	5,0%
Index	***100***	***89***	***94***	***105***
Japan	0,6%	1,3%	2,6%	2,8%
Index	***100***	***205***	***402***	***443***
Taiwan	2,2%	3,1%	5,1%	6,6%
Index	***100***	***142***	***237***	***307***
Turkey	4,5%	4,7%	2,6%	4,8%
Index	***100***	***105***	***59***	***108***
Vietnam	0,6%	0,5%	1,3%	1,8%
Index	***100***	***83***	***220***	***300***
Total Imports Targeted Countries	12,6%	13,8%	16,1%	21,1%
Index	***100***	***109***	***128***	***167***

(325) With market shares doubling and even quadrupling, the Union CRF market is at a critical crossroads. Decreased volumes endanger economies of scale and productivity. Despite the Union industry's continuing sale at a loss (see below), import volumes from the targeted countries have already substituted Union industry sales for a large part. There is no indication that the Union industry is on the path to recovery– to the contrary, as set out under aggravation of injury, this is only likely to aggravate.

6.1.4 Cumulative injury

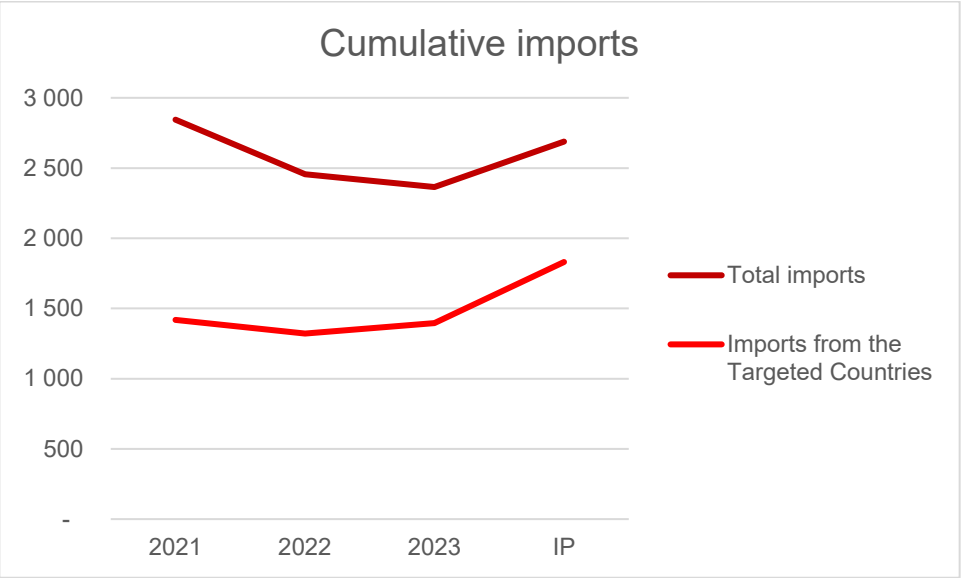
(326) Article 3(4) of the basic AD Regulation provides that the effects of imports of a product from more than one country may be cumulated where (i) the imports in question are simultaneously subject to an investigation, (ii) the margin of dumping is more than *de minimis*, (iii) the volume of imports is not negligible; and (iv) the cumulative assessment is appropriate in light of the conditions of competition between the imported products and the like Union product.

(327) All four of the abovementioned criteria are satisfied as far as the CRF imports at hand are concerned. First, the Complainant calls for a simultaneous anti-dumping investigation into CRF imports from the Targeted Countries. Second, as illustrated above, the dumping margin for each of the Targeted Countries exceeds the de minimis threshold. Third, the volumes of imports from each of the Targeted Countries are not only not negligible but are significant and ever increasing, as illustrated above. Fourth, given the fully substitutable and interchangeable nature of CRF produced by each of the Targeted Countries with one another (and with the like Union product), the imports of CRF from the Targeted Countries may be taken as a whole and the extent of the injury caused to Union industry by CRF imports from the Targeted Countries may be examined on a cumulative basis.

(328) The satisfaction of the abovementioned fourth criteria is in line with EU jurisprudence, which has underscored that a determination of whether the fourth condition is met requires an assessment as to whether imported products and the like Union product have similar physical characteristics and whether their end-use is interchangeable.[284]

(329) The analysis of cumulative imports is therefore straightforward: contrary to consumption (-23%), even contrary to the total imports trends (-5%), from the Targeted Countries show a +29% increase. This increases their market share from 12,6% in 2021 to 21,1% in 2024. The total imports increase is thus clearly led by imports from the Targeted Countries.

(330) The trajectory of the share of imports from Targeted Countries moreover clearly shows this: imports from the Targeted Countries represent up to 68% of total imports during the IP, which marks a massive increase of almost 20 percentage points and 37% compared to 2021 levels. In conclusion, imports from the Targeted Countries are the main driver behind the quick increase in imports and make up an increasing volume of total imports.



[284] Case T-432/12, *Volžskij trubnyi zavod OAO (VTZ OAO) and Others v. Council*, EU:T:2015:248, paras 57-58.

In '000 tonnes	2021	2022	2023	IP
Total imports	2.844	2.456	2.365	2.689
Index	***100***	***86***	***83***	***95***
Total imports from the countries concerned	1.419	1.321	1.397	1.831
Index	***100***	***93***	***98***	***129***
Share of imports Targeted Countries	50%	54%	59%	68%
Index	***100***	***108***	***118***	***137***

6.1.5 Significant price pressure of imports from Targeted Countries

(331) The pricing analysis is quite straightforward in this case: prices from all Targeted Countries are below the prices set by EU producers during the IP. This even after EU producers reduced their prices in attempt to counteract the impact of unfair imports from Targeted Countries and remain competitive.

(332) Additionally, all Targeted Countries are following a very aggressive pricing strategy consisting in continuously lowering prices to exert maximum pressure on the EU industry. This is clearly evidenced by the figures below. Since 2021, India has reduced its prices by 27 points, Vietnam by 23 points and Taiwan and Turkey by 15 points. Over the period considered, Japan has been identified as the most aggressive in terms of price reduction, with a reduction of over 41 points since 2021, as shown below. On average, the price reduction varies between 10 and 30 points for the majority of the countries and hovers around 40 points for Japan.

Prices from Targeted Countries and EU price (in eur)[285]	2021	2022	2023	IP (2024)
India	993	1 051	772	725
Index	***100***	***106***	***78***	***73***
Japan	1 317	1 021	802	777
Index	***100***	***78***	***61***	***59***
Taiwan	831	1 042	753	703
Index	***100***	***125***	***91***	***85***
Turkey	880	1 042	834	744
Index	***100***	***118***	***95***	***85***
Vietnam	920	1 166	757	708
Index	***100***	***127***	***82***	***77***
Total Target countries	938	1 047	779	728
Index	***100***	***112***	***83***	***78***
EU price	850	1 096	875	802
Index	***100***	***129***	***103***	***94***

(333) All Targeted Countries, without any exception, follow the same pricing strategy consisting in aggressively reducing prices in order to reach competitiveness levels that are way too

[285] See Annex The injury suffered by the Complainant.

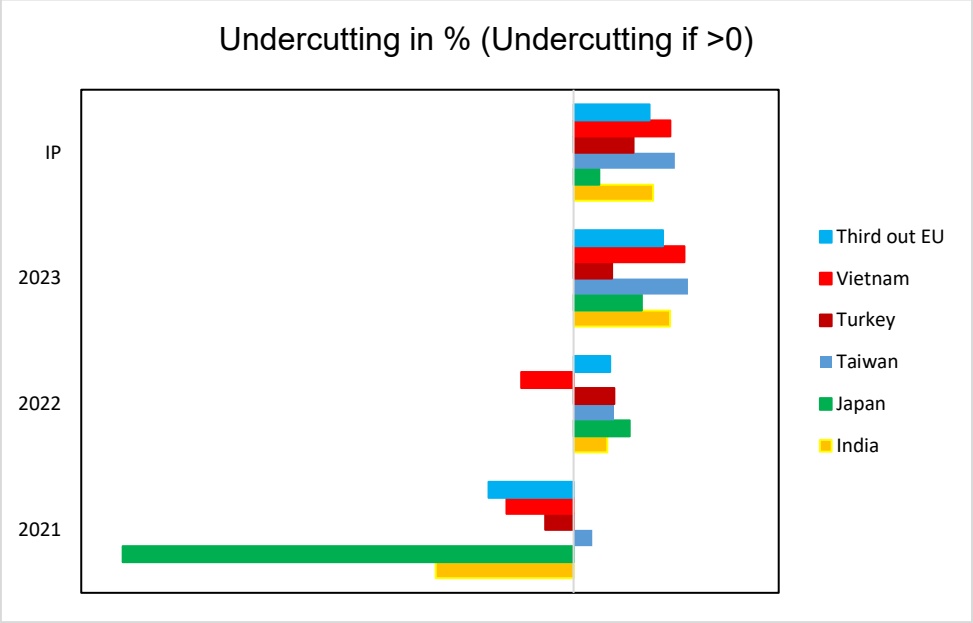
challenging for the Union industry to achieve. It is also worth noting that prices from Targeted Countries all converge closely. As such, by continuously and aggressively cutting prices, exporters from Targeted Countries were able to strengthen their position on the Union market.

(334) The very aggressive pricing strategy of Targeted Countries is thus clear and straightforward. Despite efforts of the Union industry to compete on price with Targeted Countries, imports from these countries have maintained a significant price advantage over the Union. This is further demonstrated in the undercutting and price suppression section below.

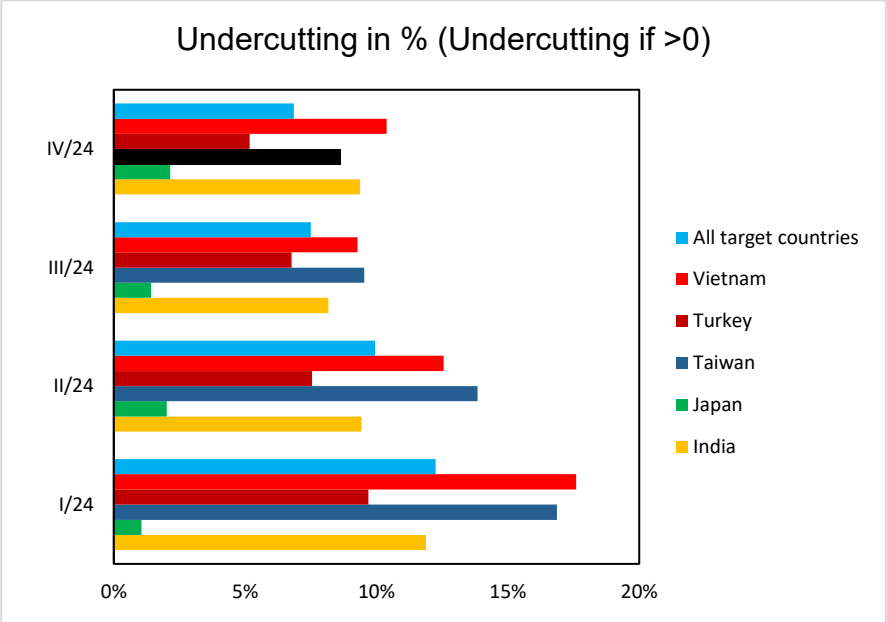
6.1.6 Undercutting and price suppression

(335) The skyrocketing market share of the Targeted Countries results from a very aggressive pricing strategy of the exporters concerned. Despite efforts of the Union industry to compete on price with CRF imports from the Targeted Countries (the negative consequences of which are described below), imports from the Targeted Countries have maintained a significant price advantage on prices over the Union industry on the CRF sold in the EU.

(336) To illustrate the price advantage of unfair CRF imports from the Targeted Countries when compared to EU-produced CRF, the Complainant has calculated the undercutting margins for each of the Targeted Countries for the IP and years preceding it, by way of comparing the selling prices in the EU of CRF from each of the Targeted Countries against EU prices for domestic produced CRF. The difference in prices have been expressed as a share of the Union industry selling price. The common customs tariff is 0% and the assessment is conservative as the complainant has not deducted customs and handling costs.



in %	2021	2022	2023	IP
India	-17%	4%	12%	10%
Japan	-55%	7%	8%	3%
Taiwan	2%	5%	14%	12%
Turkey	-3%	5%	5%	7%
Vietnam	-8%	-6%	14%	12%



In %	I/24	II/24	III/24	IV/24
India	12%	9%	8%	9%
Turkey	1%	2%	1%	2%
Taiwan	17%	14%	10%	9%
Japan	10%	8%	7%	5%
Vietnam	18%	13%	9%	10%

(337) These calculations show that not only is undercutting present, but that it is significant, consistent and continuously growing. This undercutting facilitates the Targeted Countries' capturing of volume from the Union industry and has allowed them to do so in recent years..

(338) This already high undercutting margin conceals that under the increasing pressure of low-priced imports, the Union industry was forced to set its prices at an unsustainably low level to maintain sufficient volume. The alarming speed at which the market share of imports from the Targeted Countries has grown on the back of its significant price advantage, has effectively left the Union industry with no other choice. As a result, the Union industry has been operating at a loss.

(339) Consequently, in addition to the obvious undercutting of imports from the Targeted Countries, the latter have also significantly suppressed the selling prices of the Union

industry. The extent of that price suppression is better expressed through the level of the underselling margin for the Union producers, detailed below.

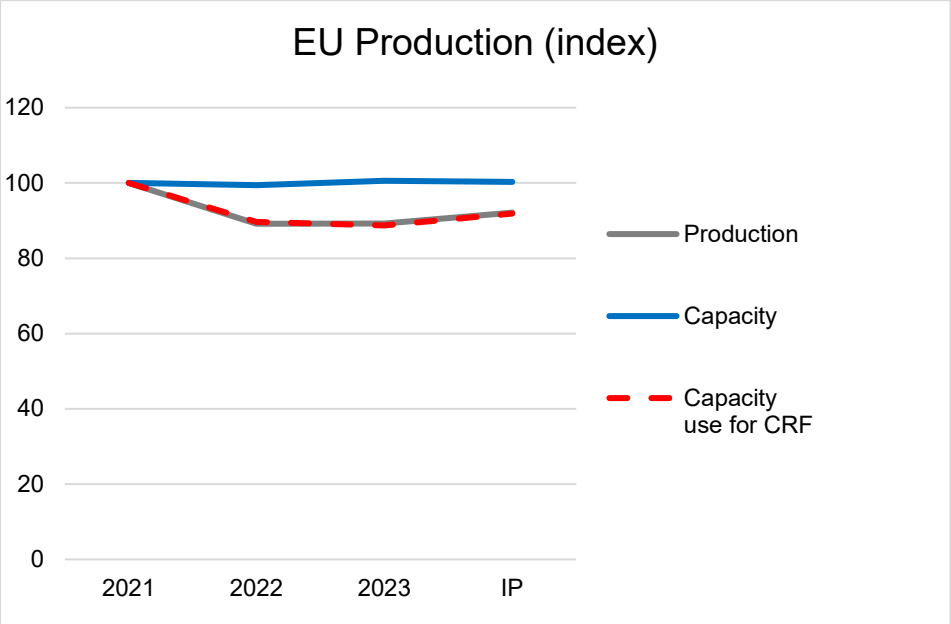
6.2 Deterioration of the Union industry

(340) The analysis of the situation of the Union industry is exclusively based on the figures of the Complainant. Nonetheless, as the participating companies represent a significant share of the total production, their evolution represents the situation of the Union industry. In particular, the evolution of the volumes of sales of the Complainant follows that of sales of the Union industry as a whole (see above). The Complainant also prepared an indicative assessment of industrywide indicators.

(341) In the face of increasingly low-priced imports from the Targeted Countries, the Complainants' financial situation has deteriorated. Since 2021, the Complainant's injury indicators have deteriorated overall and beyond the drop in demand. This worsening trend has accelerated during the IP. The Complainant has lost market share to imports from the Targeted Countries as a result of pressure from low-priced imports which has left EU producers with no choice but to lower their prices to stay competitive. As a result, they have become loss-making, with their survival acutely at risk.

6.2.1 Production, capacity and capacity use

(342) Beginning in 2021, production of CRF in the Union steeply dropped and has remained at about 10% lower since.



In '000 Tonnes	2021	2022	2023	2024
Production	21 546	19 211	19 226	19 846
Index	***100***	***89***	***89***	***92***
Capacity installed	34 510	34 306	34 711	34 605

Index	***100***	***99***	***101***	***100***
Capacity utilisation	62%	56%	55%	57%
Index	***100***	***90***	***89***	***92***

(343) Today, capacity use remains concerningly low at 57% and in any case well below the capacity utilisation that the Union industry achieved in 2021. The low capacity utilisation in 2022, 2023 and on the IP results in further losses for the Union's CRF producers.

(344) Low capacity utilisation is a hallmark of an ailing industry: Union CRF producers are not fully capitalising on their available production resources, are less able to use economies of scale and risk increased unemployment. Low capacity utilisation means CRF production equipment effectively being left idle (and as a result unproductive). As a result, average fixed costs per unit of output increase, leading to a decrease in profitability (and indeed a potential increase in price), resulting in a deterioration of competitiveness of the Union's industry, with all of these factors being to the ever-growing benefit of producers from the Targeted Countries.

(345) Production capacity today is largely in line with the 2021 levels; however, production has reduced considerably with capacity use, having dropped by 8% in the IP compared to 2021. Despite a modest recovery during 2024, today's capacity utilisation by Union industry is still 8 points below 2021 levels. Today's lower levels of capacity utilisation underscore that Union industry utilisation has decreased overall on the back of struggling production.

6.2.2 Captive consumption and Complainant sales

Captive transfers[286]	**2021**	**2022**	**2023**	**IP**
Captive transfers volume (MT)	18 691 707	17 361 636	17 550 670	16 945 351
Index	***100***	***93***	***94***	***91***

(346) Moreover, the free market consumption above has dropped more drastically than the internal captive transfers of the complainants set out above. Free market sales have also dropped more than captive transfers, underlining that the injury is caused by import competition on the free market rather than by extraneous factors. The complainant's captive sales as reported are included within captive transfers.

(347) The complainant sales are set out below.

[286] Annex_CRF_Causation, "*Agg_Stocks_Captive*" sheet

in 000/Tonnes[287]	2021	2022	2023	IP
Complainant EU sales (related and unrelated)	4.794	3.890	3.568	3.507
Index	***100***	***81***	***74***	***73***
Complainant turnover (related and unrelated) (in '000 EUR)	3.980	4.239	3.121	2.822
Index	***100***	***107***	***78***	***71***

6.2.3 EU prices, cost of goods sold and profit

(348) The profit figures below show that the Union industry is clearly in a concerning situation: price pressure from unfair imports on the Union market has prevented the Union industry from increasing prices on par with increasing costs, thus eroding profitability. Low-capacity utilisation coupled with ever increasing fixed costs per unit of output in the face of low-priced imports from the Targeted Countries have left the Union industry unable to pass on cost increases.

Index	2021	2022	2023	IP
Price to unrelated (EUR/MT)	850	1096	875	802
Index	***100***	***129***	***103***	***94***
Cost of goods sold (EUR/MT)	691	921	934	863
Index	***100***	***133***	***135***	***125***
Profit (unrelated) (EUR)	16%	13%	-6%	-6%
Index	***100***	***79***	***-35***	***-36***

(349) In an attempt to retain their market position and prevent further appropriation of market share by producers from the Targeted Countries, the Union industry has been forced to lower its own prices to compete with CRF imports from the Targeted Countries. This has compounded the loss-making state of the Union industry, which continues to drift further away from profitability.

(350) In normal market conditions the variation of price and costs is closely tied, with the former roughly reflecting the variation of the latter. Here, costs peaked in 2023 and dropped afterwards partially as a result of a 2024 decrease in energy prices for non-household consumers in the EU[288] and in raw materials, including iron ore, worldwide.[289] However, imports from the Targeted Countries which have undercut and undersold EU price by large

[287] Annex_CRF_Captive consumption

[288] https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Electricity_price_statistics.

[289] https://www.spglobal.com/commodity-insights/en/news-research/latest-news/metals/031125-asian-iron-ore-market-2024-review-easing-demand-for-mainstream-fines-weighs-on-prices.

