



EUROPEAN COMMISSION
Directorate-General for Trade and Economic Security
Directorate G - Trade Defence Instruments

Brussels, 23 September 2026
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**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 proceeding concerning imports certain polyvinyl chloride (PVC) originating, *inter alia*, in Taiwan**

Dear Sirs,

We refer to the letter of 4 September 2026 regarding a complaint requesting the initiation of an anti-dumping proceeding concerning imports of certain polyvinyl chloride (PVC) originating, *inter alia*, in Taiwan.

The Commission has decided to initiate an anti-dumping investigation, and a Notice of Initiation has been published in the Official Journal of the European Union. Copies of this notice and of the complaint are attached to this Note Verbale 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=2907>.

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 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.

Should measures eventually be imposed, any exporting producer that remains unknown to the Commission will automatically be subject to the residual duty.

Attached to this Note Verbale you will also find the questionnaire concerning particular market situation, within the meaning of Article 2.3 of the basic Regulation, claimed by the complainant.

Taipei Representative Office in the European Union is invited to return two versions of the questionnaire within **37 days** of this letter: one marked 'Sensitive' that includes information which you consider confidential, and another marked 'For inspection by interested parties' which is a meaningful non-confidential summary of the above mentioned 'sensitive' document.

Please be informed that if sufficient cooperation is not forthcoming in replying to this questionnaire, the Commission may base its findings on the facts available, in accordance with Article 18 of basic Regulation. 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 the basic Regulation and with Article 6.1.3 of the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994.

Yours faithfully,

(e-signed)
Jon Nyman
Head of Unit

Encl.: Notice of Initiation
Non-confidential copy of the complaint
Particular market situation questionnaire

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



Notice of initiation of an anti-dumping proceeding concerning imports of certain Polyvinyl chloride ('PVC') originating in the People's Republic of China, Republic of Korea, Mexico and Taiwan

(C/2026/4912)

The European Commission ('the Commission') has received a complaint pursuant to Article 5 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⁽¹⁾ ('the basic Regulation'), alleging that imports of certain PVC, originating in the People's Republic of China, Republic of Korea ('Korea'), the United Mexican States ('Mexico') and Taiwan, are being dumped and are thereby causing injury⁽²⁾ to the Union industry.

1. Complaint

The complaint was lodged on 10 August 2026 by the Polyvinyl chloride (PVC) Trade Committee ('the complainants'). The complaint was made on behalf of the Union industry of certain PVC in the sense of Article 5(4) of the basic Regulation.

An open version of the complaint and the analysis of the degree of support by Union producers for the complaint 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 investigation

The product subject to this investigation is certain polyvinyl chloride polymerised through suspension polymerisation ('S-PVC') and bulk (mass) polymerisation ('M-PVC') in pure form and not mixed with any other substance ('S-/M-PVC'). The product concerned includes S-PVC classified as commodity S-PVC, extender S-PVC and specialty S-PVC. The product concerned does not include PVC polymerised through emulsion polymerisation ('E-PVC').

All interested parties wishing to submit information on the product scope must do so within 10 days of the date of publication of this Notice⁽³⁾.

3. Allegation of dumping

The product allegedly being dumped is the product under investigation, originating in the People's Republic of China, Republic of Korea, Mexico and Taiwan ('the countries concerned'), also referred to as the 'product concerned' currently classified under CN code ex 3904 10 00 (TARIC codes 3904 10 00 21 and 3904 10 00 81). The CN and TARIC codes are given for information only and without prejudice to a subsequent change in the tariff classification. The scope of this investigation is subject to the definition of the product under investigation as contained in Section 2.

3.1. People's Republic of China

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

To substantiate the allegations of significant distortions, the complainants 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⁽⁴⁾ dated 10 April 2024. In particular, the complainants claimed that the production and sale of the product under investigation appears to be affected by the factors mentioned, *inter alia*, in the specific chapter regarding the Chemical Sector (Chapter 16 of the report).

⁽¹⁾ OJ L 176, 30.6.2016, p. 21, ELI: <http://data.europa.eu/eli/reg/2016/1036/oj>.

⁽²⁾ The general term 'injury' refers to material injury as well as to threat of material injury or material retardation of the establishment of an industry as set out in Article 3(1) of the basic Regulation.

⁽³⁾ References to the publication of this Notice mean publication of this Notice in the *Official Journal of the European Union*.

⁽⁴⁾ Commission Staff Working Document, on Significant Distortions in the Economy of the People's Republic of China for the Purposes of Trade Defence Investigations, 10.04.2024, 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).

The complainants also referred to the distortions in the price of raw materials used to produce PVC, namely ethylene and calcium carbide. The complainants referred to several documents to prove the distortions in ethylene, e.g. the Guiding Opinion on Promoting the High-quality Development of the Petrochemical and Chemical Industry During the 14th Five Years Plan Period ⁽⁵⁾, the 14th Five Year Plan on Developing the Raw Materials Industry ⁽⁶⁾, and several plans at lower level that list the chemical sector as a pillar of the economy (the Jiangsu Province plan as well as the Shandong Province 14th FYP) ⁽⁷⁾. With regard to calcium carbide, the complaint referred to the Guiding Opinion on promoting high-quality development of the petrochemical industry during the 14th FYP period, which states the objective to strictly control the new production capacity of, *inter alia*, calcium carbide ⁽⁸⁾.

The complainant finally referred to the 15th Five-Year Plan for the period 2026-2030. According to that plan, the petrochemical sector remains one of the State's focus industries with the objective of upgrading its quality as a key industry and strengthening the industrial value chains.

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 normal value constructed at the ex-works level 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 complainants indicate Malaysia as an appropriate representative country for the purposes of constructing the normal value.

The dumping margins calculated on the basis of this comparison are significant for the People's Republic of China.

In light of the information available, the Commission considers that there is sufficient evidence pursuant to Article 5(9) of the basic Regulation tending to show that, due to significant distortions affecting prices and costs, the use of domestic prices and costs in the People's Republic of China is inappropriate, thus warranting the initiation of an investigation on the basis of Article 2(6a) of the basic Regulation.

The country report is available in the file for inspection by interested parties and on DG Trade and Economic Security's website ⁽⁹⁾.

3.2. **Republic of Korea**

In the absence of reliable data on domestic prices for the Republic of Korea, the allegation of dumping is based on a comparison of a constructed normal value (manufacturing costs, selling, general and administrative costs ('SG&A') and profit) with the export price (at ex-works level) of the product under investigation when sold for export to the Union.

The dumping margins calculated on the basis of this comparison are significant for the Republic of Korea.

In addition to showing that dumping occurred in the Republic of Korea, the complainants put forward several allegations that a particular market situation ('PMS') pursuant to Article 2(3) of the basic anti-dumping Regulation exists in the Republic of Korea.

As a result, the complainants also submitted a calculation of dumping based on a comparison of a constructed normal value, with the export price (at ex-works level) of the product under investigation when sold for export to the Union. These dumping calculations showed margins that were higher than the ones based on domestic prices.

3.3. **Mexico**

In the absence of reliable data on domestic prices for Mexico, the allegation of dumping is based on a comparison of a constructed normal value (manufacturing costs, SG&A and profit) with the export price (at ex-works level) of the product

⁽⁵⁾ Available at: https://www.miit.gov.cn/zwgk/zcwj/wjfb/yj/art/2022/art_4ef438217a4548cb98c2d7f4f091d72e.html (accessed on 10 May 2026).

⁽⁶⁾ China Report – Chapter 16 Chemical Industry Sector, 16.3.1. '14th FYPs Relevant to the Chemical Industry' p. 468.

⁽⁷⁾ Staff Working Document, p. 83.

⁽⁸⁾ Available at: https://www.miit.gov.cn/zwgk/zcwj/wjfb/yj/art/2022/art_4ef438217a4548cb98c2d7f4f091d72e.html. See Third section, Promote the adjustment of industrial structure and Fourth section, Optimize and adjust the industrial layout.

⁽⁹⁾ Documents cited in the country report may also be obtained upon a duly reasoned request.

under investigation when sold for export to the Union.

The dumping margins calculated on the basis of this comparison are significant for Mexico.

3.4. **Taiwan**

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

The dumping margins calculated on the basis of this comparison are significant for Taiwan.

In addition to showing that dumping occurred in Taiwan, the complainants put forward several allegations that a particular market situation ('PMS') pursuant to Article 2(3) of the basic anti-dumping Regulation exists in Taiwan.

As a result, the complainants also submitted a calculation of dumping based on a comparison of a constructed normal value, with the export price (at ex-works level) of the product under investigation when sold for export to the Union. These dumping calculations showed margins that were higher than the ones based on domestic prices.

4. **Allegation of injury and causation**

4.1. **Allegation of injury and causation**

The complainants have provided evidence that imports of the product under investigation from the countries concerned have increased overall in absolute terms and in terms of market share at a significant rate indicating the likelihood of substantially increased imports.

The evidence provided by the complainants show that the prices of the imported product under investigation have had, among other consequences, a negative impact on the level of prices charged by the Union industry, resulting in substantial adverse effects on the overall performance of the Union industry.

