

To the Commission of the European Union

APPLICATION FOR THE INITIATION OF AN EXPIRY REVIEW

Under Article 11(2) of Regulation (EU) No 2016/1036 of the European Parliament and of the Council of 8 June 2016 on protection against dumped imports from countries not members of the European Union, as amended

Of the anti-dumping measures on imports of hot rolled stainless steel sheets and coils originating in Indonesia, the People's Republic of China and Taiwan, and extended to Türkiye

As implemented by Commission implementing Regulation 2020/1408 of 6 October 2020 imposing a definitive anti-dumping duty and definitively collecting the provisional duty imposed on imports of certain hot rolled stainless steel sheets and coils originating in Indonesia, the People's Republic of China and Taiwan, and extended to Türkiye by Commission Implementing Regulation (EU) 2023/825 of 17 April 2023

Submitted by

EUROFER

Avenue de Cortenbergh, 172 B-1000 Brussels
Belgium

OPEN VERSION

4 JULY 2025

1. INTRODUCTION

1. The European Steel Association (**Eurofer**), as the Applicant, respectfully requests the European Commission to initiate an expiry review of the anti-dumping measures on imports of certain hot rolled stainless steel sheets and coils ("**SSHR**") originating in Indonesia, the People's Republic of China and Taiwan – and recently extended to Türkiye – and to renew the measures for another five-year period.
 2. SSHR is a flat, specialty, steel product. The main use of SSHR lies in its being further processed in cold-rolled flat products (SSCR), as well as stainless steel tubes and certain industrial applications. As a stainless steel product, SSHR is characterised by the use of certain alloying elements – nickel, chromium and molybdenum in particular – endowing the product with its corrosion resistant capacities. SSHR can be either black, at the end of the hot-rolling process, or white, after annealing and pickling the product. Both are in-scope and covered by the measures in place.
 3. The Applicant represents four EU producers of SSHR, together accounting for broadly the entire production of the product in the Union. These producers are integrated, producing stainless steel from scrap. Through the recycling of raw materials, the EU producers are able to substantially reduce the use of virgin raw materials as well as untreated waste, in pursuance of EU environmental objectives.
 4. Since the measures were first adopted in 2019, imports from the countries concerned initially decreased significantly and their share in the EU market decreased. With the lessening of the pressure caused by these imports, the Union industry has been able to partially recover, especially in terms of profitability margins.
 5. More recently, however, volumes imported from the countries concerned have again risen significantly. Combined with very low prices, resulting in significant undercutting EU prices, imports from the countries concerned have progressively captured market share. In particular, the Applicant notes that, while imported volumes remain lower than in the original investigation, the trends must be read against decreasing and overall low consumption levels on the EU market.
 6. The price pressure exercised by imports from the countries concerned is further demonstrated by the significant levels of dumping found by the Applicant. Evidence of dumping, and the likelihood of its recurrence in case measures were allowed to lapse, is further reinforced by the fact that these unfair trading practices are part and parcel to the exporting producers' commercial behaviour, as apparent from the dumping findings made on the same and similar products in other jurisdictions.
 7. As a result thereof, the performance of the Union industry appears to, once again, be on a declining trend as the exporting producers from the countries concerned adopt more aggressive approaches to the EU market. The Union industry's production and sales volumes have seen a marked decrease over the period considered, with profitability levels declining to unsustainable levels – all of which has translated into a loss of market share. The Applicant notes that, absent the measures in place, such degraded performances would have materialised much earlier and, given their seriousness, the Union industry's continued operation would have been put into question.
 8. Absent the renewal of the measures, the situation of the Union industry is likely to degrade rapidly and materially. Indeed, the Applicant notes that local producers of SSHR in Indonesia and China leverage major distortions implemented by their respective governments to provide them with below-
-

market inputs (nickel especially) and set up export-oriented industries with massive capacities. Recently, it is noted that Taiwanese producers are increasingly importing Indonesian slabs, extending the findings of such distortions to Taiwan as well.

9. The massive overcapacities in the countries concerned, combined with the increasing closure of potential export markets, not least of which the United States, further incentivise the direction of low-priced volumes to the EU market, at whatever cost.
10. In the absence of renewal of the measures, a massive wave of dumped exports from Indonesia, China and Taiwan must, therefore, be expected, with disastrous effects on the Union industry, as these exports would undercut EU prices significantly beyond the already notable levels currently recorded with the measures in place.
11. Such imports would further aggravate the situation of Union producers, already confronted with postponed investments and increasing social and environmental costs. It would also endanger the continued viability of a strategic industry in the EU, not least for the defence industrial base which lies at the centre of current EU and Member State key policy objectives.
12. The renewal of the measures currently in place is therefore of the utmost importance for the continued existence of the Union Industry. Ending the measures would have a disastrous impact not only on the producers themselves, their employees and all indirect employment depending from this activity in the EU circular economy model using scrap as a key input for production. It would also constitute a massive and irreversible blow to the strategic autonomy industrial policy promoted by the EU.

2. GENERAL INFORMATION

2.1 Applicant

13. Eurofer represents more than 95% of steel production in the European Union. Eurofer members are steel companies and national steel federations throughout the EU.¹
14. This request for an expiry review to be opened is submitted by Eurofer, the European Steel Association, on behalf of its members active in the production of stainless steel hot-rolled flat products ("SSHR"):
 - Eurofer - the European Steel Association
 - Address: Avenue de Cortenbergh, 172, B-1000 Brussels - Belgium
 - Tel: +32 2 738 79 20 | Fax: +32 2 738 79 55
 - Contact Person: **[confidential information: the information relates to personal contact details]**
15. This request is filed by Eurofer on behalf of four members active in the production of stainless steel hot-rolled flat products, acting as the Applicant as follows:
 - Acerinox Europa SAU
 - Aperam Stainless Europe
 - Outokumpu Oyj

¹ Eurofer, 'Members', <https://www.eurofer.eu/about-steel/members>

- Acciai Speciali Terni SpA

16. These four companies account for the entirety of the EU production and sales of SSHR.²

Annex 1. Support letters

17. The Applicant is therefore acting on behalf of the EU SSHR industry that produces the product concerned and meets the representativeness requirement as set out in Regulation 2016/1036 of 8 June 2016 ("**basic AD Regulation**").

Annex 2. List of known EU producers of the product concerned

3. PRODUCT CONCERNED AND LIKE PRODUCTS

3.1 Description of stainless steel hot-rolled flat products

3.1.1 Metallurgical characteristics

18. Stainless steel is defined as a steel alloy with a minimum content of 10.5% chromium and a maximum of 1.2% carbon. This metallurgical characteristic is shared by all stainless steel families. Stainless steel is classified as an intermediate product between carbon steel (carbon-based steel not containing nickel or other alloys) and high performance alloys (containing a higher degree of alloys and requiring different equipment and technical know-how).
19. The addition of chromium provides stainless steel with its stainless properties. When exposed to oxygen, the chromium forms a passivation layer of chromium oxide capable of reforming quickly when the surface is scratched. The layer is too thin to be visible, but protects the metal beneath by making it impermeable to water and air. As a result, stainless steel requires no added surface protection against corrosion.
20. There is a large number of stainless steel types with widely varying chemical compositions. Since the microstructure has a decisive effect on properties, stainless steels have traditionally been divided into four main categories, or grades, depending on their microstructure at room temperature: (i) austenitic, (ii) ferritic, (iii) martensitic and (iv) duplex. All four have different levels of corrosion-resistance and strength. The differences result from the controlled addition of alloying elements, notably chromium and nickel, offering specific attributes and the ability to resist different environments.
21. Austenitic grades form the largest group of stainless steel (about 75% of the total stainless steel production). They all contain nickel. Austenitic grades can be divided into five sub-groups:
 - Cr-Ni grades – known as 'general purpose grades', they contain 8% of nickel and 18% of chromium. Among these grades of stainless steel, grade 304 is the most commonly used, since it is suitable for a wide variety of applications that require good formability and weldability.
 - Cr-Mn grades – the nickel content is decreased and the austenitic microstructure is maintained by replacing some of the nickel with manganese and nitrogen.

² Commission implementing Regulation 2020/508 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, recital (2).

- Cr-Ni-Mo grades – similarly to Cr-Ni grades, it is also a ‘general purpose grade’, but with increased corrosion resistance due to alloying with molybdenum (2-3%); they are sometimes referred to as an “acid-proof” type of stainless steel. The chromium content is around 17% and the nickel content 10-13%. The Cr-Ni-Mo grade includes the second most commonly used grade of stainless steel, grade 316.
 - High performance austenitic – developed for use in very demanding environments with higher alloying content (chromium 17-25%, nickel 14-25% and molybdenum 3-7%).
 - High temperature austenitic grades – designed primarily for use at temperatures exceeding 550°C, i.e. in the temperature range where creep strength is the dimensioning factor. They have a high chromium (17-25%) and high nickel (8-20%) content, but no molybdenum.
22. Nickel-containing stainless steels are the most widely used. This explains the fact that more than two-thirds of global nickel production is used to produce stainless steel.³ As an alloying element, nickel enhances important properties of stainless steel such as formability, weldability and ductility, while increasing corrosion resistance in certain applications. Unlike conventional steel and non-nickel-containing stainless steels, the addition of nickel gives it nonmagnetic properties.
23. Another type of stainless steel is ferritic grade, which contains virtually no nickel, has a chromium content of between 11% and 18% and has low carbon content. Ferritic grades are magnetic and have moderate to good corrosion resistance, but cannot be hardened by heating. Since they contain only chromium, ferritic grades are better suited to internal applications such as housewares, boilers, consumer appliances and indoor architecture.
24. Martensitic stainless steel grades are the smallest group. To improve strength and hardenability, they have higher carbon content compared to other grades, and nitrogen is sometimes added to further improve the strength. These grades contain little or no nickel, and molybdenum is seldom added. They are magnetic and can be hardened by quenching and tempering, as is the case for plain carbon steels. Their main applications are in cutlery, aerospace and general engineering.
25. Duplex stainless steels combine the strength of ferritic with the corrosion resistance and formability of austenitic. Typically, the duplex stainless steel grades have a high chromium content (20-25%) but rather limited nickel content (1.4-7%) compared to austenitic grades.

3.1.2 Production process

26. The purpose of the stainless steelmaking process is to melt raw materials containing the necessary alloying elements and to cast the liquid steel into a solid slab. The slab is further processed through hot rolling – a stainless steel forming process in which the hot metallic compound is passed through one or more pairs of hot rolls to reduce the thickness and to make the thickness uniform, with the temperature of the metallic compound above its recrystallisation temperature.
27. There are two different major ways of producing stainless steel hot-rolled flat products. These production “routes” allow products to be achieved that, for the same processing grade or dimension, are virtually undistinguishable and suitable for the same uses, but which have significant differences with regard to the production process and the raw material used.

³ Nickel Institute, ‘About Nickel’, <https://www.nickelinstitute.org/about-nickel/stainless-steel/>.

28. A distinction has often been made between the ‘traditional route’ applied by SSHR producers in the EU, the US, Japan and Taiwan, on one hand, and the ‘integrated route’ prospering in the PRC and Indonesia, on the other. Given the recent modifications to the production process undertaken by major Chinese stainless steel producers who apply production processes similar to the traditional route, this has become more nuanced.

3.1.2.1 Raw materials

29. The main chemical elements for stainless steels, and for austenitic stainless steel in particular – the most widespread form of stainless steel, are iron, chromium and nickel.
30. Nickel is mined from two types of ores: laterites and sulphides. Nickel used in stainless steel is mined from laterite ores, common mostly in tropical environments such as Australia, New Caledonia, Indonesia and the Philippines. Laterite deposits are among the highest- grade and most accessible of the undeveloped nickel deposits in the world. As shown in the table below, this is particularly true of Indonesia’s nickel deposits.

Country/Region	Ni, T millions	Share of world Ni reserves, %
Indonesia	55	43%
Brazil	16	13%
Australia	24	19%
Canada	2,2	2%
China	4,2	3%
New Caledonia	3	2%
Philippines	4.8	4%
Russia	8.3	7%
Others	9.4	7%
Total	126.9	100%

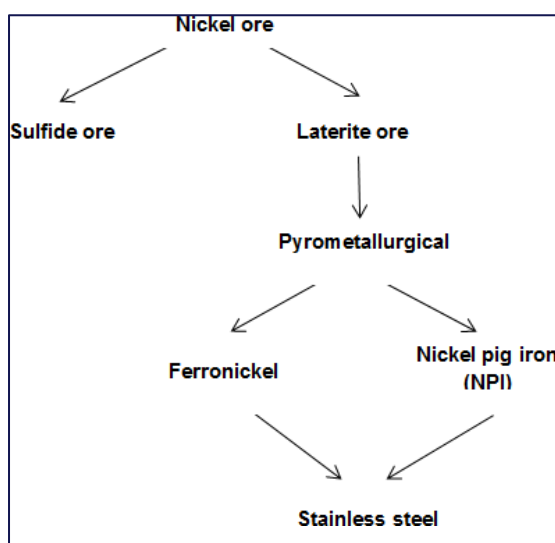
Source : USGS, *Mineral Commodity Summary*⁴

Table 1 Global nickel reserves

31. Several pyrometallurgical methods are performed for the extraction of nickel from laterite ores, including smelting. Ferronickel smelting of laterite ores is generally performed by using fossil fuels (coal, oil, natural gas, etc.) as a reductant. Ferronickel is produced in the form of small ingots or water-granulated ‘beans’ that are convenient for adding to alloy-making furnaces and contain about 25% of nickel.
32. However, nickel and high-grade ferronickel are costly compounds, subject to significant price fluctuations, which influence the cost and final price of stainless steels containing nickel. To reduce costs, a relatively new trend has been developed, notably in China, of producing cheaper but more polluting, lower-purity secondary nickel products such as nickel pig iron (“NPI”).
33. The main advantage of NPI, also produced according to a pyrometallurgical process, is the fact that along with the nickel content, laterite nickel ores are also rich in iron, the two key ingredients in

⁴ U.S. Geological Survey, Mineral Commodity Summaries, January 2025, p.129. <https://pubs.usgs.gov/periodicals/mcs2025/mcs2025.pdf>

stainless steel. The NPI product usually has a content of about 10-15% nickel, 1% chromium, 83% iron and 3% carbon. With NPI, stainless steel companies therefore pay less for a lower-grade nickel product and receive the iron essentially for free.



Source: Applicant's intelligence

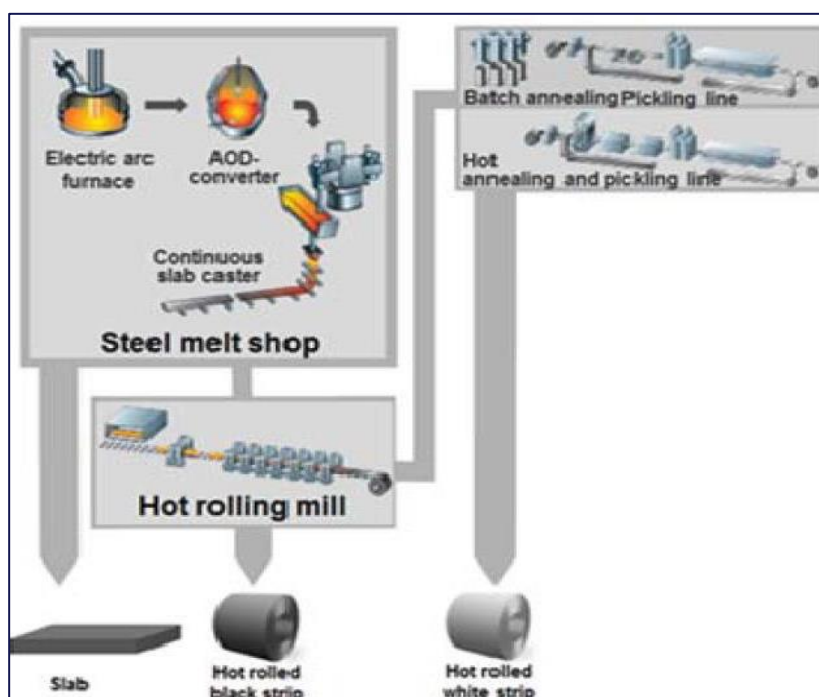
34. Conversely, the EU countries, along with the US, Japan and traditionally Taiwan, predominantly use recycled stainless steel scrap as the main raw material for the production of stainless steel. According to this method (the traditional stainless steelmaking route), the raw materials – including stainless steel scrap, ferrochromium, ferronickel, carbon scrap, ferrosilicon and pure nickel⁵ – are purchased and introduced as cold in the melt shop process. On average, in these countries, scrap represents 65% up to 90% of raw materials used in the production of stainless steel. When recycled, the re-melted stainless steel has the same properties as the original steel and can be further recycled an infinite number of times.
35. Depending on the raw material used, the stainless steel-making process differs between the traditional stainless steel making route and the integrated stainless steelmaking route, though with the same product result in the end.

3.1.2.2 Traditional stainless steelmaking route

36. As mentioned above, the traditional production route relies essentially on raw materials such as stainless steel scrap (65-90%), as well as on chromium and high grade ferronickel as additional inputs in order to obtain the desired chemical composition of the stainless steel. This production route of hot-rolled flat products includes two main steps: the steel melt shop (melting stage) and hot rolling mill (hot shaping).
37. The steel melt shop represents the first step in stainless steel production, after which semi-finished stainless steel products are produced. At this stage, the blend of raw materials such as scrap (stainless steel and alloys) and ferroalloys are put cold and melted in an electrical arc furnace ("EAF"). The molten material is further processed in an argon oxygen decarburisation ("AOD") converter and, if required, secondary treatments are carried out.

⁵ The blend of those materials leads to a standard chemistry for grade 304.

38. AOD is a mandatory tool to remove carbon without oxidising the chromium too much. Once the liquid metal is clean, it is then processed through a continuous casting process in which the molten metal is poured directly into a mould to produce the required shapes. After leaving the mould, the strand's shell is then cooled until it has completely solidified.
39. Further in the process, the strand is cut into lengths to obtain compact rectangular blocks of crude steel, called slabs. Slabs are a semi-finished steel product with a rectangular cross-section used as starting material in the production process of stainless steel hot-rolled flat products, i.e. hot-rolled sheets and strips.⁶
40. At the hot-rolling mill stage, slabs are rolled to obtain hot-rolled flat products. For that reason, slabs are pre-heated (or not cooled) prior to rolling and then reduced to a predetermined thickness in the roller gap of a hot-rolling mill by pressure applied between two rollers.
41. The resulting product is known as hot-rolled black band ("**black SSHR**"), a product mainly used as feedstock for further processing that is covered by a layer of scale, giving it its black colour.
42. Black SSHR can be further annealed and pickled to obtain hot-rolled white band ("**white SSHR**" or "**HRAP**"). Annealing is the process of heating cold steel to make it more suitable for bending and shaping as well as to prevent breaking and cracking. Pickling is a process by which stainless steel is cleaned using chemical baths of diluted acid to remove impurities such as rust, dirt, scale and oil from the surface without changing the underlying properties of the metal. The initial annealing and pickling ('hot' annealing and pickling) remove the scale and cause the typical white colour of the white SSHR.



Overview of the hot-rolled flat stainless steel products production process.

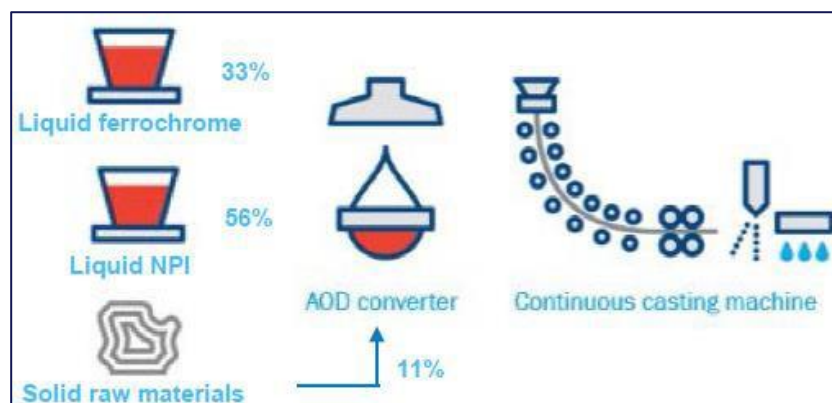
Source: European Commission⁷

⁶ Differently to stainless steel long products, which are manufactured from stainless steel billets and blooms.

⁷ COMP/M.6471, Outokumpu/INOXUM, 7 November 2012.

3.1.2.3 Integrated steelmaking route

43. The integrated production route, used largely in Indonesia and the PRC, is developed on an industrial scale in China, and lies at the basis of the Chinese stainless steel industry's development.
44. In these countries, stainless steel slabs are produced in part with a different source of raw materials (NPI) and through a slightly different process. Stainless steel producers in Indonesia and the PRC, are vertically integrated with the production of NPI. The integrated production route further relies on chromium, coking coal and a mixture of gravel and sand. This mixture is then melted together with other raw materials, usually in a blast oxygen furnace ("BOF"), but also in rotary kiln electric furnaces ("RKEF"), for the most modern facilities.
45. When the NPI is produced internally, the melt is kept liquid and poured directly into the AOD or a vacuum oxygen decarburising converter. After AOD, the liquid metal is transferred to the continuous casting machine for transformation into a semi-finished product. This production route also diverges due to the fact that, as NPI requires significant smelting and sintering to remove the impurities in the ore. Consequently, that production process require greater quantities of energy.



Source: Outokumpu, *NPI tigers vs. Scraps dragons, Integrated route*

46. Finally, some stainless steel producers, notably in China and Taiwan, rely on purchased semi-finished products such as NPI slabs or stainless steel slabs for further transformation into the product concerned.
- ### 3.1.3 Format of stainless steel hot-rolled flat products and finishing operations
47. Stainless steel hot-rolled flat products include hot-rolled sheet and strip, which are distinguishable by their thickness and width.
 - Strips are coils that could be wide (≥ 600 mm; tariff CN codes 7219 11 00, 7219 12 10, 7219 12 90, 7219 13 10, 7219 13 90, 7219 14 10) or narrow (< 600 mm; tariff CN codes 7220 11 00 and 7220 12 00).
 - Sheets refer to cut-to-length stainless steel products falling under the tariff CN codes 7219 22 10, 7219 22 90, 7219 23 00, 7219 24 00.
 48. The resulting surface on stainless steel hot-rolled flat products depends on the finishing operations made within the mill. For stainless steel hot-rolled flat products, there are four particular surface designations:

- 1U - results from hot-rolled, not heat-treated, not descaled process route. Their surface is covered by rolling scale which makes 1U suitable for products which are to be further worked, e.g. strips for re-rolling.
 - 1C - refers to hot-rolled, heat-treated but not descaled process route. Their surface is also covered with rolling scale which makes 1C suitable for parts which will be descaled or machined in subsequent production or for certain heat-resistant applications.
 - 1D - is the most common finishing of hot-rolled, heat-treated, pickled process route and to the free of scale surface finishing (white SSHR). 1D-finishing is usually standard for most steel types to ensure good corrosion resistance.
 - 1E - are hot-rolled, heat treated and mechanically descaled products which similarly to 1D are free of scale.⁸
49. The 1D surface, the most common, is found on thicker sheets. It is slightly coarse with very low reflectivity. It is primarily used for non-decorative purposes where the visual appearance is less relevant. This standard is used for most steel types to ensure good corrosion resistance and is also a common finish for further processing.

Annex 3. Stainless steel hot-rolled flat product finishing

3.2 Uses of hot-rolled flat stainless steel products

50. There are two main uses of the stainless steel hot-rolled flat products: (i) further processing internally or by re-rollers and tube manufacturers or (ii) direct use by end-users.
51. First, stainless steel hot-rolled flat products are the primary material for the production of various value added downstream steel products, starting with stainless steel cold-rolled flat products ("SSCR")⁹ and stainless steel tubes. In this respect, SSHR – whether annealed and pickled or not – is mainly purchased by re-rollers who further cold-roll, anneal and pickle the SSHR into lighter products.
52. Since a major proportion of SSHR is turned in stainless steel cold-rolled products or tubes, the remaining part of the SSHR production is used as an industrial input by third-party purchasers such as capital goods manufacturers and process engineers. SSHR is ideally suited for their industry since it is corrosion resistant, formable, weldable and provide long life and low maintenance.
53. More specifically, among SSHR products, most users rely on white SSHR and much less on black SSHR. White SSHR products are notably used for non-decorative purposes, for example in unexposed support systems and structural applications. Typical applications include stainless tubes, structural components and fastening elements in the building industry, profiles, boilers, electrical cabinets, machine components. Marginal applications include the bus and railway sector (fittings).
54. Black SSHR only plays a role in applications where heat resistant grades are used. Black coil is used by pipe makers. Here the material will further build up scale during the application due to the

⁸ The European Stainless Steel Development Association Euroinox, 'Guide to Stainless Steel Finishes', 2005, page 20. See also Columbus Stainless, 'Stainless steel finishes', <https://www.columbus.co.za/products/stainless-finishes.html>.

⁹ The cold rolling process is defined by passing a sheet or strip that has previously been hot rolled and pickled – through cold rolls, i.e. below the softening temperature of the metallic compound.

exposure to high temperatures, and hence removing the scale in the production by pickling is not needed.

3.3 Distribution channels of SSHR

55. Within the distribution channels for SSHR, it is possible to identify the following: (i) direct sales from manufacturers, (ii) sales through stainless steel service centres (“**SSC**”), (iii) sales through rerollers and tubists and (iv) sales through stockholding centres/stockists.
56. The main Union producers distribute their SSHR products directly from the mill or through subsidiaries or other entities owned by stainless steel producers.
57. SSCs that distribute flat products are independent companies purchasing coils from stainless steel manufacturers. SSCs slit and cut coils to customers’ requirements. Since independent SSCs are companies without melting capacities, the SSCs’ actions in regard to SSHR are very limited. SSC mainly service smaller customers in terms of volumes, or customers for whom steel represents a smaller part of their process or production costs.
58. Re-rollers and tube makers tend to buy directly from EU or foreign mills or traders / or even stockists.
59. In terms of use, black coils are largely used by re-rollers, while white coils are used mainly by tubists and independent distributors.
60. Stockholding centres are also active as wholesalers, purchasing steel products in bulk and re-selling in smaller quantities.
61. However, it should be noted that SSCs and/or stockists are mostly active in the cold-rolled stainless steel distribution rather than in the processing of SSHR. Therefore, sales of SSHR are mostly done directly by the mill and steel manufactures or through their subsidiaries.

3.4 Definition of the product concerned

62. As a result, the product concerned by this investigation, hereinafter referred to as “**SSHR**”, is “*flat-rolled products of stainless steel, whether or not in coils (including products cut-to-length and narrow strip), not further worked than hot-rolled and excluding products, not in coils, of a width of 600 mm or more and of a thickness exceeding 10 mm*”.¹⁰
63. The product concerned falls within the following codes of the combined nomenclature: 7219 11 00, 7219 12 10, 7219 12 90, 7219 13 10, 7219 13 90, 7219 14 10, 7219 14 90, 7219 22 10, 7219 22 90, 7219 23 00, 7219 24 00, 7220 11 00 and 7220 12 00. The HS codes are given for information only.

¹⁰ 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, rec. 36. Confirmed in Commission Implementing Regulation (EU) 2020/1408 of 6 October 2020 imposing a definitive anti-dumping duty and definitively collecting the provisional duty imposed on imports of certain hot rolled stainless steel sheets and coils originating in Indonesia, the People’s Republic of China and Taiwan.

Annex 4. Examples of the product concerned

64. Over the course of the initial investigation, the Commission ruled that black SSHR was an integral part of the product concerned.¹¹ Consequently, and since the purpose of the expiry review is merely to determine whether the renewal of the existing measures is warranted, the product scope, as defined in the original measures, remains unchanged and all SSHR are covered in the product scope.

3.5 Like product

65. Stainless steel hot-rolled flat products produced in the Union are 'like' stainless steel hot-rolled flat products produced in Indonesia, the PRC and Taiwan, regardless of the differences in the production process and raw material used.
66. SSHR from Indonesia, the PRC and Taiwan exported to the EU are interchangeable with SSHR produced in the EU; as such, both products directly compete with each other. These products have a similar hot rolling process, where the slab is hot rolled through a series of rolling stands.
67. At the end of the process, there is no difference in properties, perception by operators or uses on the market. Both the like product and the product concerned present essentially the same physical, chemical and technical characteristics and have the same basic uses.

3.6 Exporters of SSHR from the countries concerned

68. Since the imposition of the original measures, Indonesia, China and Taiwan have remained major producers and exporters of the product concerned. In particular, the companies previously found to be individually responsible for dumping into the EU remain major players and continue, to various extents, to export toward the EU.
69. The Applicant attaches a list of known producing exporters from the countries concerned is annexed to this Request.

Annex 5. List of known Chinese, Indonesian and Taiwanese exporters of the product concerned

3.7 Importers and users of the product concerned in the EU

70. As described above, the main users of SSHR are re-rollers and tubist. These are also the main importers of the product concerned, together with stockist and distributors having a pure trading activity. The impact of the AD measures on their situation was extensively assessed over the course of the initial investigation.

¹¹ Commission Implementing Regulation (EU) 2020/1408 of 6 October 2020 imposing a definitive anti-dumping duty and definitively collecting the provisional duty imposed on imports of certain hot rolled stainless steel sheets and coils originating in Indonesia, the People's Republic of China and Taiwan, rec. 31.

Annex 6. List of known importers and users of the product concerned

4. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF DUMPING FROM CHINA

71. As demonstrated in detail below, imports from the countries concerned show an increasingly worrying trend and show signs of significant dumping. The Applicant provides a detailed analysis below, with the period of reference (“**PoR**”) covering the period running from Q2/2024 to Q1/2025.

4.1 Situation of imports of SSHR from China to the EU

72. During the original investigation period, imports of SSHR from China stood at 222 802 tonnes, capturing a market share of 18.3%.¹²
73. The antidumping duties on imports of SSHR from China, ranging from 9.2% to 19% *ad valorem*, resulted in a notable reduction in the volume of these imports to the EU. Throughout the review period, the volumes have remained relatively stable, with a slight decrease in 2024.

In Tonnes	2021	2022	2023	2024	PoR
Imports from China	30 960	34 321	32 994	24 891	24 619
Index	100	111	107	80	80

Table 2 Imports from China

74. The reduction in volumes since the original IP is unequivocally linked to the anti-dumping duties imposed by the EU, as well as, to some extent, the steel safeguard measures in place. Considering the overall increase in stainless steel capacities and the decline in Chinese domestic consumption, volumes imported from China would undoubtedly have increased absent the measures in place.
75. As detailed infra, the apparent reduction in imported volumes should be read against the decrease in EU consumption levels. As a result of aggressive pricing and widespread dumping practices, Chinese imports have managed to slightly increase their market share between 2021 and the PoR.

In %	2021	2022	2023	2024	PoR
Market share Chinese imports	[1- 4%]	[2- 5%]	[2- 5%]	[1- 4%]	[1- 4%]
Index	100	137	135	106	101

Table 3 Market share imports from China

76. The continued and significant presence of Chinese SSHR products on the European market shows that the application of anti-dumping measures has not entirely impeded the ability of Chinese exporters to access the EU market using unfair trading practices. Consequently, dumped Chinese imports continue to penetrate the European market.

4.2 Existence of significant distortions affecting production and sales of SSHR in China

77. In the initial investigation, the Commission found that significant distortions affected the production and sales in China of SSHR. It therefore decided to assess the dumping margin of the Chinese

¹² Regulation 2020/508 of 7 April 2020, Table 5.

exporting producers under the provisions of Article 2(6a) of the basic Anti-Dumping Regulation. The same conclusions should prevail in the context of the expiry review in view of the significant distortion existing in China for the product concerned.

78. Pursuant to Article 2(6a)(b) of the basic Anti-Dumping Regulation, *"significant distortions are those distortions which occur when reported prices or costs, including the costs of raw materials and energy, are not the result of free market forces because they are affected by substantial government intervention. In assessing the existence of significant distortions regard shall be had, inter alia, to the potential impact of one or more of the following elements:*
- *the market in question being served to a significant extent by enterprises which operate under the ownership, control or policy supervision or guidance of the authorities of the exporting country;*
 - *state presence in firms allowing the state to interfere with respect to prices or costs;*
 - *public policies or measures discriminating in favour of domestic suppliers or otherwise influencing free market forces;*
 - *the lack, discriminatory application or inadequate enforcement of bankruptcy, corporate or property laws;*
 - *wage costs being distorted;*
 - *access to finance granted by institutions which implement public policy objectives or otherwise not acting independently of the state."*
79. As the Commission consistently established in previous investigations, the Chinese economy is marked by a proactive involvement of the Chinese Government ("GoC").¹³ The GoC's intervention is particularly striking in the steel sector and has been found to create significant market distortions.¹⁴ 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.¹⁵
80. Specifically, the Commission previously established that prices and costs of SSHR in China *"are not the result of free market forces"* due to the GoC's intervention in the Chinese economy.¹⁶ Such distortions are the outcome of the implementation of industrial policies in China. The steel industry is considered as a *"key industry by the GoC"*¹⁷ and is supported by a large number of plans and

¹³ Regulation (EU) 2024/1666

¹⁴ 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.

¹⁵ 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>

¹⁶ COMMISSION IMPLEMENTING REGULATION (EU) 2020/1408 of 6 October 2020 imposing a definitive anti-dumping duty and definitively collecting the provisional duty imposed on imports of certain hot rolled stainless steel sheets and coils originating in Indonesia, the People's Republic of China and Taiwan, rec. 109; see also 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, rec. 103-159.

¹⁷ 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, rec. 134.

directives encouraging the sector.¹⁸ The Chinese steel sector is further led by SOEs playing the role of instruments furthering the GoC's economic policies.¹⁹ These SOEs tend to be more subsidised by the GoC.²⁰ These various policies continue to be implemented in the GoC and distortions affecting SSHR persist.

81. The Chinese Constitution outlines its foundational principle of "*public ownership of the means of production*."²¹ The GoC must also encourage, support, guide, supervise and control "*the non-public sectors of the economy*." The Constitution further provides that "*the defining feature of socialism with Chinese characteristics is the leadership of the Communist Party of China*."²²
82. All of the above confirms the omnipresence of the Chinese Communist Party ("CCP") at all levels of the Chinese economy, including the private-owned sector, as clearly apparent from the GoC's industrial plans such as the 14th FYP.²³ Such pervasive state interventions "*are at odds with the free play of market forces, resulting in distorting the effective allocation of resources in line with market principles*"²⁴
83. The GoC's intervention can be divided along three main axes: administrative, financial and regulatory. Under the administrative axis, the GoC adopts broad state plans covering all sectors of the Chinese economy. These plans are adopted at all governmental levels, and adopt a funnel-approach with national plans being broader, setting out main goals and priorities, and provincial plans being more specific. Some sectors are identified as key industries taking priority under these plans, as is the case with the steel sector as outlined in the 14th FYP setting out general objectives for the industry.²⁵ The steel industry is also covered by more specific regional plans, including the 14th FYP on Developing Steel Industry in Shandong Province.²⁶
84. The GoC heavily intervenes in the financial system, which is highly represented by state-owned banks ("SOBs"). This intervention constitutes the financial axis. The GoC has developed a normative framework under which financial institutions must align with governmental policies. For instance,

¹⁸ 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, rec. 134.

¹⁹ 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> citing European Commission (2017) Commission Staff Working Document on Significant Distortions in the Economy of the PRC for the Purposes of Trade Defence Investigations, Available at [https://ec.europa.eu/transparency/documents-register/detail?ref=SWD\(2017\)483&lang=en](https://ec.europa.eu/transparency/documents-register/detail?ref=SWD(2017)483&lang=en)

²⁰ 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>, p. 76.

²¹ Constitution of the People's Republic of China, Article 6.

²² Constitution of the People's Republic of China, Article 1.

²³ Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China for the Purposes of Trade Defence Investigations, 2024, p. 15, accessible at [https://ec.europa.eu/transparency/documents-register/detail?ref=SWD\(2024\)91&lang=en](https://ec.europa.eu/transparency/documents-register/detail?ref=SWD(2024)91&lang=en)

²⁴ Commission Implementing Regulation (EU) 2020/492 of 1 April 2020 imposing definitive anti-dumping duties on imports of certain woven and/or stitched glass fibre fabrics originating in the People's Republic of China and Egypt, rec, 115.

²⁵ Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China of the Purposes of Trade Defence Investigation, 2024, p. 384, accessible at [https://ec.europa.eu/transparency/documents-register/detail?ref=SWD\(2024\)91&lang=en](https://ec.europa.eu/transparency/documents-register/detail?ref=SWD(2024)91&lang=en)

²⁶ Shandong Provincial Department of Industry and Information Technology Document Lu Gongxin Chemical Industry [2021] No. 214 Shandong Provincial Department of Industry and Information Technology Notice on Issuing the "Shandong Province Steel Industry « 14th Five-Year Plan » Development Plan", 2021, at <http://qxt.shandong.gov.cn/module/download/downfile.jsp?classid=0&filename=1f79d908601e479f83707e67b133e347.pdf>

commercial banks have to "conduct their business of lending in accordance with the needs of the national economic and social development and under the guidance of the industrial policies of the State."²⁷ Further, SOBs have also been used as a vehicle for the GoC's industrial policies.²⁸

85. The regulatory axis refers to the GoC's intervention in public procurement and investment rules. In the PRC, public procurement rules favour domestic companies and discriminate against foreign bidders.²⁹ Pursuant to Article 9 of the Government Procurement Law ("**GPL**"), government procurement must facilitate the achievement of the GoC's policies for economic and social development.³⁰ The fact that procurement has to be in line with state policies leaves substantial discretion to the adjudicating authorities.³¹
86. The GoC's intervention in the steel industry has been systematically recognised as taking the form of various measures such as subsidies, research and development reductions, preferential loans and directed credit, raw material price controls, trade-distorting policies, government-steered energy markets, interventions in domestic and international logistics markets, support by financial institutions and preferential land-use policies.³²

4.2.1 The market of SSHR is served to a significant extent by enterprises that operate under the ownership, control of policy supervision or guidance of the authorities of the exporting country

4.2.1.1 Overall presence of the CCP and SOEs in the economy

87. The Chinese economy is characterised by a large number of SOEs, accounting for 60 per cent of the country's economy. SOEs realised 84.72 trillion yuan (€10.5 trillion) in operating revenues in 2024.³³ Additionally, although the IMF estimated in 2021 that Chinese SOEs "*accounted for some 39% of total industrial corporate assets and for about the same portion of corporate debt,*" it was reported that these data, which did not account for joint-ventures owned by both SOEs and private companies, "*were likely underestimated.*"³⁴

²⁷ Article 34 of the Commercial bank law, at http://www.npc.gov.cn/zgrdw/englishnpc/Law/2007-12/12/content_1383716.htm#:~:text=Article%201%20This%20Law%20is,sound%20operation%20of%20commercial%20banks

²⁸ IMF Report, Resolving China's Corporate Debt Problem, WP/16/203, October 2016, p.7, at <https://www.imf.org/external/pubs/ft/wp/2016/wp16203.pdf>

²⁹ Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China of the Purposes of Trade Defence Investigation, 2024, p. 193, accessible at [https://ec.europa.eu/transparency/documents-register/detail?ref=SWD\(2024\)91&lang=en](https://ec.europa.eu/transparency/documents-register/detail?ref=SWD(2024)91&lang=en)

³⁰ Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China of the Purposes of Trade Defence Investigation, 2024, p. 195, accessible at [https://ec.europa.eu/transparency/documents-register/detail?ref=SWD\(2024\)91&lang=en](https://ec.europa.eu/transparency/documents-register/detail?ref=SWD(2024)91&lang=en); see also Article 9 of the GPL, at http://www.npc.gov.cn/zgrdw/englishnpc/Law/2007-12/06/content_1382108.htm

³¹ Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China of the Purposes of Trade Defence Investigation, 2024, p. 195 [https://ec.europa.eu/transparency/documents-register/detail?ref=SWD\(2024\)91&lang=en](https://ec.europa.eu/transparency/documents-register/detail?ref=SWD(2024)91&lang=en).

³² 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>, pp. 14-15.

³³ *China's SOEs log revenue growth in 2024*. (2025, February 5). http://en.sasac.gov.cn/2025/02/05/c_18784.htm#:~:text=The%20SOEs%20raked%20in%2084.72,4.35%20trillion%20yuan%20in%202024.

³⁴ Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China of the Purposes of Trade Defence Investigation, 2024, p. 193, accessible at [https://ec.europa.eu/transparency/documents-register/detail?ref=SWD\(2024\)91&lang=en](https://ec.europa.eu/transparency/documents-register/detail?ref=SWD(2024)91&lang=en)

88. SOEs play a crucial role and are considered a pillar of the Chinese economy.³⁵ As pointed out by President Xi Jinping, *“upholding the Party’s leadership and strengthening Party building is the glorious tradition of China’s state-owned enterprises, the ‘root’ and ‘soul’ of state-owned enterprises, and the unique advantage of China’s state-owned enterprises.”*³⁶
89. The CCP plays an important role in SOEs; *“The GOC and the CCP maintain structures that ensure their continued influence over enterprises, and in particular State-owned enterprises.”*³⁷ SOEs implement Chinese economic policies with the CCP taking part in their operational decision-making. This occurs particularly through *“the rotation of cadres between government authorities and SOEs, through presence of party members on SOEs executive bodies and of party cells in companies [...], as well as through shaping the corporate structure of the SOE sector.”*³⁸ In return, SOEs enjoy preferential treatment, including shielding from competition and access to inputs and financial on preferential terms.³⁹
90. The State-owned Assets Supervision and Administration Commission (**“SASAC”**) supervises SOEs. It is regulated through the Interim Regulations on Supervision and Management of State-owned Assets of Enterprises⁴⁰ which are designed to *“establish a State-owned assets supervision and management system that suits the needs of socialist market economy, better run State-owned enterprises, push forward the strategic adjustment to the layout and structure of the State economy, develop and expand the State economy, and realize the preservation of and increase in the value of State-owned assets.”*⁴¹
91. The SASAC operates at both national and local levels and is placed under the direct management of the State Council.⁴² Under the leadership of the GoC and CCP, the SASAC emphasises the Party leadership over SOEs. During the 2024 State Council Information Office conferences, SASAC’s vice-chairman affirmed the commitment to strengthen SOEs and their alignment with Party goals in order to contribute to national rejuvenation.⁴³
92. The core objectives of former SOE reforms included the institutionalisation of the leadership role of the CCP,⁴⁴ as well as the strengthening of strategic SOEs with the aim of making such enterprises *“global champions to meet national strategies.”*⁴⁵ This facilitates the GoC’s efforts for *“exerting control and implementing development policies through the networks organized around the core*

³⁵ Qu Yongi & Jin Yue. (2024), The core function of state-owned enterprises in China’s economy, http://qjs.cssn.cn/kydt/kydt_kycq/202403/t20240328_5742792.shtml

³⁶ Qu Yongi & Jin Yue. (2024), The core function of state-owned enterprises in China’s economy, http://qjs.cssn.cn/kydt/kydt_kycq/202403/t20240328_5742792.shtml

³⁷ Regulation 2020/508, rec. 123

³⁸ Regulation 2020/508, rec. 123.

³⁹ Regulation 2020/508, rec. 123.