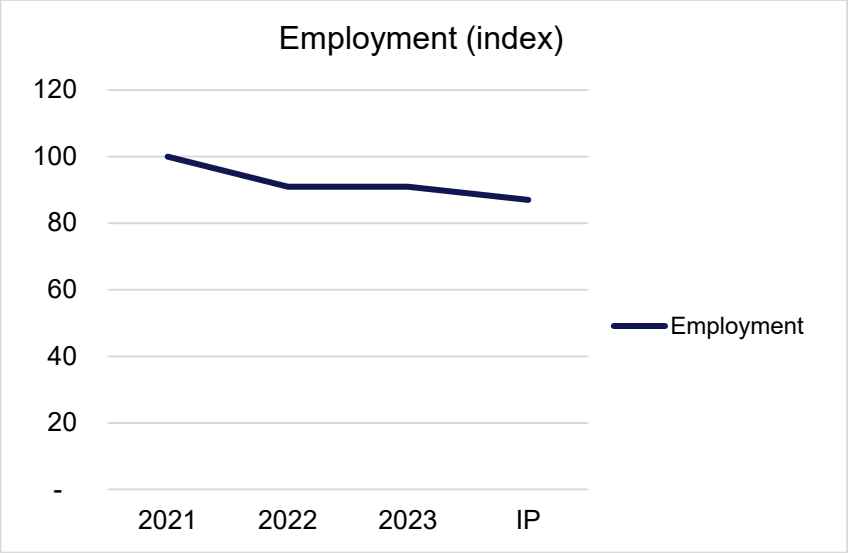
amounts have distorted normal market conditions. This has had a direct and significant negative impact on the profit margins of the Union industry.

(351) This increasing differential is reflected in the evolution of the profit margin. Since 2021-2022, the Union industry saw a steep degradation of its profit margin from 2023 onwards. Further cost increases in 2023 coincided with relentless price pressure from unfair imports, and prevented any meaningful adjustment of prices for Union producers.

(352) A comparison of the variations between selling prices and cost reveal that, from 2021 onwards, the EU industry became increasingly unable to pass on cost increases in its selling prices. This situation is clearly evidenced between 2022 and 2023, when the gap between increase in prices and cost increase ballooned. Today, in the continued absence of measures on the Targeted Countries, the Union industry is making a loss and is as such currently structurally unable to survive.

6.2.4 Employment

(353) Employment has been steadily decreasing in the Union CRF Industry over the last number of years. The significance of the decrease can be seen by comparing the employment figures of 2021 to those of the IP, which highlights a departure of 13% of the Union's CRF workforce from employment. Compared to other metrics, a decrease in employment is a particularly concerning indicator given that is not subject to as easy a recovery as others. The loss of skilled labour is a uniquely difficult issue to rectify insofar as the process of re-attracting workers to the industry is a cost-intensive and slow-moving process which requires recruitment campaigns, training and investment.



Index	2021	2022	2023	IP
Employment	8.697	7.879	7.937	7.549
Index	***100***	***91***	***91***	***87***

(354) The knock-on effects of a decrease in employment as a result of the situation faced by the Union industry due to unfair CRF imports are plenty. Facility closures inevitably lead to job losses. Germany's Thyssenkrupp (the country's largest steelmaker), for instance, has recently laid off thousands of its workers and confirmed the closure of its steel processing facility in Kreuztal-Euchen, which specializes in coil slitting, coating and pickling operations, citing rising production costs due to increased pressure from Asian steel imports.[290]

(355) The steady decrease in the number of Union CRF workers is a noticeable and is concerning and would have been much more pronounced were it not to thanks to support plans in various Union countries, allowing the industry to retain most of its trained workforce despite the difficulties met by the domestic CRF industry in the face of continually increasing imports from the Targeted Countries. For example, a €1.3 billion German measure was implemented in February 2024 to support ArcelorMittal Bremen and ArcelorMittal Eisenhüttenstadt in decarbonising part of their steel production processes, thus allowing the companies to retain funds to maintain their respective workforce levels.[291]

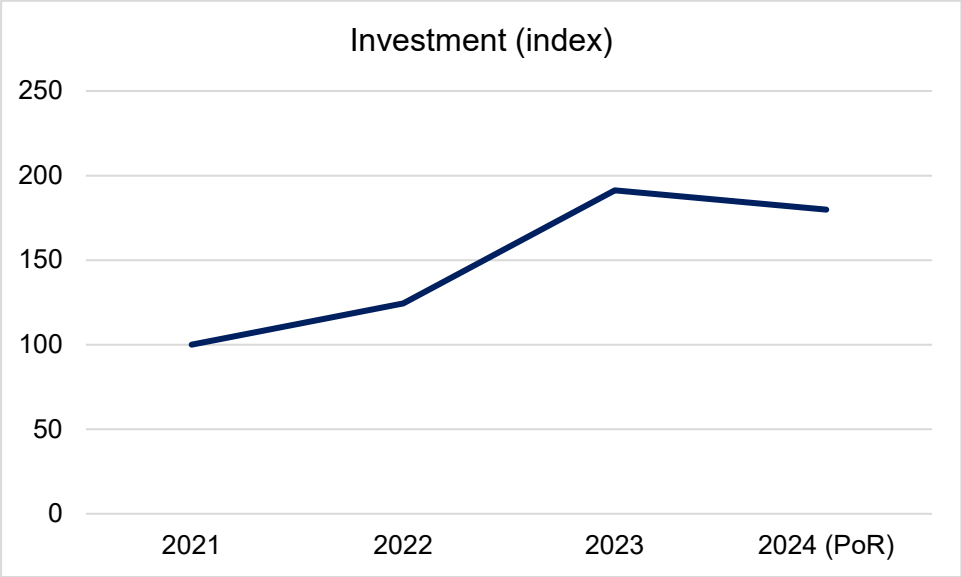
(356) Overall, the employment situation of the Union industry remains very fragile in view of the considerably very degraded performances of the companies confronted with the onslaught of unfair imports from the Targeted Countries.

6.2.5 Investment

(357) The investments analysis is rather straightforward. Investments have increased between 2021 and 2023, with a drop between 2023 and 2024.

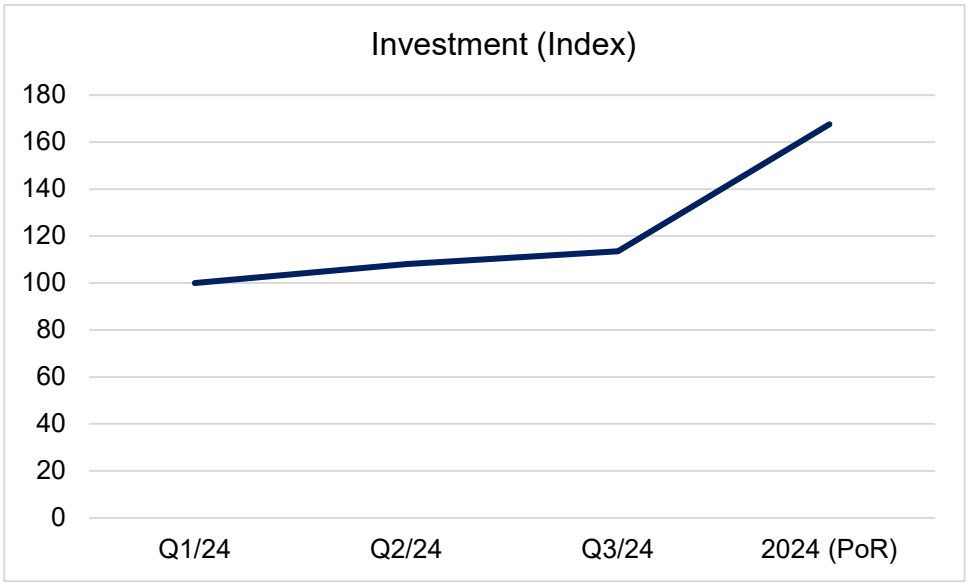
[290] Eurometal, "Eurofer warns of irreversible decline in Europe's steel industry without urgent action", 28 November 2024, https://eurometal.net/eurofer-warns-of-irreversible-decline-in-europes-steel-industry-without-urgent-action/.

[291] European Commission, "Commission approves €1.3 billion German State aid measure funded under Recovery and Resilience Facility to support ArcelorMittal decarbonise its steel production", 23 February 2024, https://ec.europa.eu/commission/presscorner/detail/en/ip_24_1009



Investments per year	2021	2022	2023	2024 (PoR)
Investments	145 153 622	180 655 631	277 605 515	260 975 756
Index	***100***	***124***	***191***	***180***

(358) As the steel industry is an extremely capital intensive industry, which is currently financing the decarbonisation of its entire manufacturing equipment, these investments are predictable, exceptional and specific as there are merely intended to support the industry towards the environmental transition. The increase flow of investments is also visible in the quarterly analysis of the IP, with investments increasing between Q1/24 and Q4/24.



Investment per quarter	I/24	II/24	III/24	IV/24

Investments	53 406 735	57 704 132	60 628 906	89 502 921
Index	***100***	***108***	***114***	***168***

(359) Nonetheless, these investments are only a fraction of what the industry should invest to stay innovative and sustainable for the full planned transition to net zero. The Union is being forced to pull back as it is fighting on multiple fronts due to the massive inflow of unfairly priced CRF from Targeted Countries. This is clearly visible during the IP where it investments were cut by 11 points compared to 2023 levels.

6.2.6 Inventories

(360) The Union industry's inventories have stagnated and decreased slightly, by 7%, between 2021 and the IP.

Index	2021	2022	2023	IP
Inventories	631 118	467 120	540 999	584 574
Index	***100***	***74***	***86***	***93***

6.2.7 Intermediary conclusion on injury

(361) After weathering the commercial impacts of the Covid-19 pandemic, the Union industry should have enjoyed a swift and lasting return to pre-Covid performances. However, the state of the industry steeply decreased after 2021.

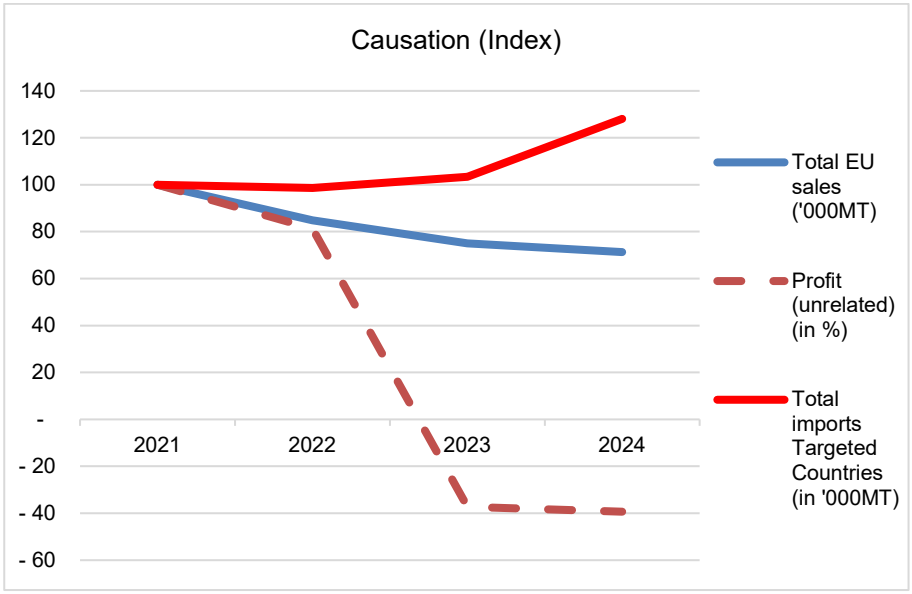
(362) This situation is first due to the ever-increasing volume of imports from the Targeted Countries, increasing their market share and preventing a retention of sales volumes and production by the Union industry. At the same time, EU producers were simultaneously subject to increasing costs and low market prices set by imports from the Targeted Countries, severely undercutting domestic European producers. As a result, the market share and profitability of the Union industry continues to decline in real terms and threatening its very existence.

7. CAUSATION

7.1 The unfair imports coincide in time with the injury

Annex 15.Causation

(363) The high volume and low prices of unfair imports from Targeted Countries coincide in time with the degradation of the Union industry performance. The unfair imports are causing injury as per Article 3(6) of the basic AD Regulation: the imported volumes made at low prices are responsible for the material injury suffered by the Union.



(364) During the period considered, profits have plummeted while imports from Targeted Countries, to the contrary, increased steadily and simultaneously particularly from 2023 onwards. Further, the increase of imports from Targeted Countries was accompanied by a simultaneous decrease of EU sales, which further supports the correlation between the imports from Targeted Countries and the overall decline of the Union industry. This is further established by the decline of profit. In fact, as Targeted Countries are able to increase their exports to the EU at a price level that allows them to be highly competitive, EU producers are compelled to lower their prices in order to remain competitive, which results in two full years of losses.

(365) The Targeted Countries were able to secure increased market share at the expense of their EU competitors through constant undercutting (see above concerning undercutting). The significant loss of market share, the drop of EU sales and investment as well as the dramatic decline in profitability show the disastrous effect of these unfair imports on the Union industry.

(366) Performance of the Union industry has thus degraded in line with the increasing pressure of imports from the Targeted Countries. The degradation of virtually all indicators and especially during the IP confirm the causal link: unfair imports from the Targeted Countries, in increasingly high volumes and low prices have caused the descent into loss of the Union industry.

(367) Consequently, low-priced, high-volume imports coinciding in time with injury therefore sufficiently establish that "*a genuine and substantial relationship of cause and effect*"[292] exists between the unfair imports and the injury on the EU market.

[292] Appellate Body Report, *United States - Upland Cotton*, 3 March 2005, DS267, para. 438, https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=Q:/WT/DS/267ABR.pdf&Open=True; Appellate Body Report, *United States - Upland Cotton*, 2 June 2008, DS267, para. 374., https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=Q:/WT/DS/267ABRW.pdf&Open=True

7.2 Absence of other factors affecting the causal link

7.2.1 Imports of the like product from other third countries

(368) No other alternative cause explains the injury or severs the causal link between the injury and the unfair imports. The effect of the unfair imports has seriously disrupted the ability of the Union industry to face challenges that would not have otherwise affected its performance.

(369) The undeniable injury suffered by the Union industry is not caused by imports from third countries other than the Targeted Countries. Over the period considered, imports from third countries have not been able to increase their foothold on the Union's market. The volume of such imports, as such, remained marginal over the period considered when compared to imports from the countries concerned. Besides the Targeted Countries, the table below shows all imports from countries with a market share of over 2% based on TARIC data. Imports from all three countries have decreased significantly since 2021.

Quantity in tonne[293]	2021	2022	2023	2024
South Korea	308.690	382.266	388.999	381.556
Serbia	144.221	99.516	77.504	60.020
Ukraine	354.168	99.827	149.989	154.603
United Kingdom	276.755	272.965	260.875	218.913

South Korea imports	2021	2022	2023	2024
In tonne	308.690	382.266	388.999	381.556
Market share (%)	2,8	4,0	4,5	4,4
Price (EUR/t)	852	1.026	817	765

(370) First, imports from South Korea cannot break the causal link. This because imports from South Korea increased in volumes in 2022 and 2023, but in 2024 decreased again to the level of 2022. Similarly, the market share followed the same trend in the context of a decreasing consumption. The average import price from South Korea increased in 2021 and 2022 and notwithstanding a decrease afterwards, during the total reference period, the average import price from South Korea was slightly higher or lower than EU average sales price, following a similar evolution trend. Therefore, considering the stable import volumes and market shares since 2023 and the similarity in price levels and trends with the EU average sales price, the imports from South Korea could not have broken the causal link between the imports from the countries concerned and the injury suffered by EU Industry.

(371) As shown below, both Serbia and Ukraine were unable to increase their market share on the Union's market over the period considered, with decreasing market share that remains below 2% during the IP.

[293] Source : TARIC. See Annex The injury suffered by the Complainant.

(372) Regarding the United Kingdom, two main points are to be considered. First, the overall increase of 0,1% remains marginal. Second, while at first sight the United Kingdom seem to have been able to increase its market share over the period considered, this increase must be considered in the broader context of the entire period considered. After a notable increase in 2022 and 2023, UK's market share slumped, nearly returning to the 2021 levels'. This illustrates the prevailing trend, as the slight increase should, in reality, be interpreted as being part of a downward trajectory following a significant upsurge in the preceding years. This decrease is also evidence in a quarterly analysis, as illustrated below, where figures indicate a clear slowdown over the last two quarters of the IP. Thus the said "increase" in market share suggests a decline and slowdown of UK's foothold on the Union's market , or, at best, a stagnation.

Market share[294]	2021	2022	2023	2024
Serbia	1,3%	1,0%	0,9%	0,7%
Ukraine	3,2%	1,0%	1,7%	1,8%
United Kingdom	2,5%	2,9%	3,0%	2,6%

Market share per quarter of IP [295]	I/24	II/24	III/24	IV/24
United Kingdom	2,7%	2,7%	2,5%	2,2%

(373) Additionally, the UK has been able to maintain high prices, which makes it clear that it didn't take part of the aggressive pricing strategy implemented by the Target Countries. As demonstrated in the table below, UK price have remained particularly high since2022 , well above the Targeted Countries prices. In fact, particularly since 2023, prices set by Targeted Countries were almost 10% lower compared to UK prices in 2023 and 2024.

Prices[296]	2021	2022	2023	2024
UK	864	1 118	852	801
Index	***100***	***129***	***99***	***93***
Total Target countries	923	1 042	788	734
Index	***100***	***113***	***85***	***80***

(374) Not only are UK prices higher compared to Targeted Countries prices since 2022 and throughout the IP, but also comparable to those applied within the EU during the IP. This makes it highly unlikely, if not impossible, that the UK is engaging in aggressive pricing strategy targeted at the EU. As shown below, UK prices have reached nearly identical levels to EU levels.

[294] See Annex The injury suffered by the Complainant.

[295] See Annex The injury suffered by the Complainant.

[296] See Annex The injury suffered by the Complainant.

Prices	2024
UK	801
EU prices to unrelated	802

(375) Because the presence of CRF imports from the UK on the Union industry is characterised by a stagnant market share, as demonstrated above, because the UK's export prices are particularly high compared to prices set by Targeted Countries, and because UK prices were nearly identical to EU prices during the IP, it is very unlikely that the injury suffered by the Union is caused by imports from UK, and even less likely that it was caused by imports from Serbia and Ukraine.

(376) Overall, the import volume from the Targeted Countries rose by 28% since 2021, reaching up to 82% of EU total imports during the IP. The significant share of imports from the Targeted Countries further demonstrates that imports from other countries hold minimal importance in comparison.[297] In view of the substantial surge of imports from the countries concerned and the resulting increase of market share, imports from third countries remain comparatively insignificant.

7.2.2 Exports of like products by the Union industry

(377) The degraded situation of the Union industry can moreover not be linked to export sales by the Union industry, as they clearly outperformed the domestic sales. While the domestic sales decreased over the injury evaluation period and EU's market share decreased accordingly as shown above, volumes of export sales, on the contrary, went up 15%. The industry's export performance of the industry is also clear and quite straightforward in view of export price. In fact, over the period considered, export price followed an upward trend and increased by 27% since 2021. This clearly indicates that the industry has been able to successfully increase its profitability by increasing export prices. That is further demonstrated by the fact that the Union industry is able to set export prices that are way higher compared to EU prices. Thus, had the EU export market been injurious to the Union industry, EU exporters would not have been able to increase their export price. It is therefore more likely that the Union industry generates profit from its export activities.

Volume export sales and export price[298]	2021	2022	2023	2024
Export sales (Tonnes)	1.142.721	1.046.797	1.153.629	1.315.080
Index	***100***	***92***	***101***	***115***
Export price	1000	1560	1348	1271
Index	***100***	***156***	***135***	***127***

(378) While it is true that exports amount to a significant part of EU sales, up to 18% of total EU sales, it is, nonetheless, very unlikely that that the injury to the Union industry is caused by export sales.

[297] See Annex The injury suffered by the Complainant.

[298] Source: Eurostat.

7.2.3 Downturn of consumption

(379) As shown above, consumption data clearly indicates that the consumption has plummeted over the period considered. However, the apparent consumption downturn is a consequence of the global slowdown market. While, as with most other industries, the CRF industry was directly impacted by the decline in consumption, it is, however, very unlikely that this downturn of consumption is in any way linked to the injury suffered by the Union, as import market shares levels were still able to grow despite a declining market.

(380) As shown below, all Targeted Countries have seen their market share level grow.

%	2021	2022	2023	IP
India	4,8%	4,2%	4,5%	5,0%
Index	***100***	***89***	***94***	***105***
Japan	0,6%	1,3%	2,6%	2,8%
Index	***100***	***205***	***402***	***443***
Taiwan	2,2%	3,1%	5,1%	6,6%
Index	***100***	***142***	***237***	***307***
Turkey	4,5%	4,7%	2,6%	4,8%
Index	***100***	***105***	***59***	***108***
Vietnam	0,6%	0,5%	1,3%	1,8%
Index	***100***	***83***	***220***	***300***
Total Imports Targeted Countries	12,6%	13,8%	16,1%	21,1%
Index	***100***	***109***	***128***	***167***

7.2.4 Captive transfers

(381) As shown below, captive transfers have decreased since 2021 by about 9% points. The decrease of captive sales should be interpreted as being part of the more general downturn of consumption, as a decrease in the consumption would naturally be reflected in the sales levels. In a general context of decreasing consumption of steel,[299] this does not break the causal link.