Furthermore, the complainant provided evidence that there is sufficient freely disposable capacity in the countries concerned and that there is an imminent and substantial increase in such capacity, indicating the likelihood of substantially increased dumped imports that would cause further injury. Finally, the complainant provided evidence showing an increase in inventories.

4.2. **Allegation of raw material distortions**

The complainants have provided sufficient evidence that there may be raw material distortions in the People's Republic of China regarding the product under investigation. According to the evidence in the complaint, calcium carbide, that accounts for more than 17 % of the cost of production of the product under investigation produced using the acetylene-based manufacturing process, is subject to distortions that arise from captive mining and licensing requirements affecting the prices of key raw materials in the production of calcium carbide in the People's Republic of China. On the basis of a comparison of prices in the representative international markets, in particular those reported by the market intelligence services Chemical Market Analytics and Business AnalitIQ and the UN Comtrade database for calcium carbide in 2025, with those in the People's Republic of China, the complaint establishes that the raw material distortions appear to result in prices significantly below those of representative international markets pursuant to Article 7(2a), 2nd subparagraph of the basic Regulation.

Therefore, in accordance with Article 7(2a) of the basic Regulation, the investigation will examine the alleged distortions to assess whether, if relevant, a duty lower than the margin of dumping would be sufficient to remove injury. Should other distortions not indicated in the complaint but covered by Article 7(2a) of the basic Regulation be identified in the course of the investigation, the investigation may also cover these distortions.

5. **Procedure**

Having determined, after informing the Member States, that the complaint has been lodged on behalf of the Union industry and that there is sufficient evidence to justify the initiation of a proceeding, the Commission hereby initiates an investigation pursuant to Article 5 of the basic Regulation.

The investigation will determine whether the product under investigation originating in the countries concerned is being dumped and whether the dumped imports, have caused injury to the Union industry.

If the conclusions are affirmative, the investigation will examine whether the imposition of measures would not be in the Union interest under Article 21 of the basic Regulation. In order to determine whether Article 7(2a) applies, the investigation will also examine the Union's interest test under Article 7(2b) of the basic Regulation.

5.1. *Investigation period and period considered*

The investigation of dumping and injury will cover the period from 1 April 2025 to 31 March 2026 ('the investigation period'). The examination of trends relevant for the assessment of injury will cover the period from 1 January 2022 to the end of the investigation period ('the period considered').

5.2. *Comments on the complaint and the initiation of the investigation*

All interested parties wishing to comment on the complaint (including matters pertaining to injury and causality) or any aspects regarding the initiation of the investigation (including the degree of support for the complaint) must do so within 37 days of the date of publication of this Notice.

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 dumping*

Exporting producers⁽¹⁰⁾ of the product under investigation from the countries concerned are invited to participate in the Commission investigation.

5.3.1. *Investigating exporting producers*

(a) *Sampling*

In view of the potentially large number of exporting producers in the countries concerned and in order to complete the investigation within the statutory time limits, the Commission may limit the exporting 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.

In order to enable the Commission to decide whether sampling is necessary, and if so, to select a sample, all exporting producers, or representatives acting on their behalf, are 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 ('TRON') at the following address: <https://tron.trade.ec.europa.eu/investigations/case-view?caseId=2907>. TRON access information can be found in sections 5.6 and 5.8 below.

In order to obtain information, it deems necessary for the selection of the sample of exporting producers, the Commission has also contacted the authorities of the countries concerned and may contact any known associations of exporting producers.

If a sample is necessary, the exporting producers may be selected based on the largest representative volume of exports to the Union which can reasonably be investigated within the time available. All known exporting producers, the authorities of the countries concerned and associations of exporting 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 exporting producers, it will inform the parties concerned of its decision whether they are included in the sample. The sampled exporting 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.

⁽¹⁰⁾ An exporting producer is any company in the countries concerned which produces and exports the product under investigation to the Union market, either directly or via a third party, including any of its related companies involved in the production, domestic sales or exports of the product under investigation.

The Commission will add a note reflecting the sample selection to the file for inspection by interested parties. 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 exporting producers is available in the file for inspection by interested parties and on DG Trade and Economic Security's website (<https://tron.trade.ec.europa.eu/investigations/case-view?caseId=2907>).

The questionnaire will also be made available to any known association of exporting producers, and to the authorities of those countries.

Without prejudice to the possible application of Article 18 of the basic Regulation, exporting producers that have agreed to be included in the sample but are not selected as part of the sample will be considered to be cooperating ('non-sampled cooperating exporting producers'). Without prejudice to section 5.3.1.1(b) below, the anti-dumping duty that may be applied to imports from non-sampled cooperating exporting producers will not exceed the weighted average margin of dumping established for the exporting producers in the sample ⁽¹⁾.

(b) Individual dumping margin for exporting producers not included in the sample

Pursuant to Article 17(3) of the basic Regulation, non-sampled cooperating exporting producers may request the Commission to establish their individual dumping margins. Exporting producers wishing to claim an individual dumping margin must fill in the questionnaire mentioned in point (a) above and return it duly completed within 30 days of the date of notification of the sample selection, unless otherwise specified. The Commission will examine whether non-sampled cooperating exporting producers can be granted an individual duty in accordance with Article 9(5) of the basic Regulation.

However, non-sampled cooperating exporting producers claiming an individual dumping margin should be aware that the Commission may nonetheless decide not to determine their individual dumping margin if, for instance, the number of cooperating exporting producers, including the sampled ones, to be investigated is so large that such determination would be unduly burdensome and would prevent the timely completion of the investigation.

5.3.2. *Additional procedure with regard to the country concerned subject to significant distortions*

Subject to the provisions of this Notice, all interested parties are 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 complaint, propose (an) appropriate representative country(ies) and provide the identity of producers of the product under investigation 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 Article 2(6a) (e) of the basic Regulation, the Commission will shortly after initiation inform parties to the investigation about the relevant sources, including, where appropriate, the selection of an appropriate representative third country that it intends to use for the purpose of determining normal value pursuant to Article 2(6a) by means of a note to the file for inspection by interested parties. Parties to the investigation will be given 10 days to comment on the note, in accordance with Article 2(6a) (e).

With the aim of finally selecting the appropriate representative third country, the Commission will examine whether those third countries have a similar level of economic development as that of the country concerned, whether there is production and sales of the product under investigation in those third countries and whether relevant data are readily available. Where there is more than one representative third country, preference will be given, where appropriate, to countries with an adequate level of social and environmental protection. According to the information available to the Commission, a possible appropriate representative third country is Malaysia.

⁽¹⁾ Pursuant to Article 9(6) of the basic Regulation, any zero and *de minimis* margins, and margins established in accordance with the circumstances described in Article 18 of the basic Regulation will be disregarded.

In the context of this exercise, all producers in the country concerned are requested to provide information on the materials (raw and processed) and energy used in the production of the product under investigation 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/investigations/case-view?caseId=2907>). TRON access information can be found in sections 5.6 and 5.8 below.

Furthermore, any submissions of factual information to establish costs and prices pursuant to Article 2(6a)(a) 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 public sources which are readily available.

5.3.3. *Additional procedure with regard to the countries allegedly affected by a PMS*

In view of the Complainant's allegations of PMS pursuant to Article 2(3) of the basic Regulation with regard to the Republic of Korea and Taiwan, the Commission will prepare questionnaires and seek information from all parties, including the governments of the countries concerned, relevant to determine whether the conditions for the application of the relevant provisions are met.

5.3.4. *Investigating unrelated importers* ⁽¹²⁾ ⁽¹³⁾

Unrelated importers of the product under investigation from the countries concerned to the Union are invited to participate in this investigation.

In view of the potentially large number of unrelated importers involved in this proceeding 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, are requested to provide the Commission with the information on their company(ies) requested in the Annex to this Notice within 7 days of the date of publication of 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.

If a sample is necessary, the importers may be selected based on the largest representative volume of sales of the product under investigation in the Union which can reasonably be investigated within the time available.

Once the Commission has received the necessary information to select a sample, it will inform the parties concerned of its decision on the sample of importers. The Commission will also add a note reflecting the sample selection to the file for inspection by interested parties. Any comment on the sample selection must be received within 3 days from the notification of the sample decision.

In order to obtain 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

⁽¹²⁾ This section covers only importers not related to exporting producers. Importers that are related to exporting producers have to fill in Annex I to the questionnaire for these exporting 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). 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).

⁽¹³⁾ The data provided by unrelated importers may also be used in relation to aspects of this investigation other than the determination of dumping.

the notification of the decision about the sample, unless otherwise specified.

A copy of the questionnaire for importers is available in the file for inspection by interested parties and on DG Trade and Economic Security's website (<https://tron.trade.ec.europa.eu/investigations/case-view?caseId=2907>).

5.4. Procedure for the determination of injury and investigating Union producers

A determination of injury is based on positive evidence and involves an objective examination of the volume of the dumped imports, their effect on prices on the Union market and the consequent impact of those imports on the Union industry. In order to establish whether the Union industry is injured, Union producers of the product under investigation are invited to participate in the Commission investigation.

In view of the large number of Union producers concerned and 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 invited to comment on the provisional sample. In addition, other Union producers, or representatives acting on their behalf, who 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.