⁴⁰ Interim regulations on supervision and management. (2003, November 24). http://en.sasac.gov.cn/2003/11/24/c_118.htm

⁴¹ Interim regulations on supervision and management. (2003, November 24). http://en.sasac.gov.cn/2003/11/24/c_118.htm

⁴² About us. (n.d.). <http://en.sasac.gov.cn/aboutus.html>

⁴³ SCIO briefing on promoting high-quality development: State-owned Assets Supervision and Administration Commission of the State Council | english.scio.gov.cn. (n.d.). http://english.scio.gov.cn/pressroom/node_9008516.html

⁴⁴ W. Raphael Lam and Alfred Schipke (2017), International Monetary Fund, State-owned enterprise reform, p.319 <https://www.elibrary.imf.org/display/book/9781513539942/ch11.xml>

⁴⁵ W. Raphael Lam and Alfred Schipke (2017), International Monetary Fund, State-owned enterprise reform, p.320 <https://www.elibrary.imf.org/display/book/9781513539942/ch11.xml>

companies.”⁴⁶ The presence of SOEs remains pervasive and on the rise, despite a prima facie decrease in their number because SOEs have developed “*chain-like structures*” with companies sometimes owning as many as 200 subsidiaries, and these subsidiaries, in turn, have subsidiaries to as many as three levels further down, etc.⁴⁷ The network of SOEs thus covers the entire Chinese economy.⁴⁸

93. The SASAC also plays an important role in directing funds to strategic industries in the PRC. The SASAC facilitates the purchase of equity in SOEs by other SOEs, enabling it to “*shift funds to companies or industries that are deemed strategically important or would otherwise struggle under prevailing market conditions.*”⁴⁹
94. The GoC’s influence extends to the non-public sector of the economy, operating within the limits prescribed by law. Private companies constitute an important part of the socialist market economy and are often “*well-connected politically*”,⁵⁰ allowing them to access government contracts. Additionally, compliance with industrial policies being mandatory, it “*allows the CCP to direct and mobilize both state and non-state actors to achieve industrial targets.*”⁵¹

4.2.1.2 SOEs and State presence in the steel industry

95. The Chinese steel industry is largely controlled and influenced by the GoC. The sector is largely represented by SOEs, some of them ranked as part of the largest world’s producers.
96. Specifically, China Baowu Group Co. Ltd.⁵² was ranked as the world’s largest steel producer in 2023.⁵³ Other SOEs in the steel industry include:

⁴⁶ Commission Staff Working Document on Significant Distortions in the Economy of the People’s Republic of China of the Purposes of Trade Defence Investigation, 2024, p. 193, accessible at [https://ec.europa.eu/transparency/documents-register/detail?ref=SWD\(2024\)91&lang=en](https://ec.europa.eu/transparency/documents-register/detail?ref=SWD(2024)91&lang=en); citing Lin, L. and Milhaupt, C. (2013). We are the (National) Champions: Understanding the Mechanisms of State Capitalism in China? Stanford Law Review Vol. 65:697, p. 730, https://www.stanfordlawreview.org/wp-content/uploads/sites/3/2013/05/Lin_Milhaupt_65_Stan._L._Rev._697.pdf

⁴⁷ Commission Staff Working Document on Significant Distortions in the Economy of the People’s Republic of China of the Purposes of Trade Defence Investigation, 2024, p. 193, accessible at [https://ec.europa.eu/transparency/documents-register/detail?ref=SWD\(2024\)91&lang=en](https://ec.europa.eu/transparency/documents-register/detail?ref=SWD(2024)91&lang=en), citing H. YU, “Reform of State-owned Enterprises in China: The Chinese Communist Party Strikes Back”, *Asian Studies Review*, 2019, Vol. 43, No. 2, p. 341-342.

⁴⁸ Commission Staff Working Document on Significant Distortions in the Economy of the People’s Republic of China of the Purposes of Trade Defence Investigation, 2024, p. 193, accessible at [https://ec.europa.eu/transparency/documents-register/detail?ref=SWD\(2024\)91&lang=en](https://ec.europa.eu/transparency/documents-register/detail?ref=SWD(2024)91&lang=en), citing H. YU, “Reform of State-owned Enterprises in China: The Chinese Communist Party Strikes Back”, *Asian Studies Review*, 2019, Vol. 43, No. 2, p. 346.

⁴⁹ U.S. Trade Representative. (2024c). China’s targeting of the maritime, logistics, and shipbuilding sectors for dominance. In *Investigation Report*, p. 72 <https://ustr.gov/sites/default/files/enforcement/301Investigations/USTRReportChinaTargetingMaritime.pdf>; citing Jude Blanchette, Jonathan E. Hillman, Maesea McCalpin, and Mingda Qiu, HIDDEN HARBORS: CHINA’S STATE-BACKED SHIPPING INDUSTRY, CEN. FOR STRAT. & INT’L. STUDIES (Jul. 2020) (hereinafter HIDDEN HARBORS) at 5, <https://www.csis.org/analysis/hidden-harbors-chinas-state-backed-shipping-industry>

⁵⁰ OECD (2021). STATE-OWNED ENTERPRISES IN THE SHIPBUILDING SECTOR. In OECD SCIENCE, TECHNOLOGY AND INDUSTRY POLICY PAPERS., p.51. https://www.oecd.org/en/publications/state-owned-enterprises-in-the-shipbuilding-sector_5264c49c-en.html

⁵¹ U.S. Trade Representative. (2024). China’s targeting of the maritime, logistics, and shipbuilding sectors for dominance. In *Investigation Report*. <https://ustr.gov/sites/default/files/enforcement/301Investigations/USTRReportChinaTargetingMaritime.pdf>, p. 64.

⁵² *China Baowu Steel Group Corporation Limited*. (2021, March 5). Fitch Ratings. <https://www.fitchratings.com/research/corporate-finance/china-baowu-steel-group-corporation-limited-05-03-2021>

⁵³ worldsteel. (2024, June 25). *Top producers - Worldsteel.org*. worldsteel.org. <https://worldsteel.org/data/top-producers/>

- Shanxi Taiyuan Iron & Steel Co. Ltd. (TISCO), majority owned by Baowu;⁵⁴
- Anshan Iron & Steel Group Corporation (Ansteel Group);⁵⁵
- HBIS Group;⁵⁶
- Shandong Steel Group;⁵⁷
- Ansteel Lianzhong Stainless Steel (ALISCO),⁵⁸ under the State Council control through the SASAC;
- Jiuquan Iron and Steel Group Co., Ltd (JISCO),⁵⁹ which is 94.95% owned by the Guangsu Provincial People's Government of China;⁶⁰
- Guangxi Beigang New Materials Co., Ltd.⁶¹, wholly-owned by Guangxi Beibu Gulf International Port Group, a large scale SOE;⁶²
- Wuhan Iron and steel Group, wholly-owned by Baowu;⁶³
- Dongbei Special Steel Group Co., Ltd.,⁶⁴ owned by the Liaoning provincial government;⁶⁵
- Beihai Chengde Stainless Steel Group, a joint venture formed by Guangxi Beibu Gulf International Port Group and Guangdong Foshan Chengde Special Steel Co., Ltd.⁶⁶

97. The state's presence in the industry is further evidenced by the role of the China Iron and Steel Association ("**CISA**"), acting as *"a bridge between the government and enterprises and continuously improving the competitiveness of the Chinese steel industry in the domestic and overseas market."*⁶⁷ The Stainless Steel Council of the China Iron and Steel Association ("**CSSC**")⁶⁸ for its part *"organizes enterprises, institutions and social organizations related to the stainless steel industry to reflect the wishes and reasonable demands of members and the industry to the competent government departments, safeguard the legitimate rights and interests of members, and publicize relevant national policies, laws and regulations to members."*⁶⁹ As a national organisation, the association must adhere to the GoC's laws and regulations and, like the CISA of which it is part, acts a bridge between the government and its constituting members and enterprises in the stainless steel sector.⁷⁰

⁵⁴ History of TISCO | Taiyuan Iron & Steel Company Timeline. (n.d.). <https://www.steelonthenet.com/kb/history-tisco.html>

⁵⁵ Ansteel, about Ansteel (n.d.), [鞍钢集团网站](#)

⁵⁶ HBIS Group Co., Ltd. (2021, October 19). Fitch Ratings. <https://www.fitchratings.com/research/corporate-finance/hbis-group-co-ltd-19-10-2021>.

⁵⁷ Shandong Iron & Steel Group Co., Ltd., [关于山钢](#)

⁵⁸ Product-Product-Shandong Jiuzhou Hong Iron and Steel Co., LTD. (n.d.). https://www.zqzhsteel.com/product.html?qad_source=1&qad_campaignid=22554286045&qbraid=0AAAAA_mykgCoxrSFupdgqgv_uMr1BfDWpz&qclid=EAlaIqObChMI47C0w7qliQMVOpODBx3nTwDhEAAAYAAEgJVbPD_BwE

⁵⁹ JISCO JUDE. (2024, May 27). Home - JISCO JUDE. <https://jiscojude.com/>

⁶⁰ Fitch Ratings, 2019, Fitch Rates Jiuquan Iron & Steel's USD300 Million Notes Final 'BBB-', <https://www.fitchratings.com/research/corporate-finance/fitch-rates-jiuquan-iron-steel-usd300-million-notes-final-bbb-09-04-2019>

⁶¹ Guangxi Beibu Gulf New Materials. (n.d.). http://en.gxzf.gov.cn/2021-06/30/c_637780.htm

⁶² Beibu Gulf Port Group. (n.d.). http://en.qxzf.gov.cn/2018-08/21/c_264899.htm

⁶³ <https://www.wuqanggroup.cn/>

⁶⁴ Dongbei Special Steel Group Co. Ltd, <http://www.dtsteel.com/en>.

⁶⁵ Reuters, 2016, Dongbei Special Steel formally enters bankruptcy restructuring: Xinhua

⁶⁶ Huaxia Stainless Steel, Beihai Chengde Stainless Steel Group - huaxiao-ss.

⁶⁷ CISA. (n.d.). <http://english.chinaisa.org.cn/do/cn.org.chinaisa.view.Column.d?column=0>

⁶⁸ 中国钢铁工业协会不锈钢分会. (n.d.). <https://www.cssc.org.cn/page73>

⁶⁹ 中国钢铁工业协会不锈钢分会. (n.d.). <https://www.cssc.org.cn/page73>

⁷⁰ 中国钢铁工业协会不锈钢分会. (n.d.). <https://www.cssc.org.cn/page73>

98. China currently plans on restructuring its steel industry through output reduction with a view to resolving structural issues in the industry.⁷¹ The 14th FYP seeks to improve the steel production's sustainability and consumption, and to reduce the domestic steel capacity.⁷² Additionally, the 14th FYP on Raw Material Industry Development Plan also sets objectives for 2035, a year in which the PRC plans on dominating "raw materials R&D, production and application".⁷³
99. However, as highlighted in the OECD Steel Committee's recent conclusions, Chinese excess capacities are the product of the GoC's intervention in the economy in the form of non-market policies such as direct subsidies, tax breaks, below-market financing and preferential electricity pricing, enabling Chinese steel producers to expand capacities and continue exporting at low prices. Unless addressed, these interventions will "worsen steel excess capacity problems and trigger further trade disruptions for Steel Committee members going forward. Without policy adjustments in countries that are fuelling the excess capacity, or disincentives for them to export their surplus steel, global steel industry problems will intensify."⁷⁴ Announcements of capacity reductions have so far remained without any effects and capacities in China continue to increase, with removed capacities being replaced by larger ones.
100. The GoC's significant interventions in the stainless steel industry create abnormal market conditions as previously established by the Commission: "*there is a substantial government intervention in the PRC resulting in distortion of the effective allocation of resources in line with market principles. [...] In the steel sector [...] not only does a substantial degree of ownership by the GoC persist in the sense of Article 2(6a)(b) [...] but the GoC is also in a position to interfere with prices and costs through State presence in firms.*"⁷⁵
- 4.2.2 State presence in firms allowing the State to interfere with respect to prices or costs
- 4.2.2.1 State presence in SOEs
101. The GoC controls SOEs through its voting rights associated with its ownership of such enterprises. Consequently, the State is able to appoint and remove people in key positions.
102. Additionally, merger, division, dissolution, increase and reduction of capital decisions have to be approved by a state-authorised investment institution, or the department authorised by the state.⁷⁶ The SASAC's approval is granted when such decisions are found to be in line with government policies.⁷⁷ The SASAC actively encourages mergers and acquisitions among SOEs, emphasising a

⁷¹ A. Iv, L. Jackson, China announces plans for steel output cuts to help restructure industry, (March 2025), <https://www.reuters.com/markets/commodities/china-continue-crude-steel-output-cut-2025-2025-03-05/>

⁷² Xinhua News Agency, Beijing, 12 March, Outline of the 14th Five-Year Plan for National Economic and Social Development of the People's Republic of China and the Long-Term Objectives for 2035, https://www.gov.cn/xinwen/2021-03/13/content_5592681.htm.

⁷³ 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>, p. 14., citing Ministry of Industry and Information Technology, Ministry of Science and Technology and Ministry of Natural Resources. *The 14th Five-Year Plan for Raw Material Industry Development*, published on 21 December 2021, https://www.industry.gov.au/sites/default/files/adc/public-record/2025-02/non-confidential-attachment_c19c8_-_14th_five-year_plans_for_the_raw_materials_industry.pdf

⁷⁴ OECD, 2025, 97th Session of the Steel Committee: Statement by the Chair, <https://www.oecd.org/en/about/news/speech-statements/2025/04/97th-session-of-the-steel-committee-statement-by-the-chair.html>

⁷⁵ Regulation 2022/802, rec. 46.

⁷⁶ Article 66 of China's company law, http://www.npc.gov.cn/zqrdw/englishnpc/Law/2007-12/12/content_1383787.htm

⁷⁷ H. YU, "Reform of State-owned Enterprises in China: The Chinese Communist Party Strikes Back", *Asian Studies Review*, 2019, Vol. 43, No. 2, p. 337.

strategic approach pursuant to which the state strengthens its presence in key sectors and withdraws from others with the objective of advancing the Chinese economy.⁷⁸

103. For example, in 2016, it was suspected that the SASAC ordered the acquisition of Wuhan Iron and Steel Group by Baosteel Group.⁷⁹ A Baosteel official indicated that “*there [was] no market incentive for the two companies to do restructuring*”⁸⁰ at the time. Credit rating agencies declared that the merger was not in the interest of Baosteel as it would “*be credit negative*” for the company, therefore confirming that the acquisition served policy goals.⁸¹ More recently, in 2020, the SASAC decided that China Baowu would implement trusteeship for Sinosteel.⁸² Sinosteel consequently became a subsidiary of Baowu, with the objective “*to enhance Baowu’s global competitiveness across the industry chain*.”⁸³ In that same year, Baowu acquired a 51% stake in TISCO, making the state-owned giant the majority shareholder of TISCO. As a result of the takeover, “[t]he ultimate controller of the three companies will be the State-owned Assets Supervision and Administration Commission of the State Council (SASAC).”⁸⁴
104. The CCP also plays an active role in the SOEs daily operations by monitoring the company’s compliance with government policies, board’s members management and nominations, and by taking part in key decisions of the company. Pursuant to the regulations on the Work of Grassroots Organizations of SOEs of the CCP, Party members must hold key executive positions in SOEs such as Party Secretaries and Chairmen, ensuring the embedment of Party leadership in corporate governance structures.⁸⁵ The CCP’s control further extends to human resources as party

⁷⁸ Charltons. (2004). Mergers and acquisitions in China. In [www.charltonslaw.com](https://charltonslaw.com/media/information-and-insights/publications-and-presentations/Mergers-and-acquisitions-in-China-Mar2004.pdf) (p. 1). <https://charltonslaw.com/media/information-and-insights/publications-and-presentations/Mergers-and-acquisitions-in-China-Mar2004.pdf>

⁷⁹ *An arranged marriage in China’s steel industry troubled from the start* | *Asian Legal Business*. (2016, July 28). <https://china.legalbusinessonline.com/news/arranged-marriage-chinas-steel-industry-troubled-start/72879>

⁸⁰ *An arranged marriage in China’s steel industry troubled from the start* | *Asian Legal Business*. (2016b, July 28). <https://china.legalbusinessonline.com/news/arranged-marriage-chinas-steel-industry-troubled-start/72879>

⁸¹ *An arranged marriage in China’s steel industry troubled from the start* | *Asian Legal Business*. (2016b, July 28). <https://china.legalbusinessonline.com/news/arranged-marriage-chinas-steel-industry-troubled-start/72879>

⁸² Xinhua News Agency, 2022, China Baowu and Sinosteel Group were restructured, [China Baowu and Sinosteel Group implement restructuring](#) *Rolling News Chinese Government Network*

⁸³ Times, G. (n.d.). *China approves restructuring for Baowu, Sinosteel, accelerating consolidation*. Copyright 2021 by the Global Times. <https://www.globaltimes.cn/page/202212/1282341.shtml>

⁸⁴ Eurometal, “Baowu breaks 100m t/y barrier with Tisco acquisition”, August 20, 2020, <https://eurometal.net/baowu-breaks-100m-t-y-barrier-with-tisco-acquisition/>

⁸⁵ CSIS, The General Office of the Central Committee of the Chinese Communist Party Issues the Regulations on the Work of Grassroots Organizations of State-owned Enterprises of the Chinese Communist Party (for Trial Implementation), Central Committee of the CCP, Jan. 2020, <https://interpret.csis.org/translations/the-central-committee-of-the-communist-party-of-china-issues-the-regulations-on-the-work-of-grassroots-organizations-of-state-owned-enterprises-of-the-communist-party-of-china-for-trial-implementation/>

committees oversee personnel decisions,⁸⁶ maintain talent databases⁸⁷ and ensure appointments are in accordance with Party objectives.⁸⁸

105. President Xi Jinping emphasised that the Party's leadership is essential to the governance and reform of SOEs, calling it a fundamental political principle.⁸⁹ He further advocated for integrating Party leadership into every aspect of corporate governance, ensuring that SOEs uphold socialist principles while remaining competitive and efficient. This includes aligning Party committees with decision-making structures, embedding ideological and political guidance into operations, and maintaining the Party's role in leadership selection and oversight. The aim is to create a modern enterprise system with Chinese characteristics.⁹⁰
106. The GoC further educates SOEs on the CCP ideology. The National Development and Reform Commission ("**NDRC**") oversees strategic development plans, directly influencing corporate management and decision-making.⁹¹ These plans include the 14th FYP, emphasising adherence to CCP ideology and requiring companies to align with Party guidelines and strategic priorities. As stated in the 14th FYP, "[f]or economic and social development during the '14th Five-Year Plan' period, we must firmly grasp the following guiding ideologies, principles, and strategic orientations."⁹²
107. As such, through control over recruitment, decision-making and ideological training, the GoC and CCP oversee SOEs operations' compliance with state and Party policies, disconnecting costs and prices from normal market conditions.

4.2.2.2 State presence in private companies

108. The GoC's influence extends to private companies which must also comply with industrial plans. Under the CCP's Constitution and China's company law, private companies must also have party organisations at the grassroots level.⁹³

⁸⁶ CSIS, The General Office of the Central Committee of the Chinese Communist Party Issues the Regulations on the Work of Grassroots Organizations of State-owned Enterprises of the Chinese Communist Party (for Trial Implementation), Central Committee of the CCP, Jan. 2020, <https://interpret.csis.org/translations/the-central-committee-of-the-communist-party-of-china-issues-the-regulations-on-the-work-of-grassroots-organizations-of-state-owned-enterprises-of-the-communist-party-of-china-for-trial-implementation/>

⁸⁷ CSIS, The General Office of the CCP Central Committee Issued Opinions on Strengthening the United Front Work of the Private Economy in the New Era, Central Committee of the CCP, Sep. 2020, <https://interpret.csis.org/translations/the-general-office-of-the-ccp-central-committee-issued-the-opinion-on-strengthening-the-united-front-work-of-the-private-economy-in-the-new-era/>

⁸⁸ "The anatomy of Chinese capitalism: Sectoral variation in party-state permeation and corporate governance", May 2025, https://www.researchgate.net/publication/391459473_The_anatomy_of_Chinese_capitalism_Sectoral_variation_in_party-state_permeation_and_corporate_governance.

⁸⁹ 求是网. (n.d.). 完善党的领导和国有公司治理有机融合 - 求是网. 求是网. http://www.qstheory.cn/dukan/hqwq/2022-09/26/c_1129032660.htm

⁹⁰ 求是网. (n.d.). 完善党的领导和国有公司治理有机融合 - 求是网. 求是网. http://www.qstheory.cn/dukan/hqwq/2022-09/26/c_1129032660.htm

⁹¹ About NDRC - Main Functions of the NDRC, National Development and Reform Commission (NDRC) People's Republic of China, <https://en.ndrc.gov.cn/aboutndrc/mainfunctions/>

⁹² Georgetown University Center for Security and Emerging Technology, 'Translation: Outline of the People's Republic of China 14th Five-Year Plan for National Economic and Social Development and Long-Range Objectives for 2035', Article II, p.4, 13 May 2021, https://cset.georgetown.edu/wp-content/uploads/t0284_14th_Five_Year_Plan_EN.pdf.

⁹³ Constitution of the Chinese Communist Party (2022 Revision), Art. 30 (National Party Congress, amended 22 October 2022), <https://www.12371.cn/special/zqgcdzc/zqgcdzcqwl>. See also Company Law of the People's Republic of China (2023 Revision), Art. 18 (National People's Congress, amended 29 December 2023, effective 1 July 2024), https://www.gov.cn/yaowen/liebiao/202312/content_6923395.htm.

109. Since 2016, private companies have been encouraged to prioritise patriotism and allow CCP committees to make final decisions in company matters.⁹⁴ This has been further promoted through various laws, including the 2018 Code of Corporate Governance⁹⁵ and the 2020 Opinions on Strengthening United Front Work.⁹⁶ The 2020 opinions seek to “*thoroughly implement the major decisions and plans of the Party Central Committee, to further strengthen the leadership of the Party's united front work on the private economy, better the wisdom and strength of the private economy to achieve the goal of the great rejuvenation of the Chinese nation.*”⁹⁷ Furthermore, on 15 September 2020, the CCP Central Committee issued the Guidelines on Stepping Up United Front Work in the Private Sector for the New Era. This document reinforces the role and influence of Party committees within private enterprises.⁹⁸
110. Similar to SOEs, the CCP influences decision-making in private companies through human resources, but also through supervision mechanisms and trade unions. As explained by Ye Qing, the vice president of the All-China Federation of Industry and Commerce,⁹⁹ the concept of a “*modern enterprise system with Chinese characteristics*” involves doing a “*good job in three aspects, that is, to establish working mechanism for human resources under the leadership of the Party, a working mechanism for supervision and auditing under the leadership of the Party, and a working mechanism of the Party's leadership of trade unions*”.¹⁰⁰ In June 2024, President Xi Jinping stressed “*efforts to improve the modern corporate system with Chinese characteristics,*”¹⁰¹ confirming that the CCP's leadership remains a core element of the Chinese economy, including in private companies.
111. Since President Xi Jinping came to power in 2012, the CCP has systematically expanded its influence over China's private sector. President Xi Jinping described the party's foundation in private businesses as “weak” and emphasised the need to strengthen it. As a result, Party presence has grown significantly, with CCP cells established in almost all major private firms and Party involvement now playing a formal role in corporate governance. By 2017, nearly 75 per cent of private enterprises had an established CCP cell.¹⁰² By 2021, the CCP claimed it had achieved

⁹⁴ Regulation 2023/809. Footnote (21)

⁹⁵ Code of Corporate Governance for Listed Companies 2018, <https://www.ecgi.global/publications/codes/code-of-corporate-governance-for-listed-companies-2018>

⁹⁶ CSIS, The General Office of the CCP Central Committee Issued Opinions on Strengthening the United Front Work of the Private Economy in the New Era, Central Committee of the CCP, Sep. 2020, <https://interpret.csis.org/translations/the-general-office-of-the-ccp-central-committee-issued-the-opinion-on-strengthening-the-united-front-work-of-the-private-economy-in-the-new-era/>

⁹⁷ CSIS, The General Office of the CCP Central Committee Issued Opinions on Strengthening the United Front Work of the Private Economy in the New Era, Central Committee of the CCP, Sep. 2020, <https://interpret.csis.org/translations/the-general-office-of-the-ccp-central-committee-issued-the-opinion-on-strengthening-the-united-front-work-of-the-private-economy-in-the-new-era/>

⁹⁸ General Office of CCP Central Committee's Guidelines on stepping up the United Front work in the private sector for the new era, www.gov.cn/zhengce/2020-09/15/content_5543685.htm

⁹⁹ ACCIC LEADERS-All-China Federation of Industry & Commerce. (n.d.). https://www.chinachamber.org.cn/Leaders/mjsh/201712/t20171212_104085.html

¹⁰⁰ Ye Qing: Promote the organic integration of the Party's leadership system and the governance system of private enterprises, China Business Times, Sept. 2020, Ye Qing: Promote the organic integration of the party's leadership system and the governance system of private enterprises-All-China Federation of Industry and Commerce

¹⁰¹ Xi stresses improving modern corporate system with Chinese characteristics. (n.d.). https://www.idcpc.gov.cn/english2023/ttxw_5749/202406/t20240621_164313.html

¹⁰² Becker, J. (2024, September 6). *Fused Together: The Chinese Communist Party moves inside China's private sector.* <https://www.cna.org/our-media/indepth/2024/09/fused-together-the-chinese-communist-party-moves-inside-chinas-private-sector>

“complete coverage” of all 500 of China’s largest private firms.¹⁰³ Similar trends were observed in 2022, demonstrating the broad application of these rules across the Chinese economy.

112. The “double-hatting” practice, whereby individuals hold roles in both the Party and corporate structures, further advances the CCP’s control over businesses.¹⁰⁴ Party committees operate in more than 50 per cent of private firms and foreign companies in China, with the Party Secretary often having authority over executive appointments and board decisions.¹⁰⁵
113. Party presence is also clearly identified among producers and suppliers of the product under investigation.¹⁰⁶ For example, Lianyungang Huale Alloy Group Co. Ltd.,¹⁰⁷ a private Chinese metallurgical enterprise specialised in the production of stainless steel hot-rolled strips, counts a Party branch as part of its organisation.¹⁰⁸ It also displays strong party building dynamics. In 2024, “Huale Alloy Party Branch held a meeting to commemorate the 103rd anniversary of the founding of the Party and a party class on party discipline and education.”¹⁰⁹ Likewise, Anhui Fukai Special Material Co.,¹¹⁰ Jiangsu Xihu Special steel Group¹¹¹ and Shandong Taishan Iron and Steel Group,¹¹² all private Chinese producers of hot rolled stainless steel products, display party branches and party building activities.
114. Increasing the presence of CCP members in private companies remains a key objective of the GoC, as reiterated on the occasion of the “three new” party building work in 2024,¹¹³ a strategy of the CCP in the new era, enhancing the Party’s leadership and governance at the grassroots level while promoting high-quality economic and social development. In a similar manner to SOEs, private companies are advised to establish Party-led supervision mechanisms with disciplinary powers to regulate staff and enforce compliance with CCP policies.¹¹⁴
115. Furthermore, it has recently been widely recognised that the involvement of Party members in private companies, coupled with their alignment with government policies, blurs the boundaries between SOEs and private firms.¹¹⁵ Some private companies in the stainless steel industry even

¹⁰³ Becker, J. (2024, September 6). *Fused Together: The Chinese Communist Party moves inside China’s private sector*. <https://www.cna.org/our-media/indepth/2024/09/fused-together-the-chinese-communist-party-moves-inside-chinas-private-sector>

¹⁰⁴ C. Hamilton and M. Ohlberg, *Hidden Hand. How the Chinese Communist Party is Reshaping the World*, OneWorld, 2020, p. 18.

¹⁰⁵ Y.-Z Lian, *China, the Party-Corporate Complex*, Feb. 2017, *The New York Times*; C. Hamilton and M. Ohlberg, *Hidden Hand. How the Chinese Communist Party is Reshaping the World*, OneWorld, 2020, p. 96, [*Opinion | China, the Party-Corporate Complex - The New York Times*](#)

¹⁰⁶ USTR, Section 301 investigation Report on China’s Targeting of the Maritime, Logistics, and Shipbuilding Sectors for Dominance, p. 69. <https://www.reuters.com/article/us-china-congress-companies-idUSKCN1B40JU> ; <https://asia.nikkei.com/Business/Companies/China-s-companies-rewrite-rules-to-declare-Communist-Party-ties#:~:text=HONG%20KONG%20--%20China's%20Communist%20Party%20congress%20underlined%20fears%20that>

¹⁰⁷ Lianyungang Huale Alloy Group Co. Ltd, <http://www.hualehejin.com/>

¹⁰⁸ Lianyungang Huale Alloy Group Co., Ltd., group news, <http://www.hualehejin.com/jituanxinwen/187.html>

¹⁰⁹ Lianyungang Huale Alloy Group Co., Ltd., group news, <http://www.hualehejin.com/jituanxinwen/187.html>

¹¹⁰ Anhui Fukai special material Co. Ltd, news, <https://www.fukaitc.com/en/news/fkgy/94.html>

¹¹¹ Jiangsu Xihu Group, news centre, <http://www.jsxihu.com/id44656427.html>

¹¹² Shandong Taishan Iron and Steel Group, http://www.taishansteel.com.cn/about/about-center.htm?#about_center02

¹¹³ 在2024年“三新”党建工作示范培训班上的辅导报告-奋书文库. (n.d.). <https://www.fswk.com/articles/18279>

¹¹⁴ Ye Qing: Promote the organic integration of the Party’s leadership system and the governance system of private enterprises, *China Business Times*, Sept. 2020, [*Ye Qing: Promote the organic integration of the party’s leadership system and the governance system of private enterprises-All-China Federation of Industry and Commerce*](#)

¹¹⁵ Solano, L. (2025, January 13). *Chinese Firms, under the Thumb of the Communist Party - Diálogo Américas*. *Diálogo Américas*. <https://dialogo-americas.com/articles/chinese-firms-under-the-thumb-of-the-communist-party/>; see also U.S. Trade Representative.

explicitly report their adherence to the party's leadership. This is the case for Shandong Taishan Iron and Steel Group, which states that it adheres "to the original red heart"¹¹⁶ and qualifies itself as being led by the party.¹¹⁷

116. Therefore, as is the case for SOEs, the significant presence of the state in private companies allows it to exercise influence over costs and prices through personnel nominated in key positions, bound to implement government policies.
117. This interplay between the GoC and Chinese enterprises is evidenced in the stainless steel industry in which, for instance, the appointed Deputy Secretary of the CCP Committee was also nominated the President of TISCO by a decision from the Shanxi Province CCP Committee and Government.¹¹⁸ This ensures that government agencies have effective control over SOEs and solidifies the ties between the State and its enterprises.¹¹⁹ The fact that leaders of the largest private firms are not part of the cadre system does not mean that they are outside the Party system.¹²⁰

4.2.3 State presence in upstream companies

118. The GoC's heavy intervention also concerns upstream companies operating at the level of raw materials used as inputs in stainless steel.¹²¹ These raw materials essentially consist in aluminium, chromium, stainless steel scrap, iron ore and nickel.¹²² The steel's cost of production is highly-dependent on the cost of the raw materials with around 70% of production costs of steel in the PRC being made up of raw materials.¹²³ Nickel accounts for between 60% and 67% of the production cost of stainless steel, while chrome-based inputs account for between 18 to 20% of the cost of production¹²⁴ and molybdenum accounts for an average of 2% of the cost of production of stainless steel products.¹²⁵
119. These industries are marked by both SOEs and state-influenced companies; for example:

(2024). China's targeting of the maritime, logistics, and shipbuilding sectors for dominance. In *Investigation Report*. <https://ustr.gov/sites/default/files/enforcement/301Investigations/USTRRReportChinaTargetingMaritime.pdf>, p. 67.

¹¹⁶ Shandong Taishan Iron and Steel, http://www.taishansteel.com.cn/about/about-center.htm?#about_center01

¹¹⁷ Shandong Taishan Iron and Steel, http://www.taishansteel.com.cn/about/about-center.htm?#about_center01

¹¹⁸ MCI, "Gao Jianbing appointed as the President of TISCO", 12 October 2018 (available at: <https://metals-consulting.com/gaojianbingappointed-as-deputy-party-secretary-deputy-chairman-of-the-board-and-the-president-of-tisco/>).

¹¹⁹ 68 Asia Society, *New Report Assesses Corporate Governance in China's State-owned Enterprises*, 24 October 2018 (available at: <https://asiasociety.org/new-report-assesses-corporate-governance-chinas-state-owned-enterprises>).

¹²⁰ European Commission, China Report 2024, p. 126, https://policy.trade.ec.europa.eu/news/commission-updates-report-state-induced-distortions-chinas-economy-2024-04-10_en

¹²¹ European Commission, China Report 2024, p. 126, https://policy.trade.ec.europa.eu/news/commission-updates-report-state-induced-distortions-chinas-economy-2024-04-10_en

¹²² Regulation 2020/508, rec. 181.

¹²³ Regulation 2020/508, rec. 43.

¹²⁴ Trade Policy Hub & LSE Consulting. (2024). Research into market distortions in the steel sector. In The London School of Economics and Political Science, p.127, <https://www.lse.ac.uk/business/consulting/assets/documents/Research-into-Market-Distortions-in-the-Steel-Sector.pdf>

¹²⁵ *Stainless Steel Cost Inflated amid Still Rising LME Nickel | SMM.* (n.d.). https://news.metal.com/newscontent/101787030/Stainless-Steel-Cost-Inflated-amid-Still-Rising-LME-Nickel/?utm_

¹²⁶ *Stainless Steel 316L - 1.4404 Data Sheet - thyssenkrupp Materials (UK).* (n.d.). Materials UK. <https://www.thyssenkrupp-materials.co.uk/stainless-steel-316l-14404.html>

- China Baowu Steel Group Co. Ltd, produces steel, iron and aluminium and is “a state-owned enterprise directly administered by the central government, and most influential steel conglomerate in the world”;¹²⁶
 - Shanxi Taiyuan Iron & Steel Co. Ltd. (TISCO), “an integrated stainless steel business operation platform entity hold by China Baowu” producing iron ore, ferro-chromium¹²⁷ and stainless steel products;¹²⁸
 - Handan-Xingxing Mining,¹²⁹ with an annual production capacity of 10-20 million tonnes of iron ore and more than 5 million tonnes of iron concentrate;¹³⁰
 - Jinchuan Group Co. Ltd,¹³¹ one of Chinese top producers of nickel,¹³² whose chairman, board director and deputy general are all members of the CPC.¹³³ The company implements decisions and arrangements of the CPC central committee as well as the requirements of the Gansu Provincial Party Committee and Provincial Government;¹³⁴
 - Beihai Chengde Nickel Industry Company Limited, a wholly owned subsidiary of Guangxi Beibu Gulf International Port Group Co., Ltd.¹³⁵
120. The 14th FYP on Developing the Raw Material Industry sets out various measures supporting materials such as nickel and steel scrap, both used as inputs in the production of stainless steel. The plan seeks to strengthen leading raw material enterprises and, among others, to “Encourage financial institutions to provide comprehensive financial services to raw materials enterprises implementing mergers and reorganisation, transformation and upgrading in accordance with the principles of controllable risk and commercial sustainability.”¹³⁶
121. Achieving objectives set out in the plans implies significant state interventions. The 14th FYP is designed with the concept of the socialist market economy in mind and the “role of the CCP growing in importance.”¹³⁷ As explicitly stated in the Guangdong province’s 14th FYP, provinces must “adhere to the leadership of the Party,” as “Strengthening the overall leadership of the Party and leading economic and social development with development planning is an important way for the Party to

¹²⁶ China Baowu Steel Group Co. Ltd, Company profile, https://www.baowugroup.com/en/about/company_profile

¹²⁷ Taiyuan Iron & Steel Group, Resource and mining, <http://en.tisco.com.cn/ResourceMining/20151102094404836136.html>

¹²⁸ Taiyuan Iron & Steel Group, product overview, <http://en.tisco.com.cn/ProductOverview/20151102094125133132.html>

¹²⁹ Yuanqi, 2023, Special Report | Discussion on the Current Situation and Development of Domestic Iron Ore Industry, <http://index.web.zhaogang.com/info/3/87927/detail>

¹³⁰ Yuanqi, 2023, Special Report | Discussion on the Current Situation and Development of Domestic Iron Ore Industry, <http://index.web.zhaogang.com/info/3/87927/detail>

¹³¹ Jinchuan Group Co. Ltd, our leadership, http://en.jnmc.com/2022-06/21/c_770947.htm

¹³² 中国镍龙头公司排行榜 | 上海科赛斯特特种合金有限公司. (n.d.). <https://www.cocessalloys.com/news/585.html#section-0>

¹³³ Jinchuan Group Co. Ltd, our leadership, http://en.jnmc.com/2022-06/21/c_770947.htm

¹³⁴ Jinchuan Group Co. Ltd, Chairman's Message, Aug. 2023, http://en.jnmc.com/2023-08/17/c_911392.htm

¹³⁵ Shanghai Metals Market, [SMM Analysis] Beihai Chengde and Philippine CNC sign Nickel Mine Agreement to solve supply problem | SMM.

¹³⁶ 14th FYP on raw material development, https://wap.miit.gov.cn/zwgk/zcwj/wjfb/tz/art_2960538d19e34c66a5eb8d01b74cbb20.html

¹³⁷ Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China of the Purposes of Trade Defence Investigation, 2024, p. 193, accessible at [https://ec.europa.eu/transparency/documents-register/detail?ref=SWD\(2024\)91&lang=en](https://ec.europa.eu/transparency/documents-register/detail?ref=SWD(2024)91&lang=en)

govern the country and an important manifestation of the development model of socialism with Chinese characteristics."¹³⁸

122. Through its intervention in the raw material prices, the GoC allows the steel industry to enjoy abnormally low production costs. Further, the CCP's pervasive intervention and influence at all levels of society and over strategic orientations of the leads to the conclusion that the CCP's presence and influence is indistinguishable from that of the state. The primary objective of the economy is the pursuit of ideological and policy objectives rather than objectives of economic efficiency and the free allocation of resources, leading to deep distortions due to the GoC's powers allowing it to effectively control operational decision-making in SOEs.
- 4.2.4 Public policies or measures discriminating in favour of domestic suppliers or otherwise influencing free market forces
 - 4.2.4.1 Public policies or measures discriminating in favour of domestic suppliers
 - (a) The system of plans
123. The GoC has a comprehensive system of plans in place. The Five-Year-Plan ("FYP") system is designed with a funnel approach, both in terms of adopting and implementing authority: from central to local government, and in terms of sectors and industries concerned: from the Chinese economy as a whole, to various specific industries.
124. The plans *"often contain detailed quantitative and qualitative targets, including for production, domestic content and domestic and international market shares, and outline the non-market policies and practices China should use in achieving them. [...] national five-year plans and industry-specific plans are reinforced by overarching industrial plans that are longer term and seek alignment between and among industries to drive China's broader economic and geopolitical goals to achieve technological and industrial parity and then dominance relative to advanced economies. [...] The various targets in these plans are long-term and specify industry structure, industry scale, and the composition of supply chains."*¹³⁹ Chinese industries, whether SOEs or private, are strongly incentivised to align their activities with the priorities in the relevant plans as this results in favourable treatment by the government authorities, typically in terms of market access or financial support. The system of plans sets out the GoC's priorities and goals and determines the Chinese economy's direction.
125. The Chinese planning system results in resources being driven to sectors designated as strategic or otherwise politically important, rather than being allocated in line with market forces.¹⁴⁰ As an encouraged industry, the steel sector benefits from the GoC's support, resulting in artificially low costs and systematic overcapacities.

¹³⁸ Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China of the Purposes of Trade Defence Investigation, 2024, p. 96, accessible at [https://ec.europa.eu/transparency/documents-register/detail?ref=SWD\(2024\)91&lang=en](https://ec.europa.eu/transparency/documents-register/detail?ref=SWD(2024)91&lang=en)

¹³⁹ USTR, Section 301 investigation Report on China's Targeting of the Maritime, Logistics, and Shipbuilding Sectors for Dominance, pp 12-13. <https://www.reuters.com/article/us-china-congress-companies-idUSKCN1B40JU>

¹⁴⁰ AD TBR Expiry (Commission Implementing Regulation (EU) 2025/58 of 15 January 2025), rec. 146.; AD stainless steel tube and pipe butt-welding fittings (Commission Implementing Regulation (EU) 2023/809 of 13 April 2023) rec.123.

(b) The system of plans in the steel industry

126. The 14th FYP outlines the GoC's ambitions in relation to key industries. The steel industry as "*an important basic industry of the national economy, an important support for building a modern and powerful country, and an important field for realizing green and low-carbon development.*"¹⁴¹ China seeks to "*accelerate the construction of a manufacturing powerhouse*"¹⁴² and include objectives such as the transformation and upgrade of traditional industries along with promoting "*the optimization and structural adjustment of raw materials industries such as petrochemicals, steel, nonferrous metals.*"¹⁴³
127. The steel sector is further supported by the "Made in China 2025", aiming at establishing Chinese companies as worldwide leaders in 10 different strategic industries, including steel.¹⁴⁴ Pursuant to the action plan, SOBs distribute "*subsidies, low-interest loans and bonds, especially for small and medium-sized enterprises.*"¹⁴⁵ Such intervention by the GoC clearly negate the efficient allocation of resources by market forces and result in significant distortions across the Chinese economy, including its steel industry.¹⁴⁶
128. The Catalogue for Guiding Industry Restructuring, for its part, identifies the steel industry as an "encouraged industry"¹⁴⁷. Steel plays an important role "*in promoting economic and social development.*"¹⁴⁸ Encouraged industries are eligible to certain benefits including "*tax benefits, exemptions on import duties and [...] other favourable policies.*"¹⁴⁹ In this respect, the Applicant notes that "*each year the PRC's steel companies receive between ¥ [RMB] 200 million to 1 billion [approx. EUR 24 to 123 million] in grants from the central or local governments.*"¹⁵⁰
129. Various Chinese provinces followed suit with provincial plans supporting the steel sector. The Hebei Province measures to support the innovation and development of the steel industry¹⁵¹ provide that,

¹⁴¹ Trade Policy Hub & LSE Consulting. (2024). Research into market distortions in the steel sector. In *The London School of Economics and Political Science*, p.54. <https://www.lse.ac.uk/business/consulting/assets/documents/Research-into-Market-Distortions-in-the-Steel-Sector.pdf>; citing Ministry of Industry and Information Technology of the PRC (2022) 三部门关于促进钢铁工业高质量发展的指导意见 (Guiding Opinions of the Three Departments on Promoting the High-quality Development of the Iron and Steel Industry), Available at: https://www.miit.gov.cn/jgsj/ycls/qt/art/2022/art_368e1aae99704e9281a618dc73c046f7.html

¹⁴² Staff working document, 2024, Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China for the Purposes of Trade Defence Investigations, [https://ec.europa.eu/transparency/documents-register/detail?ref=SWD\(2024\)91&lang=en](https://ec.europa.eu/transparency/documents-register/detail?ref=SWD(2024)91&lang=en).

¹⁴³ Staff working document, 2024, Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China for the Purposes of Trade Defence Investigations, [https://ec.europa.eu/transparency/documents-register/detail?ref=SWD\(2024\)91&lang=en](https://ec.europa.eu/transparency/documents-register/detail?ref=SWD(2024)91&lang=en).

¹⁴⁴ Was made in China 2025 successful? (2025, May 5). <https://rhg.com/research/was-made-in-china-2025-successful/>

¹⁴⁵ ISDP, "Made in China 2025", June 2018 (available at: <https://isdp.eu/publication/made-china-2025/>).

¹⁴⁶ ISDP, "Made in China 2025", June 2018 (available at: <https://isdp.eu/publication/made-china-2025/>).

¹⁴⁷ Interesse, G. (2024, February 5). *China's 2024 Catalogue for Guiding Industry Restructuring*. China Briefing News. <https://www.china-briefing.com/news/chinas-2024-catalogue-for-guiding-industry-restructuring/>

¹⁴⁸ Interesse, G. (2024, February 5). *China's 2024 Catalogue for Guiding Industry Restructuring*. China Briefing News. <https://www.china-briefing.com/news/chinas-2024-catalogue-for-guiding-industry-restructuring/>

¹⁴⁹ Zhou, D. (2024, May 15). Encouraged industries for foreign investment China. MSA. <https://msadvisory.com/encouraged-industries-foreign-investment-china/>

¹⁵⁰ Trade Policy Hub & LSE Consulting. (2024). Research into market distortions in the steel sector. In *The London School of Economics and Political Science*, p.78, <https://www.lse.ac.uk/business/consulting/assets/documents/Research-into-Market-Distortions-in-the-Steel-Sector.pdf>

¹⁵¹ 薛尤嘉. (n.d.). 河北省人民政府办公厅关于印发河北省支持钢铁行业创新发展若干措施的通知. <https://gxt.hebei.gov.cn/hbgyhxxht/zcfq30/snzc/2025042121482010239/index.html>

“during the 14th Five-Year Plan period, subsidies will be given to steel enterprises that enjoy preferential policies for additional deductions of R&D expenses and meet the conditions in accordance with the regulations.”¹⁵² Additionally, steel enterprises “newly recognized as national technology innovation demonstration enterprises will be given 1 million yuan in financial support,”¹⁵³ and those recognised as “provincial-level manufacturing innovation centers” will benefit from a 3 million yuan reward.¹⁵⁴ VAT rebate rates for the export of several steel products like stainless steel, wire rod, hot rolled and cold rolled sheet have also been cancelled.¹⁵⁵

130. Other numerous policies have been adopted to promote the stainless steel industry.¹⁵⁶ These include, for instance, the 2024-2025 Energy Conservation and Carbon Reduction Action Plan, issued in 2024 seeking to strengthen the regulation of steel production capacity,¹⁵⁷ or China’s action plan released by China in March 2024, to promote large-scale equipment upgrades and consumer product trade-in programmes, aimed at supporting the construction of a number of industrial clusters for the deep processing of recycled resourced such as scrap steel.¹⁵⁸ As mentioned, the 14th FYP on Developing the Raw Material Industry, also reinforces the role of the GoC in the steel industry.