(382) Moreover, the downturn of captive transfers is much less strong than that of free market sales. This shows that the complainants' decreasing health is due to nothing else than import competition on the free market.

[299] See e.g. 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, rec. 174.

In FTE and EUR [300]	2021	2022	2023	IP
Captive transfers volume	18 691 707	17 361 636	17 550 670	16 945 351
Index	***100***	***93***	***94***	***91***

7.2.5 Price volatility due to increasing production costs

(383) Cost increases, whatever their cause, are not the cause of the injury. The reason being that in normal market conditions, producers are able to pass costs to pass on production cost increases in their selling price. They can even choose to increase their production cost if necessary to secure increased supply of inputs with limited availabilities if they know that this cost increase will be reflected in selling price. Thus, cost increases are harmless if companies can them on to their customers.

(384) This was reaffirmed by the Commission who often accepted that a cost increase is not of a nature to break the causal link between unfair imports and injury. On the contrary, a cost increase that is not reflected in a price increase, can confirm that the injury is caused by dumped imports. In *Birch Plywood*, for example, the Commission very recently held that "*(…) the cost of raw material did not attenuate the causal link. The problem resided rather in the limited ability of the Union industry to raise prices to the same extent as costs increases due to the pressure exerted by dumped imports from Russia, both in terms of volumes and prices*."[301] The Complaint shows a that imports from Targeted Countries are dangerously progressing while the profitability of the Union industry saw a steep degradation and shows no sign of recovery, as the Union industry was left unable to pass on cost increases.

(385) In another recent case, the Commission stated that: "*The Commission underlined that in a level playing field, Union producers are able to reflect (raw material) cost increases in their sales prices. However, Union (…) producers were unable to increase their prices (not even to cover their costs) due to the price pressure exerted by the Chinese imports. Therefore, the increase in overall production cost, whether or not triggered by any trade defence measures, could not attenuate the causal link established between dumped imports from China and the material injury suffered by the Union industry*".[302]

(386) A cost increase, driven by inflation or not, is not in itself prohibitive for companies on a level playing field. However, the price pressure caused by Targeted Countries' dumped imports made it impossible for Union producers to raise prices sufficiently to renegotiate existing contracts, and cover the cost increase. This is further clearly demonstrated by the high margins of underselling which fluctuate within a range of no less than 22% and reaches up to 35% . A similar conclusion can be drawn by the undercutting margin levels that lie between between 29% and 36%.

[300] Annex_CRF_Causation.

[301] Commission Implementing Regulation (EU) 2021/1930 of 8 November 2021 imposing a definitive anti-dumping duty and definitively collecting the provisional duty imposed on imports of birch plywood originating in Russia, rec. 185.

[302] Commission Implementing Regulation (EU) 2021/2239 of 15 December 2021 imposing a definitive anti-dumping duty on imports of certain utility scale steel wind towers originating in the People's Republic of China, rec. 389.

(387) For this reason, it is very unlikely that the decline in profit is not due to the increase in production cost. It is, instead, due to the massive price pressure of unfair imports from the Targeted Countries, which precisely prevented them from reflecting the increase in cost, because of which the Industry became loss-making.

7.2.6 Imports from the targeted country by EU-based producers

(388) A share of imports of the product concerned from the Targeted Countries to the EU is made by entities also producing the product concerned in the EU.

(389) Imports made by the Complainant, due to their specific characteristics and nature, are unable to have contributed to the injury to the Union Industry as they are marginal in volume.

(390) [Confidential information: the information contains confidential information pertaining to the self-imports by the Complainant from the Targeted Countries, in volume and value. The information is confidential, not publicly available and not susceptible of further meaningful summary. The disclosure of the information could cause prejudice to the Complainants.]

(391) [Confidential information: the information contains confidential information pertaining to the self-imports by the Complainant from the Targeted Countries, in volume and value. The information is confidential, not publicly available and not susceptible of further meaningful summary. The disclosure of the information could cause prejudice to the Complainants.]

8. AGGRAVATION OF INJURY

8.1 Increasing export incentives for exporters in the Targeted Countries

Annex 16. Aggravation of injury

(392) The current situation of the Union industry is cause for significant concern and in itself justifies decisive intervention by the Commission against unfair imports. Nonetheless, it is obvious that, absent appropriate action, the situation of the Union industry will quickly degrade further in the near future. This is essentially due to the internal domestic issues of each of the countries concerned, partly driven by structural, domestic issues on the domestic market of the Targeted Countries.

(393) The domestic features and conditions of each country's steel market have created strong incentives for producers from Turkey, Vietnam, Japan, India and Taiwan to increase exports of CRF to the Union industry. This is mainly due to global steel overcapacities driven primarily by China together with a slowdown of the steel industry that stems from various factors encountered by the industry of each of the Targeted Countries, and that ultimately lead domestic producers to shift the focus on export markets.

8.1.1 Japan

(394) The Japanese steel industry has also been facing a significant internal consumption slowdown. 2024 was marked by a significant slowdown in domestic consumption, as "*in August this year, domestic steel product consumption in Japan amounted to 3.83 million metric tons, down by 9.0 percent compared to July and by 9.4 percent year on year,*

according to the data released by the Japan Iron and Steel Association (JISF). Meanwhile, in the January-August period of 2024, domestic steel consumption in the country decreased by 3.1 percent year on year to 28.92 million metric tons".[303] The slowdown of the industry is closely tied to China's real estate sector stagnation but also to internal challenges in Japan's manufacturing and construction sector.

(395) Yoshihisa Kitano, the CEO of JFE Steel Corporation confirmed, on 4 January 2024, that "I*n Japan, growth in steel demand faltered, partly due to the impact of labor shortages".*[304] With the construction industry accounting for more than 40% of the domestic steel demand, the prosperity of the latter is strongly tied to the vitality of the construction industry.

(396) The analysis of the Japanese construction and manufacturing sectors further support this point. In fact, the ongoing decline in the Japanese construction and manufacturing sectors have significantly impacted the overall viability of country's steel industry.[305]. The labour shortage is mainly caused by the rapid aging of the Japanese population as well as the government's recent labour reform which essentially addresses Japan's culture of long working hours.[306] Known as the 'Work Style Reform', the 2019 legislation essentially caps construction workers' overtime hours to a maximum of 720 hours a year.[307] As a result, the steel demand was expected to decline: "*This change is expected to lead to a 1.4% decline in steel demand within the construction sector in the third quarter, reducing it to 4.03 million tons".*[308] Other sources confirm this viewpoint: "*Japan's new law limiting overtime is likely to reduce steel demand in the construction sector in 2024, which has already been facing severe labour shortages".*[309] Additionally, "*the law which aims to improve working conditions, could extend construction times, leading to fewer projects and a decline in steel demand. Large construction companies are adapting to the new law by implementing measures such as eight-day site closures every four weeks. This combined with existing factors such as rising raw material prices and labor shortages, has resulted in weakness in steel demand, which is reflected in the negative increase in orders for steel products used in construction".*[310]

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[303] Steel Orbis, "Japan's domestic steel consumption down 3.1 percent in Jan-Aug", 17 October 2024, https://www.steelorbis.com/steel-news/latest-news/japans-domestic-steel-consumption-down-31-percent-in-jan-aug-1361940.htm

[304] JFE Steel Corporation, "Mr. Kitano's 2024 Year's Message to the JFE Team", 4 January 2024, https://www.jfe-steel.co.jp/en/release/2024/01/240104.html

[305] Yieh Corp, "Japan's steel demand forecasted to decline in Q3", 16 July 2024, https://yieh.com/en/NewsItem/149147#:~:text=Japan's%20steel%20demand%20is%20forecasted,and%20manufacturing%20sectors%2C%20excluding%20automobiles.

[306] Construction Briefing, "Japan's construction skills shortage threatens to overshadow Expo 2025", 31 May 2024, https://www.constructionbriefing.com/news/japans-construction-skills-shortage-threatens-to-overshadow-expo-2025/8037261.article

[307] The Japan News, "Japan's New Overtime Limits Eyed with Trepidation; Labor Shortages Threaten Medical Services", Cargo Transport, 1 April 2024, https://japannews.yomiuri.co.jp/business/economy/20240401-177826/#:~:text=Starting%20Monday%2C%20however%2C%20overtime%20will,the%20preservation%20of%20medical%20services.

[308] Yieh Corp, "Japan's steel demand forecasted to decline in Q3", 16 July 2024, https://yieh.com/en/NewsItem/149147#:~:text=Japan's%20steel%20demand%20is%20forecasted,and%20manufacturing%20sectors%2C%20excluding%20automobiles.

[309] Argus, "Viewpoint: Japan construction sector faces lower demand, 29 December 2023", https://www.argusmedia.com/en/news-and-insights/latest-market-news/2523283-viewpoint-japan-construction-sector-faces-lower-demand

[310] Steel Radar, "Japan's new construction law will affect the steel industry", 31 December 2023, https://www.steelradar.com/en/haber/japans-new-construction-law-will-affect-the-steel-industry/

(397) Japanese producers have been grappling with significant pressure on their domestic market, as domestic demand decreased due to construction and manufacturing sectors deteriorating dramatically, and Chinese imports massively increasing.[311]

(398) Whilst the Japan Iron and Steel Federation reported that Japan's steel exports decreased by 5.5% during the first half of this year, this general slowdown contrasts with Japan's exports to the EU. In fact, Japanese metallurgists have on the contrary, strengthened their presence on the EU market: "*exports to the EU reached a second-record high since last May, at 272,000 tons".*[312]

(399) Because the domestic market is at a low point, Japanese producers are forced to focus on exports, and particularly to the Union industry market. As much has already been confirmed: "*the decrease in exports to South Korea and Thailand suggests a need for Japanese steel producers to explore new markets and adapt their strategies to the changing global landscape".*[313] Additionally, Nippon Steel Corporation reported in its integrated report for 2024 that "*The Japanese steel industry has maintained its level of domestic production by balancing the decline in local demand with an increase in exports".*[314]

(400) The risk for the Union industry of being overwhelmed with massive volumes of CRF that the Japanese market can no longer absorb is extremely high. This risk is further reinforced by the fact that the EU and Japan have grown closer commercially with the implementation on February 2019 of the EU-Japan Economic Partnership Agreement. This sets out an environment conducive to exports, as Japanese exporters benefit from a liberalized access to the European market.

8.1.2 Vietnam

(401) Vietnam's steel industry has also been weakened by several factors including the competition with Chinese aggressive exports to Vietnam, the slump of Vietnam' construction sector and the rise of production cost.

(402) In the aftermath of Covid-19, Vietnam's real estate sector severely plummeted and continues to weigh on the industry to this day as steel producers are still facing the lingering effects of the crisis. In Vietnam, the severity of the domestic real estate crisis led 1300 real estate companies to go bankrupt in 2023[315]and has negatively impacted the Vietnamese steel market, as the real estate heavily relies on steel. In fact, "*According to VSA statistics, the construction industry dominates Vietnam's steel consumption, accounting for about 89%, with household appliances at 4%, machinery at 3%, and automotive, oil, and gas each at 2%. Therefore, the development of the construction*

[311] Hellenic Shipping News, "Japan steel industry feels 'sense of crisis' as imports hit 10-year high", 11 November 2024, https://www.hellenicshippingnews.com/japan-steel-industry-feels-sense-of-crisis-as-imports-hit-10-year-high/

[312] YIEH CORP, "Japan's steel exports & imports increase in Jul y-o-y, 23 April 2024", https://yieh.com/ru/NewsItem/149826

[313] Steel Radar, "Japan's steel exports down 5.5% in the first half of the year", 2 August 2024, https://www.steelradar.com/en/haber/japans-steel-exports-down-55-in-the-first-half-of-the-year/

[314] Nippon Steel Integrated Report 2024, https://www.nipponsteel.com/en/ir/library/pdf/nsc_en_ir_2024_all.pdf

[315] Asia Pacific Metal Working, "Vietnam Real Estate Market in 2024 shows signs of recovery", 9 April 2024, https://www.equipment-news.com/vietnam-real-estate-market-in-2024-shows-signs-of-recovery/

industry directly influences the entire steel demand market in Vietnam".[316] This persisted in 2024: "*in the early months of 2024, the Vietnamese steel sector didn't fare particularly well. The sluggishness in the real estate market delayed the expected demand increase and created stagnation in iron and steel trade and supply".*[317]

(403) Chinese exports on the Vietnamese market, along with the challenges faced by the Vietnamese industry have been decisive for domestic producers, as they found themselves completely outpaced by competition and forced to expand to other markets, especially since the domestic market is struggling with oversupply. In fact, as the chairman of the Vietnam Steel Association, Nghiem Xuan Da, declared: *"The oversupply of many domestic steel products and the increase in imported steel products will push domestic steelmakers to lose market share".*[318]

(404) The Vietnam Steel Association also declared that: *"currently steel production is in a state of oversupply, along with increased imports, making price competition for domestic steel products more fierce*".[319]The degradation of the market also translates into the decline of the prices. Major Vietnamese steel companies have been severely cutting prices. By April 2024, the price of rolled steel had already decreased by more than UDS 20 per tonne in only 4 months.[320] The Vietnamese Steel Association declared that the reduction in price "r*eflects the changes in input material prices and the Vietnamese Steel Association believes that domestic factories are facing many difficulties due to high inventory prices, low selling prices, and increased financial costs".*[321] Additionally, "*Steel prices in Vietnam continue to decline, with many businesses reducing the price of CB240 steel coils and D10 CB300 rebar by 100,000 VND/ton (4 USD). This markets the fourth consecutive prices reduction for rolled steel and the fifth consecutive reduction for all steel types, bringing the total value of discounts to 700, 000 VND/ton (27 USD)*".[322]

(405) Because the actual state of the industry leads to the frustration of the domestic industry, focusing on exports becomes the only viable option to escape the saturated and over-competitive domestic market. According to Vietnam Steel Association, the country records a 30% external dependency.[323] The rise of exports clearly supports this statement: *"Finished steel exports in the first 7 months of 2024 reached 4.8 million tons, up 6.8% over the same period 2023*"[324], with exports of cold-rolled coils seeing the highest growth: "*The*

[316] Shanghai Metal Market, "China's Largest Export Market-Detailed Analysis of Vietnam's Steel Industry", 27 November 2024, https://www.metal.com/en/newscontent/103058507

[317] SteelRadar, "Vietnam steel industry overshadowed by real estate market", 30 March 2024, https://www.steelradar.com/en/haber/vietnam-steel-industry-overshadowed-by-real-estate-market/

[318] Vietnam Investment Review, "Probes ongoing to protect steel firm", 1 July 2024, https://vir.com.vn/probes-ongoing-to-protect-steel-firms-112302.html

[319] Vietnam.vn, "What does the steel industry do to overcome long-term bottlenecks", 13 July 2024, https://www.vietnam.vn/en/nganh-thep-lam-gi-de-khac-phuc-diem-nghen-dai-han/

[320] Vietnam Investment Review, "Steel firm drop prices for the third time this year", 8 April 2024, https://vir.com.vn/steel-firms-drop-prices-for-the-third-time-this-year-110205.html

[321] Vietnam Investment Review, "Steel firm drop prices for the third time this year", 8 April 2024, https://vir.com.vn/steel-firms-drop-prices-for-the-third-time-this-year-110205.html

[322] Steel Radar, "Steel prices continue to fall in Vietnam" ,21 April 2024, https://www.steelradar.com/en/steel-prices-continue-to-fall-in-vietnam/

[323] Shanghai Metal Market China's Largest Export Market – Detailed Analysis of Vietnam's Steel Industry, 27 Novembre 2024, https://www.metal.com/en/newscontent/103058507

[324] VIETDATA, "Vietnam's steel industry expects to recover: finished steel production in 2024 could reach 30 million tons, up 7% compared to 2023", 13 August 2024, https://www.vietdata.vn/post/vietnam-s-steel-industry-expects-to-recover-finished-steel-production-in-2024-could-reach-30-millio?srsltid=AfmBOorf-9MeurfxXCKepb_ZFnlzQ0lirXA5hSjiHH1ao9PnCREQ87Bb

growth rate of cold rolled coil (CRC) reached the highest rate of 40.6%".[325] This was also confirmed by the Vietnam Steel Association which clearly addressed the issue of oversupply and the resulting increase of exports: *"the construction industry-led steel market has led to an increase in long product production and capacity surplus, prompting Vietnam to export excess capacity".*[326] This is further corroborated by the fact that Vietnam's production capacity exceeds the country's domestic demand, which will lead to oversupply: *"Vietnam is capable of producing 29-30 million metric tons of steel per year, exceeding the domestic demand".*[327]

(406) This upward trend of exports is expected to continue over the next few years, increasing the risks for the European market: *"With the potential for export growth in the second half of 2024 and the 2025-2027 period, Vietnam's steel industry is expected to continue conquering international markets, leveraging its competitive production costs and stable product quality".*[328]

(407) Consequently, it is evident that this trend will persist and continue to intensify. As such, Vietnamese companies have even openly admitted their intention to focus on exports and more specifically to reduce prices in order to stay competitive on the export markets: *"Formosa Ha Tinh, which is trying to enter export markets in particular, is trying to maintain its market share by having to reduce prices".*[329] This situation will only further aggravate as the Ministry of Industry and Trade was also expected to submit the Vietnam Steel Industry Development Strategy to 2030, "*aiming to develop the steel industry into a national foundation industry, meeting domestic needs and rapidly increasing exports".*[330]

(408) Reliance on exports, and more particularly to the EU, is also well evidenced. The EU market is clearly a key target in Vietnam's exports-oriented strategy: "*Key export markets for Vietnamese steel include ASEAN countries, the EU, and the United States. In particular, exports to the EU have surged following supply disruptions caused by geopolitical events, such as the earthquake in Turkey and energy shortages in Europe. These disruptions have created supply gaps in the European steel market, which Vietnamese producers have been able to capitalize on. While exports to the U.S. have remained more stable, the demand for steel in the EU is expected to continue growing, providing a positive outlook for Vietnamese exporters in 2024".*[331] The focus on the European market is also emphasized by the export-friendly environment set by the Trade Agreement between the European Union and Vietnam in 2019, which essentially eliminates 99% of all tariffs, which essentially fosters exports to the EU.

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[325] VIETDATA, "Vietnam's steel industry expects to recover: finished steel production in 2024 could reach 30 million tons, up 7% compared to 2023", 13 August 2024, https://www.vietdata.vn/post/vietnam-s-steel-industry-expects-to-recover-finished-steel-production-in-2024-could-reach-30-millio?srsltid=AfmBOorf-9MeurfxXCKepb_ZFnlzQ0lirXA5hSjiHH1ao9PnCREQ87Bb

[326] Shanghai Metal Market, [SMM Hot Topic] China's largest export market- Detailed analysis of Vietnam's steel industry, 27 November 2024, https://www.metal.com/en/newscontent/103058507

[327] Tuoi Tre News, "HRC steel imports into Vietnam surge despite anti-dumping measures", 16 October, 2024, https://tuoitrenews.vn/news/business/20241016/hrc-steel-imports-into-vietnam-surge-despite-antidumping-measures/82440.html

[328] MRS Steel, "Vietnamese steel export situation in H1 2024", 21 August 2024, https://mrssteel.com.vn/blogs/steel-news/vietnamese-steel-export-situation-in-h1-2024

[329] Steel Radar, "Global recession and competition hit Formosa Ha Tinh Steel", 9 July 2024, https://www.steelradar.com/en/global-recession-and-competition-hit-formosa-ha-tinh-steel/

[330] Viet Nam News, Viet Nam's Steel Industry to be submitted in September, 19 July 2024, https://vietnamnews.vn/economy/1659596/viet-nam-s-steel-industry-strategy-to-be-submitted-in-september.html

[331] Rubiktop, "The Steel Industry in Vietnam: Current Situation and Future Prospects", 16 September 2024, https://www.linkedin.com/pulse/steel-industry-vietnam-current-situation-future-prospects-rubiktop-ekj1c/

(409) Given the clear intent of Vietnam to focus of exports, the risk for the Union industry of being flooded with massive volumes of Vietnamese produced CRF is extremely high.

8.1.3 Turkey

(410) The instability of the Turkish steel industry has created significant incentives for Turkish producers to increase their exports of CRF to the Union. In fact, the instability of Turkish's steel industry led to a production decrease which fostered favourable conditions for influx of cheaper imports, including from China and Vietnam, and causing domestic producers to lose their competitiveness, who are consequently forced to focus on other markets to survive. The stagnation of the domestic market has shifted Turkey's focus towards exports and particularly towards the Union market.