All known Union producers and associations of Union producers will be notified by the Commission 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 and Economic Security's website (<https://tron.trade.ec.europa.eu/investigations/case-view?caseId=2907>).

5.5. Procedure for the assessment of Union interest in case of allegations of raw material distortions

In cases of distortions on raw materials as identified in Article 7(2a) of the basic Regulation, the Commission will conduct a Union interest test as laid out in Article 7(2b) of that Regulation.

Interested parties are invited to provide all pertinent information enabling the Commission to determine whether it is in the Union interest to set the level of the measures in accordance with Article 7(2a) of the basic Regulation. In particular, interested parties are invited to provide any information about spare capacities in the countries concerned, competition for raw materials and the effect on supply chains for companies in the Union. In the absence of cooperation, the Commission may conclude that it is in accordance with the Union interest to apply Article 7(2a) of the basic Regulation.

In any event, a decision will be reached, pursuant to Article 21 of the basic Regulation, as to whether the adoption of anti-dumping measures would not be in 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 concerning the Union interest.

Information concerning the assessment of 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 investigation, is available in the file for inspection by interested parties and on DG Trade and Economic Security's website (<https://tron.trade.ec.europa.eu/investigations/case-view?caseId=2907>). The information submitted pursuant to Article 21 of the basic Regulation will only be considered if supported by factual evidence at the time of submission.

5.6. *Interested parties*

In order to participate in the investigation interested parties, such as exporting producers, Union producers, importers and their representative associations, users and their representative associations, trade unions and representative consumer organisations must demonstrate that there is an objective link between their activities and the product under investigation produced by the Union industry or the product concerned placed on the Union market.

Exporting producers, Union producers, importers and representative associations who made information available in accordance with the procedures described in sections 5.3.1, 5.3.3. and 5.4 above will be considered as interested parties if there is an objective link between their activities and the product under investigation produced by the Union industry or the product concerned placed on the Union market.

The other parties mentioned in the first paragraph of this section 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 investigation produced by the Union industry or the product concerned placed on the Union market. 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 obtain access ⁽¹⁴⁾.

5.7. *Possibility to be heard by the Commission investigation services*

All interested parties may request to be heard by the Commission's investigation services.

Any request for a hearing 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.

The timeframe for hearings is as follows:

- For any hearings to take place before the deadline for the imposition of provisional measures, a request should be made within 15 days from the date of publication of this Notice. The hearing will normally take place within 60 days of the date of publication of this Notice.
- After the stage of provisional findings, a request should be made within 5 days from the date of the disclosure of the provisional findings or of the information document. The hearing will normally take place within 15 days from the date of notification of the disclosure or the date of the information document.
- At the stage of definitive findings, a request should be made within 3 days from the date of the final disclosure. The hearing will normally take place within the period granted to comment on the final disclosure. If there is an additional final disclosure, a request should be made immediately upon receipt of this additional final disclosure. The hearing will then normally take place within the deadline to provide comments on this disclosure.

The outlined timeframe is without prejudice to the right of the Commission services to accept hearings outside the timeframe in duly justified cases and to the right of the Commission to deny hearings in duly justified cases. Where the Commission services refuse a hearing request, the party concerned will be informed of the reasons for such refusal.

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.

⁽¹⁴⁾ In case of technical problems please contact the Trade Service Desk by email trade-service-desk@ec.europa.eu or by telephone +32 22979797.

5.8. *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.

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' ⁽¹⁵⁾. 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'. Those summaries should 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 DG Trade and Economic Security: <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 daily. 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:

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TRADE-AD762-PVC-INJURY@ec.europa.eu

⁽¹⁵⁾ 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).

5.9. **Registration**

The Commission intends to instruct customs authorities to register imports of PVC, originating in the People's Republic of China, Republic of Korea, Mexico and Taiwan at an early stage of this investigation. This may lead to retroactive collection of definitive duties on registered imports. A regulation making imports of PVC, originating in the People's Republic of China, Republic of Korea, Mexico and Taiwan subject to registration will be published in due time.

6. **Schedule of the investigation**

The investigation will be concluded, pursuant to Article 6(9) of the basic Regulation within one year, but not more than 14 months of the date of the publication of this Notice. In accordance with Article 7(1) of the basic Regulation, provisional measures may be imposed not later than seven months, but in any event not later than eight months from the publication of this Notice.

In accordance with Article 19a of the basic Regulation, the Commission will provide information on the planned imposition of provisional duties four weeks before the imposition of provisional measures. Interested parties will be given three working days to comment in writing on the accuracy of the calculations.

In cases where the Commission intends not to impose provisional duties but to continue the investigation, interested parties will be informed, by means of an information document, of the non-imposition of duties four weeks before the expiry of the deadline under Article 7(1) of the basic Regulation.

Interested parties will be given 15 days to comment in writing on the provisional findings or on the information document, and 10 days to comment in writing on the definitive findings, unless otherwise specified. Where applicable, additional final disclosures will specify the deadline for interested parties to comment in writing.

7. **Submission of information**

As a rule, interested parties may only submit information in the timeframes specified in sections 5 and 6 of this Notice. The submission of any other information not covered by those sections, should respect the following timetable:

- Any information for the stage of provisional findings should be submitted within 70 days from the date of publication of this Notice, unless otherwise specified.
- Unless otherwise specified, interested parties should not submit new factual information after the deadline to comment on the disclosure of the provisional findings or the information document at the stage of provisional findings. After this deadline, interested parties may only submit new factual information if they can demonstrate that such new factual information is necessary to rebut factual allegations made by other interested parties and provided that such new factual information can be verified within the time available to complete the investigation in a timely manner.
- 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.

Such comments should be made according to the following timeframe:

- Any comment on information submitted by other interested parties before the deadline of imposition of provisional measures should be made at the latest on day 75 from the date of publication of this Notice, unless otherwise specified.
- Comments on the information provided by other interested parties in reaction to the disclosure of the provisional findings or of the information document should be submitted within 7 days from the deadline to comment on the provisional findings or on the information document, unless otherwise specified.

- Comments on the information provided by other interested parties in reaction to the final disclosure should be submitted within 3 days from the deadline to comment on the final disclosure, unless otherwise specified. If there is an additional final disclosure, comments on the information provided by other interested parties in reaction to this disclosure should be made within 1 day from the deadline to comment on this 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 upon good cause being shown.

In any event, any extension 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, provisional or final findings, affirmative or negative, may be made based on 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. In this case the interested party should immediately contact the Commission.

11. Hearing Officer

Interested parties may request the intervention of the Hearing Officer for 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 or parties and the Commission 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 provided for in Section 5.7 of this Notice, 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 and Economic Security's website: https://policy.trade.ec.europa.eu/contacts/hearing-officer_en

12. 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 ⁽¹⁶⁾.

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 and Economic Security's website: <https://europa.eu/lvr4g9W>

⁽¹⁶⁾ 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 POLYVINYL CHLORIDE ('PVC')
ORIGINATING IN THE PEOPLE'S REPUBLIC OF CHINA, REPUBLIC OF KOREA, MEXICO 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	
Email 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 tonnes for imports and resales on the Union market after importation from Mexico, the People's Republic of China, South Korea and Taiwan during the investigation period, of the product under investigation as defined in the notice of initiation.

	Tonnes	Value in euros (EUR)
Total turnover of your company in euros (EUR)		
Imports of the product under investigation originating in the People's Republic of China		
Imports of the product under investigation originating in Republic of Korea		
Imports of the product under investigation originating in Mexico		
Imports of the product under investigation originating in Taiwan		
Imports of the product under investigation (all origins)		
Resales on the Union market after importation from the People's Republic of China of the product under investigation		

	Tonnes	Value in euros (EUR)
Resales on the Union market after importation from Republic of Korea of the product under investigation		
Resales on the Union market after importation from Mexico of the product under investigation		
Resales on the Union market after importation from Taiwan of the product under investigation		

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 investigation. Such activities could include but are not limited to purchasing the product under investigation, 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). 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).

OPEN

COMPLAINT

Under Article 5 of Regulation (EU) 2016/1036 of the European Parliament and of the Council of 8
June 2016

Concerning Imports of

Certain PVC Resins originating in China, Mexico, South Korea, and Taiwan

7 August 2026

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A. INTRODUCTION

1. The polyvinyl chloride ('PVC') industry in the European Union is in crisis, with recent plant closures totalling a loss of 530 kt capacity in the Union over the last twelve months only.
2. Dumped PVC originating in China, Mexico, South Korea, and Taiwan has replaced dumped imports from Egypt and the United States, eroding the Union industry's market share. Low capacity utilisation has plagued the EU industry for several years, first as a result of the imports originating in Egypt and the United States and now as a result of volumes originating in China, Mexico, South Korea and Taiwan.
3. The persistently low and declining prices of these imports have exerted downward pressure on the Complainant's pricing, contributing significantly to unsustainable capacity utilisation rates and operating losses.
4. Without corrective measures to address these unfair trade practices, the Complainant's operational sustainability faces considerable risk. This threat extends beyond the Complainant's immediate assets to encompass both downstream and upstream operations, with PVC forming part of the wider chlorine value chain.