(c) In upstream industries

131. The 14th FYP for the Development of the Raw Materials Industry identifies the raw materials industry as “the foundation of the real economy.”¹⁵⁹ Given that this industry is “a fundamental industry and a key area for winning international competitive advantages, and is the main force for the reconstruction of the industrial base and the main battlefield for the green development of industry,”¹⁶⁰ the plan, setting goals for 2025 and 2035, was formulated to promote the development of the raw materials industry.¹⁶¹

¹⁵² 薛尤嘉. (n.d.). 河北省人民政府办公厅关于印发河北省支持钢铁行业创新发展若干措施的通知. <https://gxt.hebei.gov.cn/hbgqyhxxht/zcfg30/snzc/2025042121482010239/index.html>

¹⁵³ 薛尤嘉. (n.d.). 河北省人民政府办公厅关于印发河北省支持钢铁行业创新发展若干措施的通知. <https://gxt.hebei.gov.cn/hbgqyhxxht/zcfg30/snzc/2025042121482010239/index.html>

¹⁵⁴ 薛尤嘉. (n.d.). 河北省人民政府办公厅关于印发河北省支持钢铁行业创新发展若干措施的通知. <https://gxt.hebei.gov.cn/hbgqyhxxht/zcfg30/snzc/2025042121482010239/index.html>

¹⁵⁵ Trade Policy Hub & LSE Consulting. (2024). Research into market distortions in the steel sector. In *The London School of Economics and Political Science*, p.54. <https://www.lse.ac.uk/business/consulting/assets/documents/Research-into-Market-Distortions-in-the-Steel-Sector.pdf>; citing Beroe Inc. (2021, June 22). China Makes Policy Changes to Curtail Crude Steel Production: Beroe Inc. PR Newswire. <https://www.prnewswire.com/news-releases/china-makes-policy-changes-to-curtail-crude-steel-production-beroe-inc-301317109.html>

¹⁵⁶ 我国及部分省市不锈钢制品行业相关政策:加快推进钢铁产业转型升级_观研报告网. (n.d.-b). <https://www.chinabaogao.com/detail/710608.html>

¹⁵⁷ 我国及部分省市不锈钢制品行业相关政策:加快推进钢铁产业转型升级_观研报告网. (n.d.). <https://www.chinabaogao.com/detail/710608.html>

¹⁵⁸ 陈笛. (n.d.). China promotes large-scale equipment upgrades, trade-in of consumer goods to open up trillion-yuan market. https://english.www.gov.cn/policies/policywatch/202403/25/content_WS6600b411c6d0868f4e8e56a2.html

¹⁵⁹ 14th FYP on raw material development, https://wap.miit.gov.cn/zwgk/zcwj/wjfb/tz/art/2021/art_2960538d19e34c66a5eb8d01b74cbb20.html

¹⁶⁰ 14th FYP on raw material development, https://wap.miit.gov.cn/zwgk/zcwj/wjfb/tz/art/2021/art_2960538d19e34c66a5eb8d01b74cbb20.html

¹⁶¹ 14th FYP on raw material development, https://wap.miit.gov.cn/zwgk/zcwj/wjfb/tz/art/2021/art_2960538d19e34c66a5eb8d01b74cbb20.html

132. The plan targets raw materials such as iron ore, nickel and graphite,¹⁶² all of which are, in some way, used in the production process of the product concerned.¹⁶³ Specifically, the GoC *“increased its efforts to prospect for iron ore [...] and is actively carrying out deep and peripheral searches for minerals in existing mines”*¹⁶⁴ and established *“large-scale recycling bases and industrial agglomerations for scrap steel and [...] nickel, cobalt.”*¹⁶⁵ The plan further provides for the promotion of key technologies in the iron and steel industry,¹⁶⁶ as well as the research and development of new technologies in the non-ferrous metal industry,¹⁶⁷ which includes nickel. In addition, by setting key growth objectives, the plan steers more investment in the strategic and emerging industries which, in turn, creates opportunities *“for nickel in the forms of stainless steel.”*¹⁶⁸
133. Plans supporting raw materials used in the production of stainless steel products have also been established at provincial levels. For instance, the Gansu province issued a notice on issuing *“the development plan of new materials industry.”*¹⁶⁹ The plan sets objectives for 2030 and provides for the enhancement of *“iconic key industries”* including *“non-ferrous metal new materials”* as well as the steel sector.¹⁷⁰ It specifically calls for a focus on the research and development of *“nickel-based”* materials and the promotion of *“the extension and supplement of nonferrous metal new materials products, comprehensively build the nickel-copper-cobalt rolling deep processing industry chain, nickel-copper-cobalt powder industry chain, precious metal and rare metal industry chain and light metal industry chain, and create a nonferrous metal industry cluster of hundreds of billions.”*¹⁷¹
134. The Gansu province relies on leading companies, including the Jinchuan Group, to expand the production of nickel.¹⁷² The Jinchuan Nickel-Cobalt Project has very recently been implemented by China CITIC Financial Asset Management acting in accordance with the “20th National Congress of the Communist Party of China, the Third Plenary Session of the 20th Central Committee of the Communist Party of China, and the Central Financial Work Conference”, and thus, financing projects *“serving the real economy.”* *“[T]he Jinchuan Nickel-Cobalt Project, help[s] the leading enterprises in the national strategic resource nickel metal industry to become stronger and better, promot[es] the*

¹⁶² 14th FYP on raw material development, https://wap.miit.gov.cn/zwgk/zcwj/wjfb/tz/art/2021/art_2960538d19e34c66a5eb8d01b74cbb20.html

¹⁶³ Regulation 2020/508, table 1.

¹⁶⁴ 14th FYP on raw material development, p. 25, https://wap.miit.gov.cn/zwgk/zcwj/wjfb/tz/art/2021/art_2960538d19e34c66a5eb8d01b74cbb20.html

¹⁶⁵ 14th FYP on raw material development, p. 22, https://wap.miit.gov.cn/zwgk/zcwj/wjfb/tz/art/2021/art_2960538d19e34c66a5eb8d01b74cbb20.html

¹⁶⁶ 14th FYP on raw material development, p. 8, https://wap.miit.gov.cn/zwgk/zcwj/wjfb/tz/art/2021/art_2960538d19e34c66a5eb8d01b74cbb20.html

¹⁶⁷ 14th FYP on raw material development, p. 8, https://wap.miit.gov.cn/zwgk/zcwj/wjfb/tz/art/2021/art_2960538d19e34c66a5eb8d01b74cbb20.html

¹⁶⁸ D. Chen, Nickel Institute, 2021, What does China's 14th Five-year Plan mean for nickel ? <https://nickelinstitute.org/en/blog/2021%E5%B9%B4/june/what-does-china-s-14th-five-year-plan-mean-for-nickel/>

¹⁶⁹ Gansu Provincial Development and Reform Commission, 2023, Notice of the People's Government of Gansu Province on Issuing the Development Plan of New Materials Industry in Gansu Province, <https://fzgg.gansu.gov.cn/fzgg/c106087/202311/173800447.shtml>

¹⁷⁰ Gansu Provincial Development and Reform Commission, 2023, Notice of the People's Government of Gansu Province on Issuing the Development Plan of New Materials Industry in Gansu Province, <https://fzgg.gansu.gov.cn/fzgg/c106087/202311/173800447.shtml>

¹⁷¹ Gansu Provincial Development and Reform Commission, 2023, Notice of the People's Government of Gansu Province on Issuing the Development Plan of New Materials Industry in Gansu Province, <https://fzgg.gansu.gov.cn/fzgg/c106087/202311/173800447.shtml>

¹⁷² Gansu Provincial Development and Reform Commission, 2023, Notice of the People's Government of Gansu Province on Issuing the Development Plan of New Materials Industry in Gansu Province, <https://fzgg.gansu.gov.cn/fzgg/c106087/202311/173800447.shtml>

upgrading and transformation of traditional industries, actively supporting the operation and development of enterprises, and contribut[es] to the high-quality development of the local economy.”¹⁷³

135. Similarly, the Hebei province, ranked as the “*largest steel center in China*” in 2023,¹⁷⁴ reported actions in support of iron ore resources as part of its development priorities for the 14th FYP.¹⁷⁵ The plan provides for the development and use of iron ore sources in the province, the encouragement of the establishment of iron ore production bases overseas by steel companies, the expansion of scrap steel recycling and circulation channels, the strengthening of scrap steel screening and classification and the improvement of scrap steel processing technology.¹⁷⁶

4.2.4.2 Public policies or measures otherwise affecting free market forces

(a) Purchase price of raw materials

136. The GoC provides for numerous measures with a distortive effect on the steel industry such as cash grants and capital infusion, land-use subsidies, raw material price controls through tax exemptions, reductions and credits, benefits for the purchase of domestic inputs and equipment and subsidies for steel industry employment.¹⁷⁷ The GoC also adopted cancelled an import ban on steel scrap¹⁷⁸ as well as import tariffs for crude steel, pig iron, recycled steel raw materials, ferrochrome, and other products.¹⁷⁹ Such measures are demonstrative of the GoC’s significant intervention in the industry.
137. The Commission already found that the GoC directly intervened in the price-setting of raw materials used in the production of SSHR.¹⁸⁰ It further concluded that the steel market is distorted because of the systematic and significant intervention of the GoC with regards to raw materials, and nickel in

¹⁷³ China CITIC Financial Assets Management Co., Ltd, 2025, Company news, China CITIC Financial Assets: Improving the quality and efficiency of services to the real economy and helping leading nickel and cobalt companies to become better and stronger, <https://www.famc.citic/big5/m/hrxw/hrxw/2025/91063.shtml>.

¹⁷⁴ Колисниченко, В. (2023, August 31). Metallurgists of the Chinese province of Hebei produced 135.8 million tons of steel in January-July. *GMK*. <https://gmk.center/en/news/metallurgists-of-the-chinese-province-of-hebei-produced-135-8-million-tons-of-steel-in-january-july/>

¹⁷⁵ Csteelnews, 2022, The latest major layout of Hebei Province’s steel industry, http://www.csteelnews.com/xwzx/jrrd/202203/t20220302_60371.html

¹⁷⁶ Csteelnews, 2022, The latest major layout of Hebei Province’s steel industry, http://www.csteelnews.com/xwzx/jrrd/202203/t20220302_60371.html

¹⁷⁷ Trade Policy Hub & LSE Consulting. (2024). Research into market distortions in the steel sector. In *The London School of Economics and Political Science*, p.79, <https://www.lse.ac.uk/business/consulting/assets/documents/Research-into-Market-Distortions-in-the-Steel-Sector.pdf>

¹⁷⁸ Trade Policy Hub & LSE Consulting. (2024). Research into market distortions in the steel sector. In *The London School of Economics and Political Science*, p.55, <https://www.lse.ac.uk/business/consulting/assets/documents/Research-into-Market-Distortions-in-the-Steel-Sector.pdf>; citing Ministry of Ecology and Environment of the PRC (2020) 关于规范再生钢铁原料进口管理有关事项的公告 (Announcement on Matters Concerning Regulating the Import Management of Recycled Iron and Steel Raw Materials), Available at: https://www.mee.gov.cn/xxgk/xxgk/xxgk01/202012/t20201231_815744.html

¹⁷⁹ Trade Policy Hub & LSE Consulting. (2024). Research into market distortions in the steel sector. In *The London School of Economics and Political Science*, p.55, <https://www.lse.ac.uk/business/consulting/assets/documents/Research-into-Market-Distortions-in-the-Steel-Sector.pdf>; citing 119PR Newswire (2021) PRC Makes Policy Changes to Curtail Crude Steel Production: Beroe Inc., Available at: <https://www.prnewswire.com/news-releases/PRC-makes-policy-changes-to-curtail-crude-steel-production-beroe-inc-301317109.html>

¹⁸⁰ Regulation2020/508, rec. 125.

particular.¹⁸¹ The Commission further stated that “*the government interventions described in relation to the allocation of capital, land, labour, energy and raw materials are present throughout the PRC. This means, for instance, that an input produced in the PRC by combining a range of factors of production is exposed to significant distortions. The same applies for the input to the input and so forth.*”¹⁸²

138. The combination of a system of plans regulating all aspects of the economy in the PRC and imposing specific targets to Chinese producers of steel products, with various measures influencing both the import and export of steel, means the GoC is able to materially affect stainless steel raw materials prices.¹⁸³ Measures include production targets, export restrictions, price setting, stockpiling, and investment controls. These mechanisms form part of a series of national, sectoral, and local plans regulating a large part of the Chinese economic activity. By setting minimum or maximum production levels and restricting new investments, the GoC can increase or decrease the domestic supply of raw materials, all of which directly influence prices.¹⁸⁴
139. In the steel industry, these instruments allow the GoC to control the cost of stainless steel raw materials such as iron ore and nickel.¹⁸⁵ Indeed, the costs of raw materials such as chromium and iron ore “*are not the result of free market forces because they are affected by substantial government intervention within the meaning of Article 2(6a)(b) of the basic AS Regulation.*”¹⁸⁶ The same conclusion was also recently reaffirmed regarding iron ore.¹⁸⁷
140. Distortions in the steel sector has been reported by other foreign authorities, including the Australian government, which found distortions in key raw materials used in the production of hot rolled steel plate from China as having an impact on the price of steel products.¹⁸⁸ The cost of raw materials was found to be distorted for coke, coking coal, iron ore and scrap metal in particular. The Indian DG Trade Remedies also found in its final findings in SSHR and SSCR various measures and programmes directed at raw materials, including nickel and chromium, as well as preferential financing, in the form of countervailable subsidies with a direct impact on costs of production for SSHR.¹⁸⁹
141. Furthermore, in 2022, the PRC created the China Mineral Resources Group,¹⁹⁰ an SOE, to centralise the purchase of raw materials, more particularly iron ore, with the objective of lowering prices for the input.¹⁹¹ The SOE aims at becoming the sole importer of iron ore for China's steel industry which

¹⁸¹ Regulation 2020/508, rec. 132.

¹⁸² Regulation 2020/508, rec. 157.

¹⁸³ Staff Working Commission, 2024, [https://ec.europa.eu/transparency/documents-register/detail?ref=SWD\(2024\)91&lang=en](https://ec.europa.eu/transparency/documents-register/detail?ref=SWD(2024)91&lang=en)

¹⁸⁴ Staff Working Commission, 2024, [https://ec.europa.eu/transparency/documents-register/detail?ref=SWD\(2024\)91&lang=en](https://ec.europa.eu/transparency/documents-register/detail?ref=SWD(2024)91&lang=en)

¹⁸⁵ Staff Working Commission, 2024, [https://ec.europa.eu/transparency/documents-register/detail?ref=SWD\(2024\)91&lang=en](https://ec.europa.eu/transparency/documents-register/detail?ref=SWD(2024)91&lang=en)

¹⁸⁶ Regulation (EU) 2022/802, rec. 75.

¹⁸⁷ REGULATION (EU) 2023/968

¹⁸⁸ Australian Anti-dumping Commission: Report No. 198: *Dumping of Hot Rolled Plate Steel Exported from The People's Republic of China, Republic of Indonesia, Japan, The Republic of Korea and Taiwan, and Subsidisation of Hot Rolled Plate Steel Exported from The People's Republic of China*, September 2013, <https://www.industry.gov.au/anti-dumping-commission/archive-cases-and-electronic-public-record-epr/epr-198>.

¹⁸⁹ [Certain Hot Rolled and Cold Rolled flat products of stainless steel | Directorate General of Trade Remedies, MOCI, GOI](#)

¹⁹⁰ Alfred Cang (2022) How and Why PRC Is Centralizing Its Billion-Ton Iron Ore Trade, Available at: https://www.washingtonpost.com/business/energy/how-and-why-PRC-is-centralizing-its-billion-ton-iron-ore-trade/2022/07/24/7d9fdbee-0bb4-11ed-88e8-c58dc3dbaee2_story.html

¹⁹¹ Trade Policy Hub & LSE Consulting. (2024). Research into market distortions in the steel sector. In *The London School of Economics and Political Science*, p.126, <https://www.lse.ac.uk/business/consulting/assets/documents/Research-into-Market->

absorbs about 70% of global production. This is in line with the GoC's strategy to increase domestic production and invest in overseas mines.¹⁹²

142. The GoC further provides subsidies for utilities,¹⁹³ allowing companies to use cheap electricity. The GoC applies three-tiered electricity pricing whereby industries falling in the encouraged sectors are eligible for a basic electricity rate, as compared to higher rates for sectors falling in the outdated or prohibited sectors.¹⁹⁴ This continued practice led the Commission to conclude that these input costs were influenced by the GoC's intervention.¹⁹⁵
143. These measures are still applied by the GoC and the conclusion that the *"GoC has measures in place to induce operators to comply with the public policy objectives of supporting encouraged industries, including the production of SSHR, as part of the encouraged steel sector"*¹⁹⁶ which impede market forces from operating normally remains applicable.

(b) Selling price of steel products

144. As evidenced above, the GoC influences the prices of steel products by controlling raw materials prices¹⁹⁷ and pushing them down through a plethora of measures adopted by the GoC.¹⁹⁸ Such measures include tax exemptions, reductions and credits.¹⁹⁹ By controlling raw material prices, the GoC is able to control the price of SSHR products.
145. The Commission has recently and systematically confirmed the GoC's ability of interfering with steel product prices.²⁰⁰ The steel sector is an encouraged industry, so the government is more inclined to invest and provide financial support to stainless steel producers. For example, it was recently reported that *"to effectively improve the utilization rate of Xinjinhui's important raw materials, maintain the stability of product quality, reduce production costs, and meet the ever-evolving needs*

Distortions-in-the-Steel-Sector.pdf ; see also Reuters, Dec. 2022, China's new state-run agency to start iron ore purchases, <https://www.reuters.com/markets/commodities/chinas-new-state-run-agency-start-iron-ore-purchases-bloomberg-news-2022-12-16/>.

¹⁹² China establishes mineral resources group to centralise iron ore purchasing | Clayton Utz. (n.d.). <https://www.claytonutz.com/insights/2022/august/china-establishes-mineral-resources-group-to-centralise-iron-ore-purchasing>

¹⁹³ Trade Policy Hub & LSE Consulting. (2024). Research into market distortions in the steel sector. In *The London School of Economics and Political Science*, p.78, <https://www.lse.ac.uk/business/consulting/assets/documents/Research-into-Market-Distortions-in-the-Steel-Sector.pdf>

¹⁹⁴ European Commission, China Report 2024, p. 272, https://policy.trade.ec.europa.eu/news/commission-updates-report-state-induced-distortions-chinas-economy-2024-04-10_en.

¹⁹⁵ Regulation 2020/508, rec. 157.

¹⁹⁶ Regulation 2020/508, rec. 138.

¹⁹⁷ Trade Policy Hub & LSE Consulting. (2024). Research into market distortions in the steel sector. In *The London School of Economics and Political Science*, p.78, <https://www.lse.ac.uk/business/consulting/assets/documents/Research-into-Market-Distortions-in-the-Steel-Sector.pdf>.

¹⁹⁸ Reuters (2021) Chinese regulator tells businesses to set commodity prices 'reasonably', Available at: <https://www.reuters.com/article/china-commodities-regulator-idUSL4N2QC2NH> . Steel Industry Coalition (2016) Report on Market Research into the Peoples Republic of PRC Steel Industry Part 1, Available at: <https://www.steel.org/wp-content/uploads/2020/11/Steel-Industry-Coalition-Full-Final-Report-06302016.pdf> , p.24; see also Reuters (2021) China intervenes to manage commodity prices, Available at: <https://www.reuters.com/world/china/china-intervenes-manage-commodity-prices-2021-08-04/>

¹⁹⁹ Trade Policy Hub & LSE Consulting. (2024). Research into market distortions in the steel sector. In *The London School of Economics and Political Science*, p.78, <https://www.lse.ac.uk/business/consulting/assets/documents/Research-into-Market-Distortions-in-the-Steel-Sector.pdf>; see also Steel Industry Coalition (2016) Report on Market Research into the Peoples Republic of PRC Steel Industry Part 1, Available at: <https://www.steel.org/wp-content/uploads/2020/11/Steel-Industry-Coalition-Full-Final-Report-06302016.pdf> , p.24.

²⁰⁰ Regulation EU 2024/1345, rec. 46.

of steel technology and equipment,”²⁰¹ the government of Xinjinhui “plans to invest 112.7 million yuan to build a short-process recycled stainless steel process optimization project, and to build two sets of 35t alloy melting furnaces (1 for use and 1 for backup), which will greatly increase the proportion of high-quality stainless steel and special alloy steel.”²⁰²

146. Additionally, stainless steel producers benefit from adjustment proposals allowing to reduce operating costs. Such is the case for Shanxi Taigang Stainless Steel Co., Ltd., which recently approved a “Proposal on Adjusting Some Organizations and Functions, in order to reduce operating costs, improve management efficiency, further integrate steelmaking resources, and continuously enhance comprehensive competitiveness.”²⁰³

(c) Artificial creation of outlets

147. Initiatives such as the Belt and Road Initiative (“BRI”), encourage companies to extend their industrial chains and conduct transnational mergers, acquisitions and investments. The BRI has led Chinese steel companies to invest in mills in various parts of the world.²⁰⁴ The stainless steel industry also benefited from the initiative, as a result of Chinese “private” or state-owned steel production’s expansion in third countries, notably in Indonesia, as amply evidenced in the Commission’s own findings on SSCR from Indonesia.²⁰⁵
148. Several Chinese steel companies participate in the BRI, increasing their capacity and competitiveness.²⁰⁶ Shanxi Taigang Stainless Steel Co., Ltd.²⁰⁷ has been actively involved in the initiative as it “adjusted its export layout based on the “Belt and Road” initiative, intervened in advance in the entire process of infrastructure upgrading and renovation and major engineering project construction in countries and regions along the route, strengthened the construction of a full range of business chains from product design to technical services, and rapidly expanded its market share.”²⁰⁸ In its 2024 semi-annual report, the company further stated it “vigorously expanded the overseas market for high value-added products, such as wide hot-rolled and cold-rolled, ultra-pure, dual-phase heat-resistant, nickel-based. The export of alloy, pipeline steel and other products showed strong momentum, and the sales volume in the markets along the “Belt and Road” increased significantly year-on-year.”²⁰⁹

²⁰¹ 河南鑫金汇开启不锈钢工艺优化项目改造. (n.d.). https://www.cssc.org.cn/page90?article_id=8086.

²⁰² 河南鑫金汇开启不锈钢工艺优化项目改造. (n.d.). https://www.cssc.org.cn/page90?article_id=8086.

²⁰³ The board of directors of TISCO Stainless Steel reviewed and approved the proposal on adjusting some institutions and functions and other proposals, https://www.cssc.org.cn/page90?article_id=8068

²⁰⁴ Studies, C. C. F. C. (2024, July 17). What is China’s new strategy for steel production and export, and should India be concerned? ; by Deeptha Vasa. C3S India. <https://www.c3sindia.org/post/what-is-china-s-new-strategy-for-steel-production-and-export-and-should-india-be-concerned-by-de>

²⁰⁵ Burns, S. (2024, 1 February). Steel Market Update Column: US trade laws must be upgraded to address China’s Belt and Road Initiative. American Iron and Steel Institute. <https://www.steel.org/2024/01/steel-market-update-column-us-trade-laws-must-be-upgraded-to-address-chinas-belt-and-road-initiative/>

²⁰⁶ Studies, C. C. F. C. (2024, 17 July). What is China’s new strategy for steel production and export, and should India be concerned? ; by Deeptha Vasa. C3S India. <https://www.c3sindia.org/post/what-is-china-s-new-strategy-for-steel-production-and-export-and-should-india-be-concerned-by-de>

²⁰⁷ TISCO Stainless steel, <https://www.tiscosteel.com/>

²⁰⁸ China Association of Listed Companies (2022), TISCO Stainless Steel : Supporting the construction of the “Belt and Road” and helping the brand’s international journey, https://www.capco.org.cn/qjhz/ydyj/202209/20220927/j_2022092709304300016758393067844397.html.

²⁰⁹ TISCO Stainless Steel : 2024 Semi-annual report, <https://q.stock.sohu.com/cn,qq.000825,10666799279.shtml>

149. Other Chinese stainless steel companies have invested in steel mills in BRI countries, including through mergers and acquisitions or subsidiaries.²¹⁰ Overall, Chinese steel companies planned on building overseas plants in 20 different countries.²¹¹ The following investments have been reported:

- Hesteel Group has built two mines in South Africa,²¹²
- Boawu, the Saudi Arabian National Oil Company and the Public Investment fund signed a shareholder's agreement to build an integrated steel manufacturing plant in Saudi Arabia,²¹³
- Puyand Iron and Steel Group plans on building an annual production of 600,000 tonnes of nickel-iron in Indonesia.²¹⁴
- Other investments also include Chinese steel companies investments in production capacities and upstream projects such as
 - a nickel mine in Myanmar, where initial investment was agreed upon in 2008 and further solidified in 2010, totalling \$800 to \$870 million, with operations scheduled from 2011 to 2031,²¹⁵
 - a ferrochrome plant, a stainless steel and a silicomanganese plant in South Africa in 2019, with a \$10 billion investment led by Chinese state-owned companies,²¹⁶
 - a stainless steel plant in Malaysia in the Malaysia-China Kuantan Industry Park, opened in 2013.²¹⁷
- Tsingshan Holding group – the most emblematic Chinese stainless steel investments related to the BRI in Indonesia and one of the targets of this application – also made recent investments in Zimbabwe,²¹⁸ in addition to its previous investments in steel, ferrochrome, coking coal and lithium mining businesses in South Africa.²¹⁹

The Applicant recalls that Tsingshan has made substantial investments in Indonesia. Since 2014, the company has significantly contributed to the Morowali Industrial Park, a vast industrial zone in Central Sulawesi focused on producing NPI, ferrochrome, and stainless

²¹⁰ Studies, C. C. F. C. (2024, 17 July). What is China's new strategy for steel production and export, and should India be concerned? ; by Deeptha Vasa. C3S India. <https://www.c3sindia.org/post/what-is-china-s-new-strategy-for-steel-production-and-export-and-should-india-be-concerned-by-de>

²¹¹ CHINA INDUSTRY UNION BEIJING CORP. (n.d.). <http://www.ciuc.com.cn/Chinese-steel-companies-building-oversea>

²¹² CHINA INDUSTRY UNION BEIJING CORP. (n.d.). <http://www.ciuc.com.cn/Chinese-steel-companies-building-oversea>

²¹³ Saudi Aramco. (2023, 1 May). Saudi Aramco. <https://www.aramco.com/en/news-media/news/2023/aramco-baosteel-and-pif-sign-agreement>

²¹⁴ Saudi Aramco. (2023, 1 May). Saudi Aramco. <https://www.aramco.com/en/news-media/news/2023/aramco-baosteel-and-pif-sign-agreement>

²¹⁵ Stainless Steel World Publisher (August 2010), Tagaung Taung nickel project in Myanmar, <https://stainless-steel-world.net/tagaung-taung-nickel-project-in-myanmar/>

²¹⁶ Khaleej Times, China investors to build \$10B metallurgical complex in South Africa, July, 27, 2018, https://www.khaleejtimes.com/world/china-investors-to-build-10b-metallurgical-complex-in-south-africa?utm_

²¹⁷ China Daily, "Chinese investors boost growth in Malaysia", April 14, 2025, <https://www.chinadaily.com.cn/a/202504/16/WS67feec60a3104d9fd381f802.html>

²¹⁸ P. Bulawayo, Reuters (2024), China's Tsingshan \$1 bln steel plant in Zimbabwe starts production, <https://www.reuters.com/markets/commodities/chinas-tsingshan-1-bln-steel-plant-zimbabwe-starts-production-2024-06-20/>

²¹⁹ P. Bulawayo, Reuters (2024), China's Tsingshan \$1 bln steel plant in Zimbabwe starts production, <https://www.reuters.com/markets/commodities/chinas-tsingshan-1-bln-steel-plant-zimbabwe-starts-production-2024-06-20/>

steel.²²⁰ Tsingshan further expanded its Indonesian presence by engaging in the development of the Indonesia Weda Bay Industrial Park since 2017, which emphasises nickel and ferronickel production.²²¹

150. All of the above demonstrate the active steps taken by Chinese steel companies to expand in the global market, in line with state intervention measures.
151. Driven by the BRI, the GoC has also invested in transport infrastructure and the global expansion of Chinese companies. The Eurasian Land Bridge *“links the PRC with Europe through dozens of railways which help companies export their products from the PRC and which are intensely subsidized by the Chinese government in order to compete with maritime shipping.”*²²² Subsidies are granted by the GoC to railways operators, reducing the costs of transportation services. This, in turn, benefits the steel industry, as this *“directly contributes to costs reductions in extraction industries”*²²³ leading to *“lower prices than market prices for input.”*²²⁴
152. Additionally, in the last thirty years, China has built up its maritime and logistics industry to facilitate the export of products manufactured in China.²²⁵ Between 2010 and 2018, China provided approximately \$132 billion in support to the shipping and shipbuilding industry, including \$127 billion in bank financing and \$5 billion in direct subsidies.²²⁶ Of this total, China provided \$5 billion in subsidies and its SOBs provided \$127 billion in financing to the shipping and shipbuilding sectors.²²⁷
153. The vast majority of maritime companies in China are SOEs, over which the GoC exercises meaningful control by controlling personnel appointment as well as their commercial behaviour, thus ensuring alignment with industrial policies and targets.²²⁸ The GoC further supports maritime shipping and export logistics industries themselves being qualified as encouraged industries under decision No. 40. As such, the GoC support to the Chinese shipping industry include (1) state financing, such as reduction of the costs of borrowing, equity infusions, lending and leasing

²²⁰ Carnegie endowment for International peace, “How Indonesia Used Chinese Industrial Investments to Turn Nickel into the New Gold”, 11 April 2023, <https://carnegieendowment.org/research/2023/04/how-indonesia-used-chinese-industrial-investments-to-turn-nickel-into-the-new-gold?lang=en>

²²¹ Eternal Tsingshan Group Co, LTD, Website, [Eternal Tsingshan Group Co., Ltd.](#) ; Commission Implementing Regulation (EU) 2020/1408 of 6 October 2020 imposing a definitive anti-dumping duty and definitively collecting the provisional duty imposed on imports of certain hot rolled stainless steel sheets and coils originating in Indonesia, the People’s Republic of China and Taiwan.

²²² Trade Policy Hub & LSE Consulting. (2024). Research into market distortions in the steel sector. In *The London School of Economics and Political Science*, p.130, <https://www.lse.ac.uk/business/consulting/assets/documents/Research-into-Market-Distortions-in-the-Steel-Sector.pdf>;

²²³ Trade Policy Hub & LSE Consulting. (2024). Research into market distortions in the steel sector. In *The London School of Economics and Political Science*, p.130, <https://www.lse.ac.uk/business/consulting/assets/documents/Research-into-Market-Distortions-in-the-Steel-Sector.pdf>;

²²⁴ Trade Policy Hub & LSE Consulting. (2024). Research into market distortions in the steel sector. In *The London School of Economics and Political Science*, p.130, <https://www.lse.ac.uk/business/consulting/assets/documents/Research-into-Market-Distortions-in-the-Steel-Sector.pdf>;

²²⁵ U.S. Trade Representative. (2024b). China’s targeting of the maritime, logistics, and shipbuilding sectors for dominance. In *Investigation Report*. <https://ustr.gov/sites/default/files/enforcement/301Investigations/USTRReportChinaTargetingMaritime.pdf>

²²⁶ U.S. Trade Representative. (2024b). China’s targeting of the maritime, logistics, and shipbuilding sectors for dominance. In *Investigation Report*. <https://ustr.gov/sites/default/files/enforcement/301Investigations/USTRReportChinaTargetingMaritime.pdf>

²²⁷ EMPIRICAL EVIDENCE FROM CHINA’S SHIPBUILDING INDUSTRY 2023.

²²⁸ U.S. Trade Representative. (2024b). China’s targeting of the maritime, logistics, and shipbuilding sectors for dominance. In *Investigation Report*, page 72.

practices,²²⁹ (2) state fundraising and (3) indirect subsidies to "adjacent industries (e.g., steel, oil, electricity, and real estate)."²³⁰

154. All of the aforementioned financial measures have a direct positive impact on stainless steel exporting producers, who benefit from reduced shipping costs.
155. Finally, the BRI also helps to support Chinese SOEs by cushioning blowback from overproduction. The GoC provides for financial support, in the form of grants or loans, to Chinese SOEs, helping them to manage excess production capacity.²³¹ When the GoC funds infrastructure projects through the BRI, these projects often require the purchase of products from Chinese SOEs. This creates artificial demand for Chinese products, helping to absorb excess production.²³²

(i) Discriminatory application

156. To advance the BRI, the GoC heavily funds key public institutions such as the China Development Bank and the EXIM Bank of China.²³³ The banks benefit from low-interest borrowing, as their bonds are treated like government debt and they can access central bank lending.²³⁴ This enables Chinese state-owned companies to offer lower bids and outcompete foreign firms on BRI projects.²³⁵
157. Additionally, control of the GoC over SOEs and SOBs and the resulting coordination between these actors make it difficult for entities in other countries, including Europe, to compete.²³⁶ European companies are informed of tenders through government officials or internal contacts. European companies are, in reality, "hand-picked" and their role is limited to fill gaps, in particular when it comes to high-quality technologies, which raises additional issues regarding technology transfers.²³⁷ It was further reported that, in 2021, "80% of the projects within the BRI are allocated to Chinese firms, of which the large majority are led by SOEs."²³⁸ In January 2025, the MOFCOM released new

²²⁹ U.S. Trade Representative. (2024). China's targeting of the maritime, logistics, and shipbuilding sectors for dominance. In *Investigation Report*. <https://ustr.gov/sites/default/files/enforcement/301Investigations/USTRRReportChinaTargetingMaritime.pdf>, citing HIDDEN HARBORS at 5.

²³⁰ *Id.*

²³¹ Dempsey, K. M. & American Iron and Steel Institute. (2025). Request for comments to assist in reviewing and identifying unfair trade practices and initiating all necessary actions to investigate harm from Non-Reciprocal trade arrangements. In *Office of the U.S. Trade Representative* (p. 1). <https://www.steel.org/wp-content/uploads/2025/03/AISI-Non-Reciprocal-Trade-Comments-Final-031122025.pdf>

²³² Dempsey, K. M. & American Iron and Steel Institute. (2025). Request for comments to assist in reviewing and identifying unfair trade practices and initiating all necessary actions to investigate harm from Non-Reciprocal trade arrangements. In *Office of the U.S. Trade Representative* (p. 1). <https://www.steel.org/wp-content/uploads/2025/03/AISI-Non-Reciprocal-Trade-Comments-Final-031122025.pdf>

²³³ Schrag, J. (2024, October 11). *How is the Belt and Road initiative advancing China's interests?* | *ChinaPower Project*. ChinaPower Project. <https://chinapower.csis.org/china-belt-and-road-initiative/>

²³⁴ Schrag, J. (2024, October 11). *How is the Belt and Road initiative advancing China's interests?* | *ChinaPower Project*. ChinaPower Project. <https://chinapower.csis.org/china-belt-and-road-initiative/>

²³⁵ Schrag, J. (2024, October 11). *How is the Belt and Road initiative advancing China's interests?* | *ChinaPower Project*. ChinaPower Project. <https://chinapower.csis.org/china-belt-and-road-initiative/>

²³⁶ *David and Goliath: The EU's Global Gateway versus China's Belt and Road Initiative*. (2024, 11 December). Bruegel | the Brussels-based Economic Think Tank. <https://www.bruegel.org/newsletter/david-and-goliath-eus-global-gateway-versus-chinas-belt-and-road-initiative>.

²³⁷ European Union Chamber of Commerce in China, "The Road Less Travelled. European Involvement in China's Belt and Road Initiative", 2020, pp. 6 and 12.

²³⁸ The World Bank Research Observer, May 2021, Public Procurement, Regional Integration, and the Belt and Road Initiative, https://www.researchgate.net/publication/351803406_Public_Procurement_Regional_Integration_and_the_Belt_and_Road_Initiative e.

BRI engagement statistics covering the period of January to November 2024.²³⁹ According to the data, the value of newly-signed project contracts by Chinese enterprises in the “Belt and Road” countries represented USD 113 billion, as well as 700 aid projects.²⁴⁰

(ii) State intervention and tilting the playing field

158. The BRI is proof of the GoC's involvement in the economic life of Chinese companies. Most of the projects are operated by state firms and financed by SOBs to advance the GOC's policies.²⁴¹ SOEs involved include China Harbor, CRRC, State Grid, China Three Gorges and COSCO.²⁴²
159. In addition, the BRI broadly discriminates and can be seen as a concealed way to finance Chinese firms on the global market at the expense of other participating countries. It constitutes an additional element in the GoC's support to the key industries, such as stainless steel, resulting in unfair benefits to the Chinese producers and exporting its distortions. Indeed, there is *"increased competition from Chinese SOEs in projects outside of China [...] In addition to gaining competitiveness through economies of scale from government subsidisation, cheap loans and a lack of competition in their home market, they are now able to dominate BRI contract bids to further scale up overseas, which means that the playing field in many emerging markets is tilted very much in their favour. This results in distortions creeping into other markets."*²⁴³
160. The BRI can also be understood as a vehicle for the GoC's ambitions on the international scene, with new industrial objectives being gradually introduced.²⁴⁴ Indeed, *"the BRI has transposed China's state capitalism onto the international arena, mobilizing Chinese companies and public and private capital overseas in the service of Beijing's geo-economic objectives."*²⁴⁵
161. Indonesia is a striking example of this dynamic, as the country has emerged as a central hub for the BRI, hosting some of the most prominent and strategically significant projects in Southeast Asia. Among these, the Jakarta-Bandung high-speed railway stands out as “one of the BRI's flagship projects,”²⁴⁶ representing the first high-speed rail line in Southeast Asia and a major milestone in regional connectivity. Beyond transportation, Indonesia is home to nearly half of China's overseas industrial parks in ASEAN,²⁴⁷ including the IMIP, which has become a key site for stainless steel

²³⁹ MOFCOM, Statistics on Foreign Economic Cooperation, January 2025, <https://eng.yidaiyilu.gov.cn/p/0UJQKLTa.html>; see also Green Finance & Development Center, “China Belt and Road Initiative (BRI) Investment Report 2024”, <https://greenfdc.org/china-belt-and-road-initiative-bri-investment-report-2024/>.

²⁴⁰ Green Finance & Development Center, “China Belt and Road Initiative (BRI) Investment Report 2024”, <https://greenfdc.org/china-belt-and-road-initiative-bri-investment-report-2024/>.

²⁴¹ China's “One Belt, One Road” initiative: Economic Issues. (2024). In CRS Reports, *CRS Reports*. https://www.congress.gov/crs_external_products/IF/PDF/IF11735/IF11735.9.pdf

²⁴² China's “One Belt, One Road” initiative: Economic Issues. (2024). In CRS Reports, *CRS Reports*. https://www.congress.gov/crs_external_products/IF/PDF/IF11735/IF11735.9.pdf

²⁴³ European Union Chamber of Commerce in China, “The Road Less Travelled. European Involvement in China's Belt and Road Initiative”, 2020, p. 14 (our emphasis).

²⁴⁴ IISS. (n.d.). CHINA'S BELT AND ROAD INITIATIVE: a GEOPOLITICAL AND GEO-ECONOMIC ASSESSMENT. In *AN IISS STRATEGIC DOSSIER* [Report], <https://www.iiss.org/globalassets/media-library---content--migration/files/publications/bri-dossier/chinas-belt-and-road-initiative---chapter-one-strategy.pdf>

²⁴⁵ IISS. (n.d.). CHINA'S BELT AND ROAD INITIATIVE: a GEOPOLITICAL AND GEO-ECONOMIC ASSESSMENT. In *AN IISS STRATEGIC DOSSIER* [Report], <https://www.iiss.org/globalassets/media-library---content--migration/files/publications/bri-dossier/chinas-belt-and-road-initiative---chapter-one-strategy.pdf>

²⁴⁶ The Jamestown Foundation, “Ten Years On, How is the Belt and Road Initiative Faring in Indonesia?”, 3 March 2023, <https://jamestown.org/program/ten-years-on-how-is-the-belt-and-road-initiative-faring-in-indonesia/>.

²⁴⁷ The Jamestown Foundation, “Ten Years On, How is the Belt and Road Initiative Faring in Indonesia?”, 3 March 2023, <https://jamestown.org/program/ten-years-on-how-is-the-belt-and-road-initiative-faring-in-indonesia/>.

production and other metallurgical industries. These projects are typically operated by Chinese SOEs, just like Tsingshan in IMIP, and financed by Chinese state-owned banks.

162. The examples above reflect the broader pattern of BRI implementation where Chinese firms receive preferential access and support, often to the detriment of local competitors and alternative international bidders.