(411) In 2024, the industry reportedly saw a clear decline in steel production, mainly due to the uncertainty of the domestic market.[332] Many factors have led to a clear decrease of production, including the rise of the price of electricity, the rise of VAT on steel products, but also high inflation which essentially hindered growth of the domestic steel market. This slowdown was also marked by the earthquake that occurred in February 2023, and which led one-third of Turkey's steel production plants "*to temporarily halt steel production activities".*[333]

(412) Despite a consumption rise of rolled steel products in 2023, production still decreased by 4%.[334] This is particularly tied to the fact that imports were the primary source of supply, which frustrated the local industry even further. The January to September 2024 period followed a similar downward trend as the Turkish steel production consumption decreased by 4,2% compared to 2023 for the same period.[335]

(413) The high instability of the market fostered favourable conditions for the influx of cheaper imports, including from China and Vietnam, which undermined local competition. In fact, the Turkish Steel Producer Association declared on 29 February 2024 that "*Stiff competition by China in some of Turkey's main export markets restricted Turkish mills' market shares in 2023, while low-priced inflows from China into the Turkish steel market pressured domestic mills' steel pricing and output".*[336]

(414) Consequently, given Turkish producers are not able to compete with cheaper imports, the Turkish industry is instead focusing on expanding export markets. The Association also clearly indicated that it was expecting exports to keep increasing.[337] As such, the stagnation of the domestic market resulted in shifting Turkey's focus towards exports and particularly towards the Union. In fact, "*In September, exports of steel products continued*

[332] GMK, "Steel consumption in Turkey in January-September decreased by 4.2% y/y", 2November 2024, https://gmk.center/en/news/steel-consumption-in-turkey-in-january-september-decreased-by-4-2-y-y/
[333] MRS Steel, "Turkey aims to lead the EU in steel production", 31 January 2024, https://mrssteel.com.vn/blogs/steel-news/turkey-aims-to-lead-the-eu-in-steel-production
[334] GMK, "What is happening in the Turkish steel market", 19 February 2024, https://gmk.center/en/posts/what-is-happening-in-the-turkish-steel-market/
[335] GMK, "Steel consumption in Turkey in January-September decreased by 4.2% y/y", 2November 2024, https://gmk.center/en/news/steel-consumption-in-turkey-in-january-september-decreased-by-4-2-y-y/
[336] Eurometal, "China may continue to be a threat to global industry in 2024: TCUD", 4 March 2024, https://eurometal.net/china-may-continue-to-be-a-threat-to-global-steel-industry-in-2024-tcud/
[337] Eurometal, "China may continue to be a threat to global industry in 2024: TCUD", 4 March 2024, https://eurometal.net/china-may-continue-to-be-a-threat-to-global-steel-industry-in-2024-tcud/

their upward trend, albeit at a slower pace. For 9 months, shipments to the EU increased by 98% y/y, to 3.6 million tons. Imports were also marked by growth in September".[338] Additionally, the Turkish Association of Steel Manufacturers, itself, declared in a report of November 2024, that the increase in exports, particularly to the EU market had risen by 98% in the first quarters of the year.[339] Moreover, it is worth noting that the Turkish steel sector has seen an increase in 2024 which was partly attributed to the exports to the EU: "*The increased production in Turkey became possible partly due to higher margins and party due to increased consumption in the domestic market and increased sales to Europe*".[340] Indeed, Turkey was ranked first in EU steel exports between 2020 and 2022.[341] In 2023, the European market remained the main export region for Turkey's exports, reaching up to 31% of Turkey's total steel exports.[342] Additionally, it is worth nothing that Atakas reported an export ratio of 75% for its cold rolled full hard coil, and an export ratio of 30% for its cold rolled annealed coil.[343] The Turkish CRF market is squarely oriented towards the EU.

(415) Turkey's intention to expand its market to Europe is clear as the country "*has set the goal of becoming the leading country in steel production within the EU in the near future*" [344] and plans to "*lead Europe in the coming years".*[345] Turkey's strategy is clearly geared towards enhancing its exports. It is clear from the 11th Development Plan (2019-2023) defining the objectives of the State that the focus is directed towards exports. The Plan states as follows: "*In the iron and steel sector, importance will be given to expanding exports and export markets, [...]".*[346] A similar approach is found in the 12th Development Plan (2024-2028), as the increase of exports is clearly stated as an objective for the steel sector.[347]

(416) Similar support is also visible in the Inward Processing Procedure ('IPP') implemented by the Turkish government. This system introduces an incentive system for export-oriented companied which allows companies *"to import raw materials or semi-finished goods from abroad, process them in Turkey, and then export them as finished products,"*[348] while benefiting from tax exemptions. By reducing the costs for exporting companies, the

[338] GMK, "Steel consumption in Turkey in January-September decreased by 4.2% y/y", 2November 2024, https://gmk.center/en/news/steel-consumption-in-turkey-in-january-september-decreased-by-4-2-y-y/

[339] Turkish Association of Steel Manufacturers, Press release from the Turkish Steel Manufacturers Association, https://celik.org.tr/turkiye-celik-ureticileri-dernegi-basin-bulteni-82/

[340] Steel Orbis, "Turkey's steel industry rebounds in 2024", 17 May 2024, https://www.steelorbis.com/steel-news/latest-news/turkish-steel-industry-partly-adaptsto-new-conditions-prospects-hazy-1340938.htm

[341] Steel Radar, "Turkey maintains its leadership in European steel exports!", 20 June 2023, https://www.steelradar.com/en/turkey-maintains-its-leadership-in-european-steel-exports/

[342] Turkish Steel, "Turkey's export by industry- 2023", https://www.cib.org.tr/en/statistics.html#:~:text=Turkish%20steel%20manufacturers%20export%20to,of%20T%C3%BCrkiye's%20total%20steel%20exports.

[343] Atakas,"Steel", https://atakascelik.com.tr/en/steel/products

[344] MRS Steel, "Turkey aims to lead the EU in steel production", 31 January 2024, https://mrssteel.com.vn/blogs/steel-news/turkey-aims-to-lead-the-eu-in-steel-production

[345] MRS Steel, "Turkey aims to lead the EU in steel production", 31 January 2024, https://mrssteel.com.vn/blogs/steel-news/turkey-aims-to-lead-the-eu-in-steel-production

[346] 11th Development Plan (2019 – 2023), p.94, https://www.sbb.gov.tr/wp-content/uploads/2022/07/Eleventh_Development_Plan_2019-2023.pdf

[347] 12th Development Plan (2024-2028), p. 101, https://www.sbb.gov.tr/wp-content/uploads/2025/03/Twelfth-Development-Plan_2024-2028.pdf

[348] Bogazici Grup, "Which products can be imported under the Inward Processing Regime", https://www.bogazicigumruk.com.tr/en/which-products-can-be-imported-under-the-inward-processing-regime/

government is encouraging exports by allowing exporting companies to enhance their international competitiveness. This Turkish Ministry itself declared that *"The purpose of the Inward Processing Procedure can be expressed as boosting exports by providing raw materials at the world market prices, enhance the competitiveness of exporting products in the international markets, improving and diversify export markets".*[349]

(417) Additionally, the capacity development by Turkish steel producers will provide the market will an abundant supply, exacerbating the underlying issue. For example, Turkey's steel producer Borçelik Celik Sanayi Ticaret A.S ordered a new cold strip complex from Danieli, the Italian plant maker. The plant is currently under construction and is expected to have a capacity of "*1.6 million mt per year, with the option of boosting it to 2 million mt per year in the future*".[350]

(418) Moreover, on 2 May 2024, following the Gaza Conflict, the Turkish government announced an import ban on all goods from Israel. According to the Turkish government, the import ban will remain in effect until a sufficient and uninterrupted humanitarian aid is allowed into the Gaza Strip.[351] In addition to an import ban, the Turkish government has also imposed an export ban on all goods to Israel (see related intervention). This measure represents the second package of sanctions against Israel amidst the ongoing Israeli-Palestinian conflict. Previously, on April 9, 2024, the Turkish Ministry of Trade had already restricted exports in 54 product categories to Israel for similar reasons, including steel and aluminium.[352] Israel was Turkey's largest rebar export market in February, with volumes to Israel up 53% to 31 307 tonnes according to data from the Turkish Statistical Institute.[353]

8.1.4 India

(419) India has also witnessed a shift on its market which has amplified incentives to exports. Traditionally, as one of the largest steel exporters worldwide,[354] India's growth is mainly "*fueled by its advantages in steel production, low costs, and worldwide demand".* In fact, "*Despite a 42% decrease in value, India exports more than $13 billion worth of iron and steel in the fiscal year 2023, according to steel export data from India. Although steel exports from India have the potential to be very profitable, their success also depends on cost containment and aggressive pricing*".[355]

(420) However, recently, a momentary shift in the market dynamics, positioned India as an importer. In 2023, "*India imported 8.3 million metric tons of finished steel, making it the net*

[349] Republic of Turkey - Ministry of Trade, Inward Processing, 1 November 2023, https://www.trade.gov.tr/customs-formalities/frequently-asked-questions/inward-processing

[350] Steel Orbis," Turkey's Borcelik orders cold strip complex from Danieli", 31 July 2024, https://www.steelorbis.com/steel-news/latest-news/turkeys-borcelik-orders-cold-strip-complex-from-danieli-1351091.htm

[351] Anadolu Agency, "The Ministry of Trade announced that all trade with Israel has been completely halted', 2 May 2024, https://www.aa.com.tr/tr/ekonomi/ticaret-bakanligi-israille-ticaretin-tamamen-durduruldugunu-duyurdu/3208545

[352] Reuters, "Turkey imposes export restrictions on Israel until Gaza ceasefire", 9 April 2024, https://www.reuters.com/world/middle-east/turkey-imposes-export-restrictions-israel-until-gaza-ceasefire-2024-04-09/

[353] S&P Global, "Turkey restricts steel and aluminum exports to Israel" 9 April 2024, https://www.spglobal.com/commodity-insights/en/news-research/latest-news/metals/040924-turkey-restricts-steel-and-aluminum-exports-to-israel

[354] Construction World, "India becomes net steel importer, 26 August 2024", https://www.constructionworld.in/steel-news/india-becomes-net-steel-importer/61268

[355] SEAIR, "Exploring the dynamics of steel exports from India in 2024", 30 July 2024, https://www.seair.co.in/blog/steel-export-from-india.aspx

importer of steel, while India exported 7.5 million metric tons of finished steel".[356] This shift was also visible during the April 2024 to July 2024 period: "*India emerged as a net importer of steel [...]. This shift marks a departure from India's usual status as a net exporter of steel and underscores the changing dynamics in the global and domestic steel markets*".[357]

(421) The main reason behind this shift is the huge increase of Chinese imports on the Indian market. The surge of Chinese imports on the Indian market was clearly addressed by Indian producers. For example, Steel Authority of India Limited (SAIL), one of India's largest state-owned producer, declared that it was facing "*significant challenges as local steel prices continue to be pressured by cheap Chinese imports".*[358] Also, Ranjan Dhar, Director and Vice-President of Sales and Marketing at ArcelorMittal Nippon Steel India, called for government intervention "*to implement various measures to control the from China and other indirect sources such as Vietnam".*[359] He adds, "*the steel export market is currently distorted and lacks attractiveness due to China's continued strategy of flooding the global market with low-priced steel".*[360]

(422) India's steel industry is challenged by Chinese cheap imports, causing Indian prices to fall, and increasing inventories: "*The domestic steel industry is facing multiple challenges, including a slowdown in demand from key sectors such as construction and infrastructure, which has contributed to a buildup of inventories".*[361]

(423) The massive rise of imports visible 2024 of Chinese imports has been interpreted as a shift from India's usual status as an exporter of steel. In fact*, "The rise in steel imports from China has affected India's trade balance in the steel sector. Traditionally, India has been a net exporter of steel, leveraging its robust domestic production capabilities. However, the current scenario reflects a shift in market dynamics, where imports have outpaced exports, leading to India becoming a net importer".*[362]

(424) India has responded to these cheap imports[363] by promoting "*a conducive policy environment for the development of the steel sector".*[364] Several policies were implemented aiming at promoting "Made in India" steel for government procurement but

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[356] SEAIR, "Exploring the dynamics of steel exports from India in 2024", 30 July 2024, https://www.seair.co.in/blog/steel-export-from-india.aspx

[357] Construction World, "India becomes net steel importer, 26 August 2024", https://www.constructionworld.in/steel-news/india-becomes-net-steel-importer/61268

[358] "Steel Authority of India Limited (SAIL): Navigating Challenges Amid Falling Realizations and Strategic Expansion", 16 August 2024, https://www.linkedin.com/pulse/steel-authority-india-limited-sail-navigating-amid-falling-pradhan-hqrxc/.

[359] Oil price, "India's steel industry battles cheap Chinese imports", 3 July 2024, https://oilprice.com/Energy/Energy-General/Indias-Steel-Industry-Battles-Cheap-Chinese-Imports.html

[360] Hellenic Shipping News, "Indian steel export struggle against China's ultra-cheap shipments", 5 July 2024, https://www.hellenicshippingnews.com/indian-steel-exports-struggle-against-chinas-ultra-cheap-shipments-2/

[361] Construction World, "India becomes net steel importer", 26 August 2024, https://www.constructionworld.in/steel-news/india-becomes-net-steel-importer/61268

[362] Construction World, "India becomes net steel importer", 26 August 2024, https://www.constructionworld.in/steel-news/india-becomes-net-steel-importer/61268

[363] Hellenic Shipping News, "Indian steel export struggle against China's ultra-cheap shipments", 5 July 2024, https://www.hellenicshippingnews.com/indian-steel-exports-struggle-against-chinas-ultra-cheap-shipments-2/

[364] "India's steel industry: thriving amid global market shifts", 25 September 2024, https://www.linkedin.com/pulse/steel-production-trends-chinas-struggles-indias-growth-sonal-sinha-mlwic/

also designed to reduce imports or increase steel usage.[365] In line with these policies, the Indian government made the choice to move forward and expand capacities, despite the ongoing challenges caused by the significant Chinese cheap imports. This is part of a long-term strategic commitment designed to foster development and increase and attract investments in the industry.

(425) For example, SAIL has been "*pushing forward with its long-term growth strategy. The company currently has a production capacity of 20 million tonnes per annum and plans to add another 15 million tonnes over the next five to six years. This ambitious expansion will require a capital expenditure of ₹100,000 – ₹110,000 crore, a significant investment aimed at enhancing SAIL's production capabilities and market presence".*[366] Moreover, India announced "*its aim to double its crude steel capacity to 300 million tonnes by 2030 under its national steel policy. Furthermore, steelmakers like Tata Steel continue to invest heavily in order to expand their capacities".*[367] Additionally, it was reported that "*India's steel industry will add about 23 million tons of steel production capacity during the fiscal years 2023/2024 – 2026/2027".*[368] Moreover, experts forecast a growth of the cold rolled steel market as well as the hot rolled steel of 8.5% between 2024 and 2030[369], which will further accentuate the risk for the Union industry of being flooded with massive volumes of Indian produced CRF.

(426) This was also recently addressed by Prime Minister Modi at the Indian Steel 2025 conference. This conference was the opportunity for Prime Minister Narendra Modi to reaffirm his commitment in achieving global leadership and to expand beyond domestic growth, he noted: "*India is no longer focused solely on domestic growth but is preparing for global leadership*" [370], as India is now perceived as "*a trusted supplier of high-quality steel*". [371] Accordingly, India's Prime Minister called for the expansion of the steel production to 500 million tons by 2047 and set a production target of 300 million tonnes of steel by 2030 under the National Steel Policy: "*India is working towards a target of exporting 25 million tons of steel and to increase production capacity to 500 million tons by 2047*".[372]

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[365] "India's steel industry: thriving amid global market shifts", 25 September 2024, https://www.linkedin.com/pulse/steel-production-trends-chinas-struggles-indias-growth-sonal-sinha-mlwic/.

[366] "Steel Authority of India Limited (SAIL): Navigating Challenges Amid Falling Realizations and Strategic Expansion", https://www.linkedin.com/pulse/steel-authority-india-limited-sail-navigating-amid-falling-pradhan-hqrxc/.

[367] Oil price, "India's steel industry battles cheap Chinese imports", 3 July 2024, https://oilprice.com/Energy/Energy-General/Indias-Steel-Industry-Battles-Cheap-Chinese-Imports.html

[368] GMK, "India's steel industry to add about 23 million tons of capacity in the coming years-Nomura", 4 Octobre 2024, https://gmk.center/en/news/indias-steel-industry-to-add-about-23-million-tons-of-capacity-in-the-coming-years-nomura/

[369] BlueWave Consulting, "India Hot Rolled and Cold Rolled Steel Market: Trends and Growth Opportunities", 5 October 2024, https://www.linkedin.com/pulse/india-hot-rolled-cold-steel-market-trends-growth-opportunities-erojf/

[370] Infra from The Economic Time, "India must expand steel production to achieve zero import and net export' goal: PM Modi", 24 April 2025, https://infra.economictimes.indiatimes.com/news/construction/acc-q4-profit-declines-20-4-to-751-cr-revenue-up-12-7-to-5991-cr/120587613

[371] Infra from The Economic Time, "India must expand steel production to achieve zero import and net export' goal: PM Modi", 24 April 2025, https://infra.economictimes.indiatimes.com/news/construction/acc-q4-profit-declines-20-4-to-751-cr-revenue-up-12-7-to-5991-cr/120587613

[372] Infra from The Economic Time, "India must expand steel production to achieve zero import and net export' goal: PM Modi", 24 April 2025, https://infra.economictimes.indiatimes.com/news/construction/acc-q4-profit-declines-20-4-to-751-cr-revenue-up-12-7-to-5991-cr/120587613

(427) Further, PM Modi also specifically, set a target of eliminating imports and; rather, shift the focus on exports: "*Prime Minister Narendra Modi on Thursday highlighted the need for a goal of 'zero imports' and a focus on net exports for the stee sector*".[373] India's strategic roadmap is clear: reduce imports while prioritizing exports as a key driver of economic strategy, while benefiting from evident and unequivocal support by the Government.

(428) By increasing its capacities despite the oversaturation of the Indian market, the amplification of the oversupply issue on the Indian market will remain a growing and unavoidable concern for the Union industry, as well as for the Indian industry itself. This was addressed by Ranjan Dhar, director and vice-president, sales and marketing at ArcelorMittal Nippon Steel India, who said: "*However, India must remain vigilant in its growth efforts, as cheap Chinese impose a serious threat".*[374]

(429) This remains the case regardless of the government's efforts to stimulate domestic demand. In fact, the government's policies are part of a forward-looking strategy that aims to achieve long-term results for 2030 projections. Thus, in the meantime, the risk of the Union industry being completely flooded by Indian CRF is extremely high, since the Indian market is no longer be able to absorb domestic production.

(430) The evidence points outs that the Union industry is poised to encounter substantial challenges in the face of India's explicit emphasis on exports, which was reaffirmed just a couple weeks ago. With the constant and significant capacity expansion, the growing domestic oversupply issue and the openly stated commitment to focus on exports, India is creating favourable conditions for influx of cheaper imports into the EU.

(431) The implementation of this strategy is already evident as Indian imports to the EU have recently increased (see above). EUROFER indicated a surge of 62% of Indian imports in January-April 2024.[375] Additionally, Arcelor Mittal Nippon Steel India Limited reported in its 2023/2024 report that while "*domestic sales accounted for 90% of sales emphasizing the Company's focus on the local market. Internationally, 80% of export sales targeted the EU region".*[376] This shift in market dynamics highlighted the challenges of the Indian steel industry and the need to "*adapt to evolving market conditions*", which may include "*exploring new markets for exports, improving product quality, and enhancing cost competitiveness".*[377] In other words, the oversupply of products is a clear incentive to increase exports, particularly to the EU. The export ratios of the main Indian steel companies clearly show that Indian steel producers dedicate a significant share of their production to exports.

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[373] Infra from The Economic Time, "India must expand steel production to achieve zero import and net export' goal: PM Modi", 24 April 2025, https://infra.economictimes.indiatimes.com/news/construction/acc-q4-profit-declines-20-4-to-751-cr-revenue-up-12-7-to-5991-cr/120587613

[374] Hellenic Shipping News, "Indian steel exports struggle against China's ultra-cheap shipments", 5 July 2024, https://www.hellenicshippingnews.com/indian-steel-exports-struggle-against-chinas-ultra-cheap-shipments-2/

[375] Eurofer, "Eurofer: Flats drive EU imports growth, exports rise", 29 July 2024, https://eurometal.net/eurofer-flats-drive-eu-import-growth-exports-rise/

[376] Annual report Arcelor Mittal Nippon Steel India Limited 2023-2024, p.42, https://www.amns.in/storage/statutory-documents/October2024/q3tihSxEeGDiIgs4mhvV.pdf

[377] Construction World, India becomes net steel importer, 26 August 2024, https://www.constructionworld.in/steel-news/india-becomes-net-steel-importer/61268

Companies	Production in 2023 – 2024 (MT)	Exports in 2023 – 2024 (MT)
1. Tata Steel Limited	34	14
2. Steel Authority of India Limited (SAIL)	23	10
3. JSW Steel Limited	26	12
4. ArcelorMittal Nippon Steel India	24	11
5. Jindal Steel and Power Limited (JSPL)	10	5
6. Vedanta Limited (ESL Steel)	10	5
7. Rashtriya Ispat Nigam Limited (RINL)	7	3
8. VISA Steel Limited	5	2
9. Godawari Power and Ispat Limited	4	2
10. NMDC Limited	3	1

Source: TataNexarc[378]

(432) Although the strategy implemented by Indian authorities to address the slowdown of the industry, appears to differ, at first glance, India will continue to be confronted with oversupply which will inevitably lead Indian producers to rely on export markets, and particularly the Union industry market. The risk for the EU is further amplified as the EU and India concluded the ninth round of talks regarding the Free Trade Agreement in September 2024, which if adopted should further facilitate trade among the two partners.