A.1. Legal basis

5. The present Complaint is lodged under Article 5 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 [hereafter 'the Basic Regulation'].

A.2. The Complainant

6. The Complainant is the Polyvinyl chloride (PVC) Trade Committee and consists of the following 3 Union PVC producers: Inovyn, Kem One and Vynova.
7. The contact details for the Complainant producers are provided in *Annex A.01 – Interested Parties Contact Details*.

A.3. Period considered and Complaint Investigation Period

8. The injury and dumping analyses are carried out over the full calendar year 2025, hereafter the *Complaint investigation period* ('CIP'). Trends are also analysed over the 3 calendar-year period prior to the CIP: 2022, 2023 and 2024.

A.4. Representativeness

9. In order to establish the representativeness, the first step is to estimate the total production of S-/M-PVC in the EU27.

A.4.1. Total Union production

10. The Complainant notes that Prodcom data on PVC production in the Union was only available for 2024.¹ Furthermore, Prodcom only publishes total PVC production, therefore adjustments would have been needed to account for E-PVC. On the other hand, *[redacted – confidential information which, if disclosed, would have a significantly adverse effect upon the party supplying the information]* publishes production figures for non-paste PVC and therefore excludes E-PVC.² Due to the availability of alternative, more granular data for production through *[redacted – confidential information which, if disclosed, would have a significantly adverse effect upon the party supplying the information]*, this has been used to estimate total Union production. This is therefore different from the methodology used in AD697, which was based on Prodcom.
11. The Complainant thus based its estimation of total Union production on production data in the EU27+3 published by *[redacted name of source – confidential information which, if disclosed, would have a significantly adverse effect upon the party supplying the information]*.
12. However, the *[redacted name of source – confidential information which, if disclosed, would have a significantly adverse effect upon the party supplying the information]* data presents three limitations. *[redacted information on limitations of reporting – confidential information which, if disclosed, would have a significantly adverse effect upon the party supplying the information]*.
13. To address the first limitation, the Complainant first estimated the representative share of the *[redacted information on non-reporting producer(s) – confidential information which, if disclosed, would have a significantly adverse effect upon the party supplying the information]*. To do so, the Complainant relied on the production capacity figures that were obtained from Chemical Market Analytics ('CMA'), a market monitoring service, which publishes yearly production capacity figures on a global scale. The table below shows the results obtained:

[table redacted – methodology to extrapolate total Union production to account for non-reporting Union producer(s) contains confidential information]
14. Based on this, the Complainant then extrapolated the production of the *[redacted information on non-reporting producer(s) – confidential information which, if disclosed, would have a significantly adverse effect upon the party supplying the information]*. Therefore, that year, *[redacted – confidential information which, if disclosed, would have a significantly adverse effect upon the party supplying the information]* data accounts for 100% of the Union Industry. The table below presents the results obtained:

[table redacted – methodology to extrapolate total Union production to account for non-reporting Union producer(s) contains confidential information]
15. In order to address the second limitation, the Complainant estimated the production volumes for Norway and the UK, respectively and deducted these from the total reported *[redacted –*

¹ See Annex A.07 – Prodcom figures

² Adjustments were made to account for volumes of extender S-PVC included in *[redacted – confidential information which, if disclosed, would have a significantly adverse effect upon the party supplying the information]* reporting of paste PVC.

confidential information which, if disclosed, would have a significantly adverse effect upon the party supplying the information].

16. First, the Complainant calculated each country's share of total capacity relative to the EU27+3 aggregate PVC capacity. The results are presented in the table below.

PVC production capacities	2022	2023	2024	2025
EU27+3 (kt)	5,956	6,056	6,036	5,829
Norway (kt)	135	135	135	135
% of Norway out of EU-27+3	2%	2%	2%	2%
United Kingdom (kt)	280	280	260	220
% of UK out of EU-27+3	5%	5%	4%	4%

See Annex D.01 – Total EU Production and Representativeness

17. Second, the Complainant estimated the production volume of the extra-EU countries by applying the individual percentages out of total EU27+3 production capacity to the total EU27+3 actual production volume figure calculated above. The results of this step are summarised in the table below:

Estimation of production	2022	2023	2024	2025
EU27+3 production (t)	4,181,802	3,718,112	4,185,990	3,942,573
% of Norway out of EU27+3	2%	2%	2%	2%
Estimation of Norway production (t)	94,786	82,884	93,623	91,317
% of UK out of EU27+3	5%	5%	4%	4%
Estimation of UK production (t)	196,592	171,907	180,311	148,813

See Annex D.01 – Total EU Production and Representativeness

18. Third, in order to estimate the EU27 production volume over the period considered, the estimated production figures for extra-EU countries were deducted from the total. The table below summarises the resulting estimated production volume for the EU-27.

Estimation of production	2022	2023	2024	2025
EU27 production (t) ³	3,890,424	3,463,321	3,912,056	3,702,443
Index (2022 = 100)	100	89	101	95

See Annex D.01 – Total EU Production and Representativeness

19. The third limitation to the [*redacted – confidential information which, if disclosed, would have a significantly adverse effect upon the party supplying the information*] data is that the [*redacted – confidential information which, if disclosed, would have a significantly adverse effect upon the party supplying the information*]. However, extender S-PVC forms part of the product concerned and has therefore been accounted for in the Union industry's figures.

³ This figure is based solely on the non-paste PVC volumes reported in the [*redacted – confidential information which, if disclosed, would have a significantly adverse effect upon the party supplying the information*] data.

20. In the European Union, there are only two known producers of extender S-PVC:⁴ Inovyn and Vinnolit. Inovyn provided its production and capacity data for the period 2022 to 2025. The table below shows Inovyn's production, capacity,⁵ and capacity utilisation rates for extender suspension PVC over this period. *[Confidential information redacted showing Inovyn's business sensitive data relating to extender S-PVC]*.
21. *[Confidential information redacted relating to the Complainant's estimate of Vinnolit's extender S-PVC production]*.
22. The result of this exercise was then added to the *[redacted – confidential information which, if disclosed, would have a significantly adverse effect upon the party supplying the information]* EU-27 production figures to ensure that extender S-PVC was appropriately accounted for in the analysis.

Estimation of production	2022	2023	2024	2025
EU27 production (t)	<i>[3,900,000 – 4,100,000]</i>	<i>[3,500,000 – 3,700,000]</i>	<i>[3,950,000 – 4,200,000]</i>	<i>[3,750,000 – 3,950,000]</i>
Index (2022 = 100)	100	89	100	95

See Annex D.01 – Total EU Production and Representativeness

A.4.2. Complainant's representativeness

23. The Complainant's representativeness in the Union is obtained by calculating the percentage that the Complainant's reported production volume represents out of the total Union production calculated following the methodology described above. The following estimates were therefore obtained for the Complainant's representativeness within total EU production:

Production	2022	2023	2024	CIP
Total EU Production (t)	<i>[3,900,000 – 4,100,000]</i>	<i>[3,500,000 – 3,700,000]</i>	<i>[3,950,000 – 4,200,000]</i>	<i>[3,750,000 – 3,950,000]</i>
Index (2022 = 100)	100	89	101	95
Total Complainant Production (t)	2,114,886	1,895,997	2,152,637	2,073,652
Index (2022 = 100)	100	90	102	98
Representativeness	<i>[51% – 55%]</i>	<i>[51% – 55%]</i>	<i>[52% – 56%]</i>	<i>[53% – 57%]</i>

See Annex D.01 – Total EU Production and Representativeness

24. The Complainant's production volume therefore represents on average *[53% – 57%]* of total Union production in the CIP. On this basis, the Complainant satisfies the 25% of total production in the Union threshold contained in Article 5(4) of the Basic Regulation.

⁴ See Annex D.12 - Non-paste & Paste PVC split, summarised in Annex D.01 – Total Production and Representativeness

⁵ In general, extender capacities can be difficult to estimate as some lines are multipurpose, *[confidential information redacted regarding the Complainant's extender S-PVC capacity]*.

A.5. Product Definition and Description

A.5.1. Product definition

25. The product concerned is certain polyvinyl chloride resins polymerised through suspension polymerisation ('S-PVC') and bulk (mass) polymerisation ('M-PVC') in pure form and not mixed with any other substance ('S-/M-PVC'). The product concerned includes S-PVC classified as commodity S-PVC, extender S-PVC and specialty S-PVC. The product concerned does not include PVC polymerised through emulsion polymerisation ('E-PVC').