4.2.5 The lack, discriminatory application or inadequate enforcement of bankruptcy, corporate or property laws

4.2.5.1 Bankruptcy

163. Although the new Chinese Enterprise Bankruptcy Law of 2006 has been written in accordance with the best international practice and influenced by laws of developed countries,²⁴⁸ it has proven to be rarely used in practice.²⁴⁹ This is further evidenced by the low number of insolvency cases filed in comparison with the country's size.²⁵⁰
164. The GoC actively intervenes in bankruptcy procedures in the PRC. For instance, listed company bankruptcies require the approval from the provincial government, the Supreme People's Court and the China Securities Regulatory Commission.²⁵¹ Bankruptcy administrators are also often connected to local governments.²⁵²
165. Under-enforcement of bankruptcy rules in the PRC results "*in the survival of large numbers of unviable companies*" contributing to excess production capacities.²⁵³ Consequently, costs of credit and access to finance are reduced, thus resulting in loans received by state-related firms being more attractive than those offered to private players.²⁵⁴
166. The issue of overcapacity is a major issue in the steel industry. It is also a clear example of state intervention distorting the market. "*The combination of numerous industrial policies applied over a*

²⁴⁸ Mrockova, N. (2014). The puzzle of Chinese bankruptcy law. *SSRN Electronic Journal*. <https://doi.org/10.2139/ssrn.3826250>

²⁴⁹ Mrockova, N. (2014). The puzzle of Chinese bankruptcy law. *SSRN Electronic Journal*. <https://doi.org/10.2139/ssrn.3826250>

²⁵⁰ Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China of the Purposes of Trade Defence Investigation, 2024, p. 173, accessible at [https://ec.europa.eu/transparency/documents-register/detail?ref=SWD\(2024\)91&lang=en](https://ec.europa.eu/transparency/documents-register/detail?ref=SWD(2024)91&lang=en)

²⁵¹ Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China of the Purposes of Trade Defence Investigation, 2024, p. 176, accessible at [https://ec.europa.eu/transparency/documents-register/detail?ref=SWD\(2024\)91&lang=en](https://ec.europa.eu/transparency/documents-register/detail?ref=SWD(2024)91&lang=en)

²⁵² Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China of the Purposes of Trade Defence Investigation, 2024, p. 176, accessible at [https://ec.europa.eu/transparency/documents-register/detail?ref=SWD\(2024\)91&lang=en](https://ec.europa.eu/transparency/documents-register/detail?ref=SWD(2024)91&lang=en)

²⁵³ Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China of the Purposes of Trade Defence Investigation, 2024, p. 176, accessible at [https://ec.europa.eu/transparency/documents-register/detail?ref=SWD\(2024\)91&lang=en](https://ec.europa.eu/transparency/documents-register/detail?ref=SWD(2024)91&lang=en)

²⁵⁴ Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China of the Purposes of Trade Defence Investigation, 2024, p. 179, accessible at [https://ec.europa.eu/transparency/documents-register/detail?ref=SWD\(2024\)91&lang=en](https://ec.europa.eu/transparency/documents-register/detail?ref=SWD(2024)91&lang=en)

long period of time,”²⁵⁵ “the significant presence of SOE steel producers in the market”²⁵⁶ and “the role of state-owned financial institutions”²⁵⁷ resulted in bankruptcy rules not being applied in the industry as evidenced by the creation of “zombie companies.”²⁵⁸

4.2.5.2 Property laws

167. Pursuant to the Chinese constitution, Chinese land cannot be privately-owned.²⁵⁹ Chinese property law does not allow for “freehold” land ownership. Land is owned by the GoC and is frequently referred to as “state-owned land.”²⁶⁰ The allocation of land is within the state's exclusive purview. Although, in principle, the rules governing the allocation of land are clear and transparent, the allocation is meant to be in accordance with market principles.²⁶¹ However, in practice, the GoC pursues political objectives rather than free market principles in allocating lands as evidenced by the Decree of the State Council providing that construction projects must abide by the national industrial policy.²⁶² Additionally, the state's natural resources supervision agency is in charge of monitoring land use in provinces as well as the effective implementation of state decisions and regulations.²⁶³ Non-politically motivated and impartial allocation are not respected in practice.²⁶⁴
168. The Commission recently reaffirmed that the situation around allocation of land in the PRC remained unchanged, finding that “the situation concerning land provision and acquisition in the PRC is non-transparent and the prices were arbitrarily set by the authorities.”²⁶⁵

4.2.6 Wage costs being distorted

169. Costs of production are heavily influenced by wages. In an undistorted economic environment, wages should, in principle, be market-based and freely bargained between the workers and management. In the PRC, this is not the case. There is a single recognised trade union in China,

²⁵⁵ Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China of the Purposes of Trade Defence Investigation, 2024, p. 411, accessible at [https://ec.europa.eu/transparency/documents-register/detail?ref=SWD\(2024\)91&lang=en](https://ec.europa.eu/transparency/documents-register/detail?ref=SWD(2024)91&lang=en)

²⁵⁶ Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China of the Purposes of Trade Defence Investigation, 2024, p. 411, accessible at [https://ec.europa.eu/transparency/documents-register/detail?ref=SWD\(2024\)91&lang=en](https://ec.europa.eu/transparency/documents-register/detail?ref=SWD(2024)91&lang=en)

²⁵⁷ Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China of the Purposes of Trade Defence Investigation, 2024, p. 411, accessible at [https://ec.europa.eu/transparency/documents-register/detail?ref=SWD\(2024\)91&lang=en](https://ec.europa.eu/transparency/documents-register/detail?ref=SWD(2024)91&lang=en)

²⁵⁸ Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China of the Purposes of Trade Defence Investigation, 2024, p. 411, accessible at [https://ec.europa.eu/transparency/documents-register/detail?ref=SWD\(2024\)91&lang=en](https://ec.europa.eu/transparency/documents-register/detail?ref=SWD(2024)91&lang=en)

²⁵⁹ Article 10, Constitution of the People's Republic of China, https://english.www.gov.cn/archive/lawsregulations/201911/20/content_WS5ed8856ec6d0b3f0e9499913.html

²⁶⁰ Real Estate Law | China | Global Corporate Real Estate Guide | Baker McKenzie Resource Hub. (n.d.). <https://resourcehub.bakermckenzie.com/en/resources/global-corporate-real-estate-guide/asia-pacific/china/topics/real-estate-law#:~:text=There%20is%20no%20private%20%E2%80%9Cfreehold,to%20as%20%E2%80%9Ccollective%20land.%E2%80%9D>

²⁶¹ Regulation 2020/492, rec. 140

²⁶² Decree of the State Council of the People's Republic of No. 743 Regulations for the Implementation of the Land Administration Law of the People's Republic of China, July 2021, Article 15 (available at: https://www.gov.cn/zhengce/content/2021-07/30/content_5628461.htm).

²⁶³ Decree of the State Council of the People's Republic of No. 743 Regulations for the Implementation of the Land Administration Law of the People's Republic of China, July 2021, Article 44 *et seq.*, https://www.gov.cn/zhengce/content/2021-07/30/content_5628461.htm

²⁶⁴ Regulation 2020/508, rec. 140.

²⁶⁵ Regulation 2025/61, rec. 165.

the All-China Federation of Trade Unions (“ACFTU”).²⁶⁶ The ACFTU is subject to the leadership of the CCP, and thus state-influenced.²⁶⁷ Senior positions in the trade union are occupied by senior Party figures in SOEs or managers in non-state enterprises, casting doubt on the ability to efficiently represent workers.²⁶⁸ In addition, the PRC has still not ratified several of the most important international conventions on labour, including Conventions Nos 87 and 98 attributing rights to workers and employers, and promoting a market-based wage.²⁶⁹

170. The Chinese household registration system, pursuant to which only certain residents have access to the full range of social security and public welfare benefits, depending on whether they are from rural or urban areas, further distorts wage costs.²⁷⁰ This system was adopted to steer the allocation of labour resources towards the developing heavy industries in urban areas.²⁷¹ The system remains in place today and “even in recent years, the influence of [such] system on the Chinese labour market remains substantial.”²⁷²

171. The Chinese stainless steel industry is thus affected by the distortions in wage costs both directly, when manufacturing the product concerned, and indirectly, when accessing capital or inputs from companies subject to the same labour system in the PRC.²⁷³

4.2.7 Access to finance granted by institutions which implement public policy objectives or otherwise not acting independently of the state

4.2.7.1 Banking sector

(a) Public banks

172. The Chinese financial system is dominated by the banking sector itself represented by three main categories of SOBs and controlled banks. They include commercial banks, joint-stock commercial banks and state policy banks.²⁷⁴ The GoC’s intervention in financial institutions operates at various levels, including in relation to the appointment of personnel at the management level where responsibilities involve taking important business decisions. Specifically, the GoC has the power to

²⁶⁶ *Trade unions in China: Understanding their role and impact*. (2025, 12 March). HROne. <https://hrone.com/blog/trade-unions-in-china-understanding-their-role-and-impact/#:-:text=Trade%20unions%20in%20China%20are,to%20China.org.cn>.

²⁶⁷ European Commission, China Report 2017, p. 343.; See also China Business Review, *Trade Union Law and Collective Bargaining in China* (available at: <https://www.chinabusinessreview.com/trade-union-law-and-collective-bargaining-in-china/>).

²⁶⁸ USTR, *China WTO compliance report*, 2019, p. 10. , https://ustr.gov/sites/default/files/2019_Report_on_China%E2%80%99s_WTO_Compliance.pdf

²⁶⁹ International Labour Organisation, “NORMLEX. Up-to-date Conventions and Protocols not ratified by China”, (available at: https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:11210:0::NO::P11210_COUNTRY_ID:103404).

²⁷⁰ European Commission, China Report 2017, p. 344.

²⁷¹ S. X. WANG and Y. B. FU, “Labor mobility barriers and rural-urban migration in transitional China”, *China Economic Review*, 2019, Vol. 53, p. 212. , https://www.researchgate.net/publication/343928719_Spatiotemporal_Characteristics_of_Rural_Labor_Migration_in_China_Evidence_from_the_Migration_Stability_under_New-type_Urbanization : footnote 272

²⁷² Ma, X., Li, Y., & Iwasaki, I. (2024). The hukou system and wage gap between urban and rural migrant workers in China: A meta-analysis. *Economics of Transition and Institutional Change*, 32(4), 1105–1136. <https://doi.org/10.1111/ecot.12412>

²⁷³ Regulation 2020/508, rec. 144

²⁷⁴ Commission Staff Working Document on Significant Distortions in the Economy of the People’s Republic of China of the Purposes of Trade Defence Investigation, 2024, p. 139, accessible at [https://ec.europa.eu/transparency/documents-register/detail?ref=SWD\(2024\)91&lang=en](https://ec.europa.eu/transparency/documents-register/detail?ref=SWD(2024)91&lang=en);

appoint members of the Board of Directors and of the Board of Supervisors.²⁷⁵ In fact, “government interventions can be seen in almost all financial activities, from determination of bank deposit and lending rates to allocation of credit and initial public offering (IPO) quota, and from management of cross-border capital flows to majority control of large financial institutions.”²⁷⁶

173. Additionally, the CCP members in the Chinese financial sector are all instructed to ensure alignment “with Xi Jinping’s political commandments.”²⁷⁷ Moreover, it was reported that “bankers must vow their commitment to follow the CCP’s guidance in everyday operations.”²⁷⁸ The rotation of cadres also allows the leveraging of connections to obtain financing at preferential rates, including through private advantages to banks officials granting financing to SOEs.²⁷⁹
174. Chinese financial institutions are directed to align themselves with the Party’s guidance, thus pre-empting “resistance against Party involvement in business decisions-making.”²⁸⁰ Financial institutions in China thus operate according to public policy rather than according to market principles.
175. Chinese SOBs support key industries, including the steel industry. For example, the Hebei Branch of the People’s Bank of China is actively supporting the low-carbon transformation of the stainless steel industry through enhanced transition finance initiatives. The Liaoning Branch of the Bank of China for its part, in cooperation with Bank of China Asset Management and Bank of China Samsung Life Insurance, recently invested 3.5 billion yuan in Benxi Iron and Steel and Pangang Mining, the core subsidiaries of Anshan Iron and Steel Group, known as the “eldest son of the iron and steel industry of the Republic” and “the cradle of the iron and steel industry of New China.”²⁸¹
176. The newly-released Guidelines for Transformation Finance Work in the Steel Industry in Hebei Province (2025 Edition) expand financial support to include not only steel producers but also scrap processors and downstream users of low-carbon steel. As an indicator, at the end of the first quarter of 2025, 11 steel companies that purchased low-carbon emission steel “had obtained a transformation financing credit of 27.2 billion yuan, of which 15.8 billion yuan had been invested, with a weighted average interest rate of 3.60%, which is 5 to 150 basis points lower than similar non-transformation financial products, and can save companies 45 million yuan in interest expenses each year.”²⁸² Supporting the production of low-carbon stainless steel production is directly in line

²⁷⁵ Commission Staff Working Document on Significant Distortions in the Economy of the People’s Republic of China of the Purposes of Trade Defence Investigation, 2024, p. 146, accessible at [https://ec.europa.eu/transparency/documents-register/detail?ref=SWD\(2024\)91&lang=en](https://ec.europa.eu/transparency/documents-register/detail?ref=SWD(2024)91&lang=en);

²⁷⁶ Y. HUANG and T. GE, “Assessing China’s Financial Reform: Changing Roles of the Repressive Financial Policies,” Cato Institute - Cato Journal, Winter 2019, <https://www.cato.org/sites/cato.org/files/serials/files/cato-journal/2019/2/cj-v39n1-5.pdf>.

²⁷⁷ KOSS, D. (2023). ECONOMIC GOVERNANCE IN XI JINPING’S “NEW ERA”: NEW VECTORS OF PARTY INFLUENCE IN CHINA’S FINANCIAL SECTOR. In *EAI Background Brief No. 1701*. <https://research.nus.edu.sg/eai/wp-content/uploads/2023/03/EAIBB-No.-1701-Economic-governance-in-Xis-new-era-exsum-1.pdf>

²⁷⁸ KOSS, D. (2023). ECONOMIC GOVERNANCE IN XI JINPING’S “NEW ERA”: NEW VECTORS OF PARTY INFLUENCE IN CHINA’S FINANCIAL SECTOR. In *EAI Background Brief No. 1701*. <https://research.nus.edu.sg/eai/wp-content/uploads/2023/03/EAIBB-No.-1701-Economic-governance-in-Xis-new-era-exsum-1.pdf>

²⁷⁹ K. J. LIN *et al.*, “State-owned enterprises in China: A review of 40 years of research and practice”, *China Journal of Accounting Research*, 2020, Vol. 13, p. 41., https://www.researchgate.net/publication/339293581_State-owned_enterprises_in_China_A_review_of_40_years_of_research_and_practice

²⁸⁰ *How the Party is Increasing Control of China’s Banks*. (n.d.). <https://fairbank.fas.harvard.edu/news/how-the-party-is-increasing-control-of-chinas-banks/>

²⁸¹ Sina Finance, 6 billion! Bank of China takes a stake in Anshan Iron and Steel!, [6 billion! Bank of China takes a stake in Anshan Iron and Steel! Sina Finance Sina.com](https://www.sina.com).

²⁸² 购钢现货网-不锈钢现货-今日咨询. (n.d.). <https://www.gousteel.com/news/7052>.

with the GoC's industrial plans, notably the 14th FYP which seeks to promote the green transformation of steel products.²⁸³

177. Similarly, an import letter of credit has been opened by the Guangdong Branch of the EXIM Bank of China to enable a *"leading stainless steel enterprise"* to import key raw materials from South Africa, thus helping the company to stabilise its inputs supply.²⁸⁴ To address challenges such as exchange rate fluctuations and high letter of credit thresholds, the bank *"provide[s] enterprises with full-chain financial services for cross-border trade procurement, build option portfolios to save risk reserves, effectively reduce financing costs, and improve the cost controllability of enterprises at the import end."*²⁸⁵ This enhances cost control, and secures the stability of the supply chain, thereby strengthening the competitiveness and resilience of China's stainless steel industry.
178. Major stainless steel SOEs also display significant ties with Chinese public banks. In July 2024, for instance, Tan Chengxu, chairman of Anshan Iron and Steel Group expressed his gratitude to the Bank of China *"for its long-term support and help"* as part of a strategic cooperation agreement signed in 2023 between the two entities.²⁸⁶ Furthermore, the first transformation financial loan in Gansu Province's steel industry was recently successfully implemented in Jiugang Group, a subsidiary of JISCO.²⁸⁷ The loan, in the form of a financial credit of 2.6 billion yuan, was led by China Construction Bank Jiayuguan Branch, jointly promoted by the Industrial and Commercial Bank of China Jiayuguan Branch, Bank of China Jiayuguan Branch, Agricultural Bank of China Jiayuguan Branch and Bank of Communications Jiuquan Branch.²⁸⁸ The initial loan of 1 billion yuan will be used for the process equipment upgrade and product structure adjustment projects of the smelting and rolling mill.²⁸⁹

(b) Private banks

179. The GoC also strongly influences private banks, which must take national policy into account when conducting business.²⁹⁰ This clearly demonstrates private banks are subordinated to government policy and do not operate in accordance with market principles. Pursuant to Decision No 40, investments are preferentially directed to "encouraged" industries. The GoC has adopted several instruments influencing and channelling investment to or away from certain industries, depending on whether they are "encouraged," "restricted," or "prohibited." These instruments also direct foreign investment towards certain industries, especially those for which the GoC is aiming to achieve

²⁸³ Xinhua News Agency, 2021, Outline of the Fourteenth Five-Year Plan for the National Economic and Social Development of the People's Republic of China and the Vision 2035.

²⁸⁴ China.com, 2025, [The Export-Import Bank of China Guangdong Branch helps enterprises stabilize and strengthen the chain](#) China.com

²⁸⁵ China.com, 2025, [The Export-Import Bank of China Guangdong Branch helps enterprises stabilize and strengthen the chain](#) China.com

²⁸⁶ Bank of China, 2024, Ge Haijiao held talks with Tan Chengxu, chairman of Anshan Iron and Steel Group, [Ge Haijiao held talks with Tan Chengxu, chairman of Anshan Iron and Steel Group](#).

²⁸⁷ Gansu Daily, 2025, The first transition finance loan in the steel industry in our province landed in Jiugang Group, [The first transition finance loan in the steel industry in our province landed in Jiugang Group](#) Department News Gansu Provincial People's Government Portal

²⁸⁸ Gansu Daily, 2025, The first transition finance loan in the steel industry in our province landed in Jiugang Group, [The first transition finance loan in the steel industry in our province landed in Jiugang Group](#) Department News Gansu Provincial People's Government Portal

²⁸⁹ Gansu Daily, 2025, The first transition finance loan in the steel industry in our province landed in Jiugang Group, [The first transition finance loan in the steel industry in our province landed in Jiugang Group](#) Department News Gansu Provincial People's Government Portal

²⁹⁰ Article 34 of the Banking Law.

indigenous innovation or that are considered strategic.²⁹¹ The steel sector, in particular, stands to benefit significantly from the GoC's intervention in the financial system due to its categorisation as an encouraged industry and the prominent role of SOEs in the sector.

180. For instance, in 2023, Standard Chartered Bank (China) Co., Ltd., granted HBIS Supply Chain Management Co., Ltd. a transformation financing loan for the procurement of scrap steel in HBIS Supply Chain, “so as to promote the green transformation and upgrading of HBIS and contribute to the high-quality development of the steel industry.”²⁹² As the production of steel from scrap participates in green(er) production, the financial loan aligns with national plans such as the 14th FYP. Additionally, On January 2025, Guangdong Jieyang Rural Commercial Bank Co., Ltd. agreed “to issue an “annual review and renewal loan” of RMB 95 million to Guangdong Guoxin Industrial Co., Ltd. , with a term of one year and a mortgage as the guarantee method.”²⁹³

4.2.7.2 Bond and credit ratings

181. The bond market is equally influenced and dominated by state actors. As the Commission previously found, bonds, stocks and private equity markets are “institutionally and operationally set up in a manner not geared towards maximizing the efficient functioning of the financial markets but towards ensuring control and allowing intervention by the State and the CCP.”²⁹⁴ The Commission has also concluded that “bond and credit ratings in China are often distorted and systematically correspond to lower international ratings underlying the existing debt-ridden state-owned sector situation. This is due to the ‘implicit government guarantees’ provided to ‘encouraged’ or other designated industries excluding bond defaults.”²⁹⁵
182. Due to the “implicit government guarantees”²⁹⁶ provided to “encouraged” or other designated industries, excluding bond defaults, and to the fact that credit ratings granted by state-owned agencies or private agencies strongly influenced by the state²⁹⁷ are systematically too high, financing is often available at rates more favourable than would be obtained in a market operating according to market principles.²⁹⁸ As a result, bond and credit ratings in China are often distorted and systematically correspond to lower international ratings underlying the existing debt-ridden state-owned sector situation. In general, Chinese credit ratings do not provide a reliable estimate of the credit risk of the underlying asset and are heavily skewed towards the highest end of the rating scale.²⁹⁹ According to the IMF, over 90% of Chinese bonds are rated AA to AAA by local agencies, compared to less than 10% in the United States,³⁰⁰ which would amount to AA- to BBB- in terms of international ratings. For instance, Taiyuan Iron and Steel (Group) Company Limited was rated AAA

²⁹¹ USTR, *WTO China compliance*, 2019, p. 34.

²⁹² Xinhua Silk Road, Standard Chartered China provided the first transformation financing loan for HBIS Supply Chain - Xinhua Silk Road

²⁹³ Guangdong Jieyang Rural Commercial Bank Co., 2025, Guangdong Jieyang Rural Commercial Bank Co., Ltd. Announcement on Related Party Transactions (X), <http://www.jyebank.com/jieyang/gongshigongqiao/zuixingongqiao/202501/117858.html>.

²⁹⁴ Regulation 2020/508, rec. 119.

²⁹⁵ Regulation 2025/1915, rec. 85.

²⁹⁶ IMF Report, *Resolving China's Corporate Debt Problem*, WP/16/203, October 2016, p. 7.

²⁹⁷ European Commission, *China Report 2024*.

²⁹⁸ IMF Report, *Resolving China's Corporate Debt Problem*, WP/16/203, October 2016, p. 15.

²⁹⁹ European Commission, *China Report 2024*.

³⁰⁰ IMF Report, *Resolving China's Corporate Debt Problem*, WP/16/203, October 2016, p. 15.

by China Chengxin International Credit Rating Co. in 2024,³⁰¹ while Fitch Ratings displayed a rating of A- for that same year.³⁰²

183. In addition to the Chinese bond market being dominated by government related players, access to this market is tightly regulated by governmental institutions. SOE bonds are higher-rated than non-SOE bonds due to the fact that lending risks are much lower since the state acts as a guarantor. This leads banks to provide larger sums of money to SOEs. For instance, in its 2024 semi-annual report, TISCO reported a bond of 15 billion of dollars at an interest rate of 1.90% provided by Pudong Development Bank and the Agricultural Bank of China.³⁰³ Similarly, the GoC's presence in the market, coupled with its pursuit of policy goals through IPOs, further leads to the IPOs being systematically underpriced.³⁰⁴
184. Many Chinese SOEs receive preferential loans from domestic banks, contributing significantly to the country's corporate debt burden—accounting for 45% of China's nonfinancial corporate debt.³⁰⁵ A 2022 report highlights that industries, particularly the steel sector, are heavily indebted. For instance, the steel industry presented \$7.3 trillion in debt in 2021.³⁰⁶
185. Data further indicate that preferential financing has been provided to the steel industry to enable insolvent firms to continue operating.³⁰⁷ For example, Dongbei Special Steel Group, has shown signs of recovery after defaulting ten times on billions of yuan in bonds.³⁰⁸ The company, qualified as the “largest bond defaulter” at the time, was revived pursuant to a restructuring plan composed of partial repayment, debt-to-equity swaps as well as new investments.³⁰⁹ It was further reported that prior to this restructuring, the Liaoning province provided the company with 1 billion yuan in funds to prevent an earlier default.³¹⁰ This specific instance shows the GoC's use of Chinese

³⁰¹ <https://file.finance.sina.com.cn/211.154.219.97:9494/MRGG/BOND/2024/2024-6/2024-06-28/20519070.PDF>.

³⁰² Fitch Ratings, 2024, Taiyuan Iron & Steel (Group) Co., Ltd., <https://www.fitchratings.com/entity/taiyuan-iron-steel-group-co-ltd-97453391>.

³⁰³ Shanghai Clearing House, Taiyuan Iron and Steel (Group) Co., Ltd. 2024 Semi-annual Report https://www.shclearing.com.cn/xxpl/cwbq/bnb/202408/t20240831_1474094.html.

³⁰⁴ CSIS, China Power Project, “Does China Face a Looming Debt Crisis?,” 11 October 2019, <https://chinapower.csis.org/china-face-looming-debt-crisis/>.

³⁰⁵ Trade Policy Hub & LSE Consulting. (2024). Research into market distortions in the steel sector. In *The London School of Economics and Political Science*, p.131, <https://www.lse.ac.uk/business/consulting/assets/documents/Research-into-Market-Distortions-in-the-Steel-Sector.pdf>; citing Terence Chan, Eunice Tan and Christine Ip (2022) PRC's SOEs Are Stuck In A Debt Trap, Available at: <https://www.spglobal.com/assets/documents/ratings/research/global-debt-leverage-1.pdf> (at p. 2).

³⁰⁶ Trade Policy Hub & LSE Consulting. (2024). Research into market distortions in the steel sector. In *The London School of Economics and Political Science*, p.131, <https://www.lse.ac.uk/business/consulting/assets/documents/Research-into-Market-Distortions-in-the-Steel-Sector.pdf>; citing Terence Chan, Eunice Tan and Christine Ip (2022) PRC's SOEs Are Stuck In A Debt Trap, Available at:

<https://www.spglobal.com/assets/documents/ratings/research/global-debt-leverage-1.pdf>, p.2,.

³⁰⁷ Trade Policy Hub & LSE Consulting. (2024). Research into market distortions in the steel sector. In *The London School of Economics and Political Science*, p.131, <https://www.lse.ac.uk/business/consulting/assets/documents/Research-into-Market-Distortions-in-the-Steel-Sector.pdf>; citing Wiley Rein (2016). Follow the Money: The State Financial Sector & the Aluminium & Steel Overcapacity Crisis. Accessed at: https://www.oecd.org/industry/ind/Item_6_2_Alan-Price.pdf.

³⁰⁸ *The rescue of China's largest bond defaulter*. (2017, 25 December). Caixin Global. <https://www.caixinglobal.com/2017-12-25/the-rescue-of-chinas-largest-bond-defaulter-101189075.html>.

³⁰⁹ *The rescue of China's largest bond defaulter*. (2017, 25 December). Caixin Global. <https://www.caixinglobal.com/2017-12-25/the-rescue-of-chinas-largest-bond-defaulter-101189075.html>.

³¹⁰ *The rescue of China's largest bond defaulter*. (2017, 25 December). Caixin Global. <https://www.caixinglobal.com/2017-12-25/the-rescue-of-chinas-largest-bond-defaulter-101189075.html>.

bankruptcy law to restructure.³¹¹ Similarly, Zhengzhou Yongtong Special Steel Co., Ltd. resumed production pursuant to bankruptcy reorganisation according to which the company underwent a change in equity.³¹² This case was recognized as one that “*promoted the rebirth of a steel enterprise by transforming bankruptcy liquidation into reorganization.*”³¹³

186. A similar situation occurred with Jiangsu Delong, a major Chinese stainless steel producer, which declared bankruptcy, along with its affiliated companies, in July 2024. Despite the bankruptcy, these companies have been “*under government supervision and are still operating normally with rolling delivery capabilities.*”³¹⁴ The State-owned Xiangyu Group has announced its plan to fully acquire the debt rights of Jiangsu Delong and its controlling subsidiaries, thus strengthening state oversight over Delong’s restructuring.³¹⁵
187. The existence of zombie companies contribute to steel overcapacity, and therefore undermines the GoC’s claimed ambition to resolve this issue in its various industrial policies.
188. The Chinese financial sector is still heavily marked by the presence of state actors influenced by State policy objectives and the GoC’s support to Chinese banks has been reinforced in recent years, partly due to this support being less constrained “*relative to the level of the sovereign rating.*”³¹⁶ More explicit statements of support from the GoC to Chinese banks have also been reported.³¹⁷
189. The Chinese financial system is driven by political considerations rather than market-based ones. Preferential financing is directed to companies in line with the GoC’s policies, including SOEs,³¹⁸ noting the latter “*can serve as key actors to achieve the government’s economic goals, including industrial policy.*”³¹⁹ SOEs “*often receive preferential treatment in terms of financing, land access, and regulatory support.*”³²⁰ In the steel industry specifically, it has been reported that companies receive, every year, large amount in cash grants and capital infusion. They also benefit from other

³¹¹ *The rescue of China’s largest bond defaulter.* (2017, December 25). Caixin Global. <https://www.caixinglobal.com/2017-12-25/the-rescue-of-chinas-largest-bond-defaulter-101189075.html>.

³¹² Sohu, 2025, After bankruptcy reorganization, the steel plant resolved debts of over 2.8 billion yuan and resumed trial production! https://www.sohu.com/a/899103053_121613509

³¹³ Sohu, 2025, After bankruptcy reorganization, the steel plant resolved debts of over 2.8 billion yuan and resumed trial production! https://www.sohu.com/a/899103053_121613509

³¹⁴ Moomoo, “Xiamen Xiangyu (600057.SH): Controlling shareholder plans to take over the entire debt of Jiangsu Delong”, 24 July 2024, https://www.moomoo.com/news/post/41362831/xiamen-xiangyu-600057-sh-controlling-shareholder-plans-to-take-over?level=1&data_ticket=1750762817554693

³¹⁵ *Ibid*

³¹⁶ Fitch Ratings. (2025). China State Banks’ Enhanced Policy Roles Raise Government Support Prospects, <https://www.fitchratings.com/research/banks/china-state-banks-enhanced-policy-roles-raise-government-support-prospects-14-04-2025>

³¹⁷ Fitch Ratings. (2025). China State Banks’ Enhanced Policy Roles Raise Government Support Prospects, <https://www.fitchratings.com/research/banks/china-state-banks-enhanced-policy-roles-raise-government-support-prospects-14-04-2025>

³¹⁸ Regulation 2020/508, rec. 149.

³¹⁹ Huang, K. G., Jing, R., Xia, J., Zhang, C. M., Zhong, W., & Zhu, D. H. (2024). Coevolution of SOEs and the Chinese Economy: The Roles of SOE Heterogeneity from the Institutional, Strategic, and Organizational Perspectives. *Management and Organization Review*, 20(5), 704–715. <https://doi.org/10.1017/mor.2024.68>

³²⁰ Huang, K. G., Jing, R., Xia, J., Zhang, C. M., Zhong, W., & Zhu, D. H. (2024). Coevolution of SOEs and the Chinese Economy: The Roles of SOE Heterogeneity from the Institutional, Strategic, and Organizational Perspectives. *Management and Organization Review*, 20(5), 704–715. <https://doi.org/10.1017/mor.2024.68>

types of subsidies as reference above, including land-use subsidies, preferential loans and credits and subsidies for employment.³²¹

190. These interventions on part of the GoC distort the steel industry. Financial markets do not serve as a means for the efficient allocation of resources due to the fact that indicators usually underpin investor's decision to direct investment to particular companies or sectors.

4.3 Normal value according to Article 2(6a) of the basic AD Regulation

191. The normal value has been built according to Article 2(6a) of the basic AD regulation on the basis of cost models for a Chinese producer.
192. In an expiry review, the dumping calculation methodology should normally echo as much as possible the methodology used in the initial investigation. The Applicant therefore used the same representative country as in the initial investigation, i.e. Brazil, and the same representative company, i.e. Aperam South America ("Aperam Brazil").
193. Brazil still qualifies as an appropriate country under Article 2(6a) of the basic AD Regulation, as it is in the same general category as China (upper middle-income country) according to the World Bank classification and it still has a substantial local production of the product concerned.
194. Similarly, Aperam Brazil is still a representative company, as it continues to produce the product concerned and was profitable for the last period for which its accounts are available (2024).

Annex 7. Dumping assessment China

195. Raw material inputs represent the most significant share of the cost of production of SSHR. The cost of inputs for a Chinese producer was simulated on the basis of the actual product mix of a Chinese SSHR producer. The valuation of that input mix was defined on the basis of the cost of imports of the relevant factor of production in Brazil, the representative country. As in the original investigation, it was found that values for some inputs were not representative – namely ferro-nickel and nickel pig iron. Their cost was thus estimated based on an acknowledged international benchmark, the nickel LME.

4.4 Export prices

196. The Applicant relied on two export price sets for the dumping assessment. First, the Applicant relied on the import price of the product concerned from China in the EU according to the COMEXT EUROSTAT. Based on the custom codes, it was able to identify austenitic and non austenitic imports as well as the various thicknesses. As the COMEXT EUROSTAT figures are available at CIF level, the values were adjusted to bring them to an EXW level.
197. Second, the Applicant relied on the export price of the product concerned from China to the EU according to the Chinese custom statistics for the PoR for ordinary trade. As the figures are provided on a FOB basis, the values were adjusted to bring them to an EXW level.

³²¹ Trade Policy Hub & LSE Consulting. (2024). Research into market distortions in the steel sector. In *The London School of Economics and Political Science*, pp.79-80, <https://www.lse.ac.uk/business/consulting/assets/documents/Research-into-Market-Distortions-in-the-Steel-Sector.pdf>

4.5 Dumping margin

198. Based on the (constructed) normal value and export prices defined as set out above, the Applicant determined the level of dumping for imports of the product concerned originating in China.
199. The Applicant compared each (constructed) normal value with the export prices using the following formula:

$$\frac{(\text{ex-factory normal value}) - (\text{ex-factory export price})}{\text{CIF Value}} \times 100$$

200. The dumping assessment yields an average dumping margin of **70.1%**. Such a margin is substantial and clearly injurious to the Union industry, as detailed *infra*.

5. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF DUMPING FROM INDONESIA

5.1 Situation of imports of SSCR from Indonesia to the EU

201. Anti-dumping duties on imports of SSHR from Indonesia were set at 17.3%. Volumes imported from Indonesia saw a steep decline, particularly until 2023. Since then, however, volumes have again starkly increased, though total volumes remain below levels recorded during the original IP, when imports amounted to 111 512 tonnes for a market share of 9.1%.

In Tonnes	2021	2022	2023	2024	PoR
Imports Indonesia	105 783	76 601	15 490	51 796	67 117
Index	100	72	15	49	63

Table 4 Imports from Indonesia

202. This decline should, however, be considered against the backdrop of decreased consumption in the EU since 2021. trend since 2024. Regarding market share, Indonesia's exports to the EU decreased in 2023 but have been on an upward trajectory since 2024.

In %	2021	2022	2023	2024	PoR
Market share Indonesian imports	[6-10%]	[6-10%]	[0-4%]	[2-6%]	[4-8%]
Index	100	89	19	64	80

Table 5 Market share imports from Indonesia

203. Fluctuations in Indonesian SSHR import volumes are to be read in the context of global nickel prices. The high imports of SSHR in 2021 and, to a lesser extent in 2022, correspond to a gradual and drastic increase of global nickel prices over that period. European producers therefore slowed their production, while Indonesian producers continued to benefit from artificially and unfairly low prices. In the context of the significant increase in the worldwide nickel prices, the Indonesian exporting producers were able to compensate the price increase resulting from the duties to a large extent.
204. When nickel prices started falling in 2023, Indonesian exporters lost part of their comparative advantage, while European producers saw an opportunity to resume part of their activity. Their

attempts to recover to previous levels are reflected in the share of imports from the countries concerned in total consumption, which broadly halved between 2022 and 2023.



Source : Trading Economics³²²

205. Despite the fall in global nickel prices, Indonesian imports of SSHR significantly increased again in 2024 and even regained a market share comparable to that of the original IP. This increase must be read in the context of the anti-circumvention measures imposed on Turkey in April 2023,³²³ which extended Indonesia's 17% duty on SSHR and thereby deprived Indonesia of a circumvention hub for sending dumped SSHR exports to Europe.
206. In any case, the current level of Indonesian SSHR imported by Europe is extremely concerning, especially given the current state of global nickel prices. Given the levels of dumping observed, a failure to renew the anti-dumping measures on Indonesian SSHR would have dramatic consequences for the EU industry. Besides, as imports of SSHR from Indonesia have continued to reach a high level after the imposition of the measure, the Applicant finds that a representative assessment of the dumping can be made on imports from the product concerned to the EU.

5.2 Normal values

207. The Applicant used three different sources to assess the normal value. First, using internal market intelligence, the Applicant constructed a normal value for Tsingshan Indonesia, as it is the only producer of SSHR in the country. Because Tsingshan Indonesia does not publish its accounts, the SG&A and profitability were defined based on the published account of PT Steel Pipe Industry of Indonesia Tbk (SPINDO), an Indonesian producer active in the steel sector which was profitable over 2024.
208. Second, the Applicant used price quotes for white SSHR (HRAP) from Indonesia. As the prices are on an FOB-basis, the values were adjusted to bring them to an EXW level.

³²² Trading Economics, Nickel prices historical data, data over 5 years, [Nickel - Price - Chart - Historical Data - News](#)

³²³ Commission implementing Regulation (EU) 2023/825 of 17 April 2023, extending the anti-dumping duty imposed by Implementing Regulation (EU) 2020/1408 on imports of certain hot rolled stainless steel sheets and coils originating in Indonesia to imports of certain hot rolled stainless steel sheets and coils consigned from Türkiye, whether declared as originating in Türkiye or not, <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX%3A32023R0825>

209. Finally, the Applicant used prices recorded for domestic Indonesian sales reported in the Indonesian customs. As the prices are on an FOB-basis, the values were adjusted to bring them to an EXW level.

Annex 8. Dumping assessment Indonesia

5.3 Export prices

210. The Applicant relied on two export price sets for the dumping assessment. First, the Applicant relied on the import price of the product concerned from Indonesia in the EU according to the COMEXT EUROSTAT. Based on the custom codes, it was able to identify austenitic and non austenitic imports as well as the various thicknesses. As the COMEXT EUROSTAT figures are available at CIF level, the values were adjusted to bring them to an EXW level.
211. Second, the Applicant relied on the export price of the product concerned from Indonesia to the EU according to the Indonesian custom statistics for the PoR for ordinary trade. As the figures are provided on a FOB basis, the values were adjusted to bring them to an EXW level.

5.4 Dumping margin

212. Based on the normal value and export prices defined as set out above, the Applicant determined the level of dumping for imports of the product concerned originating in China.
213. The Applicant compared each normal value with the export prices using the following formula:

$$\frac{(\text{ex-factory normal value}) - (\text{ex-factory export price})}{\text{CIF Value}} \times 100$$

214. The dumping assessment yield an average dumping margin of **12.1%**. This margin is substantial and clearly injurious to the Union industry, as detailed *infra*.

6. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF DUMPING FROM TAIWAN

6.1 Situation of imports of SSCR from Taiwan to the EU

215. SSHR imports from Taiwan have been much less affected by the imposition of the anti-dumping duties than China or even Indonesia. This is essentially due to the relatively low level of the duties imposed. After an initial reduction following the imposition of the duties, the level of imports from Taiwan rapidly rose back, peaking in 2022. By the PoR, the volumes of SSHR imported to the EU were more than double the 36 910 tonnes found during the original IP.

In Tonnes	2021	2022	2023	2024	PoR
Imports from Taiwan	39 687	82 086	33 169	78 839	75 290
Index	100	207	84	199	190

Table 6 Imports from Taiwan

216. Considering decreasing consumption levels in the EU, the market share of Taiwanese imports is considerably higher than during the OIP (3.0%). This figure is surprisingly high, particularly in light of the reduction in the import share of SSHR to the EU during the same period (see above).

In %	2021	2022	2023	2024	PoR
Market share Taiwanese imports	[1-5%]	[5-9%]	[1- 5%]	[5-9%]	[5-9%]
Index	100	255	106	261	241

Table 7 Market share imports from Taiwan

217. It is, therefore, apparent that the application of the anti-dumping duties has not impeded the ability of Taiwanese exporters to access the EU market, as was suggested by the finding in the original investigation of an injury margin significantly higher than the level of dumping. In the context of ever growing stainless steel overcapacities in Asia, the export-oriented nature of Taiwanese stainless steel capacities remains focused on exports at prices increasingly depressed by the increased competition and trade defence measures in third countries.
218. In the meantime, and as evidenced in the recent anti-circumvention investigation targeting the directly downstream SSCR product, Taiwanese producers are increasingly resorting to the processing of Indonesian stainless steel inputs – in particular stainless steel slabs – for the production of SSHR. The integrated stainless steel production route, traditionally predominant in Taiwan has become marginalised by processing of Indonesian inputs.
219. As imports of SSHR from Taiwan have continued to a high level after imposition of the measure, and in 2019 to a level above that of the original IP, the Applicant finds that a representative assessment of the dumping can be made on imports from the product concerned to the EU.

6.2 Normal values

220. The Applicant used three different sources to assess the normal value. First, the normal value was built using price quotations available on the Taiwanese market for SSHR from specialised publications. Values were adjusted to an EXW level as appropriate.
221. Second, the Applicant used price references of a Taiwanese SSHR producer. The prices were provided on an EXW basis and, therefore, did not need to be adjusted.
222. Third, using internal market intelligence, the Applicant constructed a normal value for YUSCO – the main Taiwanese SSHR producer. Since YUSCO was not profitable in 2024, the Applicant used the SG&A and EBITDA of another stainless steel producer in Taiwan – Walsin Liwa, which was barely profitable – to reach a conservative Constructed Normal Value.

Annex 9. Dumping assessment Taiwan

6.3 Export prices

223. The Applicant relied on two export price sets for the dumping assessment. First, the Applicant relied on the import price of the product concerned from Taiwan in the EU according to the COMEXT EUROSTAT. Based on the custom codes, it was able to identify austenitic and non austenitic imports as well as the various thicknesses. As the COMEXT EUROSTAT figures are available at CIF level, the values were adjusted to bring them to an EXW level.

224. Second, the Applicant relied on the export price of the product concerned from Taiwan to the EU according to the Taiwan custom statistics for the PoR for ordinary trade. As the figures are provided on a FOB basis, the values were adjusted to bring them to an EXW level.

6.4 Dumping margin

225. Based on the normal value and export prices defined as set out above, the Applicant determined the level of dumping for imports of the product concerned originating in China.
226. The Applicant compared each normal value with the export prices using the following formula:

$$\frac{(\text{ex-factory normal value}) - (\text{ex-factory export price})}{\text{CIF Value}} \times 100$$

227. The dumping assessment yields an average dumping margin of **11.5%**. Such a margin is substantial and clearly injurious to the Union industry, as detailed *infra*.

7. CONSISTENT DUMPING FINDINGS IN THIRD COUNTRIES ON SSHR AND RELATED PRODUCTS

228. As apparent from the above dumping assessments carried out for each of the countries concerned, dumping practices have continued or, at the very least, are likely to recur and/or aggravate should the measures be allowed to lapse. These dumping practices are part and parcel to the exporting producers' commercial operations, as demonstrated by the fact they are also consistently dumping on other markets.

7.1 Third country dumping findings on SSHR from the countries concerned

229. Several third countries have adopted antidumping measures on imports of the product concerned from China, Indonesia and Taiwan. The measures, some of which imposing high duties, were in place during the period considered.

7.1.1 USA

230. several antidumping and anti-subsidy investigations in the United States have led to positive findings and the subsequent imposition of antidumping and countervailing duties on imports of SSHR originating from China and Taiwan.
231. On 3 April 2017, the US imposed antidumping³²⁴ and countervailing³²⁵ duties on certain stainless steel sheet and strip, including SSHR, originating from China. The dumping margins were found to

³²⁴ US Department of Commerce, International Trade Commission, 82 FR 16161, <https://www.federalregister.gov/d/2017-06488/page-16161>.

³²⁵ US Department of Commerce, International Trade Commission, 82 FR 16166, <https://www.federalregister.gov/documents/2017/04/03/2017-06489/stainless-steel-sheet-and-strip-from-the-peoples-republic-of-china-countervailing-duty-order>.

range between 63.86% and 76.64% and the subsidy rate between 57.30% and 193.12%. On 6 and 7 July 2022, sunset reviews renewed the applied anti-dumping duties³²⁶ and countervailing duties.³²⁷

232. Furthermore, in April 2017, the US imposed antidumping duties on Certain Stainless Steel Plate in Coils from Taiwan and on Certain Stainless Steel Sheet and Strip from Taiwan. Both these categories include part of the product concerned. For Certain Stainless Steel Plate in Coils, the duties were originally imposed on 9 June 1999.³²⁸ They have been renewed ever since and now stand between 4.3% and 21.10%.³²⁹ The duties applied on Certain Stainless Steel Sheet and Strip from Taiwan were initially imposed on 17 November 2004.³³⁰ They have been maintained since and the current rates, as from 2024, are set at 21.10%.³³¹

7.1.2 South Korea

233. On 18 February 2021, the Korea Fair Trade Commission (“KFTC”) issued a favourable preliminary ruling on anti-dumping measures for Stainless Steel Flat-Rolled products, including SSHR, imported from China, Indonesia, and Taiwan. The imposed duty rates are 24.83% for China, 25.82% for Indonesia, and 9.07% for Taiwan.³³² The renewal of these duties was announced on 20 February 2025, extending them for an additional five years.³³³
234. The existence of AD duties imposed by South Korea and the United States on the product concerned originating from China, Indonesia and Taiwan strongly suggest that exporters from these countries frequently engage in dumping practices. This corroborates the results presented above.
235. Additionally, since the United States and South Korea have imposed anti-dumping duties on the countries concerned, there is a significant risk of trade diversion if the European Union does not renew its AD duties. As these countries represent crucial markets for SSHR, such a pattern would severely aggravate the Union's injury.