8.1.5 Taiwan

(433) As an export-oriented economy, with exports accounting for 70% of the country's GDP,[379] Taiwan significantly relies on external demand and is clearly geared towards export markets. While being known as an export-oriented economy, Taiwan's steelmaker, China Steel Corporation, highlighted the "*heavy presence of low cost imported HRC in the Taiwanese market".*[380] The same is true for CRF: Taiwan has been exposed to aggressive exports of CRF from China.

(434) CRF producer Taiwan Sheng Yu Co., Ltd has been clear about its intention to expand towards the European market. In its 2023 annual report it declared: *"In terms of exports, orders will be expanded using cost-competitive raw materials, increasing production line utilization, and promoting niche products targeting high-quality applications. Active efforts will be made to establish marketing channels in the United States and Europe to build a stable and corporate structure".*[381]

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[378] TataNexarc, "Top 10 steel companies in India (2024)", 8 October 2024, https://blog.tatanexarc.com/da/top-steel-companies-in-india/.

[379] Trading Economics, Taiwan exports, https://tradingeconomics.com/taiwan/exports#:~:text=Taiwan's%20economy%20is%20export%2Doriented,during%20the%20past%2040%20years.

[380] Steel Radar, "Taiwan's CSC raises steel prices for December deliveries", 20 November 2024, https://www.steelradar.com/haber/tayvanli-csc-aralik-teslimatlari-icin-celik-fiyatlarini-yukseltti/

[381] Sheng Yu Steel, Annual Report 2023, p.3, https://www.shengyusteel.com/FileUpload/FnSinfo/2023AnnualReport202405300908272.pdf

(435) Additionally, in its 2023 report, the company admitted that it was facing difficulties on both its Asian export markets and on the American market, which will have the direct consequence to shift the focus towards the European market: *"Despite signs of contraction in the domestic market, with quantities either stable or growing, the Company has expanded its market share by developing new applications and meeting increased demand. However, in the export market, particularly in Asia, the Company faces intense price competition due to oversupply, while the North American market continues to be affected by US protectionist measures, resulting in reduced export volumes".*[382] Similarly, the company also declared that: *"The Company is actively expanding into Europe and new markets to further increase profits and sales as set goals".*[383]

(436) Indeed, even a cursory look at the statistics issued by the Taiwanese Ministry of Finance point to Taiwan's ever-increasing appetite to export its steel. In December 2024, the value of Taiwan's iron and steel exports moved up by 1.4 percent year on year to 1.37 billion United States dollars.[384] As an industrial manufacturing location, Taiwan is very broadly positioned in terms of industrial sectors and has a medium-sized economic structure. Enjoying high dynamism and flexibility, Taiwan has considerable capacity in traditional industrial sectors such as steel.[385] As such Taiwan is well positioned to respond to sudden changes in the prevailing global economic situation.

(437) In fact, the dynamism which characterises the Taiwanese economy can be seen in action in 2018 when Taiwan failed to obtain an exclusion from a list of nations whose exports of steel to the United States were subject to tariffs. In response to this situation, Taiwanese steel manufacturers diverted exports from the United States and began expanding shipments to Europe. In fact, the government of Taiwan actively encouraged local manufacturers to diversify their export markets beyond the United States at that time. The Taiwanese Ministry of Finance reported that from April to July 2018, an increase in steel shipments to several European and Southeast Asian countries helped offset declining sales of affected steel products to the United States, boosting total exports to United States$3.92 billion over the period.[386] Given that a second Trump administration will imminently take power in the United States, it is highly likely that Taiwanese steel producers will seek to replicate this strategy of expanding exports to Europe given the documented commercial uncertainty of the United States market under a Trump presidency.[387]

(438) In fact, this previously demonstrated strategy of Taiwanese steel producers to divert exports from the United States to the EU may already be underway once again. In April

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[382] Sheng Yu Steel, Annual Report 2023, p.1, https://www.shengyusteel.com/FileUpload/FnSinfo/2023AnnualReport202405300908272.pdf

[383] Sheng Yu Steel, Annual Report 2023, p.55, https://www.shengyusteel.com/FileUpload/FnSinfo/2023AnnualReport202405300908272.pdf

[384] SteelOrbis,"Taiwan's iron and steel export value down 5.7 percent in 2024", 10 January 2025, https://www.steelorbis.com/steel-news/latest-news/taiwansironandsteelexportvaluedown-57-percent-in-2024-1373924.htm#:~:text=In%20December%20last%20year%2C%20the,27.6%20percent%20year%20on%20year.

[385] Stiftung Wissenschaft und Politik, Dealing with Taiwan, 09 September 2022, https://www.swp-berlin.org/10.18449/2022RP09/#hd-d64379e1217

[386] Taipei Times, "No Exception for Taiwan's Steelmakers", 31 August 2018, https://www.taipeitimes.com/News/front/archives/2018/08/31/2003699508

[387] Taipei Times, "Listed firms' revenues hit record high in 2024", 13 January 2025, https://www.taipeitimes.com/News/biz/archives/2025/01/13/2003830082

2024, it was reported that Taiwan's stainless-steel exports remained high after a sharp rise in March and that the EU remained among the top destinations for suppliers. The total export of stainless-steel flats in Taiwan amounted to 63.8 kt for April 2024, which, although down by 2% from March due to shipments dropping in many traditional outlets, was nonetheless buoyed by "*still good results achieved in Europe*".[388]

(439) This reality in the context of Taiwanese economic challenges stemming from China's economic slowdown and the country's export-oriented nature, points to the fact that Taiwanese exports of steel to the EU are likely to continue to increase.

8.2 Uncertainty caused by the US political environment

(440) Another important aspect that will most certainly affect the domestic markets of the Targeted Countries and consequently amplify the incentives to export towards the European market is the uncertainty arising from United States's political environment following President Trump's re-election.

(441) President Trump's tariffs threat as far as Chinese steel is concerned would directly cause Chinese producers to divert their volumes to other steel markets, including nearby markets, to capture a larger share in order to compensate and offset the impact of the American restrictions.[389] As a result, this would amplify the contraction of domestic market of Targeted Countries and thus further exacerbate the challenges faced by the local producers.

(442) On 10 February 2025, the United States of America's President announced the imposition of a tariff of 25% on imported steel,[390] pursuant to Section 232 of the Trade Expansion Act of 1962.[391] President Trump also declared the end of all quotas, exemptions and exclusions. [392]

(443) That measure will lead to significant trade diversion. For instance, following President Trump's declaration, the Vietnamese Trade Counsellor called steel exporters to diversify their market. That decision will inevitably lead to an increase of Vietnamese steel in the European Union.[393] The EU is the biggest market with which Vietnam signed a FTA, implying that exports of Vietnamese steel will, most largely, be, directed to the EU.

(444) Moreover, this situation has an impact on European CRF producers, as the US represents an important market of exportation. Losing parts of these exports will hardly be

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[388] SMR Stainless Club, "Taiwan keeps stainless steel exports high in April", 10 May 2024, https://www.stainless.club/industry-news/read/taiwan-keeps-stainless-steel-exports-high-in-april.html

[389] Reuters, "Trump upended trade once, aims to do so again with new tariffs", 16 January 2024, https://www.reuters.com/markets/us/trump-upended-trade-once-aims-do-so-again-with-new-tariffs-2025-01-16/

[390] White House, "Adjusting imports of steel into the United States", 10 February 2025, https://www.whitehouse.gov/presidential-actions/2025/02/adjusting-imports-of-steel-into-the-united-states/

[391] US Department of Commerce, "Section 232 National Security Investigation of Steel Imports", accessible https://www.bis.doc.gov/index.php/232-steel?.com

[392] White House, "Adjusting imports of steel into the United States", 10 February 2025, https://www.whitehouse.gov/presidential-actions/2025/02/adjusting-imports-of-steel-into-the-united-states/

[393] MLex, "Vietnam advises steel exporters to diversify amid US tariff increase", 12 February 2025, available at https://www.mlex.com/mlex/trade/articles/2296900/vietnam-advises-steel-exporters-to-diversify-amid-us-tariff-increase

compensated through other markets, and this situation will only further aggravate the situation of CRF European exporters.

8.3 Attractiveness of the EU

8.3.1 The EU market is highly susceptible to imports

(445) As the second worldwide market for CRF after China, the European Union market is a prime destination for exports of CRF as the single market grants access to a large developed market with an overall high price level. Contrary to other types of industrial goods, no technical or quality-bound requirements prevent imports of CRF to the EU, as these steel products are essentially defined by technical standards. Regardless of their origin, CRF produced locally and imported are therefore fully substitutable.

(446) The significant market presence of distributors, importers and independent service centres, which commonly import CRF and other steel products from multiple origins, significantly facilitate and stimulate the access of imported product to EU end-users. They also facilitate market access for exporters of the countries concerned lacking a dedicated sale force in the EU.

(447) All necessary related services, such as cutting and surface treatments, can be provided for the imports in the EU by importers, which are sometimes the local subsidiaries of exporters, and distributors, similarly to what is available for EU products. Similar aftersales services are also available for imported goods. Consequently, the decision of European end-users to purchase imported goods over locally produced CRF can be solely based on price, the usual main competitive edge of unfair imports.

(448) Another advantage for CRF players is the fact that CRF is also highly susceptible to being stockpiled. This means that importers and distributors can maintain sufficient inventories to be able to immediately serve demand without negative impact on the time of transporting materials from the concerned countries. These inventories also allow them to speculate on the price variation on the EU market, importing significant volumes at the cheapest price to resell at a higher price. Therefore, independent distributors and service centres actively promote imported products over domestic products as it allows them to improve their margin.

8.3.2 Trade diversion from other countries

(449) As detailed above, a large number of trade defence measures are currently in place in multiple countries to tackle unfair commercial practices from the Targeted Countries, in at least six countries around the world including on the most important markets such as the United States or Canada, which likely leads producers to search for export markets alternatives.

(450) There are no indications that the measures will be terminated anytime soon, nor that additional measures will not be imposed, particularly following Trump’s re-election. The risk of additional duties being imposed on South Asian steel products is high and would

result in "*particularly serious economic fallout in Asia*"[394] as the Asian market is "*home to the world's most trade-dependent economies*".[395] According to an analyst: "*We can expect that there will be some type of move to turn US policy more protectionist, and that's bad for Asia because most of the region's economies, if not all the economies, are incredibly reliant on external demand – specifically demand coming from the US*.""."[396]

(451) Therefore, a number of important export markets are, or will be in the near future, closed to exports of CRF from Vietnam, Turkey, Korea, India or Japan, or their access has been made significantly costlier, a situation that is unlikely to improve in the coming years. The closure of a significant number of key export markets for exporters of the product concerned limit significantly export outlets for exporters of the product concerned while at the same time significantly increasing the competitive pressure on the remaining markets, resulting in lowered price and, consequently unfair practices. It means that products that would normally be sold on these markets would very likely be diverted towards the EU if the measures were not extended.

8.3.3 Attractiveness of the EU market

(452) The attractiveness presented by the EU market to producers from the Targeted Countries is well documented.

(453) For example, in the latter half of 2024, Indian steel producers were exporting hot-rolled coil (HRC) products only to Europe because the Middle East market was not sufficiently lucrative for Indian HRC trade.[397]

(454) As regards Vietnam, it is evident from their strategy to promote steel exports to the EU that they consider the market to be an attractive one. No clearer evidence can be found than in an analysis of Vietnam's increasing exports of steel to Europe. In 2023, Vietnam exported over 2.5 million tonnes of steel to the EU market, nearly doubling from 2022.[398] Separately, Turkish steel exports to EU countries, particularly Italy and Spain increased substantially in July 2024 and hit record highs despite EU quotas with it being observed that Turkey's higher steel production also supported exports. Mediterranean Ferrous and Non-Ferrous Metals Exporters' Union Chairman Fuat Tosyali considered such news to be positive for the Turkish steel industry and noted that he expected the EU market for Turkish steel exports to be increasingly buoyant.[399]

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[394] Al Jazeera, "Asia's export-driven economies brace for upheal under Trump", 5 November 2024, https://www.aljazeera.com/economy/2024/11/5/asias-export-driven-economies-brace-for-upheaval-under-trump

[395] Al Jazeera, "Asia's export-driven economies brace for upheal under Trump", 5 November 2024, https://www.aljazeera.com/economy/2024/11/5/asias-export-driven-economies-brace-for-upheaval-under-trump

[396] Al Jazeera, "Asia's export-driven economies brace for upheal under Trump", 5 November 2024, https://www.aljazeera.com/economy/2024/11/5/asias-export-driven-economies-brace-for-upheaval-under-trump

[397] Fastmarkets, Indian domestic steel HRC prices dip as positive sentiment wanes, 11 October 2024, https://dashboard.fastmarkets.com/a/5214609/indian-domestic-steel-hrc-prices-dip-as-positive-sentiment-wanes

[398] Vietnam News, "Việt Nam's steel industry must optimise technology, save energy to promote export to EU", 25 March 2024, https://vietnamnews.vn/economy/1652646/viet-nam-s-steel-industry-must-optimise-technology-save-energy-to-promote-export-to-eu.html

[399] Eurometal, "Turkey: July steel exports value hits record high on EU demand", 29 August 2023, https://eurometal.net/turkey-july-steel-exports-value-hits-record-high-on-eu-demand/

(455) In view of the attractiveness of the European market, if the measures are not adopted, it can therefore be expected that an increased share of the Targeted Countries' exports initially shipped to other export markets will be diverted towards the EU. In the absence of the measures, the EU market risks becoming further exposed to the export strategies of producers aimed at capturing market share and securing volumes through aggressive pricing practices. This would likely result in a significant increase in imports at reduced prices on the EU market, further aggravating the injurious situation of the Union industry.

8.4 Conclusion on attractiveness of the EU market

(456) In view of the attractiveness of the European market, if the measures are not imposed, it can therefore be expected that a significant share of the Targeted Countries' exports initially shipped to other export markets will be diverted toward the EU and will frustrate the Union industry even further.

(457) Additionally, the growing restrictions on steel products originating from China is likely shifting the focus towards other countries markets, particularly the countries concerned.

9. ADEQUATE REMEDIES

9.1 Duties should be set at the level of the dumping margin

Annex 17. Adequate remedies

(458) Under Article 7(2a) of the basic AD Regulation, the Commission may set the duty at a level higher than the injury if a raw material is subject to distortions in the country concerned. This raw material can be processed or unprocessed and must account for at least 17% of the cost of production.[400]

(459) As shown below, this threshold is met in the production of iron ore and scrap in India and Vietnam as well as coal in Vietnam. Moreover, non-application of the lesser-duty rule would be in the interest of the Union, given the massive amounts of dumping.

(460) The injurious effect of the unfair imports results at least in part from the massive raw material distortions present in India and Vietnam. Exporting producers are able to leverage these distortions, increasing their ability to sell at injurious prices on the EU market. Because of this, any duty lower than the margin of dumping is unlikely to sufficiently remedy the injury suffered by the Union Industry.

(461) Article 7(2a) of the Regulation holds that distortions on raw materials consist of the following measures: "*dual pricing schemes, export taxes, export surtax, export quota, export prohibition, fiscal tax on exports, licensing requirements, minimum export price, value added tax (VAT) refund reduction or withdrawal, restriction on customs clearance point for exporters, qualified exporters list, domestic market obligation, captive mining if the price of a raw material is significantly lower as compared to prices in the representative*

[400] In line with Article 2(4) basic AD which refers to '*production costs (fixed and variable) plus selling, general and administrative costs*'and Article 2(6a) basic AD refering to '*costs of production and sale*', the reference to cost of production in the context of Article 7(2a) must be understood as refering to the cost of manufacturing at the exclusion of selling, general and administrative costs ('SG&A'). The assessment is nonetheless provided both on the cost of manufacturing and on a cost of production including SG&A

international markets."[401] In short, these are measures that address a price difference between the domestic price of a raw material and the international price of a raw material. With these measures, third countries impose export barriers, increase the domestic supply of a raw material – which lowers its domestic price as a result and allows artificially cheap exports that injure the Union industry.

(462) A variety of measures set out by the GoI create distortions on iron ore and scrap. Particularly, and keeping with the distortions set out in Article 7(2a) of the Basic AD Regulation as a result of these measures, a disconnect in domestic and export and international prices for these raw materials is created, with Indian manufacturers being provided access to this key raw material at artificially low prices.

9.1.1 Existence of distortions on Indian iron ore and scrap

(463) The GOI created a framework relying on export restrictions in order to flood the domestic market with low costs raw materials. The Complainant has identified multiple distortions on the Indian iron ore market, including: export duties, dual pricing schemes, quantitative restrictions in the form of export restrictions. For India, raw material distortions result in prices significantly below those of representative international markets pursuant to Article 7(2a), 2nd subparagraph of the Basic Regulation. As set out below, export restrictions are in place on scrap in India.

(464) Among the measures implemented by the GOI, many measures target iron ore. As such, India currently levies a 30% export duty on high grade iron ore.[402] This duty was set at 50% before being reduced later in 2023. [403] Low-grade iron ore remains tax-exempted for the moment, even though there is a high likelihood that it will soon become subject to export restrictions, as the Indian Steel Association declared to be in favor for an export tax on low-grade iron ore and pellets.[404]

(465) This system establishes a framework akin to dual pricing. On the one hand, the iron ore export duties make the export of iron ore so expensive as to render exports unviable or excessively costly for Indian producers. By flooding the Indian market with important amounts of iron ore originally destined for export, domestic prices are artificially lowered by an important margin. The measures therefore grant an artificial benefit to the users of this raw material, including CRF producers, which drives a gap between domestic Indian prices and international prices.

(466) Moreover, the National Mineral Development Corporation (NMDC), a State-Owned Enterprise, established a dual pricing policy concerning iron ore. In 2020, this GoI held a 69.95% equity in the firm.[405] In 2016, this practice had previously been approved by the

[401] Emphasis added.

[402] Reuters, "Indian steelmakers' body seeks export tariff on low-grade iron ore, pellets", 12 August 2024, https://www.reuters.com/markets/commodities/indian-steelmakers-body-seeks-export-tariff-low-grade-iron-ore-pellets-2024-08-12/

[403] IEA50, "2022 decrease in customs duties for iron ore and concentrate export", 5 June 2024, https://www.iea.org/policies/20152-2022-decrease-in-customs-duties-for-iron-ore-and-concentrate-export

[404] Reuters, "Indian steelmakers' body seeks export tariff on low-grade iron ore, pellets", 12 August 2024, https://www.reuters.com/markets/commodities/indian-steelmakers-body-seeks-export-tariff-low-grade-iron-ore-pellets-2024-08-12/

[405] *Business Standard*, " Govt of India cuts stake in NMDC by 2,63%", 11th February 2020, https://www.business-standard.com/amp/article/news-cm/govt-of-india-cuts-stake-in-nmdc-by-2-63-120021100984_1.html.

Indian Supreme Court, especially concerning the National Mineral Development Corporation. [406]

(467) The GOI also implements quantitative restrictions which can take several forms such as export restrictions, or restrictions to have directly access to raw materials.