A.5.2. Product description

26. PVC is a manmade thermoplastic polymer. PVC can be produced using different industrial processes, mainly S-PVC, as well as M-PVC.⁶
27. PVC can be categorised either following its
- Production method (E-PVC, S-PVC, M-PVC)
 - Final physical form (resin PVC, granular PVC, powder PVC or paste PVC and non-paste PVC)
 - Applications (general purpose or specialty PVC)
28. PVC is used for a wide range of applications.
29. Although S-PVC and M-PVC are produced following different polymerisation routes, one through suspension polymerisation the other through bulk polymerisation, the resulting products have the same underlying chemical structure and composition and can be manufactured to have equivalent molecular weight grades, expressed by K value. M-PVC's homopolymers are manufactured for essentially the same end uses as S-PVC.⁷ Both products can therefore be used interchangeably for a wide variety of commodity applications.
30. It must be noted that, as M-PVC is produced following an older production process, its production has been supplanted by S-PVC production facilities. Today, only a few countries have M-PVC production facilities, amongst which China, South Korea, Taiwan and France. On a global scale, M-PVC represents only around 1.2% of the world's total PVC resin.⁸ Neither the US nor Egypt has production capacity for M-PVC; therefore, the adjustment methodology used in AD697⁹ considered only adjustments for E-PVC.

⁶ Chemical Market Analytics, *2025 World Analysis – Vinyls*, Opisnet, February 2025, pp. 64-66.

⁷ Chemical Market Analytics, '2026 World Analysis – Vinyls – Report' (15 January 2026).

⁸ Ibid.

⁹ Commission Implementing Regulation (EU) 2025/36 of 9 January 2025 imposing a definitive anti-dumping duty and definitively collecting the provisional duty imposed on imports of certain polyvinyl chloride originating in Egypt and the United States (OJ L 7, 10.1.2025, p.1).

A.5.3. E-PVC does not form part of the product scope

31. E-PVC and the product concerned constitute separate markets as previously recognised by the Commission.¹⁰ E-PVC is produced using different processes and equipment and has different end-uses compared to S-PVC and M-PVC.
32. E-PVC is produced through the emulsion of VCM in water together with surfactants (soaps). These surfactants trap the monomer particles and allow the polymerisation to proceed using water-soluble initiators. This production process can either be conducted in a continuous or batch manner.¹¹ E-PVC is then polymerised and further processed and takes the form of a very fine and smooth powder which can be sprayed.¹²
33. The product concerned is mainly used in the production of moulded or extruded plastic products such as PVC tubes, window frames and films. E-PVC is used to produce coated fabrics and sealants such as floor and wall coverings, automotive sealants and synthetic leather.¹³

A.5.4. PVC manufacturing process

A.5.4.1. Production of VCM

A.5.4.1.1. Ethylene-based production process to produce VCM

34. VCM is often produced through an integrated chain of processes, in which ethylene and chlorine constitute the two main initial inputs.
35. Ethylene is chlorinated to produce ethylene dichloride ('EDC') which is then transferred into VCM by thermal cracking. PVC is then made by the polymerisation of VCM.
36. The VCM production process therefore follows the following two steps:
 - Ethylene is chlorinated to produce EDC. The direct chlorination of ethylene requires about 300 kg of ethylene and 725 kg of chlorine per tonne of EDC.
 - EDC is then transferred into VCM by thermal cracking. In principle, the production of 1 ton of VCM requires about 472 kg of ethylene and 600 kg chlorine.
37. VCM is subsequently polymerised into PVC by joining small molecules (monomers) together to make long chains (a polymer). This polymerisation step can occur either through emulsion, suspension or bulk/mass polymerisation processes. The conversion of VCM to PVC in the

¹⁰ Commission Implementing Regulation (EU) 2025/36 of 9 January 2025 imposing a definitive anti-dumping duty and definitively collecting the provisional duty imposed on imports of certain polyvinyl chloride originating in Egypt and the United States (OJ L 7, 10.1.2025, p.1). See also: Commission Decision Case No. M.6563 Mexichem SIH/Wavin (2012), OJ C 189, 29.06.2012, Paragraph 15; Commission Decision Case No. M.4734 INEOS/Kerling (2008), OJ C 2019, 28.08.2008, Paragraph 19; and Commission Decision Case No. M.4572 Vinnolit/INEOS CV Speciality PVC Business (2007), OJ C 160, 13.07.2007, Paragraphs 7-9.

¹¹ Ibid, pp.5-6.

¹² Ibid, Recital (18)

¹³ KEMONE, 'Emulsion PVC', accessible at: <https://www.kemone.com/en/Products-and-markets/Products/PVC-Resins/Emulsion-PVC>.

polymerisation step is close to 100%, but some of the raw material is lost in the entire production chain. The polymerisation is a batch process which takes place in PVC reactors.

Production of raw materials (chlor-alkali process)

38. The ‘Chlor-Alkali process’ is a large-scale industrial process for the electrolysis of salt (sodium chloride). This process produces 3 co-products: (i) chlorine, (ii) caustic soda/ caustic potash and (iii) hydrogen.¹⁴ Each of these major industrial chemicals are used for the production of several different products and for use in a variety of different sectors.¹⁵ In the context of PVC production, further processed through a sequence of downstream chemical steps (outlined in green) notably, (i) its conversion with ethylene to produce EDC, (ii) the cracking of EDC to produce VCM, and (iii) finally the polymerisation of VCM to produce PVC (either via suspension or bulk mass polymerisation).
39. The Complainant considers that VCM is the key feedstock for the production of PVC and that chlorine and ethylene are the raw materials used for the production of VCM. Caustic Soda and Chlorine are co-products of the Chlor-Alkali process. Thus, the Complainant considers that Caustic Soda is neither a by-product of, nor a co-product in the production of PVC which is an entirely separate and upstream production process to that which produces caustic soda. This distinction was recognised in Implementing Regulation (EU) 2025/36.¹⁶

A.5.4.1.2. Acetylene/carbide-based production process to produce VCM

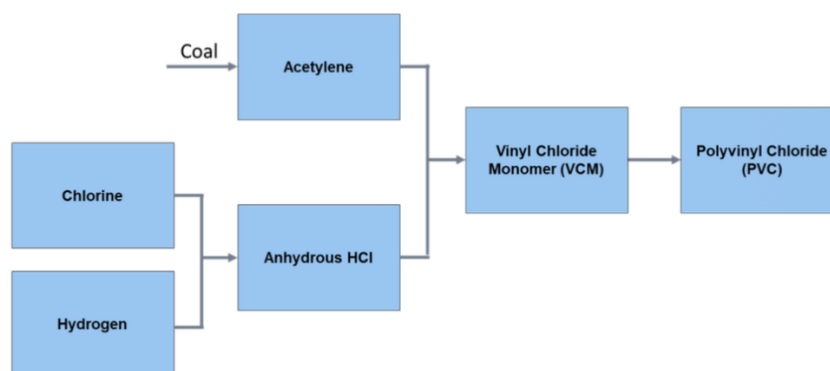
40. The second possible route for the production of VCM is the acetylene route. While the ethylene route has become the standard in Western economies, the acetylene-based method – also known as the *calcium carbide process* – remains widely dominant in China. In recent years, this process has still accounted for more than 80% of China’s PVC production, in sharp contrast with the rest of North-East Asia, where it represents less than 1% of installed production capacity.¹⁷
41. The production cycle for this route can be divided into several distinct chemical stages, using coal as the primary feedstock:
 - *Calcium carbide production*: The process begins with the heating of calcium carbonate (limestone) and carbon (coke) in a high-temperature electric arc furnace. This reaction produces calcium carbide and releases carbon monoxide.
 - *Acetylene generation*: The calcium carbide is then reacted with water at ambient temperature, generating acetylene gas.
 - *Synthesis of VCM*: The acetylene reacts exothermically with anhydrous hydrogen chloride (‘HCl’) in the presence of a catalyst to form VCM.
 - *Polymerisation*: Once the VCM has been obtained, it is polymerized, generally by suspension polymerisation, to produce the final PVC resin.

¹⁴ INEOS, ‘Chlor-Alkali Applications’, accessible at: <https://www.ineos.com/businesses/ineos-electrochemical-solutions/chlor-alkali/>

¹⁵ Ibid.

¹⁶ Recital (58)

¹⁷ Chemical Market Analytics, *2025 World Analysis – Vinyls*, Opisnet, February 2025, p. 66.



Source: Chemical Market Analytics, *2025 World Analysis – Vinyls*

42. The continued use of this technology in China is mainly due to the abundance of domestic coal resources, especially in western and north-western regions such as Inner Mongolia and Xinjiang. Producers often adopt a vertically integrated model, with calcium carbide plants located close to coal mines to reduce transport and logistics costs. This approach also requires a relatively low initial capital investment and typically results in lower production costs than the ethylene route, largely because of cheaper local energy prices.
43. Although VCM production via the acetylene route is cheaper and well suited to China's conditions, it has a significant environmental impact, particularly due to high energy consumption, large volumes of waste, the use of mercury-based catalysts, and substantial CO₂ emissions. As a result, and in line with China's increasingly strict policies on carbon reduction and pollution control, this production pathway is facing growing restrictions and is expected to be gradually regulated more tightly, and potentially partially replaced in the longer term.¹⁸

A.5.4.2. PVC production from VCM

A.5.4.2.1. S-PVC production process

44. Suspension polymerisation is the dominant polymerisation process for PVC.¹⁹ This shift was mainly driven by process efficiency and the suspension process's greater temperature stability. Indeed, in bulk/mass polymerisation, the polymerisation step is the most important because of the difficulty of heat removal. As the absence of water and initiator limits heat dissipation possibilities, management of exothermic heat generation is critical. In suspension polymerisation, by contrast, water is used as a medium for efficient heat removal.
45. S-PVC is produced through the suspension of VCM in water with initiators and/or catalysts when mechanically agitated in heated, pressurised vessels. Suspension agents, referred to as protective colloids, are added to the reactor to prevent coalescing of the monomer and agglomeration of the polymer particles. Once the desired level of conversion of monomer into polymer is obtained, the batch is transferred to a 'blow down' vessel in which the unconverted monomer particles and

¹⁸ *Ibid.*, p. 67-68.