³²⁶ US Department of Commerce, International Trade Commission, 87 FR 40183, <https://www.federalregister.gov/documents/2022/07/06/2022-14315/stainless-steel-sheet-and-strip-from-the-peoples-republic-of-china-final-results-of-expedited-sunset>

³²⁷ US Department of Commerce, International Trade Commission, 87 FR 40506, [Federal Register :: Stainless Steel Sheet and Strip From the People's Republic of China: Final Results of Expedited First Sunset Review of the Countervailing Duty Order](#)

³²⁸ US Department of Commerce, International Trade Commission, 99-13681 (64 FR 30592), <https://www.federalregister.gov/documents/1999/06/08/99-13681/notice-of-final-determination-of-sales-at-less-than-fair-value-stainless-steel-sheet-and-strip-in>

³²⁹ US Department of Commerce, International Trade Commission, 2023-07247 (88 FR 20481), [Federal Register :: Stainless Steel Sheet and Strip in Coils from Taiwan: Preliminary Results of Antidumping Duty Administrative Review and Preliminary Determination of No Shipments; 2021-2022](#)

³³⁰ US Department of Commerce, International Trade Commission, E4-3199 (69 FR 67311), [Federal Register :: Notice of Amended Final Determination in Accordance With Court Decision of the Antidumping Duty Investigation of Stainless Steel Sheet and Strip in Coils From Taiwan](#)

³³¹ US Department of Commerce, International Trade Commission, 2024-30387 (89 FR 104080), <https://www.federalregister.gov/documents/2024/12/20/2024-30387/stainless-steel-sheet-and-strip-in-coils-from-taiwan-final-results-of-antidumping-duty>

³³² <https://www.yieh.com/en/south-korea-makes-final-ruling-for-ad-sunset-review-on-stainless-steel-flat-rolled-products-from-3-countries/153425#:~:text=On%20February%2020%2C%202025%2C%20South,duties%20for%20another%20five%20years.>

³³³ <https://www.yieh.com/en/south-korea-makes-final-ruling-for-ad-sunset-review-on-stainless-steel-flat-rolled-products-from-3-countries/153425#:~:text=On%20February%2020%2C%202025%2C%20South,duties%20for%20another%20five%20years.>

7.1.3 China

236. Finally, in July 2019, China imposed a 20.2% on imports of steel billets and hot-rolled stainless steel originating in Indonesia.³³⁴ However, to the extent that the Indonesian products are re-exported from China or used in inward processing, the duties will not apply as they are not imported to be placed on the Chinese market. As such, while dumping findings have been made, they do not affect the interrelations between Chinese and Indonesian producers for the export of SSHR to the EU.
237. A sunset review of the measure was initiated in July 2024.³³⁵ The measures were extended for an additional five years, starting from 1 July 2025.³³⁶

7.1.4 Brazil

238. In addition to the above measures already imposed by third countries, new investigations are launched on imports of SSHR from the countries concerned. Notably, Brazil initiated an anti-dumping investigation on June 30, 2025, targeting hot-rolled stainless steel flat products from, among others, China and Indonesia.
239. The Brazilian investigation followed a preliminary analysis by the Secretariat of Foreign Trade, which revealed *"sufficient evidence to demonstrate the existence of dumping, injury to the domestic industry, and a causal relationship between the two"*³³⁷. Dumping margins were put forward of 50.1% for China and 25.3% for Indonesia.³³⁸

7.2 EU dumping findings on related products from the targeted countries

240. Further to the unfair commercial practices attributable to Chinese, Indonesian and Taiwanese SSHR producers, the Commission's findings of dumping with regards to certain cold-rolled stainless steel sheets and coils (SSCR)³³⁹ are of direct relevance to demonstrate that the risk of recurrence of dumping of SSHR products is extremely high.

³³⁴ See MOFCOM Announcement No. 31 of 2019 on Final Ruling of Anti-dumping Investigation into Imports of Stainless Steel Billets and Hot-rolled Stainless Steel Plates/Coils Originating in the EU, Japan, the Republic of Korea and Indonesia, https://english.mofcom.gov.cn/Policies/ForeignTradeAdministration/art/2019/art_b80fcae2fb924be984ea732fdbaa1f74.html

³³⁵ Global Time, "China launches sunset review of anti-dumping measures on stainless steel imports", July 22, 2024, [China launches sunset review of anti-dumping measures on stainless steel imports - Global Times](https://trb.mofcom.gov.cn/myjjdc/art/2024/art_2997968e8de44ae19b3e767534203c7f.html) ; https://trb.mofcom.gov.cn/myjjdc/art/2024/art_2997968e8de44ae19b3e767534203c7f.html.

³³⁶ Ministry of Commerce Announcement No. 33 of 2025 on the Final Review Determination of Anti-Dumping Measures Applicable to Imports of Stainless Steel Ingots and Stainless Steel Hot-Rolled Sheets/Coils Originating in the European Union, the United Kingdom, the Republic of Korea, and the Republic of Indonesia.

³³⁷ Yieh Corp., "Brazil launches AD investigation on hot-rolled stainless steel flat products from 3 countries", 2 July 2025. <https://yieh.com/en/News/brazil-launches-ad-investigation-on-hot-rolled-stainless-steel-flat-products-from-3-countries/155429>

³³⁸ Nasser Advogados, "Initiation of Anti-dumping Investigation: Hot-Rolled Stainless Steel from China, Indonesia, and India", 30 June 2025, <https://nasser.adv.br/en/jurisprudencia/initiation-of-anti-dumping-investigation-hot-rolled-stainless-steel-from-china-indonesia-and-india/>

³³⁹ Commission Implementing Regulation (EU) 2021/1483 of 15 September 2021 imposing a definitive anti-dumping duty on imports of stainless steel cold-rolled flat products originating in the People's Republic of China and Taiwan following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council; and Commission Implementing Regulation (EU) 2022/433 of 15 March 2022 imposing definitive countervailing duties on imports of stainless steel cold-rolled flat products originating in India and Indonesia and amending Implementing Regulation (EU) 2021/2012 imposing a definitive anti-dumping duty and definitively collecting the provisional duty imposed on imports of stainless steel cold-rolled flat products originating in India and Indonesia

241. As SSHR is the production step just prior to the manufacturing of SSCR, the products are closely interconnected.³⁴⁰ Considering the ease with which one can go from an SSHR product to an SSCR product, i.e. by simply re-rolling it at ambient temperature, absent adequate renewal of the measures on SSHR, the dumping that the Commission found on SSCR products would simply be reported on SSHR products.
242. Anti-dumping duties on SSCR are currently set at 6.8% for Taiwan, up to 25.3% for China, and 21.4% for Indonesia. Several SSCR producers found to have adopted dumping practices on the European market are integrated SSCR producers, i.e. they produce both hot-rolled and cold-rolled stainless steel. There is also an overlap in the Chinese, Indonesian and Taiwanese producers targeted by the SSHR and SSCR proceedings, namely companies TISCO, Tsingshan Indonesia and YUSCO, all of which are integrated.
243. In both proceedings, the same companies, the same products and the same stainless steel grades (304 being the most common one) are involved. The Commission's findings on SSCR therefore also apply to SSHR, particularly since the main cost item in the production of SSCR is the raw materials, the same as in SSHR.
244. As the Commission established in the recent anti-circumvention cases on SSCR, differences in costs to go from SSHR to SSCR are very low, with only a few operations involved.³⁴¹ As an intermediate product, hot-rolled products represent only a marginal share of stainless steel production made of a part of the production that has exited the production chain. The principle, however, is that SSHR is further processed into SSCR.
245. Consequently, the anti-dumping measures and conclusions drawn for SSCR must be extended to the, preceding, hot-rolled part of which they constitute the main input, reinforcing much-needed comprehensive regulatory actions across both product categories.

8. LIKELIHOOD OF CONTINUATION OF INJURY

8.1 Situation of the Union Industry

246. The Applicant represents the Union's SSHR industry as a whole. Its members account for almost all of the production and sales of the product concerned in the Union, as it should be reminded that the marginal EU sales of white SSHR (HRAP) transformed from imported "black coils" cannot be considered as EU products, since the annealing and pickling transformation process does not confer EU origin to the products. **[Confidential information on the organisation of the sourcing of one of the Applicants. This information is confidential in nature. The information is not publicly available nor susceptible of further meaningful summary. Its disclosure could cause prejudice to the company].** The Applicant is not aware of any other players in the EU selling SSHR

³⁴⁰ Melted inputs are cast into stainless steel slabs. Once reheated, the slabs are flattened through hot-rolling to obtain hot-rolled coils. The SSHR usually undergo annealing and pickling. The SSHR is then re-rolled without added heat (hence cold-rolling) before a second annealing to obtain SSCR. The cold-rolling stage helps to reduce the thickness of the product and to improve its hardness, resistance and appearance.

³⁴¹ Commission Implementing Regulation (EU) 2024/1267 of 6 May 2024 extending the definitive anti-dumping duty imposed by Implementing Regulation (EU) 2021/2012 on imports of stainless steel cold-rolled flat products originating in Indonesia to imports of stainless steel cold-rolled flat products consigned from Taiwan and Vietnam, whether declared as originating in Taiwan and Vietnam or not, and terminating the investigation concerning the possible circumvention of anti-dumping measures imposed by that Regulation by imports of stainless steel cold-rolled flat products consigned from Türkiye, whether declared as originating in Türkiye or not.

produced from imported slabs. The injury picture set out below thus reflects the reality of the Union industry's situation.

247. The Applicant recalls that the Union producers of SSHR are also key players in the production of stainless steel flat cold-rolled products for the production of which SSHR serves as a key intermediate product. An overwhelming part of the SSHR production is allocated to the production of SSCR products. While the SSHR and SSCR products and markets are distinct, they are closely interconnected. Because of the integration of the Union industry and the significant share of downstream products in the EU's stainless steel consumption, captive use and captive sales amount for a large portion of consumption.
248. To provide a meaningful and representative analysis of trends and volumes affected by unfair imports, the Applicant distinguish free and captive markets. Free markets consists of sales conducted under normal conditions within the EU to both unrelated and related purchasers. By contrast, the captive market encompasses sales intended for further internal processing within the company or for transformation by a related company under terms that deviate from standard market conditions.
249. As the Commission previously found, *"the distinction between captive and free market is most relevant for the injury analysis because products destined for captive use are not exposed to direct competition from imports, as they are sold within the same company or groups of companies on the basis of transfer prices set according to internal price policies thus not directly linked to prices on the free market. By contrast, production destined for free market sales is in direct competition with imports of the product concerned, and is sold at free market prices."*³⁴²
250. As a result thereof, sales volumes and prices, market shares exports and profitability are to be assessed with respect to the free market only as these injury indicators are directly affected by the competition from imports.³⁴³ The fact that the Union industry's performance on the free market is more negatively affected than its performance on the captive market confirms these findings.
251. Conversely, as production, capacity and utilisation rates, stocks, investments and employment *"depend on the whole production activity, whether SSHR is kept for captive use or sold on the free market,"* these injury indicators are to be assessed on the full scope of activity on the product concerned and not be limited to the free market only.³⁴⁴

8.2 Consumption, sales, imports and market shares

8.2.1 Consumption

252. Consumption levels have decreased by more than **[400 000 – 700 000]** tonnes. In 2021, the total consumption of SSHR was comparable to the 4.8 million tonnes estimated during the original investigation period. However, consumption levels saw a substantial decline thereafter, with significant reductions observed in both the free and captive markets.

³⁴² 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, recs. 251-252.

³⁴³ 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, rec. 254.

³⁴⁴ 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, rec. 255.

in Tonnes	2021	2022	2023	2024	PoR
Total consumption	[3 500 000 - 6 450 000]	[3 475 000 - 6 250 000]	[3 375 000 - 6 350 000]	[3 425 000 - 6 300 000]	[3 375 000 - 6 175 000]
Index	100	87	81	81	84
Captive use	[2 500 000 – 5 000 000]	[2 500 000 – 5 000 000]	[2 500 000 – 5 000 000]	[2 500 000 – 5 000 000]	[2 500 000 – 5 000 000]
Index	100	90	81	83	86
Free Market	[1 000 000 – 1 450 000]	[975 000 – 1 250 000]	[875 000 – 1 350 000]	[925 000 – 1 300 000]	[875 000 – 1 175 000]
Index	100	81	79	76	79

Table 8 SSHR Consumption

253. The most notable drop in consumption levels occurred between 2021 and 2022, when overall consumption fell by 13%. It continued to decline consistently after 2022, experiencing only a very slight recovery during the PoR. Overall, the decline in consumption is more marked on the free market than on the captive market (7 p.p. difference).
254. The significant drop in consumption of SSHR in the EU highlights the critical state of the market. Since the original IP, when consumption was already low and the Union industry vulnerable, total consumption has sharply decreased. In this weakened state, any unfair trade practices have the capacity of disproportionately worsening the injury suffered by the Union industry. All injury indicators should therefore be assessed in the context of reduced consumption in the EU, as it leaves the Union industry less capable of resisting external pressures from unfair practices. Sales and imports

Annex 10. Injury indicators

255. The dramatic overall decline in EU consumption has had the strongest impact on Union producers sales to unrelated customers, which have fallen by no less than 25% since 2021.

in Tonnes	2021	2022	2023	2024	PoR
EU Sales	[700 000 – 1 150 000]	[650 000 – 900 000]	[700 000 – 1 150 000]	[650 000 – 900 000]	[650 000 - 900 000]
Index	100	74	86	73	75
Imports	299 547	310 157	167 979	255 168	269 951
Index	100	104	56	85	90

Table 9 Sales & imports

256. The most significant decline was recorded in 2022, with sales plummeting by 26% in just one year, more than double the decrease in consumption levels.
257. As detailed below, in 2022 the Union industry faced very important increases in energy and raw material costs. The Union industry has, however, been unable to pass-on costs increases to its customers since, at the same time, pressure of imports increased and imported volumes reached their peak (+61% since 2023) during the PoR.
258. After an initial promising rebound in sales volumes in 2023, the Union industry again brutally lost sales volumes to imports, by a staggering 9 p.p. in 2024 (Y-o-Y). In the PoR, sales volumes somewhat picked up, though closing at more than a quarter of volumes lost (-25%).

259. Imports to the Union demonstrated an opposite trend. Maintained at previous levels in 2021 and 2022 due to reduced activity among Union producers during the Covid-19 crisis and the initial stages of the war in Ukraine, imports fell drastically in 2023 as a result of both the measures imposed and adaptation to circumstances that no longer qualify as exceptional.
260. However, since 2023, imports have been back on a significant upward trend. As a result, with a consumption reduced by 21%, the Union industry lost 25% of its sales, compared to only a 10% decrease in imports. Hence, corresponding capture of market share by imports, those from the countries concerned particularly.
261. In keeping with the dynamics described above, imports from the countries concerned have peaked in 2022 (+9%). Import volumes from these countries reached a low in 2023, after which they have steadily increased until the period of investigation. As a result, the countries concerned achieved to increase their market share over the period considered, notwithstanding the measures in place.

in Tonnes	2021	2022	2023	2024	PoR
Imports China	30 960	34 321	32 994	24 891	24 619
Index	100	111	107	80	80
Imports Indonesia	105 783	76 601	15 490	51 796	67 117
Index	100	72	15	49	63
Imports Taiwan	39 687	82 086	33 169	78 839	75 290
Index	100	207	84	199	190
Imports countries concerned	176 430	193 007	81 653	155 525	167 026
Index	100	109	46	88	95

Table 10 Import volumes

262. Imports trends from Taiwan are particularly striking. Volumes more than doubled in 2022, overtaking Indonesia as largest source of origin of imported SSHR. In 2023, volumes imported from Taiwan were slashed by more than half, after which they recovered to more than double again in 2024 and remained broadly stable in the PoR. Overall, imports from Taiwan increased by 90% over the period considered and it has solidified its status as main source of origin with a comfortable advance on Indonesia. This considerable surge in imports, occurring on the back of a significantly increased use of Indonesian stainless semi-products, poses a particular threat to the Union industry, given the substantial decline in consumption.
263. Imports from Indonesia saw a very significant decrease in volumes until 2023 (-85%) and this trend already started the preceding year. Volumes, however, more than doubled in 2024, and continued increasing in the PoR.
264. Imports from China show a slightly different, more stable trend. After increasing in 2022 (+11%), volumes remained rather stable in 2023 (-3 p.p.), where volumes from Indonesia and Taiwan plummeted. Conversely, imports from China saw a notable decrease in 2024 (-27 p.p.) while imports from Taiwan and Indonesia each more than doubled. Volumes remained stable thereafter and imports from China stood 20% lower in the PoR than at the opening of the period considered. That said, these trends should be read against absolute figures of imports from China which show a decrease of only around 6kT over the period.

265. The apparent decrease in import volumes must be read against the decreasing trend in consumption which clearly shows that imports from the countries concerned have continued capturing market share at the expense of the Union industry. In line with the Commission's methodology in the original investigation, the Applicant determined market share *"by comparing the volume of imports with Union free market consumption."*³⁴⁵

Market share %	2021	2022	2023	2024	PoR
Imports China	[1- 4%]	[2- 5%]	[2- 5%]	[1- 4%]	[1- 4%]
Index	100	137	135	106	101
Imports Indonesia	[6-10%]	[6-10%]	[0-4%]	[2-6%]	[4-8%]
Index	100	89	19	64	80
Imports Taiwan	[1-5%]	[5-9%]	[1- 5%]	[5-9%]	[5-9%]
Index	100	255	106	261	241
Imports countries concerned	[8 - 20%]	[12 - 24%]	[2 - 14%]	[8 - 20%]	[10 - 22%]
Index	100	135	59	116	120
EU sales	[60-90%]	[60-90%]	[60-90%]	[60-90%]	[60-90%]
Index	100	92	109	96	96

Table 11 Market share imports

266. In 2022, Union producers experienced a substantial decline in market share due to the raw material cost crisis. However, they showcased a remarkable recovery in 2023, with their market share increasing by 6.6 p.p. compared to the beginning of the period thanks to the TDIs in place. However, this recovery was short-lived, as the EU market share has been declining since 2023.
267. In the context of an overall declining market share of the Union by 4% over the period, market shares of imports from the countries concerned have surged by 20%.
268. Although the Chinese market share has fluctuated over the observed period, it has remained broadly equivalent overall, even increasing slightly by 1% between 2021 and the PoR.
269. The Indonesian and Taiwanese market shares confirm the conclusions regarding volumes, particularly the significant increase in imports after 2023. It is also worth noting that Taiwanese imports have increased by 90% since 2021 and more than doubled since the original IP, when their market share stood at 3%.
270. Since 2021, combined imports from the countries concerned have gained close to four percentage points in market share. That is, an increase of more than 20% over the period considered. Imports from the countries concerned now account for an impressive **[10 - 22%]** of the total Union market consumption. This figure is particularly alarming given that the market share of their imports to the EU has been consistently increasing at a steady pace since 2023.
271. As noted above, the context of weak SSHR consumption in the Union exacerbates the injury caused by imports from the targeted countries. Even a small market share of artificially low-priced products can exert significant downward pressure on prices: a **[10 - 22%]** market share attributable to unfairly priced SSHR is extremely harmful to the Union.

³⁴⁵ Regulation 2020/508, recital (271), https://eur-lex.europa.eu/eli/reg_impl/2020/508/oj/eng.

8.2.2 Price pressure and undercutting

272. Over the period considered, the price of imports decreased as the volume of imports increased. This is particularly the case for Taiwan, import prices from which decreased by more than 15%.

in €/tonne	2021	2022	2023	2024	PoR
Imports from China	1 936	2 614	1 534	1 697	1 852
Index	100	135	79	88	96
Imports from Indonesia	1 822	2 913	1 836	1 705	1 719
Index	100	160	101	94	94
Imports from Taiwan	2 326	3 041	2 184	1 940	1 942
Index	100	131	94	83	84

Table 12 Import prices

273. For Indonesian and Taiwanese imports of SSHR, such decrease in prices has been particularly notable after 2023, where they stood at levels by 6% and 16% lower than in 2021, respectively.
274. The reduction in import prices for the concerned countries explains why import volumes have remained at such high levels despite the imposition of the duties, and may even suggest absorption of the imposed duties. The Applicant draws the Commission's attention particularly to the fact that, where imports decreased until 2023, import prices stood higher for the most part. Conversely, when imports once more steadily increased as of 2023, import prices stood significantly lower – demonstrative of an aggressive market share capturing operation against the backdrop of increasing consumption levels in the EU.
275. The injurious impact of discontinuation of the measures, and therefore the likelihood of the aggravation of injury, can be assessed with undercutting levels recorded in the PoR. The Applicant has calculated the undercutting margin of the imports on the basis of a comparison of the price of imports with the corresponding EU prices to unrelated customers for the period Q2 2024 to Q1 2025. The difference in prices was then expressed as a share of the Union industry price.

Undercutting for all SSHR in %	PoR
Undercutting China (no duty)	[10 – 40%]
Undercutting China (+17.5% average ADD)	[5 – 35%]
Undercutting Indonesia (no duty)	[10 – 40%]
Undercutting Indonesia (+17.3% ADD)	[5 – 35%]
Undercutting Taiwan (no duty)	[10 – 40%]
Undercutting Taiwan (+5.8% average ADD)	[5 – 35%]
Undercutting China, Indonesia and Taiwan (no duty)	[10-40%]
Undercutting China, Indonesia and Taiwan (with duties)	[5 – 35%]

Table 13 Undercutting all SSHR

276. The data indicates that, despite the existing duties, the price of imports from the concerned countries significantly undercuts EU prices, with an average undercutting of **[5 – 35%]** %. Clearly, the removal of the duties would exacerbate the price pressure already sustained with the average undercutting margin moving up to **[10-40%]** absent duties. For a Union industry already under severe stress, such increased price pressure would put its viability into question.

277. When constraining the comparison to prices for austenitic SSHR only, the injury picture is even more worrisome. Since austenitic material constitutes the vast majority of imports from the countries concerned, this assessment is particularly relevant. Indeed, imports of austenitic SSHR account for the following shares of total SSHR imports from the countries concerned: between 87% and 99% from China, 92% to 100% from Indonesia, and 94% to 98% from Taiwan. Overall, imports of the austenitic grade account for over 90% of SSHR imports from the countries concerned, highlighting the necessity for a tailored analysis.

Undercutting for austenitic SSHR in %	PoR
Undercutting China (no duty)	[15 – 45]%
Undercutting China (+17.5% average ADD)	[10 – 40]%
Undercutting Indonesia (no duty)	[15 – 45]%
Undercutting Indonesia (+17.3% ADD)	[10 – 40]%
Undercutting Taiwan (no duty)	[15 – 45]%
Undercutting Taiwan (+5.8% average ADD)	[10 – 40]%
Undercutting China, Indonesia, Taiwan (no duty)	[15 – 45]%
Undercutting China, Indonesia, Taiwan (with duties)	[10 – 40]%

Table 14 Undercutting austenitic SSHR

278. The assessment of undercutting levels on austenitic SSHR only shows the extreme pressure exerted by the price of imports from the countries concerned, above all Taiwan and Indonesia, which show undercutting levels reaching [10 – 40%] and [10 – 40%], respectively. As the three countries together account for [10 - 22%] of the market share in the EU during the PoR, such high undercutting levels are particularly revealing of the dire situation in which the Union industry operates. Should the measures in place be allowed to lapse, the pressure would rise substantially.
279. The persistent high (and increasing) volume of imports combined with significant undercutting levels recorded in the PoR directly translate into downward pressure on Union prices, preventing producers from passing costs increases or achieving sustainable levels of profitability. Such directly affects the performance of the Union industry which shows increasingly – or already materialised – negative trends.

8.3 Production, production capacity and capacity utilisation

280. Against the backdrop of increasing pressure by the imports from the countries concerned, the Applicant's SSHR production output has consistently declined since 2021. After an initial significant decrease of 15% in 2022, production output has further decreased in 2023 to reach levels about a fifth below those at the start of the period considered. Output has remained broadly stable thereafter, through with a slight uptick in the PoR which tracks the slight improvement in consumption volumes. This overall downward trend in production underscores the Union industry's heightened vulnerability due to the low consumption levels. Tied to the decrease in sales and reduced production output over the same period, installed capacities have also been reduced towards the end of the period considered.
281. Although capacity utilisation has shown signs of stabilisation following an initial abrupt decrease of 15% in 2022, it has persistently remained subpar. Besides, it is important to notice that capacity utilisation has declined in a context of already declining capacity on the back of production output decreasing by nearly a fifth, faster pace than the rationalisation of installed capacities.

in Tonnes and %	2021	2022	2023	2024	PoR
Production	100	85	81	81	83
Capacity installed	100	100	99	96	97
Capacity utilisation	100	85	82	84	85

Table 15 Production, capacity & utilisation rate

282. While the situation slightly improved at the end of the period considered, levels remain well-below those registered in 2021. Furthermore, it falls short of reaching the already deteriorated levels recorded in 2018, i.e. the year before the initiation of the original investigation: 4.7 million tonnes of annual production, 7 million tonnes of annual capacity, for a capacity utilisation rate of 66%.³⁴⁶
283. Due to the challenging circumstances, Acerinox (one of the companies represented by the Applicant) opted to suspend its operations at its 1 million tonnes per year smelter in Los Barrios, Cádiz, starting on 12 October 2024 and anticipated until 2027.³⁴⁷ Due to the weak production and utilisation rates, it is expected that similar production halts will occur again in the future. Arvedi Acciai Speciali Terni (also represented by the Applicant) has also periodically suspended production in 2024 due to the difficult environment on the EU market.³⁴⁸

8.4 EU sales to unrelated

284. The decrease in production can be explained by the concurrent decrease in sales to unrelated customers. During the period considered, such sales have systematically remained below the initial levels recorded in 2021.

in Tonnes	2021	2022	2023	2024	PoR
EU sales to unrelated	100	71	84	70	73

Table 16. EU sales to unrelated

285. The fluctuations in sales volumes to customers parties in 2022 and 2023 are primarily linked to exceptional circumstances. In 2022, the sharp 29% decline in such sales can be explained by (1) the relatively higher captive use of SSHR compared to overall consumption as producers aimed to resume and boost production post-pandemic, and (2) the LME crisis which adversely affected the alloy surcharge, rendering these sales less appealing to buyers.
286. The end of these exceptional circumstances, along with the remedial measures in place, contributed to the rebound in sales to the free market between 2022 and 2023, which rose by close to 20% despite the overall decline in consumption.
287. However, after this brief respite in 2023, sales dropped again to levels even lower than in 2022, in the absence of any exceptional circumstances and notwithstanding the measures in place.

³⁴⁶ 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, Table 7, [Implementing regulation - 2020/508 - EN - EUR-Lex](#)

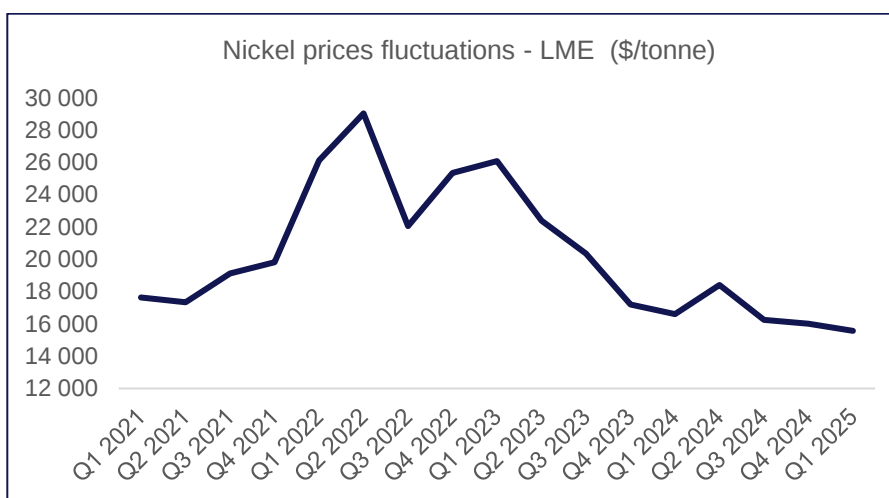
³⁴⁷ Eurometal, "Acerinox Set to Suspend Steel Production in Spain: Media Reports," 10 October 2024, <https://eurometal.net/acerinox-set-to-suspend-steel-production-in-spain-media-reports/>

³⁴⁸ GMK Center, "Arvedi AST Suspends Production in Terni Until the End of November," 22 November 2024, <https://gmk.center/en/news/arvedi-ast-suspends-production-in-terni-until-the-end-of-november/>.

288. This situation is even more alarming as, in addition to the decline in sales, profits for EU producers have also dropped.

8.5 EU prices, cost of goods sold and profit

289. As indicated, the price pressure exerted by imports and the impact on the evolution of EU prices can only usefully be considered with respect to free market sales.
290. The variations of the EU costs and prices are closely tied to the evolution of the costs of raw materials, which may exceed three-quarters of the costs of production for hot-rolled coil.
291. Alloys, such as nickel, constitute an important part of the cost of production, to the point that in the EU, the price for SSHR is traditionally composed of a "base price", negotiated with the purchaser, to which is added an "alloy surcharge" to reflect the evolution of the cost of alloys. The alloy surcharge mechanism, typically defined on a monthly basis, allows accounting for the, sometimes significant, variations of the raw material prices, especially nickel and chromium, as a result of demand and supply.³⁴⁹
292. The significant fluctuations in alloy surcharge are closely tied to similar variations of the cost of nickel in the European market, as this raw material accounts for a substantial portion of the cost for austenitic stainless steel. During the period considered, international nickel prices fluctuated rather significantly, thus directly affecting the production costs of SSHR.



Source LME Nickel prices in USD per tonne, 2021-2025³⁵⁰

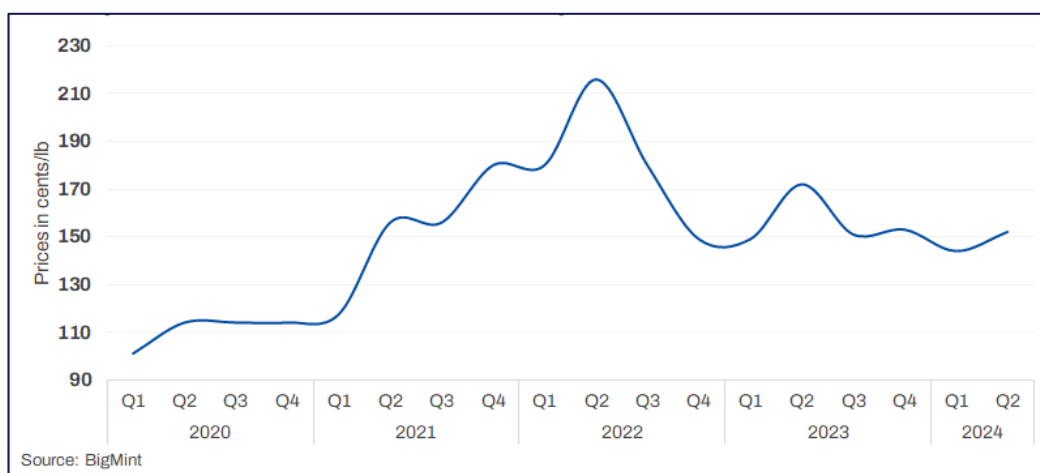
293. In particular, nickel prices surged in the first semester of 2022, primarily due to market volatility triggered by Russia's invasion of Ukraine. On 7 March 2022 alone, nickel prices on the LME skyrocketed by 61%,³⁵¹ driven by fears among European buyers that sanctions would disrupt nickel supply. Another important temporary increase was recorded in early 2023.

³⁴⁹ See for example <https://www.outokumpu.com/fr-fr/surcharges/stainless-steel-alloy-surcharges-europe> for monthly alloy surcharges of Outokumpu

³⁵⁰ London Metal Exchange, "Nickel | Non-Ferrous Metals," <https://www.lme.com/en-GB/Metals/Non-ferrous/Nickel#tabIndex=2>

³⁵¹ Reuters, "Ukraine crisis rocks the London Metal Exchange", 15 March 2022, <https://www.reuters.com/markets/commodities/ukraine-crisis-rocks-london-metal-exchange-2022-03-14/>

294. The Applicant further notes that the dramatic escalation of the nickel prices on the LME market in 2022 was significantly influenced by the actions of the Chinese group Tsingshan – the sole Indonesian producer of SSHR which already had a prior history of distorting LME market conditions, in apparent “*abusively squeezing the market*.”³⁵² In 2022, Tsingshan placed a significant bet against the LME, and when a short squeeze ensued following Russia's invasion of Ukraine, Tsingshan was forced to swiftly repurchase its assets, causing prices to skyrocket. This is demonstrative of the capacity of Tsingshan – one of the main SSHR producers globally – to substantially affect international raw material prices, and therefore SSHR prices, in parallel to its particularly shielded access to nickel in Indonesia.³⁵³
295. Although prices gradually decreased throughout 2023 and into 2024, eventually returning to levels close to those observed before the crisis, the temporary spike had a significant impact on European stainless steel.
296. The shock to production costs was further compounded by similar dynamics in the ferrochrome market. Ferrochrome, another key input in stainless steel production, also experienced a sharp price increase in 2022. However, unlike nickel, ferrochrome prices did not fully return to pre-crisis levels and have remained relatively high ever since, placing sustained pressure on European producers.



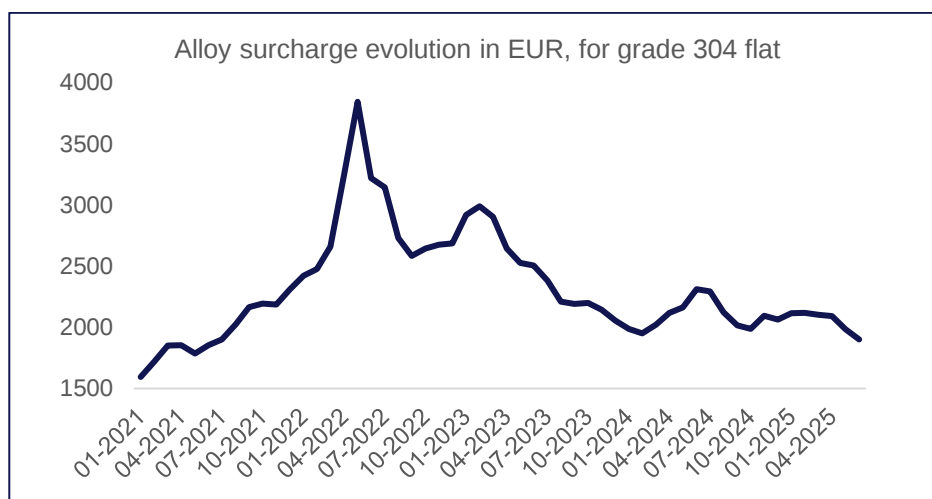
European ferrochrome benchmark prices. Source : Bigmint³⁵⁴

297. The alloy surcharge is directly reflected in European prices. For example, Outokumpu's historical data shows significant fluctuations between 2021 and the PoR. Considering the alloy surcharge mechanism, such variations are necessarily translated in Union industry prices for SSHR products.

³⁵² Mining Weekly, “LME Failed to Probe Tsingshan Before Nickel Chaos, London Court Hears,” 23 June 2023. <https://www.miningweekly.com/article/lme-failed-to-probe-tsingshan-before-nickel-chaos-london-court-hears-2023-06-23>

³⁵³ MINING.COM, “What Really Happened the Night the Nickel Market Broke,” 21 June 2023. <https://www.mining.com/web/what-really-happened-the-night-the-nickel-market-broke/>

³⁵⁴ Bigmint, “Europe's benchmark ferro chrome price increases for Q2CY'24”, 25 March 2024, <https://www.bigmint.co/intel/detail/europes-benchmark-ferro-chrome-price-increases-for-q2cy24-28385>



Annex 11. Outokumpu Alloy Surcharge for Grade 304 Flat Products

298. Energy costs also played a critical role in overall production expenses and cost pressure, even more so because these expenses were not included in the alloy surcharge. In 2020, energy represented 17% of SSHR average production cost³⁵⁵ and a substantial cost factor over the PoR. As widely documented, the Russia-Ukraine crisis further intensified this burden, by causing a substantial increase in energy prices across Europe. This compounded the cost pressures faced by Union producers, further undermining their competitiveness during the period, and especially in 2022.
299. The main factor of profitability for Union producers is the ability to pass on the cost increases, or to avoid passing on cost decreases on the selling price to maintain or increase the profitability. Other factors, such as the level of production, and consequently the marginal fixed cost for each unit produced also influence the profitability.
300. With the adoption of the original duties in November 2020, the Union industry was able to progressively increase prices and to do so beyond the already very significant increase in the cost of goods sold driven, to a large extent, by increases in energy costs.
301. Until 2022, the Union industry was able to pass-on cost increases to customers, with profit margins peaking the same year. Nevertheless, this seemingly improved performance is misleading: although profits were up, this was achieved at the expense of sales volumes (-29%).
302. As of 2023, however, the Union industry had to reduce prices by a staggering 36 p.p. to boost sales. In the meantime, costs only decreased by 23 p.p., leading to plummeting profitability, entering negative trends.
303. As a result, during the PoR, both sales volumes and profitability reached extremely concerning levels: sales volumes demonstrated a 27% decrease since 2021, despite EU producers selling at a loss. The Applicant draws the Commission's attention to the fact that, though both import volumes and the market share of imports from the countries concerned decreased between 2022 and 2023 when the Union's industry's performance substantially degraded, the import prices from the countries concerned decreased by 36% over the same period from 2914 to 1855 EUR/tonne.³⁵⁶ As

³⁵⁵ Bigmint, "Europe's benchmark ferro chrome price increases for Q2CY'24", 25 March 2024, <https://www.bigmint.co/intel/detail/europes-benchmark-ferro-chrome-price-increases-for-q2cy24-28385>.

³⁵⁶ See Annex "Injury Indicators", Document "Consumption and Market Shares", Sheet "Imports".

such, the price pressure of imports has been exacerbated at that moment, dragging down market prices and preventing EU producers from passing on costs.

304. The industry has faced persistent price declines in an effort to stay competitive against unfairly priced imports, putting considerable pressure on its profit margins. In 2023, the Union industry began selling at a loss, a pattern that has reoccurred during the period of reference. The negative trend has not been reversed.

in €/tonne and %	2021	2022	2023	2024	PoR
Price to unrelated	100	149	113	105	104
Cost of goods sold	100	144	121	110	110
Profit margin	100	164	-35	10	-4

Table 17 EU Sales price, COGS & profit

305. The Union industry has not been able to reach the reasonable non-injurious profit margin set at 8.7% in the original Regulation.³⁵⁷ Though, with the contribution of the measures in place the Union industry saw its profitability improve until 2022, the price pressure has proven unsustainable. The profit levels achieved during the period of investigation are a clear indication of an injurious and worsening situation of the Union industry.

8.6 Employment and investment

306. Over the period considered, the level of employment in the Union industry has fluctuated. There was an increase in the number of employees between 2022 and 2024. In the period of reference, however, employment levels are on a declining trend (-6 p.p. compared to 2024).
307. Overall, employment decreased by 5% over the period considered. Read against the broader context of the Union industry's declining production output, this reveals an overall 23% decline in productivity since 2021.

in (tonne)/FTE	2021	2022	2023	2024	PoR
Employment	100	90	99	101	95
Productivity	100	95	82	80	87

Table 18 Employment & productivity

308. Investments increased by 22% over the period considered. Partly, as in most industries, this is due to a catch-up effect of certain investments delayed due to Covid19. Further, it also shows the Union industry remains committed to maintaining a competitive position, making full use of the remedial effect of the measures adopted.

³⁵⁷ 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, rec. 331.

in 000 EUR	2021	2022	2023	2024	PoR
Investment	100	121	113	120	122

Table 19 Investment

309. Nevertheless, as seen above, these increased investment levels did not result in a corresponding increase in capacity. Subsequently, the investments merely aimed to retain existing capacity and replace necessary production assets, including by adding innovative and greening of the capacities.

8.7 Inventories

310. During the period from 2021 to 2024, there was a noticeable fluctuation and subsequent drop in inventory levels. Over the period considered, closing inventories decreased by over 15%. This suggests a reduction of demand projections due to the steadily decreasing consumption levels.

in Tonnes	2021	2022	2023	2024	PoR
Closing stock	100	81	76	97	84

Table 20 Inventories

8.8 Order intakes

311. The evolution of order intakes for the product concerned only confirms the downward trend already observed for inventory levels.

in Tonnes	2021	2022	2023	2024	PoR
Order intakes	100	65	77	72	68

Table 21 Order intakes

312. The sharp 32% decrease in order intakes between 2021 and the PoR supports projections of declining consumption, as well as it highlights negative forecasts for production.

8.9 Injury margin

313. The injurious impact of the Chinese, Indonesian and Taiwanese imports is further clearly evidenced by the injury margin assessment, calculated on the basis of the target price of the Union industry, as defined in the original investigation. In it, the Commission set the target profit at 8.7%, threshold it found to be necessary to achieve in order to reach a non-injurious situation.³⁵⁸ The Applicant further recalls that the Commission found the Union industry would incur costs between EUR 1.5 and 6 per tonne for compliance with multilateral environmental agreements³⁵⁹ in accordance with Article 7(2d) of the basic AD Regulation. The Applicant takes these numbers as a minimum for the present assessment.
314. Consequently, the Applicant determined the Union industry's non-injurious price for SSHR by taking the Applicant's cost of goods sold, add an average cost of EUR 3.75 per tonne to it (resulting from

³⁵⁸ Regulation 2020/508, rec. 331.

³⁵⁹ Regulation 2020/508, rec. 333.

compliance with multilateral environmental agreements) and adding a 8.7% target profit on this amount.

315. The Applicant then compared the price of SSHR imported from the countries concerned with the minimum non-injurious price so defined, and expressed the difference in percentage as a share of the price of imports in the EU, as follows:

in % - Target profit 8.7%, all SSHR	PoR
China (no duty)	[35 – 70%]
China (+17.5% average ADD)	[30 – 65%]
Indonesia (no duty)	[35 – 70%]
Indonesia (+17.3% ADD)	[30 – 65%]
Taiwan (no duty)	[35 – 70%]
Taiwan (+5.8% average ADD)	[30 – 65%]
China, Indonesia, Taiwan (no duty)	[35 – 70%]
China, Indonesia, Taiwan (with duties)	[30 – 65%]

Table 22 Injury margin all SSHR

316. The assessment yields significant injury margins, confirming the precarious situation of the Union industry and highlighting the harmful impact of imports from the countries concerned, particularly if duties were discontinued. The harmful impact of such low prices is to be compounded with the important volumes exported (and, as detailed below, additional volumes available for export) capturing market share.
317. As set out above, considering the overwhelming share of austenitic material in SSHR imports from the countries concerned, the Applicant also carried out the assessment – with the same calculation as above – on austenitic SSHR only.

in % - Target profit 8.7%, austenitic SSHR	PoR
China (no duty)	[45– 80%]
China (+17.5% average ADD)	[40 – 75%]
Indonesia (no duty)	[45– 80%]
Indonesia (+17.3% ADD)	[30 – 65%]
Taiwan (no duty)	[45– 80%]
Taiwan (+5.8% average ADD)	[30 – 65%]
China, Indonesia, Taiwan (no duty)	[45– 80%]
China, Indonesia, Taiwan (with duties)	[40 - 75%]

Table 23 Injury margin austenitic SSHR

318. On that basis, substantial injury margins were found for austenitic SSHR imports specifically. It is evident that, in the absence of anti-dumping measures, imports from the countries concerned would be in a position to cause extensive additional injury to the Union industry.

8.10 Conclusion on the likelihood of continuation of injury

319. Despite the imposition of the original measure and a temporary improvement of the situation of the Industry, dumped imports from the targeted countries are causing significant injury to the EU

producers. The Union SSHR industry has faced significant challenges, as evidenced by the above analysis of various economic indicators.

320. The industry has experienced a marked decline in total consumption since 2021. This decline is apparent in both the captive use and free market sectors, with overall consumption decreasing by **[10 – 15%]** between 2021 and 2022, followed by further reductions.
321. Production capacity and capacity utilisation have also shown a worrying trend. Since 2021, there has been a consistent decline in production, alongside a reduction in capacity utilisation. Although there have been minor stabilisations and upticks, these have not been enough to return to the levels of the original investigation period. This persistent low capacity utilisation underscores the industry's struggle to maintain operational efficiency and competitiveness in the face of unfair competition.
322. Employment and investment trends provide additional insight into the industry's struggle. While there was a temporary increase in employment and a rise in investment aimed at maintaining capacity, these efforts have not translated into increased productivity or capacity expansion.
323. Finally, the profits of EU producers is of particular concern. Although in 2022 the Union industry's profit margin got close to the reasonable profit margin set by the Commission at 8.7%, this level has since significantly dropped, to the point that both in 2023 and during the PoR, the industry was selling at loss.