(468) In addition to an export duty, iron ore is also subject to an export restriction in order to respond to domestic demand first. Export of iron ore up to 64% Fe content is freely allowed and canalized through MMTC Ltd. High-grade iron ore, with a Fe content above 64%, from Bailadila in Chhattisgarh is subject to restrictions on quantity.[407] Exports of iron ore lumps from Bailadila cannot exceed 3 million tonnes, and exports of fine iron ore from Bailadila cannot exceed 3.8 million tonnes.[408]

(469) The GoI also has control over the quantity of iron ore that could potentially be exported through the mining process. The GoI's National Mineral Policy of 2019 states that endeavours shall be made to promote the domestic industry, and that efforts shall be made with respect to mining leases to ensure uninterrupted supply ore to the downstream industry. In application of this policy, the GoI took several measures to discourage exports of iron ore, which can be verified on the OECD Database of Export Restriction on Industrial Raw Materials.[409]

(470) There are special procedures for enlisting as a long-term customer or iron ore in India. The National Mineral Development Corporation Limited is a Government of India Enterprise under Ministry of Steel and is primarily engaged in the business of exploring minerals and developing mines to produce raw materials for the industry. NMDC Limited is India's single largest producer of iron ore. This company published a guide on how to buy iron ore from them, and specified that "*to accept the request for enlistment shall be solely at the discretion of NMDC*". [410]

(471) Moreover, some steel producers in India operate their own captive iron ore mines. In 2021, the National Mining Law was amended to allow captive mines to sell up to 50% of surplus iron ore in the Indian open market. The reform also empowered the Central government to reserve any mine (other than coal, lignite, and atomic minerals) to be leased through an auction for a particular end-use (such as iron ore mine for a steel plant). [411] The Federation of Indian Mineral Industry was against this proposal, stating that this "*goes counter to the*

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[406] Indian Supreme Court, 1st September 2016, No. 259, Samaj Parivartana Samudaya vs. State of Karnataka & Others, Case Writ Petition (Civil), No. 562 of 2009, See https://www.financialexpress.com/india-news/nmdc-to-continue-with-dual-pricing-of-iron-ore-supreme-court/363891/

[407] India Council for research on International Economic Relations, "Mineral Policy Issues in the Context of Export and Domestic Use of Iron Ore in India", March 2008, p.51, https://www.econstor.eu/bitstream/10419/176225/1/icrier-wp-207.pdf

[408] India Council for research on International Economic Relations, "Mineral Policy Issues in the Context of Export and Domestic Use of Iron Ore in India", March 2008, p.51, https://www.econstor.eu/bitstream/10419/176225/1/icrier-wp-207.pdf

[409] OECD (2024), "OECD Inventory of Export Restrictions on Industrial Raw Materials 2024: Monitoring the use of export restrictions amid market and policy tensions", September 2024,https://doi.org/10.1787/5e46bb20-en.

[410] NMDC, 'How to Buy Iron Ore from NMDC', available at : https://www.nmdc.co.in/assets/pdf/How-To-Buy-Iron-Ore-From-NMDC.pdf

[411] Mines and Minerals (Development and Regulation) Amendment Bill, 2021, March 15, 2021. The Bill amends the Mines and Minerals (Development and Regulation) Act, 1957. The Act regulates the mining sector in India, https://prsindia.org/billtrack/the-mines-and-minerals-development-and-regulation-amendment-bill-2021

very concept of captive mines. If this is allowed, it will lead to distortion of market and make a mockery of the concept of captive mines". [412]

(472) In a 2023 report, the Competition Commission of India, commented that " *the allocation of captive mines to some players creates entry barriers in the iron ore and steel sector as entry and successful operation become costly for new firms*'". [413] By availing the government policy, the CCI approved the opening of captive mines to national firms.

(473) In 2024, the Directorate of Mines and Geology of India invalidated the registrations of more than half of its iron ore traders after many companies failed to submit some documents for verification, proving the complexity of India's licensing process concerning Iron ore.[414]

(474) Coupled with those schemes, India's government recently turned down a request from SOE iron ore miner NMDC to export its iron ore to China. The GoI rather asked NMDC to focus on domestic sales.[415] China accounts for than 90% of India's overall iron ore exports.[416] In 2021, NMDC discontinued its long-term agreements with Japan and Korea for exports.[417]

(475) Finally, in India certain plants rely on steel scrap rather than iron ore as a key input to production. While iron ore remains the primary source of steelmaking in India, scrap is the secondary raw material for the steel industry. Steel scrap consists of discarded steel and discarded steel products. Environmental concerns have increased the demand for steel scrap, which is a recycled product.

(476) To drive prices down, the Government of India introduced an export duty of 15% through Customs Notification 66/2008-Customs in 2008 on ferrous waste and scrap, re-melting scrap ingots of iron or steel.[418]

9.1.2 Existence of distortions on Vietnamese iron ore, coal and scrap

9.1.2.1 Export restrictions

(477) The GOV created a framework relying on export restrictions in order to flood the domestic market with low costs raw materials. The Complainant has identified multiple measures

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[412] Federation of Indian Mineral Industry, "Captives mines for iron and steel industry : a boon or a bane ?", October 2020, https://www.fedmin.com/fedmin/captive.pdf, accessed on the 17th of January 2025

[413] Competition Commission of India, Press release, 29th December 2023, available at https://www.cci.gov.in/images/pressrelease/en/press-release1704108671.pdf

[414] Steel Radar, "Licences of many iron ore traders suspended in India's Goa state", 9th July 2024, https://www.steelradar.com/en/haber/licenses-of-many-iron-ore-traders-suspended-in-indias-goa-state/

[415] Reuters, 'India rejects iron ore miner NMDC's proposal for China exports-sources', 17th January 2024, available at https://www.reuters.com/markets/commodities/india-rejects-iron-ore-miner-nmdcs-proposal-china-exports-sources-2024-01-17/

[416] Reuters, "Indian steelmakers' body seeks export tariff on low-grade iron ore, pellets", 12 August 2024, https://www.reuters.com/markets/commodities/indian-steelmakers-body-seeks-export-tariff-low-grade-iron-ore-pellets-2024-08-12/

[417] Economic Times, 'NMDC's export contracts with Japan and Korea come to a halt, Co awaits for GoI to renew the agreement', 18th June 2021, available athttps://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/nmdcs-export-contracts-with-japan-and-korea-come-to-a-halt-co-awaits-for-goi-to-renew-the-agreement/articleshow/83640888.cms?from=mdr ; and Reuters, 'India rejects iron ore miner NMDC's proposal for China exports-sources', 17th January 2024, available at https://www.reuters.com/markets/commodities/india-rejects-iron-ore-miner-nmdcs-proposal-china-exports-sources-2024-01-17/

[418] Ministry of Steel, "The Second Schedule - Export tariff", https://upload.indiacode.nic.in/schedulefile?aid=AC_CEN_2_2_00039_197551_1554713855359&rid=791

implemented by the Government of Vietnam on iron ore, coal and , including: export taxes, export prohibitions, as well as an export suspension that applied unless exporter was granted a permit. For Vietnam, iron ore, scrap and coking coal, which account, each, for more than 17% of the cost of production of the production under investigation are subject to raw material distortions as set out elsewhere. Since there are no readily available data on domestic iron ore prices, export prices into Vietnam from the Trade Map database were used as a proxy for Vietnamese domestic prices to make a comparison with international benchmark prices. This follows the method accepted by the Commission in the recent Hot-Rolled Flat case.[419] A similar method was used for scrap. This comparison shows that raw material distortions result in prices significantly below those of representative international markets pursuant to Article 7(2a), 2nd subparagraph of the Basic Regulation. As a preliminary note, in the HRF case, the Commission found that "*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".*[420]

(478) The measures implemented by the Vietnamese government aim to redirect what could normally be exported to, instead, provide the domestic market and serve the Vietnamese industry. This is the case for main raw materials such as iron ore, scrap and coal. For instance, the export tax on iron ores has the effect to directly and artificially lower the domestic prices as the Vietnamese market become flooded with iron ore. The government currently subjects iron ore to a 40% export tax, pursuant to the Decree 26/2023/ND-CP of 31 May 2023.[421] Similarly, the Government of Vietnam has implemented an export tax on coal of 10% and on cokes of 13%.[422]

(479) The various measures implemented by the government disconnect domestic prices of iron ore, scrap and coal from international prices, as the Vietnamese industry is given access to domestic iron ore, scrap and coal at prices below the practiced prices on the international market. As a result, local producers are granted a benefit and are thereby able to lower their production costs.

(480) In addition to export restrictions on iron ore and coal products, there are also export duties on the Vietnamese market on steel scrap, a major input in the production of CRF in Vietnam. Pursuant to Vietnam's export tax schedule, steel scrap is subject to a duty between 15 to 17% export duty in Vietnam.[423]

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[419] 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;

[420] 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, para 286, https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202500670

[421] HPTOANCAU, "List of taxable export commodity in Vietnam", 23 September 2019, https://hptoancau.com/en/list-taxable-export-commodity-vietnam/

[422] Circular No. 164/2013/TT-BTC, 15 November 2013, https://www.industry.gov.au/sites/default/files/adc/public-record/non-confidential_exhibits_39-46_of_46.pdf

[423] MRS STEEL, "Draft adjustment of Vietnam's steel export duty policy in 2022", 6 April 2022, https://mrssteel.com.vn/blogs/steel-news/draft-adjustment-vietnam-steel-export-duty-policy-2022#:~:text=Therefore%2C%20the%20export%20duty%20rates,export%20duty%20rate%20of%200%25.

9.1.3 Share of processed raw materials affected by the distortion

(481) As shown in the Annex, iron ore, scrap and coal products represent a significant share of the cost of production of CRF and are the main sources for its cost and price variation.

(482) Union industry data on the production and cost of manufacturing of CRF shows that those products individually represent directly or indirectly more than 17% of the cost of manufacturing of the product concerned.

9.1.4 Duties at the level of the dumping margin is in the interest of the Union

(483) The Complainant therefore finds that the Indian and Vietnamese distortions significantly and artificially depress the domestic prices of the iron, scrap and coal products used by exporting producers of iron ore, scrap and coal. It also finds that iron ore, scrap and coal each represent more than 17% of the cost of production of CRF.

(484) Consequently, the conditions mentioned in Article 7(2a) of the Basic AD Regulation are clearly met and the situation, as further developed below, calls for the non-application of the lesser-duty rule in view of the balance of the injurious and further aggravating situation of the Union Industry and the limited negative effects on the supply chains of downstream users

(485) It has been shown that the Targeted Countries' capacities were already over the PoR well beyond the needs of their domestic consumption and amounted to several time the EU consumption. It is also shown that these capacities are bound to further increase in the near future. As a result, the price pressure from imports is likely to increase, reflecting the increasing need of the Countries in the CRF sector to export in the EU 'whatever the cost'. Such situations tend to lead to continue the high level of exports, the wide absorption of duties and, when they exist, leverage of distortions when measures are imposed at the level of the injury margin.

(486) Moreover, Indian and Vietnamese exporters benefit from unlimited access to iron ore, scrapand coal products in their countries, where capacities significantly exceed demand as the government actively supports the production of steel products through massive subsidies and distortions. The prices available to the EU producers are not artificially lowered and as such are significantly higher than those of the Targeted countries producers.

9.1.4.1 Limited impact of increases in purchase price

(487) The imposition of duties at the level of the dumping margin would have no impact whatsoever on the supply chain of Union downstream producers. The potential (limited) impact on users is detailed in the context overall assessment of the Union Interest.

9.1.4.2 Positive impact of the measures: achieving the EU environmental and development policies

(488) The European CRF industry is decarbonising at an intense pace, as CRF is considered key for the green transition according to the EU New Industrial Policy and Net-Zero objectives, especially for the construction and manufacturing sectors.[424]

(489) Increasing costs are expected in the Union in order to achieve those objectives. The imposition of duties at the dumping injury level would allow EU producers to compete with foreign producers, as they will also achieve their transition to green industry. To contribute to phasing out fossil fuels, decarbonising the Union steel industry, the Union industry needs breathing room to research and invest. Undercut and undersold by artificially cheap Indian and Vietnamese imports, the Union industry will not be able to fulfil the Union's climate goals. It is thus in the interest of the Union to ensure that the Union industry can electrify its production processes, contribute to a greener steel industry, and phase out its fossil fuel use.

9.1.4.3 Direct and indirect employment of the Union Industry

(490) The European steel industry is a world leader in innovation and environmental sustainability, supporting nearly 2.6 million jobs.[425] The imposition of duties at the level of the dumping impact would allow preserving a leading industry and protecting employment in the EU. Without the imposition of duties at the level of the dumping margin, firms could be confronted to profit losses, which could result in lay-off plans.

(491) Adopting the measures would therefore contribute to ensuring the security of supply of EU users, by ensuring that there will still be a Union industry to speak of in the near future. In the absence of measures, the Union industry will have to reduce production further, close down facilities, or stop production overall – thus reducing sourcing possibilities for users. As such, the imposition of measures would be in the Union interest.

(492) For these reasons, in view of the clear likelihood of further aggravation of the already significant injury to the EU industry, the imposition of measures at the level of the dumping margin is in the interest of the Union, as provided under Article 7(2b) of the Basic AD Regulation. This is confirmed by the elements presented below, highlighting that the imposition of measures is in the interest of the Union. Consequently, the Commission must consider that measures below the dumping margin for India and Vietnam would not be sufficient to remedy the injury and to prevent its further aggravation.

9.2 Level of the injury margin

(493) While the Complainant considers that the level of the anti-dumping duties on the imports of CRF originating from India and Vietnam should be set at the level of the dumping margin, it has prepared an assessment of the injury elimination level for the other countries in line with the modernised Basic AD Regulation and the practice of the Commission. That assessment set a target price aimed at estimating the level at which unfair imports could,

[424] European Commission, "A Green Deal Industrial Plan for the Net-Zero Age", 1 February 2023, eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52023DC0062 p. 15, footnote 24.

[425] Eurofer, European Steel in Figures, 2024, available at European-Steel-In-Figures-2024-v2.pdf

based on figures from the IP, enter the EU market without negatively impacting the normal situation of competition.

(494) That assessment further reinforces the demonstration of the injury already suffered by the Union Industry. It identifies the average revenues loss by the Union Industry for its sales in the IP. It also aims at representing the negative impact stemming from the delay or cancellation of investments, capacities and innovation efforts resulting from the imports. Prospectively, it also highlights the additional social and environmental costs that it will have to support over the coming years, and which will further exacerbate the damaging impact of unfair imports on its activities.

9.2.1 Profit in normal market conditions and underselling assessment

(495) The unfair imports of CRF from the Targeted Countries in the Union exert significant price pressure on the Union Industry, preventing it from setting its prices at even a sustainable level, let alone setting them at normal levels. To neutralise the damaging price impact of the unfair imports, it is therefore necessary to establish a reasonable profit attainable by the Union Industry in a normal situation of competition.

(496) For the other measures currently on place on CRF, namely those on China and Russia, the Commission calculated the target profit by considering the profit by considering "*the most recent representative year*".[426] The target profit was based on "actual profitability data for the product concerned", which the Commission considered "*the best information available for this purpose*".[427]

(497) An approach using the target profit of 9,9% decided on by the Commission in the last CRF complaint would give the following results.

Underselling margin in %[428]	PoR
India	31%
Japan	22%
Taiwan	35%
Turkey	28%
Vietnam	34%

9.2.2 Need to account for investments forgone and future social and environmental costs

(498) The modernisation of the trade defence instrument completes the traditional assessment of the injurious impact of unfair imports by including elements relating on one hand to investments, research & development and innovation and on the other hand to future

[426] Commission Implementing Regulation (EU) 2016/1328 of 29 July 2016 imposing a definitive anti-dumping duty and collecting definitively the provisional duty imposed on imports of certain cold rolled flat steel products originating in the People's Republic of China and the Russian Federation, rec. 156.

[427] Commission Implementing Regulation (EU) 2016/1328 of 29 July 2016 imposing a definitive anti-dumping duty and collecting definitively the provisional duty imposed on imports of certain cold rolled flat steel products originating in the People's Republic of China and the Russian Federation, rec. 156.

[428] See Annex Adequate measures.

social and environmental costs. The need to account for these factors is detailed in Article 7(2a) and 7(2b) of the Basic AD Regulation as amended by the Modernisation Regulation.

(499) The Commission should therefore take account of these factors in defining the injury elimination level. That assessment also provides a relevant illustration of the actual damaging impact of the unfair imports on the Union Industry and their potential increase over time as a result of the increasing regulatory burden on EU producers.

(500) Under Article 7(2c) of the basic AD Regulation, in order to quantify the extent of the investment cancelled or delayed, the basic Regulation certainly does not require the Commission to limit its assessment to investments that were already planned, quantified, and cancelled. Much to the contrary, it requires the Commission to cover "*full costs and investments, research and development (R&D) and innovation … to be expected under normal conditions of competition*."

(501) In the Annex, the complainant provides a list of concrete cancelled or postponed investments for a major EU steel company. It allocates these planned costs on a yearly basis as a percentage of the turnover on the IP of that company. As a result, investment forgone or cancelled in that year amounts to [*Confidential information: the information contains confidential information pertaining to the delayed or cancelled investments of the Complainants. The information is specific to the Complainants' activities, as it pertains to internal operations and strategic decisions. The information is thereby sensitive and not intended for public disclosure*.] on turnover.[429] This amount should therefore be added to the target profit for the purpose of the determination of the injury margin.

(502) With regard to the future social and environmental costs that should be taken into account under Article 7(2d) of the Basic AD Regulation, the Complainant insists that the Commission must duly account for the formidable challenge for the Union companies – as well as the inevitable massive investment costs – that come from achieving the EU's environmental commitments under international agreements, as recently re-affirmed in the EU net-zero plan.

(503) In addition, beyond the environmental costs related to investment, it is important that the Commission accounts for carbon costs, which for the steel industry are on an irremediable growing trajectory. It must ensure that these additional costs are also adequately reflected in the target price of the Union Industry.

9.2.3 Injury margin assessment

(504) On the basis of the underselling calculation and the additional factors of the target price, the Complainant assesses the injury margin for unfair imports to amount to the following based on the target profit of [9,9%] on turnover.

[Confidential information: the information contains confidential information pertaining to the injury margin].

[429] See Annex Adequate measures.

Injury margin in %[430]	
India	[25-45]
Japan	[15-35]
Taiwan	[30-50]
Turkey	[25-50]
Vietnam	[30-50]

(505) This very high margin highlights the overwhelmingly negative impact of the unfairly priced imports on the performance of the Union industry – to the extent not yet clear.

9.3 Scope of the measures

(506) Under Article 14(3) of the basic AD Regulation, the Commission may adopt special provisions "*in particular with regard to the … definition of origin*". This provision expressly allows the Commission to deviate from the application of the rules of the Union Customs Code, in particular concerning the concept of origin.

(507) The rule of origin sets out the criteria to determine the national source- the origin - of a product. In practice, in application of the rule of origin, products melted or poured in Targeted Countries and subsequently processed in third countries, will be considered as originating from third countries, rather than from the Targeted Countries where the melted and poured occurred. As a consequence, exporters are able to avoid payment of the duties by re-routing part of the production process to countries not subject to measures.

(508) This is an issue that the Commission, itself, has addressed early 2025, in the Steel and Metals Action Plan, where it stated that "*The Commission has observed a growing trend whereby exporting producers attempt to circumvent the trade defense measures. This behavior risks undermining the effectiveness of our TDI measures. This means that while the specific anti-dumping or anti-subsidy measure adequately addresses the direct imports, the latter can be replaced by indirect imports whereby the ultimate stage of the production process takes place in a third country not subject to measures, before shipment to the EU, avoiding payment of duties".*[431]

(509) Instead, under the melted and poured rule, the place where the product is melted or poured into slabs would be considered as the country of origin, and would remain unchanged regardless of further transformation later on. Such a rule would guarantee a more efficient and accurate application of the measures imposed on the Targeted Countries as it would allow to target practices consisting of circumventing duties by simply (re)rolling the products in a third country, where measures are not necessarily imposed. According to the Commission, "*applying this rule would eliminate the possibility to change the origin of the*

[430] See Annex Adequate remedies.

[431] European Commission, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, "A European Steel and Metals Action Plan", p. 9, https://single-market-economy.ec.europa.eu/document/download/7807ca8b-10ce-4ee2-9c11-357afe163190_en?filename=Communication%20-%20Steel%20and%20Metals%20Action%20Plan.pdf

metal product by performing minimal transformation ad give more certainty in tracing the origin of the product".[432]

(510) The Complainant kindly asks the Commission to take account of this risk and extend the scope of the measures to CRF products which are melted and poured in the TC.

10. THE MEASURES ARE IN THE INTEREST OF THE UNION

Annex 18. The measures are in the interest of the Union

(511) Anti-dumping measures on CRF products from the Targeted Countries are in the interest of the Union. The injury suffered by Union CRF producers shows why measures are necessary to safeguard the survival of Union industry. The measures themselves will not only serve the interests of the EU's domestic CRF industry but are manifestly in the interest of the Union as a whole.

(512) It is unlikely that the imposition of said measures would result in a negative impact on the Union's economy. To the contrary, the measures would ensure that domestic supply and EU material sovereignty is enhanced. Neither would the measures affect supply in the Union owing to the capacity of Union industry to meet demand.

(513) Separately, there would be no significant impact on downstream users. In fact, the measures would afford certainty and security to such users by way of ensuring robust supply and protecting thousands of jobs in the CRF sector. Additionally, the measures would positively contribute towards the advancement of the Union's climate goals and equip the Union economy to progress towards the Green Transition more generally.