¹⁹ Given the limited share of M-PVC in global PVC production capacity, S-PVC technology is considered to be the representative production process for the purpose of establishing the bills of materials.

the polymer particles are separated. The unconverted monomer particles will be recycled for future conversion while the polymer particles are dried.²⁰

46. Following such polymerisation and further processing, S-PVC takes the form of a coarse porous white powder.

A.5.4.2.2. M-PVC production process

47. Bulk/mass polymerisation process is the simplest PVC production method compared to suspension and emulsion methods. Like for S-PVC, its production can be based either on ethylene or acetylene to produce VCM. Bulk/mass polymerisation only requires VCM and initiators, and does not involve the use of water and/or suspending agents. Instead, VCM is polymerised directly dry in a reactor, and therefore, there is no need for a drying process nor wastewater treatment.
48. Bulk/mass PVC production process has three distinct stages:
- 1) There is an initial stage of seed particle formation (with a 7-10% conversion);
 - 2) This is followed by a main polymerisation phase with an important increase in viscosity and a significant increase in polymer concentration;
 - 3) Once 70-90% of the monomer has been converted, the reaction is terminated to prevent thermal degradation.²¹
49. As stated above, S-PVC is the dominant production process for PVC. This shift was mainly driven by process efficiency and the suspension process's greater temperature stability. Indeed, in bulk/mass polymerisation, the polymerisation step is the most important because of the difficulty of heat removal. As the absence of water and initiator limits heat dissipation possibilities, management of exothermic heat generation is critical. In suspension polymerisation, by contrast, water is used as a medium for efficient heat removal.

A.5.5. Applications and end uses

50. PVC is a competitive and attractive option for many end-use applications due to its physical and chemical properties:
- *Durability*: Under normal conditions of use, the main factor in affecting the durability of a material is its resistance oxidation by atmospheric oxygen. PVC, with chlorine atoms bound to every other carbon in its chain, is highly resistant to oxidative reactions and thus maintains its performance for a long time.
 - *Oil/chemical resistance*: PVC is resistant to acids, alkalis, and almost all inorganic chemicals. However, it can *swell* or dissolve in certain organic solvents, such as aromatic hydrocarbons, ketones, and cyclic ethers, but remains difficult to dissolve in most other organic solvents.
 - *Stability*: PVC is a chemically stable material, with little change in its molecular structure or mechanical strength over time. However, long-chain polymers are viscoelastic and can deform under the continuous application of an external force, even if that force is well below their yield

²⁰ Ibid., p.5.

²¹ Ibid, p. 6.

point. This phenomenon is called creep. PVC exhibits relatively low creep compared to other plastics, due to its limited molecular mobility at room temperature.

- *Processability*: The processability of a thermoplastic largely depends on its melt viscosity. PVC, with its relatively high viscosity, is not suitable for injection moulding of large parts. However, its *viscoelastic* behaviour remains stable and largely unaffected by temperature, making it suitable for extrusion of complex profiles (e.g., casings) and calendering of wide films and sheets (e.g., agricultural films, PVC leather).
 - *Mouldability*: The surfaces of PVC products are of high quality and perform exceptionally well in embossing, allowing a *wide* range of finishes from glossy enamel to suede. As PVC is an amorphous plastic with no phase transition, it shrinks very little during cooling, so moulded products retain their dimensions with high accuracy.
 - *Versatility*: PVC is amorphous and contains polar groups (chlorine), which allows it to mix well with other substances. Its physical properties²² can be precisely tailored using plasticisers, additives, and modifiers. This versatility means that a few types of PVC resin can cover a wide range of applications, from rigid and flexible plastics to fibre, rubber, paints, and adhesives.²³
51. PVC is used for both rigid (unplasticised) and flexible (plasticised) end-applications. Rigid applications include pipes, moulded fittings, and profiles (that is to say, window and door frames). Flexible applications include films, sheets and cable insulation.²⁴
 52. PVC has various applications including potable and gravity pipes, window frames, insulation, food and pharmaceutical packaging, automotive and domestic appliance components and medical supplies such as tubing and blood bags.
 53. PVC is mainly used for pipes and rigid profiles. The K value (explained below) of commodity PVC may correspond to a number of different end-uses from rigid applications such as pipes, window profiles, and moulded fittings to more flexible end-applications such as cable insulation and flexible tubes for crystal clear medical products.²⁵
 54. PVC is marketed according to the K value. The K value describes the molecular weight and degree of polymerization of the PVC.

A.6. Interchangeability of S-PVC and M-PVC

55. M-PVC and S-PVC are considered interchangeable products for almost all end-use applications. Indeed, the bulk PVC process produces homopolymers intended for essentially the same uses as those manufactured using suspension technology, particularly in the construction and packaging sectors. Although M-PVC is distinguished by exceptional purity (as no suspension agents are used) and excellent thermal stability, it has the same fundamental chemical and physical

²² For example, flexibility, elasticity, impact resistance, anti-fouling, prevention of microbial growth, anti-mist, fire retarding

²³ Chemical Market Analytics, *2025 World Analysis – Vinyls*, Opisnet, February 2025, p. 3 ; see also : European Council of Vinyl Manufacturers (ECVM), *PVC's Physical Properties*, available at : <https://pvc.org/about-pvc-old/pvcs-physical-properties/> (last accessed November 2025).

²⁴ Case M.6905 – INEOS/SOLVAY/JV, Merger Procedure Regulation (EC) 139/2004 (08/05/2014), Recital (87)

²⁵ Ibid, Recital (122)

characteristics, making it fully substitutable for S-PVC in the manufacture of pipes, profiles or films.²⁶

56. Although manufactured via slightly different polymerisation processes, M-PVC and S-PVC share the same fundamental chemical structure and are broadly comparable in physical properties. In particular, both technologies are marketed through grades defined by equivalent K values (e.g. K57, K67, K70), which determine viscosity and suitability for flexible or rigid applications.²⁷ *[Confidential information redacted – business sensitive information demonstrating the interchangeability between S-PVC and M-PVC].*
57. *[Confidential information redacted – business sensitive information demonstrating the interchangeability and substitutability between S-PVC and M-PVC].*
58. In addition, M-PVC production is currently extremely limited worldwide, with Kem One being one of two producers in Europe and one of the few remaining producers globally, alongside Formosa Plastics in Asia. The progressive decline of M-PVC technology, combined with the absence of distinct market data or industry analysis specifically addressing M-PVC as a separate segment, further supports the view that M-PVC is not considered a distinct product market from S-PVC.
59. *[Confidential information redacted – business sensitive information demonstrating the interchangeability between S-PVC and M-PVC].*
60. More generally, the gradual replacement of M-PVC technology by S-PVC over recent decades appears to be primarily driven by economic and investment considerations (CAPEX and economies of scale), rather than by any significant differences in product performance or end-use functionality.

A.7. Description of the PVC Market in the Union and targeted countries

A.7.1. Domestic PVC Market in the Union

61. The Union has 9 PVC producers, including the three companies making the present Complaint, with a combined yearly production capacity of 5,655,000 tonnes.²⁸ Chemical Market Analytics (CMA), a market monitoring site, does not predict that there will be any increase in production capacity in the next years.²⁹ On the contrary, the closure of over 500,000 tonnes of yearly capacity has been announced across the Union PVC producers over the course of the last twelve months only.

²⁶ Chemical Market Analytics, *2025 World Analysis – Vinyls*, Opisnet, February 2025, pp. 65-66 ; see also : Boustead, I., *Eco-profiles of the European Plastics Industry: Polystyrene (GPPS)*, PlasticsEurope, available at: https://www.inference.org.uk/sustainable/LCA/elcd/external_docs/bpvc_31116f08-fabd-11da-974d-0800200c9a66.pdf (accessed 10 April 2026), p. 6.

²⁷ Commission Implementing Regulation (EU) 2024/1896 of 11 July 2024 imposing a provisional anti-dumping duty on imports of certain polyvinyl chloride (PVC) originating in Egypt and the United States of America, *OJ L*, 2024/1896, 12.7.2024, footnote 10

²⁸ See [Section D.1.1.](#) below for more information on the capacity estimate.

²⁹ Chemical Market Analytics, '2025 World Analysis – Vinyls – Report', p.28.