9. FACTORS OF AGGRAVATION OF INJURY

9.1 Structural factors in the countries concerned increase the likelihood of recurrence and aggravation of injury

324. The Union industry's situation is cause for significant concern. In and of itself, it justifies the continuation of the anti-dumping duties. Absent the renewal of these measures, all indicators point to a rapid and severe deterioration of the Union industry's situation in the near future.
325. Such a deterioration would primarily be caused by the structural domestic issues within each of the countries concerned.
326. The domestic characteristics and conditions of each country's steel market have created strong incentives for producers in Indonesia, China, and Taiwan to increase exports of SSHR products to the Union market. This is mainly due to global overcapacities in the steel industry, in which China is a key driver, coupled with a slowdown in the steel sector resulting from various issues faced by the industry in each of the countries concerned.

9.1.1 Notable distortions in raw material supply in the countries concerned

9.1.1.1 The situation of nickel in Indonesia

(a) Policies over natural resources in Indonesia

327. Indonesia's competitiveness in the export of SSHR is closely tied to its abundant nickel resources and its restrictive policies on the raw material. In 2024, the country's resources were estimated to account for no less than 42% of global nickel reserves and 59% of global mine production.³⁶⁰
328. The consequences the large resources and exploitation of nickel ore resources in Indonesia on the global market have been greatly and unfairly amplified by the policies of the Government of Indonesia ("**GOID**"), to encourage exports of stainless steel products such as SSHR.³⁶¹
329. The aim and means of the GOID policy towards nickel resources were clearly delineated in the Long-Term National Development Plan ("**RPJPN**") published in 2007.³⁶² The RPJPN explicitly mentioned value chain development through product processing and diversification (downstream development), structural deepening (upstream development), and vertical integration (upstream and downstream development) as key objectives.
330. Particular focus was to be directed towards specific subsectors, with emphasis on those engaged in the processing of natural resources and exhibiting potential for export development, as it is the case for stainless steel.³⁶³
331. In 2024, a new RPJPN was published, covering the period 2025-2045.³⁶⁴ This confirmed the policy laid out by the GOID with regards to the exploitation of natural resources. The plan even indicates that new smelters are to be built, and reaccentuates the focus on the need for value-added exports.
332. In line with the RPJPN's objectives, the primary regulatory framework for nickel processing is established by Law No. 4 of 2009 on Mineral and Coal Mining ("**the 2009 Mining Law**"),³⁶⁵ still in effect.
333. The 2009 Mining Law recalls the GOID's control over natural resources, including nickel, by stating in its Preamble that *"minerals and coal that buried in the mining jurisdiction of Indonesia represents non-renewable natural wealth which is a gift from the almighty god and which possesses an important role in the fulfilling the needs of life of many people, therefore the management of these resources must be under the control of the State in order to provide real value-addition to the national economy in an effort to achieve prosperity and wealth for the community in a fair manner."* To this end, Article 4 of the 2009 Mining Law provides that *"(1) Mineral and coal as non-renewable natural resources constitute national wealth controlled by the state for the greatest benefit of the people's*

³⁶⁰ US Geological Survey, Nickel Statistics and Information 2025, p. 129 (at <https://pubs.usgs.gov/periodicals/mcs2025/mcs2025.pdf>).

³⁶¹ See for example Regulation Commission implementing Regulation (EU) 2022/433 of 15 March 2022 imposing definitive countervailing duties on imports of stainless steel cold-rolled flat products originating in India and Indonesia and amending Implementing Regulation (EU) 2021/2012 imposing a definitive anti-dumping duty and definitively collecting the provisional duty imposed on imports of stainless steel cold-rolled flat products originating in India and Indonesia, recs. 307 *et seq.*

³⁶² Commission Implementing Regulation (EU) 2022/433 of 15 March 2022, rec. 314.

³⁶³ See for example findings of the Commission in Regulation (EU) 2022/433, rec. 331.

³⁶⁴ Final Draft of RPJPN 2025-2045 (at: <https://indonesia2045.go.id/aspirasi>).

³⁶⁵ Commission Regulation (EU) 2022/433 of 15 March 2022, recs. 317 *et seq.*

welfare" and "(2) The control of mineral and coal by the state as referred to in paragraph (1) shall be realized by the Government and/or regional governments."

334. The 2009 Mining Law further provides that all nickel ore mining companies are to process nickel domestically, either by establishing their own nickel-processing and purification facilities or by selling to such domestic facilities³⁶⁶, effectively creating an export ban on raw nickel ore.
335. The Commission previously condemned these Indonesian restrictive measures on nickel exports, as they unduly and illegally restrict the EU's access to raw materials necessary for the production of stainless steel, as well as result in a distortion of global market prices of ores. The measures are still identified as active trade barriers by the Commission.³⁶⁷
336. In view of these conclusions and of the GOID's reluctance to amend its policy accordingly, the EU formally requested the establishment of a WTO Panel in January 2021.³⁶⁸ The Panel concluded that Indonesia's decision to impose an export ban on nickel ore, coupled with its domestic processing requirement, was at odds with the WTO's clear prohibition of such export prohibitions and restrictions, as outlined in Article XI:1 of the GATT 1994.³⁶⁹
337. Indonesia appealed the report in the void.³⁷⁰ Given the Appellate Body's current non-operational state, this appeal has so far prevented the fair and lawful application of the WTO's recommendations.
338. As of now, the GOID has not yet taken the necessary steps to address the issue nor has it shown any intent to address the issue. The policies and access restrictions on nickel found to be in violation of international trade law therefore remain in effect.

(b) Nickel supply in Indonesia

339. It results from the above that all the nickel ore extracted in Indonesia must be processed within the country, it being noted that the GOID has pushed nickel production to feed its domestic industry, to the point that the mine production jumped from 800 000 tonnes in 2019 to 2.2 million tonnes in 2024, i.e. a 175% increase.³⁷¹
340. This rise has been facilitated by a government-managed quota system. The quotas are distributed among mining companies through the issuance of permits known as RKAB (Rencana Kerja dan Anggaran Biaya), which are mining work and budget plans approved by the Ministry of Energy and Mineral Resources. Since late 2023, the validity of RKAB permits was extended from one year to three years, providing more operational certainty for mining companies.³⁷²

³⁶⁶ Article 103 of Law No. 4 of 2009 on Mineral and Coal Mining.

³⁶⁷ https://trade.ec.europa.eu/access-to-markets/en/barriers/details?barrier_id=11102&sps=false.

³⁶⁸ European Commission, "EU files WTO panel request against illegal export restrictions by Indonesia on raw materials for stainless steel", 14 January 2021, [EU files WTO panel request](#).

³⁶⁹ WT/DS592/R, Report of the Panel, 30 November 2022.

³⁷⁰ See Consultations of the European Commission, "Information gathering on the Indonesian export ban and domestic processing requirement on nickel ore", [Information gathering on the Indonesian export ban and domestic processing requirement on nickel ore - European Commission](#).

³⁷¹ See <https://pubs.usgs.gov/periodicals/mcs2024/mcs2024.pdf> for 2019 data and <https://pubs.usgs.gov/periodicals/mcs2025/mcs2025.pdf> for 2024 data.

³⁷² Project Blue, "Indonesia locks in 2025 nickel ore mining quota", 14 January 2025 (at: [Proxima Opinion Pieces](#)).

341. In 2024, approval processes temporarily slowed due to delays in administrative reviews,³⁷³ and the shortages of supply were further aggravated by adverse weather conditions.³⁷⁴ However, these setbacks were only conjunctural, rather than structural. Besides, in spite of these challenges, the GOID still approved 191 mineral mining quotas for the year, authorizing the production of 152.62 million tonnes of nickel for 2024.³⁷⁵
342. Therefore, despite concerns regarding output slowdowns, Indonesia's nickel mining remains critically high. This is especially relevant in light of the EU ban on Russian-origin nickel, which has prompted the LME to increase its holdings of Indonesian nickel. Indonesian-origin nickel now dominates LME inventories, further cementing the country's global influence.³⁷⁶
343. The domestic oversupply of nickel, encouraged and facilitated by the GOID, has created a market distortion: Indonesian producers, benefiting from structural cost advantages, have driven prices down to levels that are unsustainable for competitors, even in China, where a trader confirmed that *"Domestic NPI producers just cannot compete with those based in Indonesia [...]"*³⁷⁷
344. This imbalance is expected to worsen as Indonesia's nickel production could rise by 20%, reaching 5.5 million tonnes by the end of the decade, as Indonesia is projected to account for 69% of global refined nickel output, making it a virtual monopolist of nickel.³⁷⁸ Such concentration threatens global market fairness and strategic supply chains.

9.1.1.2 Distorted raw materials penetrating Taiwanese and Chinese markets

(a) Increased cooperation between Chinese and Indonesian producers

345. The GOID has pursued a deliberate strategy to attract Chinese investment to develop its nickel processing and stainless steel sectors.³⁷⁹ This cooperation was formally initiated in 2005 through a Joint Declaration between the GOID and the GoC, reinforced by the 2010 Plan of Action. These agreements laid the groundwork for the application of preferential policies, the provision of direct government support, and close intergovernmental oversight aimed at accelerating industrial development in Indonesia's resource-based sectors.
346. The most emblematic result of this partnership is the Indonesian Morowali Industrial Park ("**IMIP**") in Sulawesi. Co-developed by Chinese and Indonesian stakeholders, IMIP has grown into a major production hub for nickel-based products and stainless steel, in particular, playing a pivotal role in both countries' industrial strategies.³⁸⁰

³⁷³ Reuters, "Indonesia buying record amounts of Philippine nickel ore due to quota delays", 29 May 2024, [Indonesia buying record amounts of Philippine nickel ore due to quota delays - MINING.COM](#).

³⁷⁴ SMM, "Nickel hydrometallurgy intermediate products in Indonesia saw a production decline due to weather impact, down 12.06% MoM in June", 6 August 2024, <https://news.metal.com/newscontent/102890839/Nickel-hydrometallurgy-intermediate-products-in-Indonesia-saw-a-production-decline-due-to-weather-impact-down-1206-MoM-in-June-%5BSMM-Analysis%5D>.

³⁷⁵ Mining.com, "Indonesia issues nickel production quotas for 152.62mt", 19 March 2024, <https://www.mining.com/web/indonesia-issues-nickel-production-quotas-for-152-62mt/>

³⁷⁶ Kallanish, Article of 14 April 2024.

³⁷⁷ "Domestic NPI producers just cannot compete with those based in Indonesia, who manage to maintain production under low prices and leverage their cost advantages," said an eastern China-based trader. Fastmarkets, 17 June 2024

³⁷⁸ Financial Times, "Philippines courts investors for 'China-free' nickel supply chain", 30 June 2024, <https://www.ft.com/content/1e68b64d-c80e-44b0-86be-7310869fc001>

³⁷⁹ See findings of the Commission in Regulation (EU) 2022/433 of 15 March 2022, (recitals 313 et seq.)

³⁸⁰ Commission in Regulation (EU) 2022/433 of 15 March 2022, recital (323)

347. Recent developments reflect the continued growth of this cooperation:

- In August 2024, a new \$180 million joint venture between Tsingshan and Jindal Stainless Limited (JSL) was launched at IMIP: PT Glory Metal Indonesia. The stainless steel melt shop is expected to begin operations in November 2025, with an annual production capacity of 1.2 million tonnes.³⁸¹
- Sheng Wei New Energy Technology is preparing to construct nickel smelting facilities in the Sorong Special Economic Zone, with a projected investment of approximately USD 4.8 billion, occupying 500 hectares of the site.³⁸²
- Beijing Jianlong Heavy Industry, a leading Chinese steelmaker known for acquiring underperforming mills, is negotiating with the West Papua provincial government about building a steel plant.³⁸³
- Lygend Resources & Technology Co., Ltd., the Chinese leader in nickel product trading, launched in 2022 the HPAL ONC project, to extract and produce nickel in Indonesia.³⁸⁴ The project reached its designed capacity of 120 000 million tonnes capacity in September 2024³⁸⁵ and is anticipated to substantially enhance the integration of Indonesian nickel into China's stainless steel.

348. Increased cooperation between the two countries, along with Indonesia's status as the world's leading NPI supplier, largely account for the exponential rise in Chinese NPI imports, which have more than tripled since the original IP.

[Confidential information. The information provided in table indicates the evolution of NPI volumes imported from 2020 to 2024. The information stems from confidential Applicant internal market intelligence. The information is not publicly available nor susceptible of further meaningful summary and its disclosure could cause Applicant prejudice.]

349. These developments underscore the strategic integration of Indonesian nickel resources within Chinese industrial capabilities.³⁸⁶ Indonesia therefore benefits from a continued flow of Chinese investments into its processing facilities, enabling rapid expansion of domestic production. China also significantly benefits from this cooperation. By securing preferential access to Indonesian nickel, Chinese companies are able to stabilize raw materials input costs at low levels and to mitigate exposure to international price volatility.

³⁸¹ South East Asia Iron and Steel Institute (SEAISI), "China's Tsingshan, India's JSL break ground on Indonesia stainless JV", [China's Tsingshan, India's JSL break ground on Indonesia stainless JV | SEAISI](#).

³⁸² DInsights, "China's Nickel Smelter and Steel Plant Ventures Enter Papua." 19 March 2024. <https://dinsights.katadata.co.id/read/2024/03/19/chinas-nickel-smelter-and-steel-plant-ventures-enter-papua>

³⁸³ SMR Stainless Club, "Chinese top private steelmaker may invest in building plant in Indonesia", 21 March 2024, <https://www.stainless.club/industry-news/read/64a51f25e27d0e5d7d7d8a2d7923d8bc.html>.

³⁸⁴ Sulphuric Acid website, "PT Halmahera Persada Lygend Acid Plant.", 18 August 2024. <http://www.sulphuric-acid.com/sulphuric-acid-on-the-web/acid%20plants/PT-Halmahera-Persada.htm>

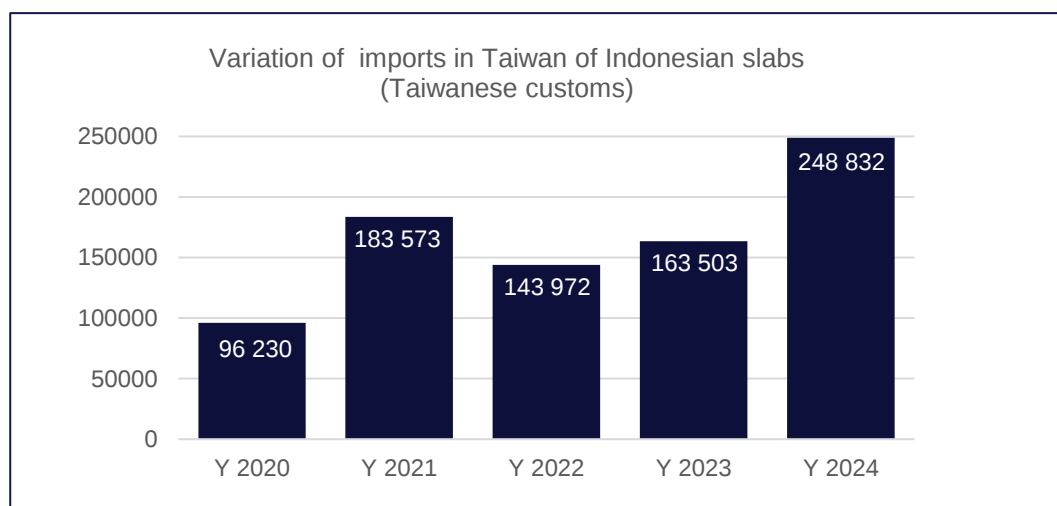
³⁸⁵ Lygend, "Total 120,000 Nickel MMTs! Lygend HPAL ONC Project Phase 3 Reaches Design Capacity", 9 September 2024, <https://www.lygend.com/media/290.html>

³⁸⁶ Commission Implementing Regulation (EU) 2022/433 of 15 March 2022 imposing definitive countervailing duties on imports of stainless steel cold-rolled flat products originating in India and Indonesia and amending Implementing Regulation (EU) 2021/2012 imposing a definitive anti-dumping duty and definitively collecting the provisional duty imposed on imports of stainless steel cold-rolled flat products originating in India and Indonesia, recs. 550 *et seq.*

350. Besides, the relocation of some processing stages of SSHR to Indonesia allows Chinese producers to sidestep increasingly stringent domestic requirements, notably in terms of environmental impact,³⁸⁷ while retaining control over downstream production.
351. As a result of this strong cooperation, Indonesian and Chinese producers were estimated to, together, account for 72.63% of global stainless steel output in 2024, consolidating their dominant position in the global market.³⁸⁸ Considering the upward trends from which this situation derives, the issue is expected to worsen in the absence of appropriate measures.

(b) Taiwanese is flooded with Indonesian SSHR inputs

352. Indonesia is increasingly supplying Taiwan with critical inputs for SSHR production, a dynamic that has recently strengthened. Notably, in 2024, Taiwan imported around 250 000 tonnes of slabs from Indonesia. This exceptional volume substantially exceeds the previous high of around 185 000 tonnes recorded in 2021, a figure that was already considered exceptional due to the post-COVID recovery. This extraordinary high volume echoes similar high volume of imports of Indonesian SSHR in Taiwan.
353. As processing black SSHR into white SSHR does not confer origin under the EU non-preferential rules, the white SSHR processed in Taiwan from Indonesian black SSHR should appear as originating from Indonesia and be subject to Indonesian anti-dumping duties.
354. The very high levels of slabs imported from Indonesia in 2024 are, however, are not tied to any temporary or extraordinary circumstance. Rather, they signal a structural trend: an ongoing increase in the importation of Indonesian stainless steel in Taiwan.



Annex 12. Factors of aggravation of injury

355. For Taiwanese producers, increased imports of Indonesian slabs represent lower input costs, allowing them to price their further-processed SSHR products more aggressively on export markets.

³⁸⁷ Global Efficiency Intelligence, "Net-Zero Roadmap for China's Steel Industry". <https://www.globalefficiencyintel.com/netzero-roadmap-for-china-steel-industry>.

³⁸⁸ Kallanish, Article of 23 May 2024.

9.1.2 Significant overcapacities in the targeted countries

9.1.2.1 Increasing overcapacities and inventories of SSHR in China

356. Driven by access to low-cost raw materials, both through the significant distortions pervasive in China's steel industry and resulting lower input cost as well as through sourcing from inputs from Indonesia (equally distorted with substantial Chinese influence and financing³⁸⁹), China's stainless steel industry has expanded at an exponential rate.
357. While China's crude stainless steel production capacity was estimated at just 3 million tonnes in 2005,³⁹⁰ it surged to over 57.8 million tonnes in 2024,³⁹¹ i.e. an almost 20-fold increase in just two decades. Actual stainless steel output has followed a similar trajectory, rising from 29.4 million tonnes in 2019³⁹² to 39.4 million tonnes in 2024.³⁹³ This exponential growth trend is set to continue with a projected further growth of 4–5% in 2025.³⁹⁴
358. Domestic demand for stainless steel in China has, however, not kept pace with this dramatic increase in production. as clearly apparent from low capacity utilisation rates of only around 70%.³⁹⁵ Weak stainless steel consumption has been further exacerbated by the Chinese real estate crisis that began 2021,³⁹⁶ and that is still unresolved despite increased efforts by the GoC to stimulate the sector,³⁹⁷ as well as an overall slowdown in the Chinese economy.
359. As a result, Chinese domestic consumption, estimated at 32.5 million tonnes in 2024,³⁹⁸ remains significantly below production levels. Despite strong incentives of the GoC aimed at stimulating

³⁸⁹ Commission Implementing Regulation (EU) 2022/433 of 15 March 2022 imposing definitive countervailing duties on imports of stainless steel cold-rolled flat products originating in India and Indonesia and amending Implementing Regulation (EU) 2021/2012 imposing a definitive anti-dumping duty and definitively collecting the provisional duty imposed on imports of stainless steel cold-rolled flat products originating in India and Indonesia, recs. 550 et seq.

³⁹⁰ Specialty Steel Industry of North America (SSINA), "Steel Overcapacity," <https://www.ssina.com/steel-overcapacity/>

³⁹¹ Jinling Metals, "Stainless Insights in China: China's Stainless Steel Crude Steel Output May Exceed 40 Million Tons in 2024," 18 December 2024. <https://www.jinlingmetals.com/article/stainless-insights-in-china-chinas-stainless-steel-crude-steel-output-may-exceed-40-million-tons-in-2024.html>

³⁹² SMM, "China stainless steel production grew 10% in 2019", 3 March 2020, <https://news.metal.com/newscontent/101035782/china-stainless-steel-production-grew-10-in-2019>.

³⁹³ GMK Center, "Global stainless steel production grew by 7% y/y in 2024", 15 April 2025, <https://gmk.center/en/infographic/global-stainless-steel-production-grew-by-7-y-y-in-2024/>.

³⁹⁴ South East Asia Iron and Steel Institute, "China's stainless steel market to receive strong support in '25", 14 January 2025, <https://www.seaisi.org/details/26052?type=news-rooms>

³⁹⁵ Jinling Metals, "Stainless Insights in China: China's Stainless Steel Crude Steel Output May Exceed 40 Million Tons in 2024," 18 December 2024. <https://www.jinlingmetals.com/article/stainless-insights-in-china-chinas-stainless-steel-crude-steel-output-may-exceed-40-million-tons-in-2024.html>

³⁹⁶ The Global Treasurer, "Understanding China's Real Estate Crisis," 29 April 2024. <https://www.theglobaltreasurer.com/2024/04/29/understanding-chinas-real-estate-crisis/>.

³⁹⁷ Reuters, "China's Property Slump Persists as Stimulus Struggles to Stabilise Sector". [China's property slump persists as stimulus struggles to stabilise sector | Reuters](https://www.reuters.com/markets/china-property-slump-persists-as-stimulus-struggles-to-stabilise-sector-2024-04-29/)

³⁹⁸ Mysteel, "CSSC: China's 2024 Crude Stainless Output Grows by 8% on Year," 22 January 2025., <https://www.mysteel.net/news/5075008-cssc-chinas-2024-crude-stainless-output-grows-by-8-on-year>.

demand, such as campaigns to replace large appliances and equipment by newer models,³⁹⁹ the surplus remains substantial.⁴⁰⁰

360. The chronic inability of the Chinese domestic market to absorb total production has led to persistent overcapacities in China's stainless steel sector, including for SSHR products.
361. Beside the overcapacities, Chinese inventories inventories have also been significantly growing. Volumes available account for a major share of the EU free market consumption, evidencing the risks linked to a termination of the duties. **[Confidential information. The information provided indicates the evolution of SSHR inventory levels in China from 2020 to 2025, showing a significant increase over time. The information stems from confidential Applicant internal market intelligence. The information is not publicly available nor susceptible of further meaningful summary and its disclosure could cause Applicant prejudice.]**

9.1.2.2 Overcapacities in Indonesia

362. The evidence clearly demonstrates that Indonesia's stainless steel production capacity has expanded at an exceptional pace, fully aligned with the GOID's strategic objective of building a downstream industrial base.
363. As reported by Sinosteel Stainless Steel Pipe Technology (Shanxi) Co., Ltd: *"From having virtually no stainless steel production capacity before, it reached 2 million tons in 2017, 4 million tons in 2020, and by 2024, the stainless steel production capacity had reached 7.5 million tons [...] Many enterprises plan to further expand their production capacity. It is expected that in the next 2 - 3 years, Indonesia's stainless steel production capacity is likely to climb to 9 million tons [...] and by 2030, it is likely to break through 10 million tons to 12 million tons."*⁴⁰³
364. **[Confidential information. The information provided indicates that SSHR capacity levels in Indonesia are about 2-5 million tonnes. The information stems from confidential Applicant internal market intelligence. The information is not publicly available nor susceptible of further meaningful summary and its disclosure could cause Applicant prejudice.]**
365. However, the Indonesian domestic market is unable to absorb these massive volumes. As early as 2021, the structural imbalance was already evident: *"In Indonesia, the current stainless steel production capacity is about 5.5 million tons, but the local demand is about 200,000 tons only. Therefore, most of the products would be exported overseas."*⁴⁰⁴
366. As of 2025, the imbalance remains fundamentally unchanged, as domestic stainless steel consumption in Indonesia continues to be marginal. In April 2025, Sinosteel reaffirmed that *"despite*

³⁹⁹ SteelNews.biz, "Stainless Steel China to Boost Domestic Demand," 15 January 2025. <https://steelnews.biz/stainless-steel-china-boost-domestic-demand/>.

⁴⁰⁰ Metal.com, "Review of the Stainless Steel Market in Q1 2025: Ample Supply, Cost Support Driving Price Increases," 8 April 2025. <https://www.metal.com/en/newscontent/103268910>.

⁴⁰³ LinkedIn, Sinosteel Stainless Steel Pipe Technology (Shanxi) Co., Ltd, "The Indonesian Stainless Steel Market Has Vast Potential," 20 April 2025. <https://www.linkedin.com/pulse/indonesian-stainless-steel-market-has-vast-potential-sinosteelpipe-irtoc/>.

⁴⁰⁴ Yieh Corp, Steel News, "Indonesia to surpass Japan & India, becoming second-largest stainless steel producer in the world", 3 June 2021, <https://yieh.com/en/News/indonesia-to-surpass-japan-india-becoming-second-largest-stainless-steel-producer-in-the-world//126754>

*the growth in demand, compared with its huge production volume, local stainless steel consumption in Indonesia is limited, and the scale of the domestic market demand is relatively small*⁴⁰⁵.

367. As a result, the combination of rapidly growing capacities and persistently weak domestic demand has resulted in a clear and structural overcapacity in the Indonesian stainless steel sector, particularly regarding SSHR. This situation creates a strong incentive for Indonesian producers to turn to foreign market with aggressive export strategies, in order to offload their structural surplus and maintain utilisation rates.

9.1.2.3 Overcapacities in Taiwan

368. Taiwanese production capacities for SSHR substantially exceed the domestic consumption – accounting both for SSHR and the downstream SSCR consumption. According to available evidence, the difference between available capacities and actual domestic consumption is very significant.

Excess capacities in Taiwan, in 000 tonnes	2024
Production capacity in Taiwan	
Consumption of SSHR on the free market	
SSHR-equivalent of the SSCR consumption	
Excess capacity	Above 1000

Table 24 Excess capacity Taiwan

369. Even account for the significant exports from Taiwan both of SSHR and of the downstream SSCR products, the level of capacities for SSHR available in Taiwan remain very significant. This is because Taiwan is also a major importer of SSHR up to almost on third of its actual capacities.

In 000 tonnes	2024
Production capacity for SSHR in Taiwan	
Consumption of SSHR in Taiwan on the free market	
SSCR consumption in Taiwan (in SSHR equivalent)	
Imports of slabs in Taiwan (in SSHR equivalent)	
Imports of SSHR in Taiwan	
Imports of SSCR in Taiwan (in SSHR equivalent)	
Exports of SSHR from Taiwan	
Exports of SSCR from Taiwan (in SSHR equivalent)	
Available SSHR capacities	Above 1000
Estimated level capacity use for SSHR	Below 50%

Table 25 Capacity use Taiwan

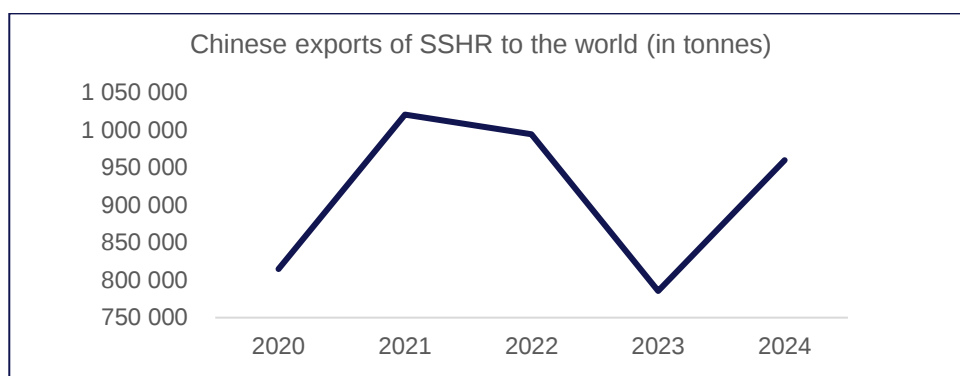
⁴⁰⁵ Sinosteel.Pipe, "The Indonesian stainless steel market has vast potential", 21 April 2025, The Indonesian stainless steel market has vast potential - Sinosteel Pipe

370. It is worth noting that the issue of overcapacities with regard to Taiwan also extend upstream as the level of utilisation of the meltshop, including for the production of slabs is equally low. It is estimated that Taiwan's level of capacity use with regard to slabs barely reach [30-50]%.⁴⁰¹
371. As a result, the significant Taiwanese overcapacities allow a significant increase in production of SSHR and potentially subsequent exports to the EU either from own melted products or, more likely, from processed Indonesian inputs.

9.1.3 Targeted countries are increasingly reliant on exports

9.1.3.1 China

372. As a result of the massive stainless steel overcapacities, China is increasingly reliant on exports. In 2024, China's stainless steel exports reached a record of 5.04 million tonnes, according to data released from China's General Administration of Customs.⁴⁰¹ The figure represents a substantial increase of over 25%, year-on-year, and marks an all-time high for Chinese stainless steel exports. The 2024 total surpasses the previous 2022 peak,⁴⁰² driven by the global post-Covid recovery.



373. This surge in Chinese stainless steel exports explains why exports of SSHR products have remained high, despite several trade defence measures being imposed around the world. Following a slowdown in 2023, exports of these products recovered significantly in 2024, reaching concerning levels in the current global context of increased market closures (see *infra*).

9.1.3.2 Indonesia

374. As a result of the Indonesian overcapacities, the Indonesian stainless steel industry has been increasingly export-oriented, with significant growth in export volumes reflecting a structural reliance on external markets. For December 2024, the “*stainless steel hot-rolled export volume was about 244,200 mt, up by approximately 4.92% MoM and 90.47% YoY.*”⁴⁰³
375. Recent figures confirm the threat these volumes pose to the EU market. Investments in downstream industries and stainless steel capacities are on the rise. The investment value in PT IMIP – the

⁴⁰¹ Mysteel, “GACC: China's Stainless Steel Exports Surge 26% YoY in 2024,” 21 January 2025. <https://www.mysteel.net/analysis/5074799-gacc-chinas-stainless-steel-exports-surge-26-yoy-in-2024>.

⁴⁰² South East Asia Iron and Steel Institute, “China's stainless steel market to receive strong support in '25”, 14 January 2025, <https://www.seaisi.org/details/26052?type=news-rooms>.

⁴⁰³ Shanghai Metal Market, “In December, Indonesia's total stainless steel exports decreased by approximately 7.18% MoM, with mixed performance in exports to major global consumer countries”, 6 February 2025, <https://www.metal.com/en/newscontent/103163415>.

largest stainless steel production base in Indonesia – increased by \$4.2 billion in 2024 compared to the previous year, reaching an impressive total of \$34.3 billion by August 2024.⁴⁰⁴ The recent accumulation of inventories further points to a “*strong-supply-demand-weak pattern*”⁴⁰⁵, which will directly have an upward effect on exports, including of SSHR to the EU market.

376. Due to the current situation in Indonesia, the trend of unfairly priced exports from the country is likely to deteriorate further in the coming years and to affect global markets, including Europe, absent appropriate measures.

9.1.3.3 Taiwan

377. With exports accounting for 70% of the country's GDP,⁴⁰⁶ Taiwan is an export-oriented economy: it significantly relies on external demand and is clearly geared towards export markets.
378. This phenomenon also applies to SSHR exports. In its 2023 Annual Report, Taiwan's main SSHR producer, Yieh United Steel Corporation (YUSCO) unequivocally set this out, indicating that “*Taiwan's stainless steel market is a shallow-dish market, and most of the stainless steel products have to be exported.*”⁴⁰⁷
379. Besides, Taiwan's dependence on exports has shown extreme resilience when confronted to challenges, including domestic ones, and has always managed to overcome them. For example, in April 2024, the Taiwanese government implemented an average electricity price increase of 11 per cent, with large industrial users, including stainless steel producers, facing hikes of up to 25 per cent.⁴⁰⁸ Rising energy costs coupled with continued volatility in nickel prices⁴⁰⁹ significantly raised production costs. Despite these increasing challenges, Taiwanese SSHR exports to the EU have remained robust, though such should be read in the context of increased imports of Indonesian slabs exported as further-processed SSHR.
380. These dynamics point to continued and increasing Taiwanese exports of dumped SSHR products to the EU. As indicated, Taiwan being flooded with aggressively-priced SSHR imports from Indonesia, it is increasingly importing artificially cheaper inputs from Indonesia, and facing relatively low European anti-dumping duties of only 7.5% – significantly lower than those imposed on Indonesia (17.3%) and China (19%).

⁴⁰⁴ Kontan, “Indonesia Morowali Industrial Park (IMIP) Produksi Nickel Pig Iron 4,67 Juta Ton,” 18 December 2024. <https://industri.kontan.co.id/news/indonesia-morowali-industrial-park-imip-produksi-nickel-pig-iron-467-juta-ton>.

⁴⁰⁵ Shanghai Metal Market, “Review of the Stainless Steel Market in Q1 2025: Ample Supply, Cost Support Driving Price Increases,” 8 April 2025. [Review of the Stainless Steel Market in Q1 2025: Ample Supply, Cost Support Driving Price Increases - Shanghai Metal Market](#)

⁴⁰⁶ Trading Economics, Taiwan exports, <https://tradingeconomics.com/taiwan/exports#:~:text=Taiwan's%20economy%20is%20export%2Doriented,during%20the%20past%2040%20years>.

⁴⁰⁷ YUSCO Annual Report 2023, 3.產品之發展趨勢, p.66, [http://www.yusco.com.tw/userupload/picfiles/112%E5%B9%B4%E5%B9%B4%E5%A0%B1-%E4%B8%8A%E5%82%B3%E6%AA%94\(FM%E6%B4%B8%E7%91%8B\).pdf](http://www.yusco.com.tw/userupload/picfiles/112%E5%B9%B4%E5%B9%B4%E5%A0%B1-%E4%B8%8A%E5%82%B3%E6%AA%94(FM%E6%B4%B8%E7%91%8B).pdf).

⁴⁰⁸ Reuters, “Taiwan to raise electricity prices by average of 11%” 22 March 2024, [Taiwan to raise electricity prices by average of 11% | Reuters](#).

⁴⁰⁹ Yieh Corp, Steel News, “Nickel price rebound expected to ease pressure on Yusco, boost stainless steel market”, 21 April 2025, [Nickel price rebound expected to ease pressure on Yusco, boost stainless steel market -Yieh Corp Steel News](#).

9.2 Attractiveness of the EU market

9.2.1 The EU market is highly susceptible to imports of SSHR

381. As the largest market for SSHR globally, the EU market is a prime destination for exports of SSHR as the single market grants access to a large developed market with an overall high price level. The attractiveness of the EU market is particularly illustrated by the significant level of undercutting.

Undercutting for all SSHR in %	PoR
Undercutting China, Indonesia and Taiwan (no duty)	[10 - 40%]
Undercutting China, Indonesia and Taiwan (with duties)	[5 - 35%]
Undercutting for austenitic SSHR in %	PoR
Undercutting China, Indonesia, Taiwan (no duty)	[15 - 45]%
Undercutting China, Indonesia, Taiwan (with duties)	[10 - 40]%

Table 26 Summary undercutting

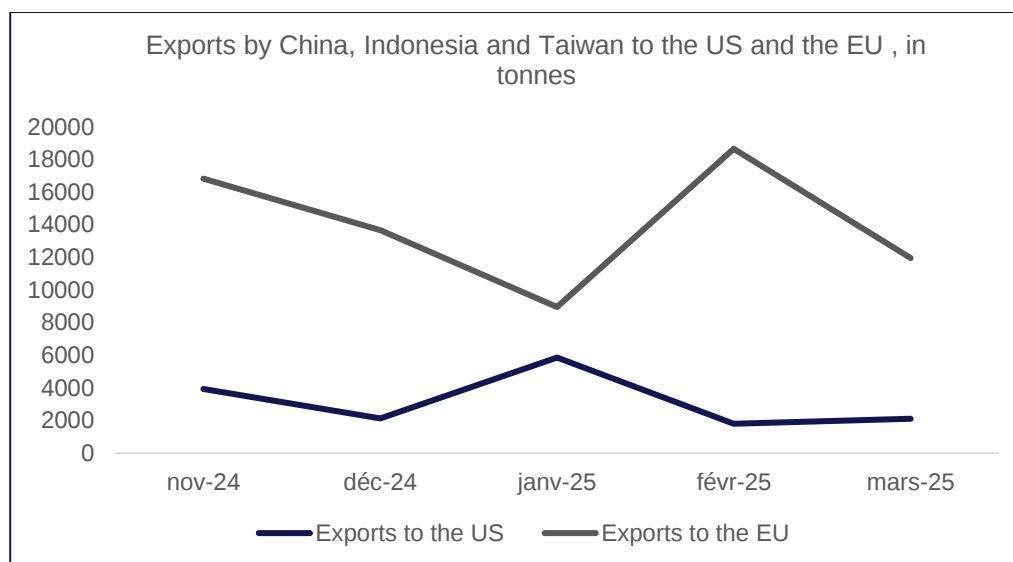
382. Contrary to other types of industrial goods, no technical or quality-bound requirements prevent imports of SSHR to the EU, as these stainless steel products are essentially defined by technical standards. SSHR produced locally and imported are therefore fully substitutable, regardless of their origin.
383. The important presence of distributors, importers and independent service centres in the market, which commonly import SSHR and other steel products from multiple origins, significantly facilitate and stimulate the access of imported product to EU customers. They also facilitate market access for exporters of the countries concerned who lack dedicated sales forces in the EU. All the necessary related services, e.g. cutting and surface treatments as well as aftersales services, can be provided by importers in the EU.
384. The decision of European customers to purchase imported goods over locally-produced SSHR can therefore be based solely on price, the usual main competitive edge of unfair imports, as is typically the case for commodity products.
385. Further, SSHR is highly susceptible to stockpiling. Importers and distributors can thus maintain sufficient inventories to immediately serve demand, without negative impact that would otherwise result from the lead time to import from the countries concerned. These inventories also allow speculation on price variations on the EU market, i.e. 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.

9.2.2 Trade diversion from other countries

386. Trade defence measures are currently in place in several countries, including sizeable markets such as the United States and India, to tackle unfair commercial practices from the countries concerned.
387. These export markets are, or will be in the near future, closed to exports of SSHR from Taiwan, Indonesia and China, or their access has been made significantly costlier. This situation is unlikely to change in the coming years: there are no indications that the measures will be terminated anytime soon, nor that additional measures will not be imposed. The risk of additional duties being imposed

on South Asian steel products is high and would result in “*particularly serious economic fallout in Asia*”⁴¹⁰ as the Asian market is “*home to the world’s most trade-dependent economies*.”⁴¹¹

388. This situation is particularly true for the US. On 10 February 2025, the US announced the reintroduction a 25% tariff on steel, including stainless steel and more specifically SSHR.⁴¹² The measures took effect on 12 March 2025, and apply to all the countries concerned. According to an analyst: “*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.*”⁴¹³
389. The closure of a significant number of key export markets for exporters of the product concerned significantly limit potential export outlets. As a result thereof, exporting producers in the countries concerned are redirecting exports to alternative markets, while increasing the competitive pressure on those markets with even lower prices being offered.
390. Due to the increasingly difficult access to the US market, a major importer of SSHR, trade diversion to the EU is anticipated. The graph below illustrates that SSHR exports to the EU from the countries concerned show opposite trends as those of same exports to the US since Trump’s re-election.



391. When the countries concerned SSHR exports to the US increased in anticipation of Trump's inauguration in January 2025, exports to the EU concurrently decreased. Similarly, after the US imposed a 25% tariff on SSHR imports from Indonesia, Taiwan, and China, exports to the US from these countries sharply declined, while exports to the EU surged.

⁴¹⁰ Al Jazeera, Asia's export-driven economies brace for upheaval under Trump, 5 November 2024, <https://www.aljazeera.com/economy/2024/11/5/asias-export-driven-economies-brace-for-upheaval-under-trump>.

⁴¹¹ Al Jazeera, Asia's export-driven economies brace for upheaval under Trump, 5 November 2024, <https://www.aljazeera.com/economy/2024/11/5/asias-export-driven-economies-brace-for-upheaval-under-trump>.

⁴¹² White House, “Fact Sheet: President Donald J. Trump Restores Section 232 Tariffs”, 11 February 2025, [Fact Sheet: President Donald J. Trump Restores Section 232 Tariffs – The White House](https://www.whitehouse.gov/fact-2025-02-11-president-donald-j-trump-restores-section-232-tariffs/)

⁴¹³ Al Jazeera, Asia's export-driven economies brace for upheaval under Trump, 5 November 2024, <https://www.aljazeera.com/economy/2024/11/5/asias-export-driven-economies-brace-for-upheaval-under-trump>

392. Given the ongoing instability in the US market, it is anticipated that the EU will continue to be adversely impacted by the trade dynamics between the countries concerned and the US.

9.2.3 Circumvention of the measures in place

393. In April 2023, the Commission found deliberate circumvention to exist of the anti-dumping duties on SSHR from Indonesia. The investigation showed that these imports were being rerouted to Türkiye for minimal processing before being exported to the EU, thereby evading existing duties.⁴¹⁴ The Commission further established that Turkish exports to the EU were being dumped,⁴¹⁵ and had increased exponentially.⁴¹⁶ As a result, anti-dumping duties were extended to imports from Türkiye.
394. The circumvention of the measures highlights both the attractiveness of the EU market as well as the necessity for exporting producers in the countries concerned to seek outlets for their massive production volumes, even if that means taking significant risks and/or pricing products extremely low.
395. Such patterns also clearly demonstrate that, if the measures were to be lifted, exporting producers would do away with artificial organisation of their trade flows and the significant volumes of dumped products originating from the countries concerned that were found to enter the EU market through Türkiye would be directed straight to the EU market, for even lower prices given lower logistic costs.

9.3 Conclusion on the aggravation of injury

396. There is no doubt that, considering the attractiveness of the European market in an increasingly challenging global trade environment, should the measures be discontinued, the volumes exported from the countries concerned – whether directly or indirectly – would be redirected to the EU and increase the already massive pressure exerted on the Union industry. This would likely result in a significant degradation of the Union industry's performance, aggravating the already injurious situation it finds itself in.

10. CAUSATION

10.1 Confirmation of the coincidence between the injury of the Union and the increased imports

397. Causation was clearly established in the original AD Regulation,⁴¹⁷ notably as there appeared to be a clear link between the imports of the countries concerned that are undercutting EU prices and the inability of EU producers to maintain sustainable profits.
398. This striking coincidence in time between the injury suffered by the Union and the increased imports of SSHR by the Union from the countries concerned remains highly relevant. Following the end of exceptional circumstances such as the pandemic and the onset of Russia-Ukraine crisis, the impact of the measures was truly noticeable within the Union. EU producers temporarily benefited from improved conditions, which provided a brief reprieve from the adverse effect of unfair imports. As

⁴¹⁴ Commission Implementing Regulation (EU) 2023/825 of 17 April 2023 extending the anti-dumping duty imposed by Implementing Regulation (EU) 2020/1408 on imports of certain hot rolled stainless steel sheets and coils originating in Indonesia to imports of certain hot rolled stainless steel sheets and coils consigned from Türkiye, whether declared as originating in Türkiye or not.

⁴¹⁵ Regulation (EU) 2023/825 of 17 April 2023, rec. 107.

⁴¹⁶ Regulation (EU) 2023/825 of 17 April 2023, Table 1.

⁴¹⁷ Regulation 2020/508, rec. 321.

the affected countries began to regain market share — increasing nearly 5 p.p. over the period considered — the injury sustained by the Union industry resumed and worsens.

399. The imports in question significantly undercut EU sales prices, putting significant pressure on the Union industry, translating in a loss of sales and market share as well as profit margins. Indeed, as set out above, important levels of undercutting have been found, the magnitude of which only increases when considered absent the added protection of the measures in place and when considering austenitic SSHR only, constituting the overwhelming majority of volumes imported. The added volume pressure combined with the very low prices undercutting EU sales prices results in a deteriorating performance of the Union industry, clearly attributable to imports from the countries concerned.
400. The worsening performance of the Union industry coincides with increased pressure of imports from the countries concerned. Therefore, "*a genuine and substantial relationship of cause and effect*"⁴¹⁸ exists between the unfair imports and the injury sustained by the Union industry.