(514) At the forefront of the concerns of European businesses is ensuring that a reliable, uninterrupted and accessible supply of essential materials such as CRF prevails. Ongoing geopolitical crises and their associated trade disruptions have exposed the Union's vulnerability in terms of its reliance on imports from third countries. It is even more crucial that situations of over-dependence be avoided for critical commodities and raw materials such as steel. To safeguard the Union's supply route security and resilience, it is essential that the measures be adopted.

(515) Finally, the measures align with the goals of enhancing EU competitiveness drawn from the findings of the Draghi Report which specifically calls on the Union to address the issue of steel overcapacity with "*structural solutions*".[433]

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[432] European Commission, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, "A European Steel and Metals Action Plan", p. 10, https://single-market-economy.ec.europa.eu/document/download/7807ca8b-10ce-4ee2-9c11-357afe163190_en?filename=Communication%20-%20Steel%20and%20Metals%20Action%20Plan.pdf

[433] European Commission, The future of European competitiveness: Report by Mario Draghi, 9 September 2024, https://commission.europa.eu/document/download/ec1409c1-d4b4-4882-8bdd-3519f86bbb92_en?filename=The%20future%20of%20European%20competitiveness_%20In-depth%20analysis%20and%20recommendations_0.pdf, pg. 114.

10.1 Absence of negative impact of the measures

10.1.1 Sufficient supply of CRF on the EU market

(516) The imposition of measures on the Targeted Countries is comparable to the Commission's decision in 2016 to impose measures (and subsequently extend said measures in 2022) on CRF imports originating in the Russian Federation and the People's Republic of China. In this case, the imposition of measures did not result in any negative impact on the situation of the users of the product concerned and has not resulted in any shortages. The imposition of measures on the Targeted Countries will also not do so. Whilst the basic AD Regulation does not provide, as a pre-condition for the imposition of the measures, that the Union industry should be able to meet the entire demand on the Union market by itself, the Union industry remains capable of doing so completely.

(517) The imposition of the measures will not lead to the disappearance of imports of CRF on the EU markets. To the contrary, there are a number of candidate countries which enjoy the capacity to fill any gap that might be left should measures be imposed. Worldwide excess steel capacity was estimated at more than 611 million tonnes in 2023 and is expected to increase further, with around 124 million tonnes of new capacity underway or planned in the 2024-2026 period.[434] Given such global overcapacities, large steel producing countries such as the United States, Brazil and Canada enjoy ample opportunities to extend their market presence in Europe, if and where necessary.[435] As such, the imposition of measures should not raise any concerns in terms of supply on the EU market. A large choice of supply sources would remain available to the Union users, importers and resellers.

(518) Indeed, the imposition of measures would positively contribute to the safeguarding of the Union's CRF supply as the Union industry itself remains the single main supplier of CRF to the EU market. Conversely, a failure to impose the measures requested would result in the security of CRF supply being compromised owing to the increasingly vulnerable and perilous situation to Union industry finds itself in. A failure to impose the measures threatens to foreclose Union industry players, thus significantly reducing sourcing possibilities for users. That reasoning extends in particular to the downstream activities of the Union industry – the production of coated, galvanised steel and tubes among other, because the competitiveness of these industries is conditional on EU-produced CRF.

(519) Finally the imposition of measures on unfair imports would not close the EU market to imports from the Targeted Countries (which in any case are likely to continue given the significant overcapacities of the Targeted Countries). Indeed, the imposition of anti-

[434] European Commission, The future of European competitiveness: Report by Mario Draghi, 9 September 2024, https://commission.europa.eu/document/download/ec1409c1-d4b4-4882-8bdd-3519f86bbb92_en?filename=The%20future%20of%20European%20competitiveness_%20In-depth%20analysis%20and%20recommendations_0.pdf, pg. 101.

[435] World Steel Association, September 2024 crude steel production, 22 October 2024, https://worldsteel.org/media/press-releases/2024/september-2024-crude-steel-production/#:~:text=World%20crude%20steel%20production%20for,decrease%20compared%20to%20September%202023.

dumping duties merely aims to ensure that imports are made according to fair commercial practices.

(520) The adoption of measures would therefore not create any risk of supply shortage but would merely put an end to unfair trading practices. Rather, they would allow Union CRF producers to recover from the injury suffered, while allowing CRF consumers to satisfy their demand from a variety of sources.

10.1.2 Absence of negative impact on importers and downstream users

(521) The imposition of measures would not have an impact on the margins of the importers or the distributors. Indeed, even if these parties would have to purchase cold-rolled steel at higher prices, all market prices would also follow an upward trend, which would therefore prevent their margins from being affected. In fact, the Commission has confirmed as much in its investigation into imports on CRF products originating in China and Russia: *"(…) [A]n increase in prices derived from measures, if any, would not have a direct impact on unrelated importers. In principle, there is no evidence that importers or steel service centres might be unable to pass on price increases to their customers. In addition, they can also import from other countries not subject to this investigation*".[436]

(522) Further, the imposition of the measures would not have any impact on users of the product concerned. The cost of CRF generally represents only a very small share in their total production costs. Indeed, the Commission has already determined as much. In the Commission's Implementing Regulation imposing provisional anti-dumping duties on imports of CRF from the People's Republic of China and the Russian Federation, the Commission noted that "*It is expected that the imposition of provisional anti-dumping duties will restore fair trade conditions on the Union market, putting an end to the price depression and enabling the Union industry to recover. This would result in an improvement of the Union industry's profitability towards levels considered necessary for this capital-intensive industry. The Union industry has suffered material injury caused by the dumped imports from the countries concerned. It is recalled that most of the injury indicators showed a negative trend during the period considered. In particular, injury indicators related to the financial performance of the sampled Union producers, such as profitability and return on investment, were seriously affected. It is therefore important that prices be restored to a non-dumped or at least a non-injurious level in order to allow all various producers to operate on the Union market under fair trade circumstances. In the absence of measures, a further deterioration of the Union industry's economic situation appears very likely. A bad performance on the cold-rolled flat steel products segment would impact the downstream and upstream segments of many Union producers as capacity utilisation on these segments is closely linked to the production of the product investigated*".[437] This conclusion was subsequently confirmed when the Commission definitively imposed the measures as regards Chinese and Russian CRF imports.[438]

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[436] Commission Implementing Regulation (EU) 2016/181 of 10 February 2016 imposing a provisional anti-dumping duty on imports of certain cold-rolled flat steel products originating in the People's Republic of China and the Russian Federation, Recital 211.

[437] Commission Implementing Regulation (EU) 2016/1328 of 29 July 2016 imposing a definitive anti-dumping duty and collecting definitively the provisional duty imposed on imports of certain cold rolled flat steel products originating in the People's Republic of China and the Russian Federation, Recital 144.

[438] Commission Implementing Regulation (EU) 2016/181 of 10 February 2016 imposing a provisional anti-dumping duty on imports of certain cold-rolled flat steel products originating in the People's Republic of China and the Russian Federation, Recital 208.

10.2 The requested measures would be in the Union's environmental interests

10.2.1 The importance of the Union's environmental goals

(523) The Commission must take into account Union policies other than trade when analysing the Union's interest. In particular, it "*shall be based on an appreciation of all the various interests taken as a whole, including the interests of the domestic industry and users and consumers*".[439] Such public interest necessarily covers achieving the objectives of sustainable development and environmental protection, as provided under Article 3 of the Treaty on European Union and Article 11 of the Treaty on the Functioning of the European Union.

(524) Amongst the top priorities for the European Commission from 2024-2029 are a Clean Industrial Deal to support EU's competitive industries and create quality jobs and a more circular and resilient economy to transition to more sustainable production and consumption practices. In July 2024, President Von der Leyen underscored the commitment of the new Commission to continue to prioritise environmental concerns in her Political Guidelines: *"We must and will stay the course on the goals set out in the European Green Deal. The climate crisis is accelerating at pace. And there is an equally urgent need to decarbonise and industrialise our economy at the same time. We must focus on implementing the existing legal framework for 2030 – in the simplest, fairest and most cost-efficient way".*[440]

(525) Per the European Commission, at the heart of its environmental policy is the Green Transition, which, as set out in the European Green Deal, aims to transform the Union into a modern, resource-efficient and competitive economy by turning climate and environmental challenges into opportunities will make the transition just and inclusive for all.[441] The task of decarbonising the steel industry is one which is crucial to the broader Green Transition – a fact recognised by the European Commission: *"The European steel industry needs operational changes in the short-term and strategic decisions towards economically viable and climate-neutral transformation in the long term. This requires the alignment of steelmakers, steel value chains, policymakers and investors towards finding effective solutions to decarbonise the steel industry".*[442]

10.2.2 The role of EU Steel in the Green Transition

(526) Steel as a commodity is one of the most recycled materials in the world, playing a vital role as an enabler for transitioning to a CO2 neutral and circular economy. It is possible to recycle steel multiple times into same quality or even better-quality products.[443] As such,

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[439] Article 21(1), Basic AD Regulation.

[440] Ursula Von der Leyen," Political Guidelines for The Next European Commission 2024−2029", 18 July 2024: https://commission.europa.eu/document/download/e6cd4328-673c-4e7a-8683-f63ffb2cf648_en?filename=Political%20Guidelines%202024-2029_EN.pdf, pg. 8.

[441] European Commission, Green Transition, https://reform-support.ec.europa.eu/what-we-do/green-transition_en#:~:text=The%20European%20Green%20Deal%20aims,just%20and%20inclusive%20for%20all.

[442] European Commission, Climate-neutral steelmaking in Europe, 23 March 2022: https://rea.ec.europa.eu/publications/climate-neutral-steelmaking-europe_en

[443] World Steel Association, "Steel - the permanent material in the circular economy", https://worldsteel.org/circular-economy/#:~:text=Recycled%20steel%20maintains%20the%20inherent,also%20be%20improved%20on%20recycling.

steel is at the forefront of the EU's concerns when it comes to facilitating the Green Transition.

(527) Indeed, with the aid of the EU's environmental framework, the Union industry has undertaken significant effort to contribute to the decarbonisation of the economy. Great advancements have been made in recent years to further increase energy efficiency, to reduce emissions and to improve circularity. Energy consumption and CO2 emissions per tonne of steel produced in the EU have been reduced by over 50% since 1960. Production has been completely decoupled from CO2 emissions and energy use. European-made, high-tech steel can save six times as much CO2 in use as is emitted in production, depending on its CO2 -mitigating application.[444]

(528) The same cannot be said however as regards the Targeted Countries. Indeed, a continued reliance on CRF imports with high CO2 content from the Targeted Countries risks jeopardising the progress of the Union in this regard. The Targeted Countries are primarily located in Asia and lack robust or comparable environmental regulatory regimes. Analysis on a country-by-country basis is revealing of the inadequacy of the Targeted Countries' environmental regulatory regimes when compared to that of the EU and the extent of the Targeted Countries' carbon emissions as far as steel production is concerned.

(529) The EU's regulatory framework as regards reducing the environmental impact of steel production is not matched by the Targeted Countries. In fact, the continent of Asia has been specifically remarked upon for its high pollution output, particularly as far as steel products are concerned. The Draghi Report observes that: "*global excess steel capacity is estimated at more than 611 million tonnes (2023), implying global capacity utilisation of 76%. Overcapacity is expected to increase further, with around 124 million tonnes of new capacity underway or planned in the 2024-2026 period. Most of this additional capacity is expected in Asia (notably, India) and based there mostly on carbon-intensive [basic oxygen furnace] routes".*[445]

10.2.3 Japan

(530) As the world's third-largest steel producer, Japan's steel industry is a major influence on the industry's global emissions. About 75% of Japanese steel production is dependent on coal-based blast furnaces. Nippon Steel is Japan's largest steelmaker and the fourth largest in the world. The company accounts for around 40% of the country's total steel production, with a crude steel production capacity of approximately 66 million tonnes.[446]

(531) Indeed, the acquisition of United States Steel by Japanese steel manufacturer Nippon Steel raised significant concerns in the United States that Nippon Steel, renowned for slowing climate action within Japan, now jeopardises global steel decarbonisation: *"Within Japan, Nippon Steel portray themselves as an industry leader and innovator, even on*

[444] Eurofer, "Steel, the Backbone of Sustainability in Europe", 2016, https://www.eurofer.eu/assets/Uploads/20160405-Steel-the-Backbone-of-Sustainability-in-Europe-1.pdf

[445] European Commission, The future of European competitiveness: Report by Mario Draghi, 9 September 2024, https://commission.europa.eu/document/download/ec1409c1-d4b4-4882-8bdd-3519f86bbb92_en?filename=The%20future%20of%20European%20competitiveness_%20In-depth%20analysis%20and%20recommendations_0.pdf, pg. 101.

[446] Energy Tracker Asia, "Is Steel Bad for The Environment? A Look at Nippon Steel", 03 June 2024, https://energytracker.asia/is-steel-bad-for-the-environment-a-look-at-nippon-steel/

decarbonisation. The reality is so very different. They are doubling down on coal-based blast furnaces production and have shoddy inadequate targets for 2050. It will set back global decarbonisation if they export this coal-addiction and backwards facing mindset to their new United States operations". [447]

(532) A continued reliance on Japanese steel imports will undermine Europe's decarbonisation efforts in the industry. Nippon Steel has publicly stated it is looking to invest in coking coal resources. In 2023, it purchased a 20% stake in Canadian coal company Teck Resources for USD 1.34 billion and a portion of the mining interests at the Grosvenor Coal Mine in Australia for USD 57 million.[448]

10.2.4 Vietnam

(533) Vietnam ranks 13th among the largest crude steel producers and leads ASEAN in both production and consumption of steel products and its domestic steel industry the industry remains one of the main contributors to the country's carbon emissions.[449] The Vietnamese Government has itself acknowledged the difficulties of managing domestic steel production in terms of emissions and outputs, specifically noting that "*almost all steel projects in Vietnam now don't use modern technologies, with coal used as input for heating the plants, causing environmental pollution*".[450]

(534) The carbon emissions produced by Vietnam's steel sector are expected to continue to rise in the coming years. By 2025, the industry's carbon emissions are projected to reach 122 million tons, rising to 132 million tons by 2030, accounting for 17% of the country's total emissions.[451]

(535) The estimated share of BF-BOF technology in Vietnam's steel production is higher than the global average, with the share of the high-emission BF-BOF technology in steel production being nearly 90%. The estimated average emission intensities in Vietnam are 2.35 tCO2 per tonne of steel for the BF-BOF technology. This figure is significantly higher than the global average estimates, which vary from 1.1 to 2.23 tCO2 per tonne of steel for BF-BOF technology.[452]

10.2.5 Turkey

(536) In Turkey, the primary sources of energy employed in its production of steel are coal, grid electricity and fossil gas. As regards Turkey's integrated steel production plants, approximately 90% of the energy they use is obtained from coal and about 7% from fossil

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[447] Steel Watch, "Nippon Steel's expansion into the United States risks slowing climate action in steel", 20 December 2023, https://steelwatch.org/press-releases/nippon-steels-expansion-into-the-us-risks-slowing-climate-action-in-steel/

[448] Reuters, "Nippon Steel could buy more stakes in coking coal and iron ore mine", 02 March 2023, https://www.reuters.com/markets/deals/nippon-steel-could-buy-more-stakes-coking-coal-iron-ore-mines-2023-03-02/

[449] Vietnam Investment Review, "Huge capital currently out of reach for steel transition", 15 May 2024, https://vir.com.vn/huge-capital-currently-out-of-reach-for-steel-transition-111138.html

[450] Vietnam Investment Review, "Huge capital currently out of reach for steel transition", 15 May 2024, https://vir.com.vn/huge-capital-currently-out-of-reach-for-steel-transition-111138.html

[451] Reccessary, "Vietnam's steel industry faces challenges with upcoming EU carbon tariffs", 20 May 2024, https://www.reccessary.com/en/news/vn-market/vietnam-steel-industry-faces-challenges-with-upcoming-EU-carbon-tariffs#:~:text=The%20steel%20industry%20is%20a,of%20the%20country's%20total%20emissions.

[452] ScienceDirect, "Carbon border adjustment mechanism, carbon pricing, and within-sector shifts: A partial equilibrium approach to Vietnam's steel sector", October 2024, https://www.sciencedirect.com/science/article/pii/S0301421524003136#sec3

gas.[453] This reliance on environmentally unfriendly energy inputs is compounded by the absence of a long-term legal framework that defines binding reduction targets for high-emission industrial sectors.[454] Indeed, Turkey has been characterised as being dogged by "*persistent shortcomings in compliance with environmental, public, and occupational health regulations across the steel production value chain in Turkey, spanning from ore extraction to scrap recycling, as well as indoor and outdoor air pollution exposures*".[455] It has been observed that *"there have been persistent shortcomings in compliance with environmental, public, and occupational health regulations across the steel production value chain in Turkey".* [456]

10.2.6 India

(537) Rather than seeking to move away from traditional carbon intensive production methods of steel, India is set to continue to expand its environmentally unfriendly steel sector. The emissions from the steel sector are in fact expected to increase at a faster rate in the coming years. As a result, the total annual emissions would more than double from 260 MtCO2 per annum currently to 560 MtCO2 per annum by 2030. This presents a massive decarbonization challenge for the Indian steel industry, and the world at large.[457]

(538) India is the third largest air polluter globally, contributing 2.65 billion metric tons of carbon into the air.[458] Indeed, the Environmental Performance Index of 2024 ranked India at 176th place globally. This places India amongst the world's worst five countries in an environmental performance index. Specifically concerning steel, it is the largest carbon-emitting industrial sector in India and one of the fastest-growing sectors in in terms of both economic output and carbon emissions. The polluting impact of Indian steel production is all the more significant in a global context given that India is the world's second-largest producer of crude steel with a total production of about 120 million tons per annum.[459]

(539) India shows limited traction of environmental law. Domestic Indian laws generally do not give the government civil enforcement authority or a range of enforcement sanctions short

[453] Innoem, "New Report: Steel Industry Responsible for 7% of Turkey's Greenhouse Gas Emissions", 18 September 2023, https://www.innoem.net/new-report-steel-industry-responsible-for-7-of-turkeys-greenhouse-gas-emissions/#:~:text=The%20sector%20contributes%207%25%20of,about%207%25%20from%20fossil%20gas.

[454] Innoem, "New Report: Steel Industry Responsible for 7% of Turkey's Greenhouse Gas Emissions", 18 September 2023, https://www.innoem.net/new-report-steel-industry-responsible-for-7-of-turkeys-greenhouse-gas-emissions/#:~:text=The%20sector%20contributes%207%25%20of,about%207%25%20from%20fossil%20gas.

[455] Istanbul Policy Centre, "Advancing Steel Sector Decarbonization in Turkey: An Introductory Assessment", December 2023, https://ipc.sabanciuniv.edu/Content/Images/CKeditorImages/20231218-09123608.pdf, pg. 16.

[456] Coal Action Network, Turkey's deadly coal consumption, https://www.coalaction.org.uk/2024/11/13/turkeys-deadly-coal-consumption/#:~:text=Turkey's%20CO2%20intensity%20for,production%20value%20chain%20in%20Turkey

[457] Climate Policy Initiative, "Taking Stock of Steel: India's Domestic Production Outlook and Global Investments in Green Steel Production", 06 September 2023, https://www.climatepolicyinitiative.org/taking-stock-of-steel-indias-domestic-production-outlook-and-global-investments-in-green-steel-production/.

[458] Earth Org, "5 Biggest Environmental Issues in India", 30 May 2024, https://earth.org/environmental-issues-in-india/#:~:text=The%20country's%20dependence%20on%20coal,pressing%20challenges%20of%20climate%20change.

[459] Earth Org, "5 Biggest Environmental Issues in India", 30 May 2024, https://earth.org/environmental-issues-in-india/#:~:text=The%20country's%20dependence%20on%20coal,pressing%20challenges%20of%20climate%20change.

of shutting-down pollution sources, which is often politically untenable.[460] This gap in the law inhibits effective enforcement of environmental regulations, where they exist at all.

(540) The above makes it clear that the production and distribution models prevailing in the Targeted Countries are diametrically opposed to those of the Union. Without adequate action against the dumped imports from the Targeted Countries the Union's efforts to achieve its environmental goals would be thwarted. Steel, including CRF, produced in the Targeted Countries is nowhere close to satisfying the Union's very demanding environmental standards. Therefore, the continued import of CRF products risks undermining the realisation of the Union's environmental policies by way of carbon leakage.

(541) Carbon leakage not only takes the form of moving manufacturing outside the EU to avoid the burden of the EU's environmental charges, thereby exporting the emissions to third countries, but also of replacing energy and resource efficient products on the EU market by more polluting imports. Unfair imports of non-environmentally friendly CRF are already causing carbon leakage in the form of replacement of the Union's energy and resource efficient CRF products and without the renewal of the measures, this situation will only worsen.