62. The annual nominal PVC capacity of producers in Western Europe is expected to fall. This trend is mainly due to shutdowns and temporary idling of facilities, such as the temporary idling of half of Inovyn's capacity in Martorell³⁰, a site whose total capacity is 249 kt.³¹
63. Furthermore, Vynova closed its 225,000 t/yr PVC site in Beek, the Netherlands, by November 2025.³² Due to the increasing pressure on the Union industry, one of the Complainant companies, Vynova has also subsequently been forced to enter provisional administration proceedings in December 2025.³³
64. In addition, several factories in Central Europe are completely idle, including the Spolana³⁴ plant in the Czech Republic (capacity 135 kt) for the year 2025, while Fortischem in Slovakia ceased production in 2025.³⁵
65. In the recent period, there is a growing presence of exporting producers based in China, South Korea and Taiwan establishing offices in the territory of the Union, illustrating a change in the long-term strategy of the exporting producers based in the countries concerned. In addition, there is an indication that suppliers of Asian PVC have reportedly been investing in domestic infrastructure, including storage facilities.³⁶ Based on the Complainant's market intelligence, imports and transactions are mostly direct without the intermediary of traders and distributors in the Union.
66. The Complainant has collected information from various sources, demonstrating the increasing and lasting presence of importers from China, South Korea and Taiwan in the European market. This information is discussed further in [Section D.3.7.](#) below.

A.7.2. PVC Market in China

67. China is the biggest producer of PVC globally. According to CMA's reporting of Chemical Capacity by Company,³⁷ the PVC market in China is composed of 78 producers of PVC with a combined yearly production capacity of 30,026,000 tonnes in 2025. Since 2017, production capacities have increased significantly, reaching an estimated net capacity increase of 2,050,000 tonnes in 2025³⁸ and expected to grow by a further 5.2 million tonnes by 2034.³⁹
68. Since 2021, China's PVC industry has been growing its exports due to a weakening of domestic demand and the increase in onstream production capacity.⁴⁰ CMA reports that, usually, China

³⁰ See Annex D.03 – Facility Capacity Closure.

³¹ Chemical Market Analytics, Global Vinyls Report – Prices & Statistics Update, Issue 165, Global Vinyls – Market Advisory Service, 15 October 2025, p. 16.

³² See Annex D.03 – Facility Capacity Closure.

³³ PLUTA Rechtsanwälts GmbH, *PLUTA restructuring expert Dr Kaufmann appointed provisional administrator for Vynova Wilhelmshaven GmbH*, 12 December 2025, <https://www.pluta.net/en/press/press-release/pluta-restructuring-expert-dr-kaufmann-appointed-provisional-administrator-for-vynova-wilhelmshaven-.html> (Last Accessed February 2026).

³⁴ See Annex D.03 – Facility Capacity Closure.

³⁵ See Annex D.03 – Facility Capacity Closure.

³⁶ CMA Global Vinyls Report – Monthly Market Report – Issue 168, 31 December 2025

³⁷ See Annex A.03 – CMA Capacities.

³⁸ Annex A.04 – SCI Report 2025 – 2026, SCI, 'China PVC Powder Market. Annual Report', 2025-2026

³⁹ Chemical Market Analytics, '2025 World Analysis – Vinyls – Report', p.51.

⁴⁰ Chemical Market Analytics, '2025 World Analysis – Vinyls – Report', p.53.

exports around 5% of its total production. However, between 2024 and 2025, exports surged by 46.09%, rising from 2,617 to 3,823.2, as illustrated in the following table.⁴¹

[redacted – chart subject to third-party copyright]

69. The pressure on domestic prices in China can be seen in the following graph:

[redacted – chart subject to third-party copyright]

See Annex A.04 - SCI Report 2025-2026

70. Production of PVC in China is done along two different production routes: the acetylene-based VCM and the ethylene-based VCM. Despite the higher proportion of acetylene-based VCM production in China out of total PVC production (76%),⁴² the Complainant considers that most of the PVC imports originating in China are ethylene-based. First, ethylene-based production facilities are concentrated on the East coast of the country, making them more available for export as compared to the acetylene-based production plants which are located near the country's coal mines in the Northwestern region. Second, EU buyers – who are increasingly sustainability-driven – have no incentive to purchase coal-based material, which is both considered 'dirty' due to its carbon footprint and is not any cheaper than ethylene-based PVC. Furthermore, the share of acetylene-based production in China is projected to decline over the next years as new ethylene-based PVC production facilities are planned to come onstream.⁴³ The production of these new ethylene-based facilities will be dedicated solely for export purposes.
71. The planned capacity expansions in China demonstrate a significant increase of production of the product concerned, posing a foreseeable threat to export markets.

A.7.3. PVC Market in South Korea and Taiwan

72. South Korea currently has two PVC producers with a combined yearly production capacity of 1,530,000 tonnes in 2025.⁴⁴ The two Korean producers (LG Group and Hanwha Group) hold about 3% of global PVC production capacity.⁴⁵ Taiwan, on the other hand, has five PVC producers that have a combined 1,800,000 tonnes capacity in 2025.⁴⁶ Formosa Plastics, the biggest PVC producer in Taiwan, has on its own account about 2.25% of total global PVC capacity.⁴⁷

⁴¹ See Annex A.04 - SCI Report 2025-2026.

⁴² Chemical Market Analytics, '2025 World Analysis – Vinyls – Report', p.51.

⁴³ Chemical Market Analytics, '2025 World Analysis – Vinyls – Report', p.51.

⁴⁴ See Annex A.03 – CMA Capacities.

⁴⁵ Chemical Market Analytics, '2025 World Analysis – Vinyls – Report', p.56.

⁴⁶ See Annex A.03 – CMA Capacities.

⁴⁷ Chemical Market Analytics, '2025 World Analysis – Vinyls – Report', p.56.

73. In contrast with China, CMA reports that the Northeast Asia region,⁴⁸ which includes South Korea and Taiwan (but excluding China) bases less than 1% of its production capacity on the acetylene production process, privileging the ethylene-based process.⁴⁹
74. Producers in Taiwan and South Korea benefit from access to significantly discounted Russian-origin feedstocks, including naphtha and crude oil, which have been diverted from traditional markets as a direct consequence of the European Union's restrictive measures against Russia. Following the imposition of EU sanctions, Russian suppliers have been compelled to offer hydrocarbons at substantially below prevailing international benchmark prices in order to secure alternative outlets.
75. CMA reports the Northeast Asia region to be a surplus region with production volumes higher than domestic demand, leading the region's industry to have an important share of export sales.⁵⁰ In 2024, CMA estimates that 47% of the total regional PVC production was destined for export markets.⁵¹

[redacted – chart subject to third-party copyright]

Source: CMA, '2025 World Analysis – Vinyls – Report', p.58

A.7.4. PVC Market in Mexico

76. Mexico has one producer of PVC which is part of the same US-based parent group (Westlake).⁵² Production capacity is around 700,000 tonnes.⁵³
77. In 2025, the Mexican PVC market was characterised by weak domestic demand. Construction, the main driver of PVC consumption, saw a significant decline, with production down 19.1% year-on-year in August 2025 and a seasonally adjusted monthly decrease of 2.9%. This slowdown in production activity directly affected PVC demand, as the sector is the largest consumer of pipes, profiles and fittings. According to Oxford Economics, Mexico's GDP growth is expected to remain modest at 0.6% in 2025 and 1.5% in 2026, providing limited immediate support for market expansion.⁵⁴

[redacted – chart subject to third-party copyright]

Source: Chemical Market Analytics, 'Global Vinyls Report – Monthly Market Report – Issue 167'

78. Local production remained stable, and supply operations were reported as normal in November 2025. However, domestic demand showed signs of weakness, falling by 3% in September compared to the previous month. This decline was evident across key segments: PVC pipes decreased by 2.7% month-on-month, fittings by 9%, profiles by 5%, and PVC films by 8%. These

⁴⁸ The Northeast Asia region comprises of South Korea, Japan and Taiwan and excludes China for the purposes of the CMA Vinyls report.

⁴⁹ Chemical Market Analytics, '2025 World Analysis – Vinyls – Report', p.56.

⁵⁰ Chemical Market Analytics, '2025 World Analysis – Vinyls – Report', p.56.

⁵¹ Chemical Market Analytics, '2025 World Analysis – Vinyls – Report', p.57.

⁵² Mexico does not have production capacity for M-PVC.

⁵³ See Annex A.03 – CMA Capacities.

⁵⁴ See Chemical Market Analytics, 'Global Vinyls Report – Monthly Market Report – Issue 167', p.13 ff.

figures reflect a temporary slowdown in end-user activity, particularly in construction-related segments.⁵⁵

79. Despite these challenges, the market could see a recovery in the near term. Industry representatives anticipate a 3–4% increase in construction activity in 2026, contingent on the approval of proposed investments, including 40 large-scale infrastructure projects. Such a rebound could support growth in PVC demand for pipes, profiles, and fittings. At the end of 2025, the Mexican PVC market was therefore characterised by moderate prices, stable supply, weak domestic demand, and active trade, with short-term prospects closely linked to developments in the construction sector and overall economic growth.⁵⁶
80. The domestic market in Mexico is heavily depressed by dumped US imports. On 10 December 2024, Mexichem Resinas Vinílicas, S.A. de C.V. ('Mexichem'), the sole producer of PVC in Mexico, filed a request for the initiation of an investigation into dumping of imports of suspension-polymerised vinyl chloride homopolymer ('S-PVC') originating in the United States of America.⁵⁷ The Resolution accepting the application by the interested party was published in the Official Gazette of the Federation of Mexico on 28 April 2025 with the investigation period and injury analysis period running from 1 October 2023 to 30 September 2024.⁵⁸ The significant, distorting effect of imports from the US has been confirmed by the provisional measures in the ongoing anti-dumping investigation, published on 24 March 2026.⁵⁹

⁵⁵ See Chemical Market Analytics, 'Global Vinyls Report – Monthly Market Report – Issue 167', p.13 ff.