10.2 Absence of other factors affecting causation

10.2.1 Imports of the product concerned from third countries

401. Imports from third countries other than the countries concerned are not of a nature to sever the causal link established. Indeed, the injury as described above coincides with an increase in the import shares of the countries concerned, while the import shares of third countries decreased over the same timeframe.

Share in imports (in %)	2021	2022	2023	2024	PoR
China	10.3%	11.1%	19.6%	9.8%	9.1%
Index	100	108	190	95	88
Indonesia	35.3%	24.7%	9.2%	20.3%	24.9%
Index	100	70	26	58	71
Taiwan	13.2%	26.5%	19.7%	30.9%	27.9%
Index	100	201	149	234	211
Countries concerned	58.9%	62.2%	48.6%	61.0%	61.9%
Index	100	106	83	104	105
Others	41.1%	37.8%	51.4%	39.0%	38.1%
Index	100	92	125	95	93

Table 27 Market shares other imports

402. A closer examination of prices and import volumes from third countries shows that total imports from third countries other than the countries concerned remain limited and show a decreasing trend. These imports do not match the growing influence of the unfair imports of SSHR from the countries concerned on the EU market.

⁴¹⁸ WT/DS267/AB/R (US – Upland Cotton), Appellate Body Report of 3 March 2005, DS267, para. 438; WT/DS267/AB/RW (US – Upland Cotton), Appellate Body Report of 2 June 2008, DS267, para. 374.

		2021	2022	2023	2024	PoR
India	Volumes	29 272	20 272	28 261	55 933	57 681
	Market share	[1-5]%	[1-5]%	[1-5]%	[3-7]%	[3-7]%
	Price	2 187	3 476	2 639	2 520	2 517
United States	Volumes	165	8 467	435	482	472
	Market share	[0-3]%	[0-3]%	[0-3]%	[0-3]%	[0-3]%
	Price	12 113	4 031	18 945	16 938	21 659
South Korea	Volumes	32 776	16 351	40 718	26 182	28 371
	Market share	[1-5]%	[1-5]%	[1-5]%	[3-7]%	[3-7]%
	Price	1 780	2 698	2 152	2 046	1 991
Brazil	Volumes	14	27	614	2	2
	Market share	[0-3]%	[0-3]%	[0-3]%	[0-3]%	[0-3]%
	Price	6 306	2 028	2 236	6 587	2 515
South Africa	Volumes	20 458	22 671	12 290	13 566	13 154
	Market share	[0-3]%	[0-3]%	[0-3]%	[0-3]%	[0-3]%
	Price	1 991	2 539	2 177	1 798	1 807
Total countries concerned	Volumes	176 430	193 007	81 653	155 525	167 026
	Market share	[8 – 20]%	[12 – 24]%	[2 – 14]%	[8 – 20]%	[10 – 22]%
	Price	1 955	2 914	1 855	1 823	1 839

Source : Eurostat & Market intelligence of the Applicant

Table 28 Imports & market shares

403. While imports from India have increased rather substantially over the period considered, these volumes account for a substantially lower share of imports than the targeted countries. As such, if they may contribute to the current injury, they are not of a nature to undermine the causal relation established between unfair imports from the countries concerned and the injury sustained by the Union industry.
404. Imports from South Korea remain sizeable. They are decreasing in absolute terms over the period considered (in the context of decreasing consumption, the market share nevertheless slightly increased). In addition, the seemingly low prices of South Korean imports should be read against the existing relationship between the Korean stainless steel manufacturer Samsung STS and the EU cold-roller Otelinox in Romania (acquired by Samsung Germany in 1997). The prices recorded in import statistics are therefore affected by a substantial share of transfer prices, which are not reflected in the EU market.
405. Imports from South Africa have significantly decreased over the period considered. Its imports now account for a very small market share in the EU market. Unlike other imports, which are mostly austenitic stainless steel, imports from South Africa were overwhelmingly imports of ferritic stainless steel products. As these types of stainless steel products contain no or limited nickel, their production costs and selling prices are much lower than austenitic steel.
406. For their part, imports from the US and Brazil have become negligible and prices are substantially higher than the prices of imports from other sources, particularly for the countries concerned.

407. Finally, imports from Turkey have been reduced significantly so that they are lesser than imports from the five main origins, after the countries concerned. The fact that the present measures were extended to Turkey in April 2023⁴¹⁹ certainly participated in the reduction in volumes from this origin.

Annex 13. Causation – Third country imports

10.2.2 Exports of the like product by the Union Industry

408. The Union industry's export performances cannot be regarded as the cause of the injury suffered, as these exports only correspond to a minor proportion of the Union's total sales.

In Tonnes	2021	2022	2023	2024	PoR
EU exports	100	116	75	75	72

Table 29 EU export sales

409. The observed trends are mostly due to the limited exposure of the Union industry to export markets, which traditionally represent only a limited share of the Union producers sales.
410. In 2024, the most important export markets for European SSHR were Mexico, the UK, the US and South Korea. According to the Observatory of Economic Complexity, the UK is a top destinations for SSHR exports from Indonesia⁴²⁰ and China,⁴²¹ while Taiwan is becoming a fierce competitor in the UK and US markets.⁴²²
411. Intensified competition from the countries concerned on the EU's main export markets also negatively impacts the export performance of the Union's producers, largely due to the low prices of exports from these countries, which set unsustainably low benchmarks for European products.

10.2.3 Variation of raw materials costs

412. Raw materials represent a significant share of the cost of production of stainless steel and have a major influence on the costs and pricing of SSHR. As nickel and chrome, and to a lower extent molybdenum and vanadium, are consistently used in the production process of SSHR, the price and availability of these raw materials largely drives, in one direction or another, the prices of SSHR.
413. Austenitic steels represent the major part of SSHR manufactured and sold. In it, the key cost driver is nickel and, to a lesser extent, chrome. As raw material markets are volatile, the producers traditionally cover the variation between time of order and time of manufacturing through the use of an "alloy" surcharge, reflecting raw material variations on the selling prices.
414. SSHR is defined by grades defining the precise chemical composition of the product. There are no differences in the alloy content of the products depending on where it is produced. Accordingly,

⁴¹⁹ Commission Implementing Regulation (EU) 2023/825 of 17 April 2023 extending the anti-dumping duty imposed by Implementing Regulation (EU) 2020/1408 on imports of certain hot rolled stainless steel sheets and coils originating in Indonesia to imports of certain hot rolled stainless steel sheets and coils consigned from Türkiye, whether declared as originating in Türkiye or not.

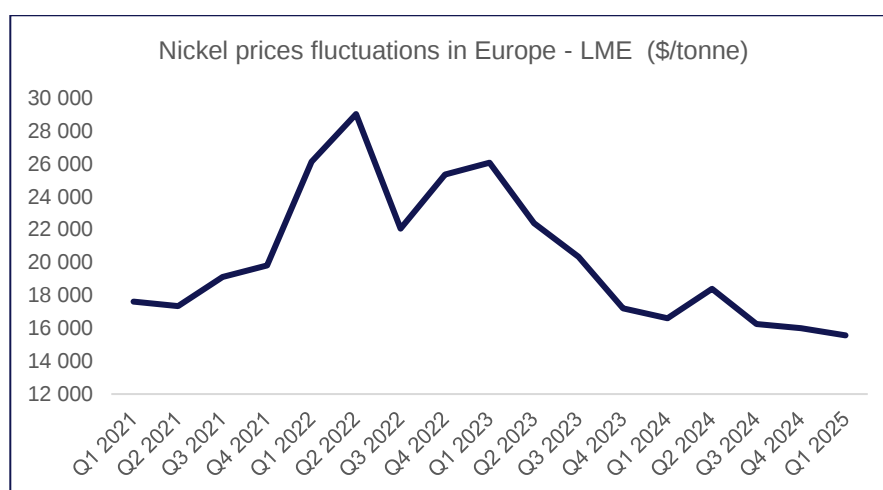
⁴²⁰ The Observatory of Economic Complexity (OEC), "Hot Rolled Stainless Steel Flat (>600mm, t3-4.75mm) in Indonesia." <https://oec.world/en/profile/bilateral-product/hot-rolled-stainless-steel-flat-greater600mm-t3-475mm/reporter/indn>.

⁴²¹ The Observatory of Economic Complexity (OEC), "Hot Rolled Stainless Steel Flat (>600mm, t3-4.75mm) in China." <https://oec.world/en/profile/bilateral-product/hot-rolled-stainless-steel-flat-greater600mm-t3-475mm/reporter/chn>.

⁴²² The Observatory of Economic Complexity (OEC), "Hot Rolled Stainless Steel Flat (>600mm, t3-4.75mm) in Taiwan." <https://oec.world/en/profile/bilateral-product/hot-rolled-stainless-steel-flat-greater600mm-t3-475mm/reporter/twn>.

grade 304 products, which represent a significant share of the EU market and are produced both by the Union Industry and the exporting producers from the countries concerned, always contain 18-20% chromium and 8-10.5% of nickel.

415. As nickel and chromium are commodities and are widely used in several applications, they are traded according to benchmarks representative of global market prices. In such a situation of multiple sellers and purchasers, the only difference in cost of these materials should relate to transportation costs. In normal conditions, therefore, variation of raw material costs should affect producers similarly, regardless of their location and should force them to echo similarly the variation in raw material costs. This is true regardless of the intermediate products used to obtain the desired alloys – NPI, scraps or pure nickel – as the prices of each product should evolve in line with their respective nickel content.
416. In recent years, EU producers have faced significant increased costs of nickel contained in their primary source for nickel: stainless steel scraps. That increase, in line with nickel prices, have significantly driven up their cost of production. Although EU producers implemented mechanisms to limit that cost increase, not reflected in NPI costs for Chinese, Indonesian and indirectly Taiwanese producers, this cost increase could not be passed on. **[Confidential information on the organisation of the sourcing of one of the Applicants. This information is confidential in nature. The information is not publicly available nor susceptible of further meaningful summary. Its disclosure could cause prejudice to the company].**



Source: Westmetall, Market Data⁴²³

Annex 14. Raw materials price evolution

417. However, as already detailed, due to the distortion of raw material costs in the countries concerned, essentially as a result of the Indonesian and Chinese policies, the producers of the countries concerned rely on raw material inputs totally or in part uncorrelated with global prices: Indonesian producers rely on ore and NPI at distorted prices, Chinese producers rely on imported Indonesian ore, NPI or slabs and on raw materials produced domestically for below-market prices, and Taiwanese producers who rely on material imported from the two other countries concerned.

⁴²³ WestMetall, "LME Nickel Cash Price Averages". https://www.westmetall.com/en/markdaten.php?action=averages&field=LME_Ni_cash.

418. Consequently, any negative impact of the variation of raw materials on the performances of the Union producers must be understood as the negative impact of the distorted conditions affecting the product concerned in the countries concerned. The injurious impact resulting from the Union industry's inability to pass-on increases in raw material costs or from the necessity to decrease prices by more than the decrease in nickel prices stems from the fact that the exporting producers in the countries concerned are shielded from all or part of variations in raw material costs, rather than by reason of variations in the raw material costs themselves.
419. Indonesian exporting producers, for example, offer long-term fixed price contracts, without alloy surcharges. With the perspective of increasing global prices for nickel and chromium in the near future, offers such as these will further impede the Union industry's ability to reflect variations in raw material costs in their prices: thanks to the distortions present in the countries concerned, competitors there are able to ignore these prices variations, creating a significant unfair advantage.

10.2.4 Reduction in demand on the EU market

420. The consumption of SSHR on the EU free market has significantly decreased over the period considered. Under normal circumstances, decreased consumption would affect the sales of all players present on the market and possibly more that or exporters than the domestic industry as the latter typically has a stronger footing on its domestic market.
421. The fact that the decrease in EU sales coincided with an increase in the market share of the imports from the countries concerned, despite the imposition of the measures, clearly indicates that the Union industry was affected beyond the limited reduction in consumption over the period considered.

11. CONTINUATION OF THE MEASURES IN THE INTEREST OF THE UNION

11.1 Absence of negative impact of the measures

11.1.1 Absence of risk of shortage

422. The pressure caused by unfair imports led the Union's industry to cut down production to extremely low levels, reaching unsustainably low capacity utilisation rates. Such low capacity utilisation rates largely result from the pressure of imports caused by producers participate in global overcapacities. The Chinese industry is the largest driver in global steel overcapacities.⁴²⁴ Taiwan and Indonesia have also been recognised as heavily contributing to steel excess through their overcapacity.⁴²⁵
423. Renewing the measures in place against unfair imports from these countries would limit the countries concerned from reaping the benefits of the unfair trading practices created by the steel overcapacities in their domestic market and which are dumped on the EU market.
424. Doing so would, by no means, create a shortage on the EU market, even in the case of growing demand. For one, the measures have already been in place for five years. During this time, the Union industry has perfectly been able to meet demand. While demand has decreased overall, in case of growing demand and /or decreasing imports from the countries concerned, the Union industry would be able to ramp up production by a significant amount given current low capacity

⁴²⁴ Organisation for Economic Co-operation and Development (OECD), "Latest Developments in Steelmaking Capacity," 18 January 2024. [https://one.oecd.org/document/DSTI/SC\(2023\)3/FINAL/en/pdf](https://one.oecd.org/document/DSTI/SC(2023)3/FINAL/en/pdf) p.8

⁴²⁵ OECD, Latest developments in steelmaking capacity, pp. 4 and 18 (available at: [https://one.oecd.org/document/DSTI/SC\(2023\)3/FINAL/en/pdf](https://one.oecd.org/document/DSTI/SC(2023)3/FINAL/en/pdf))

utilisation rates. In any case, the European market is not closed to imports by the extension of antidumping duties on the dumped imports and merely seeks to maintain a level playing field.

EU Market Supply	PoR
Rate demand met (w/o countries concerned)	[110 – 130%]

Table 30 EU Market Supply

425. Even if the Union could largely use its own spare capacity to fill a growth in demand, it could also rely on other exporting countries with sufficient capacity.
426. Should imports from the countries concerned decrease substantially – which is not expected considered renewal of existing measures is requested, not adoption of new ones – imports from other third countries would be in a position to fill the gap.

Market share in %	2021	2022	2023	2024	PoR
China	[1- 4%]	[2- 5%]	[2- 5%]	[1- 4%]	[1- 4%]
Taiwan	[1-5]%	[5-9]%	[1- 5]%	[5-9]%	[5-9]%
Indonesia	[6-10]%	[6-10]%	[0-4]%	[2-6]%	[4-8]%
South Korea	[1-5]%	[1-5]%	[1-5]%	[1-5]%	[1-5]%
South Africa	[0-3]%	[0-3]%	[0-3]%	[0-3]%	[0-3]%
India	[1-5]%	[1-5]%	[1-5]%	[3-7]%	[3-7]%
Rest of the World	[2-6]%	[2-6]%	[0-3]%	[0-3]%	[0-3]%

Table 31 Market share – Alternative sources of supply

427. Therefore, it is clearly evident that the combination of the Union industry's capacities with alternative sources of supply are more than sufficient to supply the EU market, even a growing one. Potential concerns for shortages of supply are unwarranted. Furthermore, maintaining a variety of sources of supply would further contribute to the overall resilience of supply chains, a key element considering the strategic nature of steel and downstream industries (see *infra*). Renewal of the measures would thus contribute to ensuring such diversity is maintained.

11.1.2 Absence of negative effects on profit margins of other players

428. Renewing the ongoing measures would not harm importers or distributors regarding their profit margins. Market prices would increase throughout if hot-rolled steel had to be purchased at a higher level by imports and downstream users. Therefore, it would prevent their profit margins from being affected. At any rate, these parties' costs related to SSHR would remain at current levels by the renewal of the measures.
429. Renewing the measures would not lead to an increase in production costs. In addition, as set out above, users remain able to source the product from alternative sources of supply than the countries concerned. At any rate, these parties' costs related to SSHR would remain at current levels by the

renewal of the measures. The original measures were not deemed to be against the Union's interest.⁴²⁶

11.2 Protection of actors in a circular economy model

11.2.1 Direct employment

430. The EU steel industry employs around 2 million workers, with 303,000 direct jobs.⁴²⁷ During the PoR, [1 500 – 3 000] people were directly involved in product protection, showing a 6% decline since 2021. In the Steel and Metals Action Plan, the Commission set out to prevent unemployment in the steel sector to support quality industrial jobs and maintain a strong European steel industry as a key priority.⁴²⁸

11.2.2 Indirect employment upstream/downstream

431. The steel industry supports around 1.5 million indirect jobs in the EU.⁴²⁹ SMEs play a crucial role in collecting and sorting scrap,⁴³⁰ which is vital for the European industry. The European ferrous scrap industry has an average recycling rate of 80.5%.⁴³¹ The viability of these activities impacts employment rates for low-skilled labourers.

432. If the Union's SSHR industry suffers, it negatively affects both upstream SMEs and downstream industries involved in producing products incorporating SSHR. Without renewing measures, the entire SSHR value chain would face adverse effects.⁴³²

11.2.3 Stainless steel circular economy model

433. Since the Circular Economy Action Plan in 2020,⁴³³ the EU emphasises sustainability by recycling existing products, reducing waste, empowering consumers and producers, and addressing high unemployment in remote areas. This approach reduces dependencies on imports.

⁴²⁶ Commission Implementing regulation (EU) 2020/1408 of 6 October 2020 imposing a definitive anti-dumping duty and definitively collecting the provisional duty imposed on imports of certain hot rolled stainless steel sheets and coils originating in Indonesia, the People's Republic of China and Taiwan, p. 67, rec. 308 (available at : <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32020R1408>)

⁴²⁷ EUROFER, Steel in figures, 2024 (available at : <https://www.eurofer.eu/publications/brochures-booklets-and-factsheets/european-steel-in-figures-2024>)

⁴²⁸ Commission, Communication, A European Steel and Metals Action Plan, Mar 19, 2025, pp. 13-14 (available at : https://single-market-economy.ec.europa.eu/document/download/7807ca8b-10ce-4ee2-9c11-357afe163190_en?filename=Communication%20-%20Steel%20and%20Metals%20Action%20Plan.pdf)

⁴²⁹ EUROFER, Steel in figures, 2024 (available at : <https://www.eurofer.eu/publications/brochures-booklets-and-factsheets/european-steel-in-figures-2024>)

⁴³⁰ Aperam, 2023, *Made for life*, p. 66

⁴³¹ Food Packaging Forum, European industry associations report latest recycling rates (available at: <https://foodpackagingforum.org/news/european-industry-associations-report-latest-recycling-rates#:~:text=With%20an%20average%20recycling%20rate,recycling%20rate%20target%20for%202025>)

⁴³² Commission Implementing regulation (EU) 2020/1408 of 6 October 2020 imposing a definitive anti-dumping duty and definitively collecting the provisional duty imposed on imports of certain hot rolled stainless steel sheets and coils originating in Indonesia, the People's Republic of China and Taiwan, p. 29, rec. 21 (available at : <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32020R1408>)

⁴³³ Commission, Circular economy action plan (available at: https://environment.ec.europa.eu/strategy/circular-economy-action-plan_en)

434. The EU's SSHR industry plays a pivotal role, maintaining high standards while aiming for climate neutrality by 2050.⁴³⁴ European industries seek sustainable materials, with recycled stainless steel saving significant energy – up to 80% for steel.⁴³⁵ Recycling stainless steel is therefore key to resource efficiency in manufacturing both finished, downstream, products and SSHR itself.

11.2.4 Competitiveness and short supply chain

435. The EU's circular economy model offers advantages over NPI-heavy productions in China and Indonesia, reducing costs and waste.⁴³⁶ Costs are reduced and virgin raw materials spared⁴³⁷ and waste volumes are slashed through the (re)use of scrap.⁴³⁸
436. The model supports local partnerships and reduces emissions through short supply chains.⁴³⁹ Consumers are able to reduce their own supply chain emissions (e.g. 10 million tonnes for Outokumpu's consumers in 2024⁴⁴⁰). These short supply chains are also beneficial in supporting local and remote areas through the development of local partnerships, e.g. as developed by Acerinox⁴⁴¹ or Outokumpu.⁴⁴² Union producers collect their own scrap,⁴⁴³ enabling them to meet the Union requirements in the process. Producing, collecting and sorting scrap locally reduces emissions generated through transportation.
437. Nevertheless, for such a circular model to be effective, each link in the chain is critical: all “*actors along the value chain should collaborate*” to improve “*recyclability and recycled content obligations and other related issues*.”⁴⁴⁴ Without a viable and operational SSHR industry, the Union steel circular economy would collapse.

⁴³⁴ Commission, Circular economy action plan (available at: https://environment.ec.europa.eu/strategy/circular-economy-action-plan_en)

⁴³⁵ Commission, Communication, A European Steel and Metals Action Plan, 19 March 2025, p.11 (available at : https://single-market-economy.ec.europa.eu/document/download/7807ca8b-10ce-4ee2-9c11-357afe163190_en?filename=Communication%20-%20Steel%20and%20Metals%20Action%20Plan.pdf)

⁴³⁶ Mysteel, “GACC: China's Ferro-Nickel Imports Rise 6.2% in 2024,” 22 January 2025. <https://www.mysteel.net/analysis/5074983-gacc-chinas-ferro-nickel-imports-rise-62-in-2024>

⁴³⁷ Commission, Communication, A European Steel and Metals Action Plan, 19 March 2025, p.11 (available at : https://single-market-economy.ec.europa.eu/document/download/7807ca8b-10ce-4ee2-9c11-357afe163190_en?filename=Communication%20-%20Steel%20and%20Metals%20Action%20Plan.pdf)

⁴³⁸ Commission, Communication, A European Steel and Metals Action Plan, 19 March 2025, p.11 (available at : https://single-market-economy.ec.europa.eu/document/download/7807ca8b-10ce-4ee2-9c11-357afe163190_en?filename=Communication%20-%20Steel%20and%20Metals%20Action%20Plan.pdf)

⁴³⁹ European Steel Association (EUROFER), “Circular Economy”. <https://www.eurofer.eu/issues/environment/circular-economy#:~:text=The%20large%20volumes%20of%20steel,scrap%20steel%20recycled%20every%20year.>

⁴⁴⁰ Outokumpu, 2024 Sustainability Statement, p.51.

⁴⁴¹ Acerinox, 2024 Consolidated Management Report, p.77.

⁴⁴² Outokumpu, 2024 Sustainability Statement, p.54.

⁴⁴³ Aperam, 2023 Sustainability report, p.41.

⁴⁴⁴ Commission, Communication, A European Steel and Metals Action Plan, 19 March 2025, p.12 (available at : https://single-market-economy.ec.europa.eu/document/download/7807ca8b-10ce-4ee2-9c11-357afe163190_en?filename=Communication%20-%20Steel%20and%20Metals%20Action%20Plan.pdf)

11.3 EU environmental policies and other Union policies

438. The EU aims for climate neutrality by 2050,⁴⁴⁵ focusing on decarbonisation. Recent improvements in the energy-intensive Union industry include using hydrogen as a "key enabler" of decarbonisation in the steel industry.⁴⁴⁶
439. These efforts outpace those made by China, Taiwan, or Indonesia, whose higher CO₂ content SSHR imports contradict the Union's environmental goals. Emissions in these countries' industries continue to increase.⁴⁴⁷
440. Renewing measures against dumped imports is therefore critical to achieving EU environmental goals.

11.3.1 Environmental benefits stemming from the circular economy model

441. The EU steel industry relies on scrap recovery,⁴⁴⁸ saving up to 80% of the energy required for steel production. Using more scrap reduces CO₂ emissions. The Union industry uses the highest share (approx. 56%), of recycled stainless steel in the world,⁴⁴⁹ exceeding the recommended 45-50% share.⁴⁵⁰ By contrast, in China, the share of SSHR scrap is very limited and even decreased in 2024 (-3%).⁴⁵¹
442. Union producers also recover metal from slag, recycled waste, and use recycled nitric acid and hydrofluoric acid.⁴⁵² Outokumpu, for example, recovered valuable metals from slag and dust.⁴⁵³
443. Efficient dust emissions management and water consumption improvements further reduce environmental impact. For instance, Aperam developed a model to prevent the deterioration of filtering media.⁴⁵⁴ Outokumpu values the collection of dust and slag "*to recycle them as raw materials*

⁴⁴⁵ Commission, 2050 long-term strategy, (available at : https://climate.ec.europa.eu/eu-action/climate-strategies-targets/2050-long-term-strategy_en)

⁴⁴⁶ Commission, Communication, A European Steel and Metals Action Plan, 19 March 2025, p.6 (available at : https://single-market-economy.ec.europa.eu/document/download/7807ca8b-10ce-4ee2-9c11-357afe163190_en?filename=Communication%20-%20Steel%20and%20Metals%20Action%20Plan.pdf)

⁴⁴⁷ GMK Center, Emissions in China's steel industry increased by 4.1% y/y in 2024 (available at : <https://gmk.center/en/news/emissions-in-chinas-steel-industry-increased-by-4-1-y-y-in-2024/#:~:text=Total%20emissions%20in%20China's%20steel,10.2%25%20y%2Fy>).

⁴⁴⁸ Commission, Communication, A European Steel and Metals Action Plan, 19 March 2025, p.11 (available at : https://single-market-economy.ec.europa.eu/document/download/7807ca8b-10ce-4ee2-9c11-357afe163190_en?filename=Communication%20-%20Steel%20and%20Metals%20Action%20Plan.pdf)

⁴⁴⁹ EUROFER, Circular economy (available at: <https://www.eurofer.eu/issues/environment/circular-economy#:~:text=56%25%20of%20EU%20steel%20is,scrap%20steel%20recycled%20every%20year>)

⁴⁵⁰ OECD, Unlocking potential in the global scrap steel market: Opportunities and challenges, Dec 2024, p. 5 (available at: https://www.oecd.org/content/dam/oecd/en/publications/reports/2024/12/unlocking-potential-in-the-global-scrap-steel-market_b7014135/d7557242-en.pdf#:~:text=Various%20net%2Dzero%20scenarios%20for%20the%20steel%20sector,scrap%20an%20increasingly%20strategi

c%20input%20for%20decarbonisation.&text=Over%2086%20of%20steel%20was%20produced%20using%20scrap%20as%20input%20in%202022%20(Figure%202.2).

⁴⁵¹ GMK Center, Emissions in China's steel industry increased by 4.1% y/y in 2024 (available at: <https://gmk.center/en/news/emissions-in-chinas-steel-industry-increased-by-4-1-y-y-in-2024/#:~:text=Total%20emissions%20in%20China's%20steel,10.2%25%20y%2Fy>).

⁴⁵² Acerinox, 2024 Consolidated Management Report, p.102

⁴⁵³ Outokumpu, 2024 Sustainability Statement, p. 104

⁴⁵⁴ Aperam, 2023 Made for life, p. 37

and thus reduce the need for virgin metals."⁴⁵⁵ It developed a dust filtering system removing 99% of the particulate matter.⁴⁵⁶ The use of scrap and EU-produced SSHR also contributes to reducing the carbon footprint from transportation's emissions since the products are locally available. The Union industry also endeavours to improve its impact in water consumption. Aperam, for example, uses 97.9% of recycled water⁴⁵⁷ and Acerinox's water consumption decreased by 35.34% compared to 2023.⁴⁵⁸

444. The EU's environmental goals are fully integrated in the Union producers' operations, who are committed to reach zero-waste and zero-emissions in the coming years.⁴⁵⁹ Renewing the measures on unfair imports of highly-polluting SSHR must avoid the exporting producers in the countries concerned to benefit from a competitive edge by being less environmentally-respectful and allow the Union industry to stay on track of its objectives.

11.3.2 Emission reductions and carbon leakage

445. The EU is committed to cutting greenhouse gas emissions.⁴⁶⁰ The EU Emissions Trading System pushes for further reductions.⁴⁶¹ The steel industry is reducing both Scope 1 (fuel and carbon materials consumption) and Scope 2 (electricity consumption) emissions. Acerinox reduced by 1.54% the total amount of its greenhouse gas emissions (Scope 1 and 2) produced in 2024 compared to 2023.⁴⁶² Since 2016, Outokumpu reduced its emissions by 32%.⁴⁶³ Further, Acerinox launched a sustainable product (EcoACX), guaranteeing a more than 50% reduction in CO₂ emissions.⁴⁶⁴ AST constantly implements new green energy technologies to reach the Union's environmental policies.⁴⁶⁵ These means have led to successful results since the company managed to avoid 1.28 million tonnes of greenhouse gas in 2023.⁴⁶⁶
446. The EU steel industry also uses green electricity and advanced technologies to limit its carbon footprint. Significantly more than Chinese, Taiwanese or Indonesian producers, the Union producers use green electricity during the melting process: Aperam used 52% renewable energy in 2023⁴⁶⁷ and fully replaced its extractive coke by renewable charcoal;⁴⁶⁸ Acerinox increased the use of renewables, reaching 44.45% of the Group's electricity consumption in 2024.⁴⁶⁹ Energy consumption is also being reduced through new technologies: Outokumpu increased its use of waste heat⁴⁷⁰ and Aperam has been using reheating and annealing furnace efficiency.⁴⁷¹ By

⁴⁵⁵ Outokumpu, 2024 Sustainability Statement, p. 105

⁴⁵⁶ Outokumpu, 2024 Sustainability Statement p.90

⁴⁵⁷ Aperam, 2023 Sustainability Report, p. 38

⁴⁵⁸ Acerinox, 2024 Consolidated Management Report, p.99

⁴⁵⁹ Aperam, 2023 Sustainability Report, p. 11, p.30 ; Acerinox, 2024 Consolidated Management Report, p.83

⁴⁶⁰ Commission, European Climate Law, (available at: https://climate.ec.europa.eu/eu-action/european-climate-law_en)

⁴⁶¹ European Commission, "2040 Climate Target". https://climate.ec.europa.eu/eu-action/climate-strategies-targets/2040-climate-target_en#:~:text=The%20EU's%202030%20climate%20target,the%20path%20to%20climate%20neutrality.

⁴⁶² Acerinox, 2024 Consolidated Management Report, p. 70

⁴⁶³ Outokumpu, 2024 Sustainability Statement, p. 48

⁴⁶⁴ Acerinox, 2024 Consolidated Management Report, p. 17

⁴⁶⁵ AST, 2024 Sustainability Report, p. 115

⁴⁶⁶ AST, 2024 Sustainability Report, p.4

⁴⁶⁷ Aperam, 2023 Sustainability Report, p. 35

⁴⁶⁸ Aperam, 2023 Sustainability Report, p. 9

⁴⁶⁹ Acerinox, 2024 Consolidated Management Report, p. 86

⁴⁷⁰ Outokumpu, 2024 Sustainability Statement, p. 74

⁴⁷¹ Aperam, 2023 Sustainability Report, p. 35

contrast, Chinese and Indonesian steel industries still rely on polluting, high-emission, sources such as fossil fuels, coal and coke.⁴⁷²

447. Finally, preventing carbon leakage is essential to maintain EU environmental standards. The Commission stressed the need to prevent carbon leakage, especially because it “*could shift further downstream in the value chain.*”⁴⁷³ Absent measures, the situation will remain unchanged and the Applicant notes China has still not adopted specific anti-carbon leakage measures.⁴⁷⁴
448. Allowing unimpeded access of highly-polluting unfair imports to the EU market would directly run counter the EU's environmental objectives.

11.4 Steel as a strategic industry

449. The Applicant recalls that, since the “*EU was built on steel,*” the sector is “*vital for the EU's economic security and social stability.*”⁴⁷⁵ In its new Steel and Metals Action Plan, the Commission targets China as a threat to the European industry due to the many distortions.⁴⁷⁶ In renewing the measures in place, the Commission would stand by its commitment to provide a “*highly effective level of protection to the EU's steel sector.*”⁴⁷⁷
450. The Applicant particularly stresses the need for a strong domestic steel industry in light of the strategic nature of downstream industries. These industries' competitiveness lies in shielding the steel industry from foreign distortions, as well as to ensure a variety in sources of supply and resilient supply chains.
451. The Steel and Metal Action Plan highlights that “*the steel and metals sectors are indispensable to Europe's industrial fabric, to our resilience, economic security, defence and social stability.*”⁴⁷⁸ Similarly, the Joint White Paper for European Defence Readiness, released on the same day as the Steel and Metals Action Plan, notes that “[e]xisting value chains or manufacturing capacities in our traditional industries – automotive, steel, aluminium or chemicals – can find new opportunities in

⁴⁷² Peterson Indonesia, “Decarbonisation of Indonesian Industry: 80% of Steel Sector Production Produces High GHG Emissions,” 18 April 2024, <https://www.petersonindonesia.com/post/decarbonisation-of-indonesian-industry-80-of-steel-sector-production-produces-high-ghg-emissions#:~:text=Around%2080%25%20of%20steel%20production,of%20carbon%20dioxide%20per%20year>

⁴⁷³ Commission, Communication, A European Steel and Metals Action Plan, 19 March 2025, p.7 (available at : https://single-market-economy.ec.europa.eu/document/download/7807ca8b-10ce-4ee2-9c11-357afe163190_en?filename=Communication%20-%20Steel%20and%20Metals%20Action%20Plan.pdf)

⁴⁷⁴ International Journal of Environmental Research and Public Health (IJERPH), <https://pmc.ncbi.nlm.nih.gov/articles/PMC9915306/#B7-ijerph-20-01853>

⁴⁷⁵ Commission, Communication, A European Steel and Metals Action Plan, 19 March 2025, p.1 (available at : https://single-market-economy.ec.europa.eu/document/download/7807ca8b-10ce-4ee2-9c11-357afe163190_en?filename=Communication%20-%20Steel%20and%20Metals%20Action%20Plan.pdf)

⁴⁷⁶ Commission, Communication, A European Steel and Metals Action Plan, 19 March 2025, p.8 (available at : https://single-market-economy.ec.europa.eu/document/download/7807ca8b-10ce-4ee2-9c11-357afe163190_en?filename=Communication%20-%20Steel%20and%20Metals%20Action%20Plan.pdf)

⁴⁷⁷ Commission, Communication, A European Steel and Metals Action Plan, 19 March 2025, p.9 (available at : https://single-market-economy.ec.europa.eu/document/download/7807ca8b-10ce-4ee2-9c11-357afe163190_en?filename=Communication%20-%20Steel%20and%20Metals%20Action%20Plan.pdf)

⁴⁷⁸ Commission, Communication, A European Steel and Metals Action Plan, 19 March 2025, p.19, https://single-market-economy.ec.europa.eu/document/download/7807ca8b-10ce-4ee2-9c11-357afe163190_en?filename=Communication%20-%20Steel%20and%20Metals%20Action%20Plan.pdf (our underlining).

repurposing and supplying a growing footprint of a defence industrial base.”⁴⁷⁹ In this respect, the Applicant, for example, points to the Commission’s Staff Working Document on EDIP released in July 2024, which refers to a 2023 study on “supply chains for critical sectors.” The study flagged that “steel, copper, aluminium, titanium, composites, and ceramics make up the primary categories of materials utilised in aerospace and defence production. They are essential structural materials used to manufacture the core platforms and structural elements of aircrafts and defence equipment, particularly armaments and the exterior bodies of tanks, land ships and armoured vehicles. These materials are used in combination with nickel, vanadium, zinc, cobalt, antimony, molybdenum, boron, chromium, germanium, niobium, Tungsten, beryllium and lithium to form specialised alloys.”⁴⁸⁰

452. Stainless steel is a strategic material within the defence industry⁴⁸¹ due to its corrosion resistance,⁴⁸² making it critical for specific applications in demanding environments. It is therefore used in the manufacture of specialised vehicles, marine, submarine and nuclear equipment, aircraft and missiles. For the same reasons, stainless steel scrap, used as main input for the production of stainless steel in the EU, but also a key source of nickel and other raw materials is essential.
453. Among the various raw materials and products identified as critical to the resilience of the European defence supply chain, China is identified as an important factor of “external dependency” which “can be easily instrumentalised,”⁴⁸³ particularly as the country “increasingly seek[s] to assert [its] authority and control in our economy and society.”⁴⁸⁴ Therefore, particularly in light of Chinese dominance in the global steel industry, considerations of strategic autonomy are critical.
454. Stainless steel's strategic role in defence underscores the importance of maintaining a robust and versatile production capacity within Europe. By ensuring the vitality of its stainless steel sector, the EU not only strengthens its industrial base but also fortifies its defence capabilities.
455. The fact that relatively low volumes are involved as concerns the defence industry is immaterial and the strategic consideration of maintaining adequate capacity to produce is determinative. Though only a small portion of stainless steel production directly serves defence needs, it is economically unfeasible for mills to operate solely for defence purposes due to the diverse requirements. As such, mills must also cater to civil and commercial demands to sustain operations merely to put them in a position to support defence needs. Such participates of the logic set out by the Commission to have

⁴⁷⁹ Joint White Paper for European Defence Readiness 2030, Title 6, paragraph 2, https://commission.europa.eu/document/download/e6d5db69-e0ab-4bec-9dc0-3867b4373019_en?filename=White%20paper%20for%20European%20defence%20%E2%80%93%20Readiness%202030.pdf

⁴⁸⁰ Commission Staff Working Document, Staff Working Document for a European Defence Industry Programme and a framework of measures to ensure the timely availability and supply of defence products Accompanying the document Proposal for a Regulation of the European Parliament and of the Council establishing the European Defence Industry Programme and a framework of measures to ensure the timely availability and supply of defence products (‘EDIP’), 8 July 2024, {C(2024) 4822 final}, p. 18.

⁴⁸¹ Commission, Communication, A European Steel and Metals Action Plan, 19 March 2025, p.1 (available at : https://single-market-economy.ec.europa.eu/document/download/7807ca8b-10ce-4ee2-9c11-357afe163190_en?filename=Communication%20-%20Steel%20and%20Metals%20Action%20Plan.pdf

⁴⁸² P&D Northern Steels, “Steel For The Defence Industry,” 2025. <https://pdnorthern.com/sectors/steel-for-the-defence-industry/>

⁴⁸³ Commission Staff Working Document, Staff Working Document for a European Defence Industry Programme and a framework of measures to ensure the timely availability and supply of defence products Accompanying the document Proposal for a Regulation of the European Parliament and of the Council establishing the European Defence Industry Programme and a framework of measures to ensure the timely availability and supply of defence products (‘EDIP’), 8 July 2024, {C(2024) 4822 final}, p. 18.

⁴⁸⁴ European Commission, White Paper for European Defence - Readiness 2023, p. 3 (available at: https://commission.europa.eu/document/download/e6d5db69-e0ab-4bec-9dc0-3867b4373019_en?filename=White%20paper%20for%20European%20defence%20%E2%80%93%20Readiness%202030.pdf).

*“the building up of ‘ever-warm’ spare industrial capacities that allow for the necessary flexibility to ramp up in response to urgent spikes in demand” as well as to ensure the resilience of supply for key inputs.*⁴⁸⁵

456. The Applicant further notes that the coherence of the various EU policies overarching the Defence Industrial and Technological Base (“DITB”) supports the continuation of the measures in place. For example, the Security Action for Europe instrument (“SAFE,” part of the ReArm Europe Plan) sets out financing of up to EUR 150 billion to *“finance urgent and large-scale investments in the European defence technological and industrial base (EDTIB). The aim is to boost production capacity, making sure defence equipment is available when needed, and to address existing capability gaps,”* with eligibility subject to EU local content requirements.⁴⁸⁶ The European Defence Industry Programme (“EDIP”)⁴⁸⁷ set out under the European Defence Industrial Strategy (“EDIS”)⁴⁸⁸ would further channel billions of euros to strengthen the European DITB, ensure its sufficient capability and resilience.
457. It is noted that a *“surge in defence investment would have positive spillover effects across the economy, contributing to competitiveness, job creation and innovation in many sectors, from aeronautics to shipbuilding, from steel to space, transport to AI. Harnessed correctly, this could lead to a major leap in European resilience in a world where threats are proliferating.”*⁴⁸⁹
458. None of these objectives and policies can, however, be attained if, in parallel, the “mainstream” EU industrial policy does not contribute to their achievement by preventing foreign players to reap the benefits from unfair trading practices at the expense of the Union industry, absent which none of the hoped for and necessary investments would materialise.⁴⁹⁰ It must, however, also be avoided that in reinforcing EU defence capabilities, a situation materialises in which EU public funds – that is, taxpayers’ contributions – would, ultimately, be used to purchase products manufactured using Chinese overcapacity-steel.⁴⁹¹

⁴⁸⁵ European Commission – DG DEFIS, EDIS Joint Communication (pp. 17 and 23), 5 March 2024. https://defence-industry-space.ec.europa.eu/document/download/643c4a00-0da9-4768-83cd-a5628f5c3063_en?filename=EDIS%20Joint%20Communication.pdf (at pp. 17 and 23).

⁴⁸⁶ Council of the European Union, “SAFE: Council Adopts €150 Billion Boost for Joint Procurement on European Security and Defence,” 27 May 2025. <https://www.consilium.europa.eu/en/press/press-releases/2025/05/27/safe-council-adopts-150-billion-boost-for-joint-procurement-on-european-security-and-defence/>.

⁴⁸⁷ European Commission – DG DEFIS, “EDIP: Dedicated Programme for Defence,” 5 March 2024. https://defence-industry-space.ec.europa.eu/eu-defence-industry/edip-dedicated-programme-defence_en.

⁴⁸⁸ European Commission – DG DEFIS, “EDIP: Dedicated Programme for Defence,” 5 March 2024. https://defence-industry-space.ec.europa.eu/document/download/643c4a00-0da9-4768-83cd-a5628f5c3063_en?filename=EDIS%20Joint%20Communication.pdf.

⁴⁸⁹ European Commission, White Paper for European Defence - Readiness 2023, p. 21 (available at: https://commission.europa.eu/document/download/e6d5db69-e0ab-4bec-9dc0-3867b4373019_en?filename=White%20paper%20for%20European%20defence%20%E2%80%93%20Readiness%202030.pdf).

⁴⁹⁰ European Commission, White Paper for European Defence - Readiness 2023, p. 12 (our underlining) (available at: https://commission.europa.eu/document/download/e6d5db69-e0ab-4bec-9dc0-3867b4373019_en?filename=White%20paper%20for%20European%20defence%20%E2%80%93%20Readiness%202030.pdf).

Noting that « *Through targeted policies the EU should support the European defence industry across six strategic directions: a) supporting, reinforcing and promoting industrial capacities across the EU; b) securing the supply of critical industry inputs and reducing dependencies; c) building a true EU-wide Market for Defence equipment; d) simplifying existing rules and cutting red tape; e) boosting research and development to foster innovation; and f) keeping, attracting and developing talent, enhancing skills and expertise in the defence sector* » (our underlining).

⁴⁹¹ European Commission – DG DEFIS, “EDIP: Dedicated Programme for Defence,” 5 March 2024. https://defence-industry-space.ec.europa.eu/document/download/643c4a00-0da9-4768-83cd-a5628f5c3063_en?filename=EDIS%20Joint%20Communication.pdf (see, in particular, at p. 14).

11.5 Ensuring the effectiveness of the AD duties

459. It is also clearly in the Union's interest to ensure that the application of trade defence instruments is effective and bears fruit. Given the interrelation between SSHR and SSCR, anti-dumping duties need to remain in place. Absent measures on SSHR, the effectiveness of the measures on the downstream product will be severely impacted since by reason of the unfair competition on SSHR, the Union industry's ability to continue supplying its SSCR operations will be directly affected, depriving measures on the downstream product of most of their remedial effect.

12. CONCLUSION

460. The Applicant has presented evidence of ongoing dumping practices of SSHR products originating from Indonesia, the People's Republic of China, and Taiwan. Furthermore, the Applicant has demonstrated the likelihood of these unfair practices aggravating should the current measures be permitted to lapse.
461. The Applicant has further established the causal connection between the clear injury inflicted upon the Union Industry by the dumped imports, particularly in light of its current vulnerable state, and the dumping practices. The evidence underscores a substantial risk of exacerbated injury if the existing measures are not upheld.
462. This, therefore, fully justifies the initiation of an expiry review by the European Commission, as well as the continuation of the measures for the forthcoming five-year period.
463. In view of the above, the Union industry respectfully requests that the European Commission:
- Initiate an expiry review of the current measures.
 - Renew the anti-dumping measures for an additional five years concerning imports of SSHR from Indonesia, the People's Republic of China, and Taiwan.