(542) Given the Union's commitment to substantially cutting its greenhouse gas ("GHG") emissions in accordance with the provisions of the Paris Agreement and the EU's Green Deal[461] carbon leakage in the form of CRF imports from the Targeted Countries must be considered a serious impediment to these ambitions of the Union. Allowing unimpeded access of unfair CRF imports originating from the Targeted Countries would result in the Union abandoning its environmental policy for energy-intensive industries by rewarding the most polluting production process, and sanctioning of the least polluting and most resource efficient, European, production processes.

(543) Not introducing antidumping measures on CRF products originating in the Targeted Countries would therefore be against the Union's interest as it would be diametrically opposed to the Union's top-priority: its environmental policy. Renewing the antidumping duties, however, would contribute to ensuring the viability of the Union's CRF industry, thus directly contributing to the Union's policy objectives of reducing emissions and recycling waste.

10.2.7 Taiwan

(544) At present, Taiwan's leading steelmaker, the China Steel Corporation (CSC) cannot finance the shift away from conventional coal-based blast furnace production to sustainable steelmaking by itself.[462] Most concerning as regards the Taiwanese steel industry is its demonstrated record of dumping waste - Taiwan's steel industry generates

[460] The United States Environmental Protection Agency, "Report on Environmental Compliance And Enforcement In India", December 2005, https://19january2017snapshot.epa.gov/sites/production/files/2015-10/documents/report_on_environmental_compliance_and_enforcement_in_india.pdf.

[461] European Commission, "The European Green Deal - Striving to be the first climate-neutral continent", https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal_en.

[462] Commonwealth Magazine, "Taiwan's Largest Steelmaker Faces Green Transition Challenge", 04 September 2024, https://english.cw.com.tw/article/article.action?id=3665.

about 8 million metric tons of blast furnace slag that often ends up on farmland or in fishponds causing often irreversible ground and water pollution.[463]

10.2.8 Implementing the circular economy model through the industry's production process

(545) The Union CRF industry is a key player in the Union's circular economy. Indeed, significant strides have been made in reducing the resources employed in steel manufacturing in Europe. Steel is identified as a priority product group to be addressed in the EU's Circular Economy Action Plan released in March 2020.[464] A circular economy model aims at keeping "t*he added value in products for as long as possible and eliminate waste. They keep resources within the economy when a product has reached the end of its life, so that they can be productively used again and again and hence create further value*". [465]

(546) The circular economy model of the Union industry has a number of significant advantages. It allows the Union industry to increase its competitiveness through the reduction in costs associated with the use of secondary raw materials instead of virgin raw materials.[466] Other significant benefits include the reduction of waste volumes through their near-total reuse, the existence of a local industrial footprint through independent workshops, the minimisation of logistical costs, the high value-added of CRF production, the positive impact on local employment and the incentives for R&D. The main goal of the EU circular system is thus to increase the added value of the resources so that when a product has reached the end of its life, it can be productively reused (known as secondary raw materials)[467] and hence create further value. The circular economy model benefits EU citizens through achieving the social, economic and environmental objectives of the EU. Most notably, this includes the reduction of waste, the reduction in consumption of raw materials, energy efficiency, maintenance of local industrial activities with added-value and incentives to technical innovation. It also benefits EU users and consumers indirectly through a reduction of the fiscal cost of waste management.

(547) The EU CRF industry fits its production process into the circular economy model in different ways. This includes 1) the recycling of CRF itself, 2) the limitation of water use, 3) the reuse of used metals, the limitation of virgin raw metals use, the use of steel production by-products, and 4) the recycling of waste plastics.

(548) First, CRF itself is fully recyclable without loss of quality.[468] This allows first for endless reuse with corresponding added value. Second, re-manufacturing is possible. This allows certain finished products incorporating steel to be partially remanufactured and put back

[463] Commonwealth Magazine, “The ‘Ghost’ Shadowing Taiwan’s Industrial Polluters”, 07 August 2020, https://english.cw.com.tw/article/article.action?id=2755.

[464] Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, A New Circular Economy Action Plan for a Cleaner and More Competitive Europe, 11.3.2020 COM (2020) 98 final.

[465] Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, "Towards a Circular Economy: A Zero Waste Programme for Europe", 25.9.2014, COM (2014) 398 final, p. 2.

[466] European Commission, Circular economy action plan, https://environment.ec.europa.eu/strategy/circular-economy-action-plan_en#:~:text=It%20targets%20how%20products%20are,for%20as%20long%20as%20possible.

[467] Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, "Tackling the Challenges in Commodity Markets and on Raw Materials", COM/2011/0025 final, p. 18.

[468] World Steel Association, https://www.worldsteel.org/steel-by-topic/sustainability/materiality-assessment/recycling.html.

in circulation. This increases the circularity of the economy and increases resource efficiency: first in the manufacturing of cold-rolled steel, then in the manufacturing of finished products incorporating CRF.[469] Next, the Union industry increasingly recycles inputs in the production process. For example, as an industry operating on the model of a circular economy, the Union industry partly relies on the recovery of metals from steel scrap. Not only does it bring significant advantages in terms of competitiveness, but it is also a key aspect of the Union industry's environmental commitment.

(549) In a circular model, every link in the circular chain is essential. In the absence of even only one small link, the entire circular model is defeated. Therefore, it is important to take the various actors in the chain into account. This includes more remote ones, like the industries using CRF in their products and scrap collectors and processors. It is necessary to take the chain as a whole. Without a viable and operational CRF industry, the Union steel circular economy will collapse.

10.3 Protection of employment in the EU

(550) The Union's cold-rolled flat steel industry alone employs more than 9000[470] workers across the Union. These workplaces contribute to the industrial revitalisation of the EU in areas in Belgium, Germany, France, Italy, Poland and others. This is in line with the EU industrial policy strategy aimed at "*revitalising regions*" and "*empowering citizens*" with the "*best technologies for the smart, clean and innovative industry of the future*".[471]

(551) Beside employment directly related to the production and sales of CRF, a significant share of the employment of the EU steel producers depends directly or indirectly on the good performance of the EU CRF production. This is the case for the employees of the directly upstream and downstream products, for which CRF is either an outlet or an input. The Commission has recognised as much, having previously noted that "*A bad performance on the cold-rolled flat steel products segment would impact the downstream and upstream segments of many Union producers as capacity utilisation on these segments is closely linked to the production of the product investigated*".[472]

(552) In addition, CRF contributes to EU employment through its participation in the EU circular economy model and its reliance on the European ferrous scrap industry, which is the largest recycling industry in the Union, larger than all other recycling industries taken together.[473] These activities are carried out by small, independent scrap yards that are typically family-owned enterprises and small enterprises who have a connection with their local communities. Crucially, these SMEs provide employment opportunities for low-skilled labourers. Given the position of CRF in the value chain, any impact on the Union's CRF

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[469] Apeal, "Why Steel Recycles Forever How To Collect, Sort And Recycle Steel For Packaging", Report 2022, https://circulareconomy.europa.eu/platform/sites/default/files/apeal-why-steel-recycles-forever.pdf

[470] Commission Implementing Regulation (EU) 2022/2068 of 26 October 2022 imposing a definitive anti-dumping duty on imports of certain cold-rolled flat steel products originating in the People's Republic of China and the Russian Federation following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council, recital 233.

[471] European Commission, European Industrial Strategy, https://single-market-economy.ec.europa.eu/industry/strategy_en.

[472] Commission Implementing Regulation (EU) 2016/1328 of 29 July 2016 imposing a definitive anti-dumping duty and collecting definitively the provisional duty imposed on imports of certain cold rolled flat steel products originating in the People's Republic of China and the Russian Federation, Recital 144.

[473] The Parliament Magazine, "Steel is the Heart of EU Industry", 07 June 2018, https://www.theparliamentmagazine.eu/news/article/steel-is-the-heart-of-eu-industry

industry will have negative repercussions on the downstream industries in the production of products incorporating or further transforming CRF.

(553) In addition, the Union's steel industry has been at the cutting-edge of technological innovation in the manufacturing of its products, including CRF. The industry has undertaken unique research and investment efforts in respect of environmentally friendly processing techniques, and these have provided the Union workforce with appropriate skillsets and trainings.[474] This specific know-how and investment would be lost if the viability of the industry is affected.

(554) The loss of the industry would have dire repercussions on the whole of the European Union. The industry is a pillar of the Union's economy, with important implications in terms of employment, research and development, labour standards, investment, etc. All of these aim to build a steel industry that is environmentally friendly on top of being competitive.[475] Indeed, job losses are already being seen across the European steel sector. The strategically low prices of the CRF imports from the Targeted Countries undercut those of the Union industry which, facing higher production costs and a more significant regulatory burden, has been unable to respond. The continued and unchecked dumping of CRF imports from the Targeted Countries in these circumstances has necessitated downsizing and layoffs across the Union industry.

(555) In November 2024, Thyssenkrupp Steel announced the loss of up to 11 000 jobs: with 5 000 job cuts and 6 000 jobs to be transferred, as well as the closure of their processing site in Kreuztal-Eichen in Germany. European steel workers have responded by demanding urgent action to save the European steel sector and tens of thousands of jobs. IndustriAll Europe observed: "*Across Europe, we are dealing with production cuts, mothballing, closures, and bankruptcies of steel sites across Europe every day. Steel is a strategic foundation industry – essential for our energy transition, industrial sovereignty and security. Steel jobs are highly skilled and decent jobs, and we must protect steelworkers*".[476]

(556) Indeed, the fate of the remaining steel and specifically CRF workers in Europe is now more uncertain than ever, with unions explicitly pointing towards overcapacities in third countries. In this regard, IndustriAll stated: *"There are currently over 300,000 steel workers in the EU, but the future of the sector is unknown with several sites temporarily closed and tens of thousands of workers on temporary unemployment. There are huge concerns about the future of the steel sector in Europe, with fears that up to half of Europe's production capacity could be lost. (…) While steel workers in Europe are facing the fight of their lives, the same situation is not seen in other regions of the world. In fact, steel capacity has increased in China (2.2%) and India (7.5%) and global overcapacity peaked at the end of last year to approximately 2 500 mmt. While the EU is moving towards green steel production, the OECD has found that over half of new steel making capacities in the future involve building new blast furnaces aimed to produce large amount of lost cost steel.*

[474] Arcelor Mittal, "Climate Action in Europe", https://corporate-media.arcelormittal.com/media/b4wh4cd0/climate-action-in-europe.pdf.

[475] See for example the "*EU Energy-Intensive Industries' 2050 Masterplan*" stressing the combination of these various elements to effectively combine innovation and competitiveness with resource efficiency and the building of an environmentally friendly industry (available at: https://ec.europa.eu/docsroom/documents/38402/attachments/1/translations/en/renditions/native).

[476] industriAll, "European steel crisis worsens with news from ArcelorMittal and ThyssenKrupp Steel", 26 November 2024, https://news.industriall-europe.eu/Article/1169.

(…) Today's message from European steel workers is clear. We will not sit by and watch our industry die while cheap and dirty steel is imported from elsewhere! Decarbonisation does not have to mean deindustrialisation, and we need policy makers and steel companies to put their money where their mouth is. Invest in your sites and your workers! Steel needs Europe, and Europe needs steel!".[477]

(557) These job losses and plant closures are due to the increasing financial pressure that the steel industry and particularly the CRF producing sector find themselves under as a result of the continued import of CRF products from the Targeted Countries. In order to restore fair trading conditions and avoid further job losses, the measures must be adopted.

10.4 Supply chain security and safeguarding Union supply

(558) The Covid-19 pandemic and the recent frequency with which trade disruptions are manifesting themselves as a result of geopolitical circumstances have underscored the importance of safeguarding the Union's supply chains in terms of international emergencies. Increasing trade tension globally has also stressed the danger of excessive dependence on imports. Steel is a bedrock upstream industry for an incredibly broad set of downstream industries. These industries range from consumer goods over crucial infrastructure to military applications. The 2023 GFSEC Ministerial Statement concluded that "*Steel is the backbone of manufacturing and construction and is needed for high-value activity across a range of other strategic economic sectors, including infrastructure, mining, energy and transportation*".[478]

(559) In the last number of years, a large share of EU firms has faced major obstacles to their business activities, supply chains and trade. According to the European Investment Bank Investment Survey, since the beginning of 2022, access to commodities and raw materials (steel, copper, fossil fuels, lithium, etc.) – many of which are essential for the green and digital transitions – have been reported as major obstacles by 37% EU importers. About a third of EU importers (34%) also consider that disruptions of logistics and transport are major obstacles to their business activities.[479]

(560) Safeguarding the Union steel industry is therefore of incredible strategic importance. A revitalisation of the Union industry by way of re-establishing fair market conditions by imposing the measures will enhance the Union's supply chain robustness and minimise its exposure to the negative consequences of global trade disruptions. The measures will safeguard supply sovereignty and ensure that Europe can respond accordingly in times of trade impacting global or geopolitical circumstances.

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[477] industriAll, "European Steel Action Day: steel workers across Europe demand action to save their sector and their jobs!", 21 March 2024, https://news.industriall-europe.eu/Article/1048

[478] The Global Forum on Steel Excess Capacity, 2023 Results Report, https://steelforum.org/GFSEC-results-report-2023.pdf, Annex B, p. 13.

[479] European Investment Bank, "Navigating supply chain disruptions New insights into the resilience and transformation of EU firms", 2024, https://www.eib.org/attachments/lucalli/20240179_navigating_supply_chain_disruptions_en.pdf

10.5 Implementation of other Union policies

10.5.1 Enhancing the Union's competitiveness

(561) The imposition of measures is in line with the Union's policy to enhance European competitiveness. The Draghi Report, which examines the challenges faced by EU industry and companies in the Single Market and was commissioned by President von der Leyen.[480] The Commission itself has acknowledged that the findings of the report will "*contribute to the Commission's work on a new plan for Europe's sustainable prosperity and competitiveness. And in particular, to the development of the new Clean Industrial Deal for competitive industries and quality jobs, which will be presented in the first 100 days of the new Commission mandate".*[481]

(562) Most crucially, the Draghi Report calls on the Union to react to the growing issue of steel overcapacity with "structural solutions". The deployment of the Union's trade defence measures as regards CRF imports from the Targeted Countries is a prime example of this: *"The EU has introduced safeguards for the steel industry, recently extended until 2026, at which point the maximum period of eight years will be reached. In line with the example, the EU should maintain its capability to react quickly to market distortions. Given the persistent increase in global steel overcapacity, it should assess the situation in the steel industry before safeguards expire and be prepared to react to a changing environment with structural solutions".*[482]

(563) As regards energy intensive industries, within which the steel industry is captured, the Draghi Report specifically recommends that "*The EU should contribute to enhancing the global competitiveness of its energy-intensive industries with supporting trade measures".*[483] A failure to "*strategically, but rapidly, apply trade defence instruments and anti-subsidy measures*" will result in an unlevel playing field in energy intensive industries which in turn can have repercussions for many downstream industries. The avoidance of such a situation is critical from a perspective of open strategic autonomy. The adoption of the measures would therefore be in line with the Draghi Report's recommendations as regards the steel sector and the stated commitment of the Commission to act on the recommendations of said Report. As such, the measures are manifestly in the interests of the Union.

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[480] European Commission, EU Competitiveness, Looking Ahead: https://commission.europa.eu/topics/strengthening-european-competitiveness/eu-competitiveness-looking-ahead_en.

[481] European Commission, EU Competitiveness, Looking Ahead: https://commission.europa.eu/topics/strengthening-european-competitiveness/eu-competitiveness-looking-ahead_en.

[482] European Commission, The future of European competitiveness: Report by Mario Draghi, 09 September 2024, https://commission.europa.eu/document/download/ec1409c1-d4b4-4882-8bdd-3519f86bbb92_en?filename=The%20future%20of%20European%20competitiveness_%20In-depth%20analysis%20and%20recommendations_0.pdf. Pg. 114.

[483] European Commission, The future of European competitiveness: Report by Mario Draghi, 09 September 2024, https://commission.europa.eu/document/download/ec1409c1-d4b4-4882-8bdd-3519f86bbb92_en?filename=The%20future%20of%20European%20competitiveness_%20In-depth%20analysis%20and%20recommendations_0.pdf. Pg. 113.

10.5.2 Continued CRF imports from the Targeted Countries, in particular India and Turkey, undermine the Union's sanctioning of Russia

(564) The Targeted Countries, in particular, India and Turkey, are still reliant on imports of Russian oil and gas. Russian originating energy inputs are then used in the production of CRF products in these countries. As the production of steel generally, including CRF, is a highly energy-intensive industry, this represents a significant concern that India and Turkey are availing of unfairly priced energy inputs in their respective production of CRF and that the use of Russian energy is in any case contrary to the EU's imposition of sanctions on Russia.

(565) India, for example, has become the second biggest buyer of Russian crude oil since the invasion of Ukraine, with purchases rising from less than one per cent of the total oil imported in the pre-Ukraine war period to almost 40 per cent of the country's total oil purchases.[484]

(566) Moreover, the situation in Turkey is arguably even more egregious. It is estimated that Turkey and Turkish companies saved around $2 billion on energy bills in 2023 by raising imports of discounted Russian oil and refined products. After Russia's invasion of Ukraine, Turkey became and remains the largest importer of Russian energy in the Western Hemisphere.[485]

(567) In both Turkey and India, unfairly priced Russian energy inputs either directly or indirectly contribute to the domestic production of CRF in the countries concerned. The continued importing of CRF into the EU from Turkey and India in particular thus undermines the integrity and effectiveness of the EU approved sanctions imposed on Russia, whereby India and Turkey are actively benefiting from the withdrawal of EU consumers from the Russian energy market at the expense of Union producers of CRF products.

(568) This behaviour is contrary to the ambitions of the EU sanctions imposed on Russia generally but also specifically seeks to undermine the ambitions of the 14th package of sanctions against Russia. The specific package contains important new energy-related measures targeting liquified natural gas and provides for *"several measures meant to boost private sector compliance, support enforcement by national competent authorities, and hamper sanctions circumvention".*[486]

(569) The EU has repeatedly identified instances of circumvention on the part of Russia and non-Russian third countries, noting that "*anomalous, growing trade figures for some specific products/countries are hard evidence that Russia is actively attempting to circumvent sanctions. This calls for us to redouble our efforts in tackling circumvention and*

[484] Business Standard, "Russian oil finds way to Europe; India now biggest exporter of fuel to EU", 10 November 2024, https://www.business-standard.com/economy/news/russian-oil-finds-way-to-europe-india-now-biggest-exporter-of-fuel-to-eu-124111000177_1.html.

[485] Reuters, "Turkey saves $2 billion on Russian oil as imports soar despite sanctions", 18 December 2023, https://www.reuters.com/business/energy/turkey-saves-2-bln-russian-oil-imports-soar-despite-sanctions-2023-12-18/.

[486] European Commission, EU adopts 14th package of sanctions against Russia for its continued illegal war against Ukraine, strengthening enforcement and anti-circumvention measures, 24 June 2024, https://neighbourhood-enlargement.ec.europa.eu/news/eu-adopts-14th-package-sanctions-against-russia-its-continued-illegal-war-against-ukraine-2024-06-24_en.

to ask our neighbours for even closer cooperation".[487] Given that the imposition of the measures on the Targeted Countries will ensure that Russian inputs do not enter the EU market through the backdoor vis-à-vis non-Russian third countries, they are manifestly in line with the interests of the Union.

10.6 Conclusion on Union Interest

(570) In addition, it is also clearly in the Union's interest to ensure that the adoption of trade defence instruments is effective and bears fruit. The effective protection of the industry against unfair practices is crucial for maintaining a level-playing field and the multilateral trading order. The Complainant stresses, in this regard, that Article 21 of the Basic AD Regulation provides that "*the need to eliminate the trade distorting effects of injurious dumping and to restore effective competition shall be given special consideration".*

11. CONCLUSION

(571) The Complainant has established that there is prima facie evidence of dumping practices from Indian, Japanese, Taiwanese, Turkish, and Vietnamese exporting producers of CRF causing injury to the Union Industry. The Complainant has also demonstrated the causal link between the dumped imports and the injury to the Union Industry, and the clear risk of further aggravation of the injury. It has also shown that imposition of the measures would overwhelmingly be in the interest of the Union.

(572) This, therefore, fully justifies the initiation of an anti-dumping investigation by the European Commission and the imposition of anti-dumping duties as soon as possible. In view of the above, the Union industry respectfully requests that the European Commission:

- initiate an anti-dumping investigation;
- impose, as soon as possible, provisional anti-dumping measures on imports of CRF from India, Japan, Taiwan, Turkey and Vietnam;
- given the vulnerable situation of the Union Industry, immediately register the imports of the product concerned, so that retroactive duties may be imposed at a later stage.

[487] European Commission, EU adopts 14th package of sanctions against Russia for its continued illegal war against Ukraine, strengthening enforcement and anti-circumvention measures, 24 June 2024, https://neighbourhood-enlargement.ec.europa.eu/news/eu-adopts-14th-package-sanctions-against-russia-its-continued-illegal-war-against-ukraine-2024-06-24_en.

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