TABLE OF CONTENTS

1.	INTRODUCTION	2
2.	GENERAL INFORMATION	3
2.1	Applicant	3
3.	PRODUCT CONCERNED AND LIKE PRODUCTS	4
3.1	Description of stainless steel hot-rolled flat products	4
3.1.1	Metallurgical characteristics	4
3.1.2	Production process	5
3.1.3	Format of stainless steel hot-rolled flat products and finishing operations	9
3.2	Uses of hot-rolled flat stainless steel products	10
3.3	Distribution channels of SSHR	11
3.4	Definition of the product concerned	11
3.5	Like product	12
3.6	Exporters of SSHR from the countries concerned	12
3.7	Importers and users of the product concerned in the EU	12
4.	LIKELIHOOD OF CONTINUATION OR RECURRENCE OF DUMPING FROM CHINA.....	13
4.1	Situation of imports of SSHR from China to the EU	13
4.2	Existence of significant distortions affecting production and sales of SSHR in China	13
4.2.1	The market of SSHR is served to a significant extent by enterprises that operate under the ownership, control of policy supervision or guidance of the authorities of the exporting country	16
4.2.2	State presence in firms allowing the State to interfere with respect to prices or costs	20
4.2.3	State presence in upstream companies	25
4.2.4	Public policies or measures discriminating in favour of domestic suppliers or otherwise influencing free market forces	27
4.2.5	The lack, discriminatory application or inadequate enforcement of bankruptcy, corporate or property laws	39
4.2.6	Wage costs being distorted	40
4.2.7	Access to finance granted by institutions which implement public policy objectives or otherwise not acting independently of the state	41
4.3	Normal value according to Article 2(6a) of the basic AD Regulation	47
4.4	Export prices	47
4.5	Dumping margin.....	48
5.	LIKELIHOOD OF CONTINUATION OR RECURRENCE OF DUMPING FROM INDONESIA	48
5.1	Situation of imports of SSCR from Indonesia to the EU	48
5.2	Normal values	49
5.3	Export prices	50
5.4	Dumping margin.....	50
6.	LIKELIHOOD OF CONTINUATION OR RECURRENCE OF DUMPING FROM TAIWAN.....	50
6.1	Situation of imports of SSCR from Taiwan to the EU	50
6.2	Normal values	51

6.3	Export prices	51
6.4	Dumping margin	52
7.	CONSISTENT DUMPING FINDINGS IN THIRD COUNTRIES ON SSHR AND RELATED PRODUCTS	52
7.1	Third country dumping findings on SSHR from the countries concerned	52
7.1.1	USA	52
7.1.2	South Korea	53
7.1.3	China	54
7.1.4	Brazil	54
7.2	EU dumping findings on related products from the targeted countries	54
8.	LIKELIHOOD OF CONTINUATION OF INJURY	55
8.1	Situation of the Union Industry	55
8.2	Consumption, sales, imports and market shares	56
8.2.1	Consumption	56
8.2.2	Price pressure and undercutting	60
8.3	Production, production capacity and capacity utilisation	61
8.4	EU sales to unrelated	62
8.5	EU prices, cost of goods sold and profit	63
8.6	Employment and investment	66
8.7	Inventories	67
8.8	Order intakes	67
8.9	Injury margin	67
8.10	Conclusion on the likelihood of continuation of injury	68
9.	FACTORS OF AGGRAVATION OF INJURY	69
9.1	Structural factors in the countries concerned increase the likelihood of recurrence and aggravation of injury	69
9.1.1	Notable distortions in raw material supply in the countries concerned	70
9.1.2	Significant overcapacities in the targeted countries	75
9.1.3	Targeted countries are increasingly reliant on exports	78
9.2	Attractiveness of the EU market	80
9.2.1	The EU market is highly susceptible to imports of SSHR	80
9.2.2	Trade diversion from other countries	80
9.2.3	Circumvention of the measures in place	82
9.3	Conclusion on the aggravation of injury	82
10.	CAUSATION	82
10.1	Confirmation of the coincidence between the injury of the Union and the increased imports	82
10.2	Absence of other factors affecting causation	83
10.2.1	Imports of the product concerned from third countries	83
10.2.2	Exports of the like product by the Union Industry	85
10.2.3	Variation of raw materials costs	85
10.2.4	Reduction in demand on the EU market	87

11.	CONTINUATION OF THE MEASURES IN THE INTEREST OF THE UNION.....	87
11.1	Absence of negative impact of the measures	87
11.1.1	Absence of risk of shortage	87
11.1.2	Absence of negative effects on profit margins of other players.....	88
11.2	Protection of actors in a circular economy model.....	89
11.2.1	Direct employment.....	89
11.2.2	Indirect employment upstream/downstream.....	89
11.2.3	Stainless steel circular economy model	89
11.2.4	Competitiveness and short supply chain	90
11.3	EU environmental policies and other Union policies	91
11.3.1	Environmental benefits stemming from the circular economy model.....	91
11.3.2	Emission reductions and carbon leakage.....	92
11.4	Steel as a strategic industry	93
11.5	Ensuring the effectiveness of the AD duties.....	96
12.	CONCLUSION.....	96

LIST OF ANNEXES

Annex 1. <i>Support letters</i>	4
Annex 2. <i>List of known EU producers of the product concerned</i>	4
Annex 3. <i>Stainless steel hot-rolled flat product finishing</i>	10
Annex 4. <i>Examples of the product concerned</i>	12
Annex 5. <i>List of known Chinese, Indonesian and Taiwanese exporters of the product concerned</i>	12
Annex 6. <i>List of known importers and users of the product concerned</i>	13
Annex 7. <i>Dumping assessment China</i>	47
Annex 8. <i>Dumping assessment Indonesia</i>	50
Annex 9. <i>Dumping assessment Taiwan</i>	51
Annex 10. <i>Injury indicators</i>	57
Annex 11. Outokumpu Alloy Surcharge for Grade 304 Flat Products	65
Annex 12. <i>Factors of aggravation of injury</i>	74
Annex 13. <i>Causation – Third country imports</i>	85
Annex 14. <i>Raw materials price evolution</i>	86

LIST OF TABLES

<i>Table 1 Global nickel reserves</i>	<i>6</i>
<i>Table 2 Imports from China</i>	<i>13</i>
<i>Table 3 Market share imports from China</i>	<i>13</i>
<i>Table 4 Imports from Indonesia.....</i>	<i>48</i>
<i>Table 5 Market share imports from Indonesia.....</i>	<i>48</i>
<i>Table 6 Imports from Taiwan.....</i>	<i>50</i>
<i>Table 7 Market share imports from Taiwan.....</i>	<i>51</i>
<i>Table 8 SSHR Consumption</i>	<i>57</i>
<i>Table 9 Sales & imports</i>	<i>57</i>
<i>Table 10 Import volumes</i>	<i>58</i>
<i>Table 11 Market share imports.....</i>	<i>59</i>
<i>Table 12 Import prices.....</i>	<i>60</i>
<i>Table 13 Undercutting all SSHR</i>	<i>60</i>
<i>Table 14 Undercutting austenitic SSHR.....</i>	<i>61</i>
<i>Table 15 Production, capacity & utilisation rate</i>	<i>62</i>
<i>Table 16. EU sales to unrelated</i>	<i>62</i>
<i>Table 17 EU Sales price, COGS & profit.....</i>	<i>66</i>
<i>Table 18 Employment & productivity.....</i>	<i>66</i>
<i>Table 19 Investment</i>	<i>67</i>
<i>Table 20 Inventories</i>	<i>67</i>
<i>Table 21 Order intakes</i>	<i>67</i>
<i>Table 22 Injury margin all SSHR</i>	<i>68</i>
<i>Table 23 Injury margin austenitic SSHR</i>	<i>68</i>
<i>Table 24 Excess capacity Taiwan</i>	<i>77</i>
<i>Table 25 Capacity use Taiwan</i>	<i>77</i>
<i>Table 26 Summary undercutting</i>	<i>80</i>
<i>Table 27 Market shares other imports.....</i>	<i>83</i>
<i>Table 28 Imports & market shares</i>	<i>84</i>
<i>Table 29 EU export sales</i>	<i>85</i>
<i>Table 30 EU Market Supply.....</i>	<i>88</i>
<i>Table 31 Market share – Alternative sources of supply</i>	<i>88</i>



EUROPEAN COMMISSION

DIRECTORATE-GENERAL FOR TRADE AND ECONOMIC SECURITY

Brussels, 3 October 2025
Trade.g.3(2025)10860240

Taipei Representative Office
in the European Union
Square de Meeûs 26-27
B-1000 Brussels

By email:

bel@mofa.gov.tw;

belgium@sa.moea.gov.tw

Subject: Anti-dumping review investigation concerning imports of hot rolled stainless steel sheets and coils originating in, *inter alia*, Taiwan

Dear Sir, / Dear Madam,

We would like to inform you that the Commission has decided to initiate an anti-dumping investigation concerning imports of hot rolled stainless steel sheets and coils originating in, *inter alia*, Taiwan. A Notice of Initiation has been published in the *Official Journal of the European Union*. This notice and the request for review are attached to this letter for information and are also available on TRON.tdi.

In view of the potentially large number of exporting producers in Taiwan involved in this proceeding and in order to complete the investigation within the statutory time limits, the Commission may limit the number of exporting producers that will be investigated by selecting a sample.

All exporting producers and/or representative associations should first contact the Commission and provide the information requested in the Notice of Initiation within 7 days of its publication.

Sampled exporters, and exporters requesting an individual margin, will be asked to complete the questionnaire that is published on the website of DG TRADE:

<https://tron.trade.ec.europa.eu/investigations/case-view?caseId=2817>

within the time limit specified in the attached Notice of Initiation.

It would be appreciated if the Taipei Representative Office in the European Union could assist in the appointment of a representative, for example an association or a law firm, who could cooperate with the Commission in the selection of the sample.

The attention of the Taipei Representative Office in the European Union to the European Union is drawn to the fact that, if sufficient cooperation on the part of exporting producers is not forthcoming, the Commission may base its findings on the facts available, in accordance with Article 18 of the basic Regulation ⁽¹⁾.

Please note that a finding based on facts available may be less advantageous to the parties concerned.

The present notification is provided in accordance with Article 5(11) of Regulation (EU) 2016/1036 of the European Parliament and the Council on protection against dumped imports from countries not members of the European Union and with Article 6.1.3 of the Agreement in Implementation of Article VI of the General Agreement on Tariffs and Trade 1994.

Yours faithfully,

(e-signed)

Pedro Velasco Martins
Head of Unit

Encl.:

- Notice of Initiation
- Non-confidential copy of the request for review

⁽¹⁾ OJ L 176 30.6.2016, p. 21 <http://data.europa.eu/eli/reg/2016/1036/2020-08-11>



C/2025/5293

3.10.2025

Notice of initiation of an expiry review of the anti-dumping measures applicable to imports of certain hot rolled stainless steel sheets and coils originating in Indonesia, the People's Republic of China and Taiwan

(C/2025/5293)

Following the publication of a Notice of impending expiry ⁽¹⁾ of the anti-dumping measures in force on the imports of certain hot rolled stainless steel sheets and coils originating in Indonesia, the People's Republic of China ('PRC' or 'China') and Taiwan ('the countries concerned'), the European Commission ('the Commission') has received a request for review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council of 8 June 2016 on protection against dumped imports from countries not members of the European Union ⁽²⁾ ('the basic Regulation').

1. Request for review

The request was submitted on 4 July 2025 by the European Steel Association ('Eurofer' or 'the applicant') on behalf of the Union industry of certain hot rolled stainless steel sheets and coils in the sense of Article 5(4) of the basic Regulation.

An open version of the request and the analysis of the degree of support by Union producers for the request are available in the file for inspection by interested parties. Section 5.6 of this Notice provides information about access to the file for interested parties.

2. Product under review

The product subject to this review is flat-rolled products of stainless steel, whether or not in coils (including products cut-to-length and narrow strip), not further worked than hot-rolled and excluding products, not in coils, of a width of 600 mm or more and of a thickness exceeding 10 mm ('the product under review'), currently falling under CN codes 7219 11 00, 7219 12 10, 7219 12 90, 7219 13 10, 7219 13 90, 7219 14 10, 7219 14 90, 7219 22 10, 7219 22 90, 7219 23 00, 7219 24 00, 7220 11 00 and 7220 12 00 (TARIC codes 7219 11 00 10, 7219 11 00 90, 7219 12 10 10, 7219 12 10 90, 7219 12 90 10, 7219 12 90 90, 7219 13 10 10, 7219 13 10 90, 7219 13 90 10, 7219 13 90 90, 7219 14 10 10, 7219 14 10 90, 7219 14 90 10, 7219 14 90 90, 7219 22 10 10, 7219 22 10 90, 7219 22 90 10, 7219 22 90 90, 7219 23 00 10, 7219 23 00 90, 7219 24 00 10, 7219 24 00 90, 7220 11 00 10, 7220 11 00 90, 7220 12 00 10 and 7220 12 00 90). The CN codes are given for information only without prejudice to a subsequent change in the tariff classification.

3. Existing measures

The measures currently in force are a definitive anti-dumping duty imposed by Commission Implementing Regulation (EU) 2020/1408 ⁽³⁾, as last amended by Commission Implementing Regulation (EU) 2020/1713 ⁽⁴⁾, and extended to imports consigned from Türkiye whether declared as originating in Türkiye or not, by Commission Implementing Regulation (EU) 2023/825 ⁽⁵⁾.

⁽¹⁾ OJ C, C/2025/462, 23.1.2025, ELI: <http://data.europa.eu/eli/C/2025/462/oj>.

⁽²⁾ OJ L 176, 30.6.2016, p. 21, ELI: <http://data.europa.eu/eli/reg/2016/1036/oj>.

⁽³⁾ Commission Implementing Regulation (EU) 2020/1408 of 6 October 2020 imposing a definitive anti-dumping duty and definitively collecting the provisional duty imposed on imports of certain hot rolled stainless steel sheets and coils originating in Indonesia, the People's Republic of China and Taiwan (OJ L 325, 7.10.2020, p. 26, ELI: http://data.europa.eu/eli/reg_impl/2020/1408/oj).

⁽⁴⁾ Commission Implementing Regulation (EU) 2020/1713 of 16 November 2020 amending Implementing Regulation (EU) 2019/1382 amending certain Regulations imposing anti-dumping or anti-subsidy measures on certain steel products subject to safeguard measures (OJ L 384, 17.11.2020, p. 6, ELI: http://data.europa.eu/eli/reg_impl/2020/1713/oj).

⁽⁵⁾ Commission Implementing Regulation (EU) 2023/825 of 17 April 2023 extending the anti-dumping duty imposed by Implementing Regulation (EU) 2020/1408 on imports of certain hot rolled stainless steel sheets and coils originating in Indonesia to imports of certain hot rolled stainless steel sheets and coils consigned from Türkiye, whether declared as originating in Türkiye or not (OJ L 103, 18.4.2023, p. 12, ELI: http://data.europa.eu/eli/reg_impl/2023/825/oj).

4. Grounds for the review

The request is based on the grounds that the expiry of the measures would be likely to result in continuation of dumping and continuation or recurrence of injury to the Union industry.

4.1. *Allegation of likelihood of continuation of dumping*

4.1.1. *Allegation of likelihood of continuation of dumping from the PRC*

The applicant claimed that it is not appropriate to use domestic prices and costs in the PRC, due to the existence of significant distortions within the meaning of point (b) of Article 2(6a) of the basic Regulation.

To substantiate the allegations of significant distortions, the applicant relied on the information contained in the Commission Staff Working Document, on Significant Distortions in the Economy of the PRC for the Purposes of Trade Defence Investigations dated 10 April 2024 ⁽⁶⁾. In particular, the applicant referred to distortions as state presence in general and more specifically affecting the steel sector, and to chapters on public procurement, financial system, raw materials and other material inputs. In addition, the applicant relied on publicly available information, in particular on the 14th Five-Year Plan, which identifies the steel industry as a fundamental sector of the Chinese economy.

As a result, in view of Article 2(6a)(a) of the basic Regulation, the allegation of dumping is based on a comparison of a constructed normal value on the basis of costs of production and sale reflecting undistorted prices or benchmarks, with the export price (at ex-works level) of the product under investigation when sold for export to the Union. The complainant indicates Brazil as an appropriate representative country for the purposes of constructing the normal value.

On this basis, the dumping margins calculated are significant for the PRC.

4.1.2. *Allegation of likelihood of continuation of dumping from Indonesia and Taiwan*

The allegation of likelihood of continuation of dumping for Indonesia and Taiwan is based on a comparison of domestic price with the export price (at ex-works level) of the product under review when sold for export to the Union.

In addition, the allegation of likelihood of continuation of dumping is also based on a comparison of a constructed normal value (manufacturing costs, selling, general and administrative costs (SG&A) and profit) in Indonesia and Taiwan with the export price (at ex-works level) of the product under review when sold for export to the Union.

On this basis, the dumping margins calculated are significant for Indonesia and Taiwan.

4.2. *Allegation of likelihood of continuation or recurrence of injury*

The applicant alleges the likelihood of continuation of injury. In this respect the applicant has provided sufficient evidence that imports of the product under review from the countries concerned to the Union have remained significant in absolute terms and in terms of market shares.

The evidence provided by the applicant shows that the volume and the prices of the imported product under review have, among other consequences, had a negative impact on the quantities sold, the level of prices charged, and the market share held by the Union industry, resulting in substantial adverse effects on the overall performance and the financial situation of the Union industry.

The applicant also alleges the likelihood of further injury. In this respect the applicant has also provided evidence that, should measures be allowed to lapse, the current import level of the product under review from the countries concerned to the Union is likely to increase due to the existence of unused capacity and potential of the manufacturing facilities of the producers in Indonesia, China and Taiwan.

⁽⁶⁾ Commission Staff Working Document, on Significant Distortions in the Economy of the People's Republic of China for the Purposes of Trade Defence Investigations, 10.4.2024 (SWD(2024) 91 final), available at: [https://ec.europa.eu/transparency/documents-register/detail?ref=SWD\(2024\)91&lang=en](https://ec.europa.eu/transparency/documents-register/detail?ref=SWD(2024)91&lang=en).

In addition, the applicant alleges that any further substantial increase of imports at dumped prices from the countries concerned would be likely to cause further injury to the Union industry should measures be allowed to lapse.

5. Procedure

Having determined, after consulting the Committee established by Article 15(1) of the basic Regulation, that sufficient evidence of a likelihood of dumping⁽⁷⁾ and injury exists to justify the initiation of an expiry review, the Commission hereby initiates a review in accordance with Article 11(2) of the basic Regulation.

The expiry review will determine whether the expiry of the measures would be likely to lead to a continuation or recurrence of dumping of the product under review originating in Indonesia, China and Taiwan and a continuation or recurrence of injury to the Union industry.

5.1. Review investigation period and period considered

The investigation of a continuation or recurrence of dumping will cover the period from 1 July 2024 to 30 June 2025 ('the review investigation period'). The examination of trends relevant for the assessment of the likelihood of a continuation or recurrence of injury will cover the period from 1 January 2022 to the end of the review investigation period ('the period considered').

5.2. Comments on the request and the initiation of the investigation

All interested parties wishing to comment on the request (including matters pertaining to continuation or recurrence of injury and causality) or any aspects regarding the initiation of the investigation (including the degree of support for the request) must do so within 37 days of the date of publication of this Notice in the *Official Journal of the European Union*⁽⁸⁾.

Any request for a hearing with regard to the initiation of the investigation must be submitted within 15 days of the date of publication of this Notice.

5.3. Procedure for the determination of a likelihood of continuation or recurrence of dumping

In an expiry review, the Commission examines exports that were made to the Union in the review investigation period and, irrespective of exports to the Union, considers whether the situation of the companies producing and selling the product under review in the countries concerned is such that exports at dumped prices to the Union would be likely to continue or recur if measures expire.

Therefore, all producers⁽⁹⁾ of the product under review from the countries concerned, including those that did not cooperate in the investigation(s) leading to the measures in force, are invited to participate in the Commission investigation.

5.3.1. Investigating producers in the countries concerned

In view of the potentially large number of producers in Indonesia, China and Taiwan involved in this expiry review and in order to complete the investigation within the statutory time limits, the Commission may limit the producers to be investigated to a reasonable number by selecting a sample (this process is also referred to as 'sampling'). The sampling will be carried out in accordance with Article 17 of the basic Regulation.

⁽⁷⁾ In light of the information available, the Commission considers that there is sufficient evidence tending to show that, due to significant distortions affecting prices and costs, the use of domestic prices and costs in the country concerned is inappropriate, thus warranting the initiation of an investigation on the basis of Article 2(6a) of the basic Regulation.

⁽⁸⁾ All references to the publication of this Notice will be references to publication of this Notice in the *Official Journal of the European Union*, unless otherwise specified.

⁽⁹⁾ A producer is any company in the countries concerned which produces the product under review, including any of its related companies involved in the production, domestic sales or exports of the product under review.

In order to enable the Commission to decide whether sampling is necessary, and if so, to select a sample, all producers, or representatives acting on their behalf, including the ones who did not cooperate in the investigation leading to the measures subject to the present review, are hereby requested to provide the Commission with information on their companies within 7 days of the date of publication of this Notice. This information must be provided via TRON.tdi at the following address: https://tron.trade.ec.europa.eu/tron/tdi/form/R843_SAMPLING_FORM_FOR_EXPORTING_PRODUCER. Tron access information can be found in sections 5.6 and 5.9 below.

In order to obtain the information it deems necessary for the selection of the sample of producers, the Commission will also contact the authorities of the countries concerned and may contact any known associations of producers in these countries.

If a sample is necessary, the producers will be selected based on the largest representative volume of production, sales or exports which can reasonably be investigated within the time available. All known producers in the countries concerned, the authorities of the countries concerned and associations of producers will be notified by the Commission, via the authorities of the countries concerned if appropriate, of the companies selected to be in the sample.

Once the Commission has received the necessary information to select a sample of producers, it will inform the parties concerned of its decision whether they are included in the sample. The sampled producers will have to submit a completed questionnaire within 30 days from the date of notification of the decision of their inclusion in the sample, unless otherwise specified.

The Commission will add a note to the file for inspection by interested parties reflecting the sample selection. Any comment on the sample selection must be received within 3 days of the date of notification of the sample decision.

A copy of the questionnaire for producers in the country concerned will be made available in the file for inspection by interested parties on the date of notification of the sample decision on DG Trade's website <https://tron.trade.ec.europa.eu/investigations/case-view?caseId=2817>.

Without prejudice to the possible application of Article 18 of the basic Regulation, companies that have agreed to their possible inclusion in the sample but are not selected to be in the sample will be considered to be cooperating.

5.3.2. *Additional procedure with regard to the PRC that is subject to significant distortions*

Subject to the provisions of this Notice, all interested parties are hereby invited to make their views known, submit information and provide supporting evidence regarding the application of Article 2(6a) of the basic Regulation. Unless otherwise specified, this information and supporting evidence must reach the Commission within 37 days of the date of publication of this Notice.

In particular, the Commission invites all interested parties to make their views known on the inputs and the Harmonised System (HS) codes provided in the request ⁽¹⁰⁾, propose (an) appropriate representative country(ies) and provide the identity of producers of the product under review in those countries. This information and supporting evidence must reach the Commission within 15 days of the date of publication of this Notice.

Pursuant to point (e) of Article 2(6a) of the basic Regulation, the Commission will, shortly after initiation, by means of a note to the file for inspection by interested parties, inform parties to the investigation about the relevant sources that it intends to use for the purpose of determining normal value in the PRC pursuant to Article 2(6a) of the basic Regulation. This will cover all sources, including the selection of an appropriate representative third country where appropriate. Parties to the investigation shall be given 10 days from the date at which that note is added to that file to submit comments.

⁽¹⁰⁾ Information on HS codes is also provided in the executive summary of the review request, which is available on DG Trade's website <https://tron.trade.ec.europa.eu/investigations/case-view?caseId=2817>.

According to the information available to the Commission, possible representative third country for the PRC in this case is Brazil. With the aim of finally selecting the appropriate representative third country, the Commission will examine whether there are countries with a similar level of economic development as the PRC, in which there is production and sales of the product under review and in which relevant data are readily available. Where there is more than one such country, preference will be given, where appropriate, to countries with an adequate level of social and environmental protection.

With regard to the relevant sources, all producers in the PRC are requested to provide information on the materials (raw and processed) and energy used in the production of the product under review within 15 days of the date of publication of this Notice. This information must be provided via TRON.tdi at the following address: https://tron.trade.ec.europa.eu/tron/tdi/form/R843_INFO_ON_INPUTS_FOR_EXPORTING_PRODUCER_FORM. Tron access information can be found in sections 5.6 and 5.9 below.

Furthermore, any submissions of factual information to value costs and prices pursuant to point (a) of Article 2(6a) of the basic Regulation must be filed within 65 days of the date of publication of this Notice. Such factual information should be taken exclusively from publicly available sources.

In order to obtain the information it deems necessary for its investigation with regard to the alleged significant distortions within the meaning of point (b) of Article 2(6a) of the basic Regulation, the Commission will also make available a questionnaire to the Government of the PRC.

5.3.3. Investigating unrelated importers ⁽¹¹⁾ ⁽¹²⁾

Unrelated importers of the product under review Indonesia, China and Taiwan to the Union, including those that did not cooperate in the investigation leading to the measures in force, are invited to participate in this investigation.

In view of the potentially large number of unrelated importers involved in this expiry review and in order to complete the investigation within the statutory time limits, the Commission may limit to a reasonable number the unrelated importers that will be investigated by selecting a sample (this process is also referred to as 'sampling'). The sampling will be carried out in accordance with Article 17 of the basic Regulation.

In order to enable the Commission to decide whether sampling is necessary and, if so, to select a sample, all unrelated importers, or representatives acting on their behalf, including the ones who did not cooperate in the investigation leading to the measures subject to the present review, are hereby requested to make themselves known to the Commission. These parties must do so within 7 days of the date of publication of this Notice by providing the Commission with the information on their company(ies) requested in the Annex to this Notice.

In order to obtain information it deems necessary for the selection of the sample of unrelated importers, the Commission may also contact any known associations of importers.

⁽¹¹⁾ Only importers not related to producers in the registrcountries concerned can be sampled. Importers that are related to producers have to fill in Annex I to the questionnaire for these producers. In accordance with Article 127 of Commission Implementing Regulation (EU) 2015/2447 of 24 November 2015 laying down detailed rules for implementing certain provisions of Regulation (EU) No 952/2013 of the European Parliament and of the Council laying down the Union Customs Code, two persons shall be deemed to be related if: (a) they are officers or directors of the other person's business; (b) they are legally recognised partners in business; (c) they are employer and employee; (d) a third party directly or indirectly owns, controls or holds 5 % or more of the outstanding voting stock or shares of both of them; (e) one of them directly or indirectly controls the other; (f) both of them are directly or indirectly controlled by a third person; (g) together they control a third person directly or indirectly; or (h) they are members of the same family (OJ L 343, 29.12.2015, p. 558, ELI: http://data.europa.eu/eli/reg_impl/2015/2447/oj). In accordance with Article 5(4) of Regulation (EU) No 952/2013 of the European Parliament and of the Council laying down the Union Customs Code, 'person' means a natural person, a legal person, and any association of persons which is not a legal person but which is recognised under Union or national law as having the capacity to perform legal acts (OJ L 269, 10.10.2013, p. 1, ELI: <http://data.europa.eu/eli/reg/2013/952/oj>).

⁽¹²⁾ The data provided by unrelated importers may also be used in relation to aspects of this investigation other than the determination of dumping.

If a sample is necessary, the importers may be selected based on the largest representative volume of sales of the product under review from Indonesia, China and Taiwan in the Union that can reasonably be investigated within the time available. All known unrelated importers and associations of importers will be notified by the Commission of the companies selected to be in the sample.

The Commission will also add a note to the file for inspection by interested parties reflecting the sample selection. Any comment on the sample selection must be received within 3 days of the date of notification of the sample decision.

In order to obtain the information it deems necessary for its investigation, the Commission will make available questionnaires to the sampled unrelated importers. Those parties must submit a completed questionnaire within 30 days from the date of the notification of the sample selection, unless otherwise specified.

A copy of the questionnaire for unrelated importers will be made available in the file for inspection by interested parties and on DG Trade's website <https://tron.trade.ec.europa.eu/investigations/case-view?caseId=2817>.

5.4. *Procedure for the determination of a likelihood of a continuation or recurrence of injury and investigating Union producers*

In order to establish whether there is a likelihood of a continuation or recurrence of injury to the Union industry, the Commission invites Union producers of the product under review to participate in the investigation.

In view of the large number of Union producers involved in this expiry review and in order to complete the investigation within the statutory time limits, the Commission has decided to limit to a reasonable number the Union producers that will be investigated by selecting a sample (this process is also referred to as 'sampling'). The sampling is carried out in accordance with Article 17 of the basic Regulation.

The Commission has provisionally selected a sample of Union producers. Details can be found in the file for inspection by interested parties.

Interested parties are hereby invited to comment on the provisional sample. In addition, other Union producers, or representatives acting on their behalf, including Union producers who did not cooperate in the investigation(s) leading to the measures in force, that consider that there are reasons why they should be included in the sample must contact the Commission within 7 days of the date of publication of this Notice. All comments regarding the provisional sample must be received within 7 days of the date of publication of this Notice, unless otherwise specified.

The Commission will notify all known Union producers and/or associations of Union producers of the companies finally selected to be in the sample.

The sampled Union producers will have to submit a completed questionnaire within 30 days from the date of notification of the decision of their inclusion in the sample, unless otherwise specified.

A copy of the questionnaire for Union producers is available in the file for inspection by interested parties and on DG Trade's website (<https://tron.trade.ec.europa.eu/investigations/case-view?caseId=2817>).

5.5. *Procedure for the assessment of Union interest*

Should the likelihood of continuation or recurrence of dumping and injury be confirmed, a decision will be reached, pursuant to Article 21 of the basic Regulation, as to whether maintaining the anti-dumping measures would not be against the Union interest.

Union producers, importers and their representative associations, users and their representative associations, trade unions and representative consumer organisations are invited to provide the Commission with information on the Union interest.

Information concerning the assessment of the Union interest must be provided within 37 days of the date of publication of this Notice, unless otherwise specified. This information may be provided either in a free format or by completing a questionnaire prepared by the Commission.

A copy of the questionnaires, including the questionnaire for users of the product under review, is available in the file for inspection by interested parties and on DG Trade's website <https://tron.trade.ec.europa.eu/investigations/case-view?caseId=2817>. In any case, information submitted pursuant to Article 21 of the basic Regulation will only be taken into account if supported by factual evidence at the time of submission, which substantiates its validity.

5.6. Interested parties

In order to participate in the investigation, interested parties, such as producers in the countries concerned, Union producers, importers and their representative associations, users and their representative associations, trade unions and representative consumer organisations first have to demonstrate that there is an objective link between their activities and the product under review.

Producers in the countries concerned, Union producers, importers and representative associations who made information available in accordance to the procedures described in sections 5.3.1, 5.3.3 and 5.4 will be considered as interested parties if there is an objective link between their activities and the product under review.

Other parties will only be able to participate in the investigation as interested party from the moment they make themselves known, and provided that there is an objective link between their activities and the product under review. Being considered as an interested party is without prejudice to the application of Article 18 of the basic Regulation.

Access to the file available for inspection for interested parties is made via Tron.tdi at the following address: <https://tron.trade.ec.europa.eu/tron/TDI>. Please follow the instructions on that page to get access ⁽¹³⁾.

5.7. Other written submissions

Subject to the provisions of this Notice, all interested parties are hereby invited to make their views known, submit information and provide supporting evidence. Unless otherwise specified, this information and supporting evidence must reach the Commission within 37 days of the date of publication of this Notice.

5.8. Possibility to be heard by the Commission investigation services

All interested parties may request to be heard by the Commission investigation services. Any request to be heard must be made in writing and must specify the reasons for the request as well as a summary of what the interested party wishes to discuss during the hearing. The hearing will be limited to the issues set out by the interested parties in writing beforehand.

In principle, hearings will not be used to present factual information which is not yet on file. Nevertheless, in the interest of good administration and to enable Commission services to progress with the investigation, interested parties may be directed to provide new factual information after a hearing.

5.9. Instructions for making written submissions and sending completed questionnaires and correspondence

Information submitted to the Commission for the purpose of trade defence investigations shall be free from copyright. Interested parties, before submitting to the Commission information and/or data which is subject to third party copyright, must request specific permission to the copyright holder explicitly allowing the Commission (a) to use the information and data for the purpose of this trade defence proceeding and (b) to provide the information and/or data to interested parties to this investigation in a form that allows them to exercise their rights of defence.

⁽¹³⁾ In case of technical problems please contact the Trade Service Desk by email (trade-service-desk@ec.europa.eu) or by telephone (+32 22979797).

All written submissions, including the information requested in this Notice, completed questionnaires and correspondence provided by interested parties for which confidential treatment is requested shall be labelled 'Sensitive' ⁽¹⁴⁾. Parties submitting information in the course of this investigation are invited to reason their request for confidential treatment.

Parties providing 'Sensitive' information are required to furnish non-confidential summaries of it pursuant to Article 19(2) of the basic Regulation, which will be labelled 'For inspection by interested parties'. These summaries must be sufficiently detailed to permit a reasonable understanding of the substance of the information submitted in confidence. If a party providing confidential information fails to show good cause for a confidential treatment request or does not furnish a non-confidential summary of it in the requested format and quality, the Commission may disregard such information unless it can be satisfactorily demonstrated from appropriate sources that the information is correct.

Interested parties are invited to make all submissions and requests via TRON.tdi (<https://tron.trade.ec.europa.eu/tron/TDI>) including requests to be registered as interested parties, scanned powers of attorney and certification sheets. By using TRON.tdi or email, interested parties express their agreement with the rules applicable to electronic submissions contained in the document 'CORRESPONDENCE WITH THE EUROPEAN COMMISSION IN TRADE DEFENCE CASES' published on the website of the Directorate-General for Trade: <https://europa.eu/!7tHpY3>. The interested parties must indicate their name, address, telephone and a valid email address and they should ensure that the provided email address is a functioning official business email which is checked on a daily basis. Once contact details are provided, the Commission will communicate with interested parties by TRON.tdi or email only, unless they explicitly request to receive all documents from the Commission by another means of communication or unless the nature of the document to be sent requires the use of a registered mail. For further rules and information concerning correspondence with the Commission including principles that apply to submissions via TRON.tdi and by email, interested parties should consult the communication instructions with interested parties referred to above.

Commission address for correspondence:

European Commission
Directorate-General for Trade
Directorate G
Office: CHAR 04/039
1049 Bruxelles/Brussel
BELGIQUE/BELGIË

TRON.tdi:

<https://tron.trade.ec.europa.eu/tron/tdi>

E-mail injury aspects:

TRADE-R843-SSHR-INJURY@ec.europa.eu

E-mail dumping aspects China:

TRADE-R843-SSHR-DUMPING-CN@ec.europa.eu

E-mail dumping aspects Indonesia:

TRADE-R843-SSHR-DUMPING-ID@ec.europa.eu

E-mail dumping aspects Taiwan:

TRADE-R843-SSHR-DUMPING-TW@ec.europa.eu

6. Schedule of the investigation

The investigation shall normally be concluded within 12 months and in any event no later than 15 months from the date of the publication of this Notice, pursuant to Article 11(5) of the basic Regulation.

⁽¹⁴⁾ A 'Sensitive' document is a document which is considered confidential pursuant to Article 19 of the basic Regulation and Article 6 of the WTO Agreement on Implementation of Article VI of the GATT 1994 (Anti-Dumping Agreement). It is also a document protected pursuant to Article 4 of Regulation (EC) No 1049/2001 of the European Parliament and of the Council (OJ L 145, 31.5.2001, p. 43, ELI: <http://data.europa.eu/eli/reg/2001/1049/oj>).

7. **Submission of information**

As a rule, interested parties may only submit information in the timeframes specified in section 5 of this Notice.

In order to complete the investigation within the mandatory deadlines, the Commission will not accept submissions from interested parties after the deadline to provide comments on the final disclosure or, if applicable, after the deadline to provide comments on the additional final disclosure.

8. **Possibility to comment on other parties' submissions**

In order to guarantee the rights of defence, interested parties should have the possibility to comment on information submitted by other interested parties. When doing so, interested parties may only address issues raised in the other interested parties' submissions and may not raise new issues.

Comments on the information provided by other interested parties in reaction to the disclosure of the definitive findings should be submitted within 5 days from the deadline to comment on the definitive findings, unless otherwise specified. If there is an additional final disclosure, comments on the information provided by other interested parties in reaction to this further disclosure should be made within 1 day from the deadline to comment on this further disclosure, unless otherwise specified.

The outlined timeframe is without prejudice to the Commission's right to request additional information from interested parties in duly justified cases.

9. **Extension to time limits specified in this Notice**

Any extension to the time limits provided for in this Notice should only be requested in exceptional circumstances and will only be granted if duly justified. In any event, any extensions to the deadline to reply to questionnaires will be limited normally to 3 days, and as a rule will not exceed 7 days. Regarding time limits for the submission of other information specified in the Notice of initiation, extensions will be limited to 3 days unless exceptional circumstances are demonstrated.

10. **Non-cooperation**

In cases where any interested party refuses access to or does not provide the necessary information within the time limits, or significantly impedes the investigation, findings, affirmative or negative, may be made on the basis of facts available, in accordance with Article 18 of the basic Regulation.

Where it is found that any interested party has supplied false or misleading information, the information may be disregarded and use may be made of facts available.

If an interested party does not cooperate or cooperates only partially and findings are therefore based on facts available in accordance with Article 18 of the basic Regulation, the result may be less favourable to that party than if it had cooperated.

Failure to give a computerised response shall not be deemed to constitute non-cooperation, provided that the interested party shows that presenting the response as requested would result in an unreasonable extra burden or unreasonable additional cost. The interested party should immediately contact the Commission.

11. **Hearing Officer**

Interested parties may request the intervention of the Hearing Officer in trade proceedings. The Hearing Officer reviews requests for access to the file, disputes regarding the confidentiality of documents, requests for extension of time limits and any other request concerning the rights of defence of interested parties and third parties as may arise during the proceeding.

The Hearing Officer may organise hearings and mediate between the interested party/-ies and Commissions services to ensure that the interested parties' rights of defence are being fully exercised. A request for a hearing with the Hearing Officer should be made in writing and should specify the reasons for the request. The Hearing Officer will examine the reasons for the requests. These hearings should only take place if the issues have not been settled with the Commission services in due course.

Any request must be submitted in good time and expeditiously so as not to jeopardise the orderly conduct of proceedings. To that effect, interested parties should request the intervention of the Hearing Officer at the earliest possible time following the occurrence of the event justifying such intervention. Where hearing requests are submitted outside the relevant timeframes, the Hearing Officer will also examine the reasons for such late requests, the nature of the issues raised and the impact of those issues on the rights of defence, having due regard to the interests of good administration and the timely completion of the investigation.

For further information and contact details interested parties may consult the Hearing Officer's web pages on DG Trade's website: https://policy.trade.ec.europa.eu/contacts/hearing-officer_en.

12. Possibility to request a review under Article 11(3) of the basic Regulation

As this expiry review is initiated in accordance with the provisions of Article 11(2) of the basic Regulation, the findings thereof will not lead to the existing measures being amended but will lead to those measures being repealed or maintained in accordance with Article 11(6) of the basic Regulation.

If any interested party considers that a review of the measures is warranted so as to allow for the possibility to amend the measures, that party may request a review pursuant to Article 11(3) of the basic Regulation.

Parties wishing to request such a review, which would be carried out independently of the expiry review mentioned in this Notice, may contact the Commission at the address given above.

13. Processing of personal data

Any personal data collected in this investigation will be treated in accordance with Regulation (EU) 2018/1725 of the European Parliament and of the Council ⁽¹³⁾.

A data protection notice that informs all individuals of the processing of personal data in the framework of Commission's trade defence activities is available on DG Trade's website: <https://europa.eu/!vr4g9W>.

⁽¹³⁾ Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39, ELI: <http://data.europa.eu/eli/reg/2018/1725/oj>).

ANNEX

☐	'Sensitive' version
☐	Version 'for inspection by interested parties'
(tick the appropriate box)	

ANTI-DUMPING PROCEEDING CONCERNING IMPORTS OF CERTAIN HOT ROLLED STAINLESS STEEL SHEETS AND COILS ORIGINATING IN INDONESIA, THE PEOPLE'S REPUBLIC OF CHINA AND TAIWAN

INFORMATION FOR THE SELECTION OF THE SAMPLE OF UNRELATED IMPORTERS

This form is designed to assist unrelated importers in responding to the request for sampling information made in point 5.3.3. of the notice of initiation.

Both the 'Sensitive' version and the version 'For inspection by interested parties' should be returned to the Commission as set out in the notice of initiation.

1. IDENTITY AND CONTACT DETAILS

Supply the following details about your company:

Company name	
Address	
Contact person	
E-mail address	
Telephone	

2. TURNOVER AND SALES VOLUME

Indicate the total turnover in euros (EUR) of the company, the value in euros (EUR) and volume in tons for imports and resales on the Union market after importation from Indonesia, the People's Republic of China (the PRC) and Taiwan during the review investigation period, of the product under review as defined in the notice of initiation.

	Volume in tonnes	Value in euros (EUR)
Total turnover of your company in euros (EUR)		
Imports of the product under review originating in Indonesia		
Imports of the product under review originating in the PRC		
Imports of the product under review originating in the Taiwan		
Imports of the product under review (all origins)		
Resales on the Union market after importation from Indonesia of the product under review		
Resales on the Union market after importation from the PRC of the product under review		
Resales on the Union market after importation from Taiwan of the product under review		

3. ACTIVITIES OF YOUR COMPANY AND RELATED COMPANIES ⁽¹⁾

Give details of the precise activities of the company and all related companies (please list them and state the relationship to your company) involved in the production and/or selling (export and/or domestic) of the product under review. Such activities could include but are not limited to purchasing the product under review, producing it under sub-contracting arrangements, or processing or trading it.

Company name and location	Activities	Relationship

4. OTHER INFORMATION

Please provide any other relevant information which the company considers useful to assist the Commission in the selection of the sample.

5. CERTIFICATION

By providing the above information, the company agrees to its possible inclusion in the sample. If the company is selected to be part of the sample, this will involve completing a questionnaire and accepting a visit at its premises in order to verify its response. If the company indicates that it does not agree to its possible inclusion in the sample, it will be deemed not to have cooperated in the investigation. The Commission's findings for non-cooperating importers are based on the facts available and the result may be less favourable to that company than if it had cooperated.

Signature of authorised official:

Name and title of authorised official:

Date:

⁽¹⁾ In accordance with Article 127 of Commission Implementing Regulation (EU) 2015/2447 of 24 November 2015 laying down detailed rules for implementing certain provisions of Regulation (EU) No 952/2013 of the European Parliament and of the Council laying down the Union Customs Code, two persons shall be deemed to be related if: (a) they are officers or directors of the other person's business; (b) they are legally recognised partners in business; (c) they are employer and employee; (d) a third party directly or indirectly owns, controls or holds 5 % or more of the outstanding voting stock or shares of both of them; (e) one of them directly or indirectly controls the other; (f) both of them are directly or indirectly controlled by a third person; (g) together they control a third person directly or indirectly; or (h) they are members of the same family (OJ L 343, 29.12.2015, p. 558, ELI: http://data.europa.eu/eli/reg_impl/2015/2447/oj). In accordance with Article 5(4) of Regulation (EU) No 952/2013 of the European Parliament and of the Council laying down the Union Customs Code, 'person' means a natural person, a legal person, and any association of persons which is not a legal person but which is recognised under Union or national law as having the capacity to perform legal acts (OJ L 269, 10.10.2013, p. 1, ELI: <http://data.europa.eu/eli/reg/2013/952/oj>).