⁵⁶ See Chemical Market Analytics, 'Global Vinyls Report – Monthly Market Report – Issue 167', p.13 ff.

⁵⁷ Preliminary decision in the administrative anti-dumping investigation concerning imports of suspension-polymerised vinyl chloride homopolymer originating in the United States of America, irrespective of the country of consignment (24 March 2026), available at: <https://sidof.segob.gob.mx/> ('Mexico AD Investigation'), para 1

⁵⁸ Ibid, para 2

⁵⁹ Ibid.

B. TRADE FLOWS

81. Following the AD697 investigation, separate TARIC codes for S-PVC and other PVC were created. S-PVC imports are registered under TARIC codes 3904 10 00 15 and 3904 10 00 80, while other PVC imports,⁶⁰ are registered under TARIC codes 3904 10 00 25 and 3904 10 00 85.
82. Based on the Complainant's understanding of the PVC market, demand, production and capacity of PVC are concentrated in S-PVC. On this basis, the Complainant asserts that larger volumes of S-PVC are imported into the Union than the TARIC numbers indicate.
83. As such, the imports reported under these TARIC codes are not accurate and cannot be relied upon to establish trade flows into the European Union.
84. To support the assertion, the Complainant reviewed the export statistics of all countries listed as importing PVC into the EU in the TARIC data (for all four TARIC codes) and assessed whether they had greater granularity in their export data. The Complainant found that several countries have export codes with further subdivisions under the general PVC HS code 390410. The following table notes the countries with further granularity as well as the description of their codes:

China	
39041010	Paste Resins
39041090	Other Poly(vinyl chloride), Not Mixed With Any Other Substances; Other Poly, Not Mixed With Any Other Substances
Mexico	
3904100100	Poly(vinyl chloride) (P.V.C.) obtained by the <u>emulsion polymerization process</u> that, in dispersion (50% resin and 50% dioctylphthalate), has a minimum fineness of 7 Hegman.
3904100200	Poly(vinyl chloride) (P.V.C.) obtained by the <u>emulsion polymerization process</u> , whose particle size is 30 microns, which when sintered into a 0.65 mm thick sheet is uniformly wetted in one second (in electrolyte of 1,280 specific gravity) and with a pore size of 14 to 18 microns with a Gurley porosity greater than 35 seconds (with a Gurley No. 4110).
3904100300	Poly(vinyl chloride) (P.V.C.) obtained by <u>mass or suspension polymerization processes</u> .
3904100400	Poly(vinyl chloride) (P.V.C.) obtained by the <u>emulsion or dispersion polymerization</u> process, except what is included in tariff items 3904.10.01 and 3904.10.02.
3904109900	Others
Colombia	
3904101000	Polyvinyl Chloride, Unmixed With Other Substances, Obtained By <u>Emulsion Polymerization</u> .
3904102000	Polyvinyl Chloride, Unmixed With Other Substances, Obtained By <u>Suspension Polymerization</u> .
3904109000	Other Polyvinyl Chlorides, Not Mixed With Any Other Substances.
Brazil	
39041010	Poly(vinyl chloride), obtained by <u>suspension</u> process
39041020	Poly(vinyl chloride), obtained by <u>emulsion</u> process
39041090	Others

⁶⁰ Other imports include PVC produced using emulsion polymerization and bulk mass polymerization.

Thailand	
39041010000	Poly “vinyl chloride”, in primary forms, not mixed with any other substances: Homopolymers, Suspension Type
39041091000	Poly “vinyl chloride”, in primary forms, not mixed with any other substances: In the form of granules
39041092000	Poly “vinyl chloride”, in primary forms, not mixed with any other substances: In the form of powder
39041099000	Poly “vinyl chloride”, in primary forms, not mixed with any other substances: Other

85. The Complainant considered that of the countries listed above, Mexico, Colombia and Brazil all have export codes that track S-PVC. Thailand, on the other hand, has two codes specific to suspension PVC 39041010000 (homopolymers, suspension Type) and 39041091000 (granules); however, code 39041092000 (powder) contains a mix of resin types, including both suspension and emulsion. On this basis, Thailand’s export statistics could not be used to conclusively identify only S-PVC exports.
86. Additionally, China only has an export code specific to ‘paste resins’. Paste resin is E-PVC. S-PVC would be exported under code 39041090, the ‘other’ category which could also include M-PVC. Therefore, the Complainant was not able to identify only the exports of S-PVC to compare them with TARIC imports of S-PVC.
87. On the other hand, while Brazil does have granularity in its export codes that enables identification of S-PVC, there were insufficient TARIC import volumes recorded to allow comparison with export statistics.⁶¹
88. The sections below provide country-specific case studies to support the assertion that TARIC data contains inaccuracies and to develop a methodology for estimating the S-PVC volumes imported into the Union.

B.1. Mexico

B.1.1. The import volumes under the TARIC codes are inaccurate

89. S-PVC imports are registered under TARIC codes 3904 10 00 15 and 3904 10 00 80, while other PVC imports are registered under TARIC codes 3904 10 00 25 and 3904 10 00 85. The table below summarises the imports of S-PVC into the Union from Mexico in 2024 and 2025.

S-PVC	2024	2025
Mexico		
Quantity (t)	41,768	44,971
Average price (€/t)	864	753

See Annex B.01 – TARIC Data

90. Several countries, amongst which Mexico, have granular reporting on PVC exports, splitting them by type. The table below presents the various customs codes for PVC in Mexico, together with their description.

⁶¹ TARIC records 8 tonnes of S-PVC imports into the Union in 2024 and 0 tonnes in 2025.

Mexico	
3904100100	Poly(vinyl chloride) (P.V.C.) obtained by the <u>emulsion polymerization process</u> that, in dispersion (50% resin and 50% dioctylphthalate), has a minimum fineness of 7 Hegman.
3904100200	Poly(vinyl chloride) (P.V.C.) obtained by the <u>emulsion polymerization process</u> , whose particle size is 30 microns, which when sintered into a 0.65 mm thick sheet is uniformly wetted in one second (in electrolyte of 1,280 specific gravity) and with a pore size of 14 to 18 microns with a Gurley porosity greater than 35 seconds (with a Gurley No. 4110).
3904100300	Poly(vinyl chloride) (P.V.C.) obtained by <u>mass or suspension polymerization processes</u> .
3904100400	Poly(vinyl chloride) (P.V.C.) obtained by the <u>emulsion or dispersion polymerization</u> process, except what is included in tariff items 3904.10.01 and 3904.10.02.
3904109900	Others

Source: S&P Global GTA⁶²

91. The Complainant therefore retrieved Mexican export data for the codes 3904 10 00 400 (corresponding to S-PVC) and 3904 10 (corresponding to all PVC exports) from S&P Global's Global Trade Atlas ('GTA') service, which is a statistics aggregation service. GTA's main source for trade data are national statistical databases such as the Mexican National Institute of Statistics and Geography ('INEGI') in the present case. However, since 2018, INEGI has been suppressing data. Therefore, GTA collected bill of lading records from third-party sources, compiled and published them on their platform.
92. In order to obtain the 'other' PVC data, the volumes recorded under the S-PVC-specific code were subtracted from the data for all PVC exports. The table below presents the results of this analysis.

	2022	2023	2024	2025
Mexico				
S-PVC Quantity (t)	165,319	131,523	125,057	136,099
<i>Index (2022=100)</i>	<i>100</i>	<i>80</i>	<i>76</i>	<i>82</i>
Other PVC Quantity (t)	465	507	122	37
<i>Index (2022=100)</i>	<i>100</i>	<i>109</i>	<i>26</i>	<i>8</i>

See Annex B.02 - Mexico PVC exports

93. The Complainant then compared S-PVC volumes from both sources in order to assess the accuracy of the TARIC data. The results are presented in the table below.

S-PVC	2024	2025
Mexico		
Exports (t)	125,057	136,099
TARIC imports (t)	41,768	44,971
<i>Ratio</i>	<i>2.99</i>	<i>3.03</i>

⁶² Derived From Bill Of Lading Data Collected From Third-Party Sources.

See *Annex B.01 – TARIC Data* and *Annex B.02 – Mexico PVC exports*

94. In both 2024 and 2025, Mexico recorded around three times as many S-PVC exports destined for the Union as the TARIC data recorded for these two years. These consistent differences between export data and TARIC data support the claim that the import volumes recorded TARIC for S-PVC are inaccurate.

B.1.2. The S-PVC / other PVC split recorded in TARIC does not reflect reality

95. The table below summarises the percentage of S-PVC share versus other PVC share of total export volumes recorded for Mexico compared to the import share split recorded in TARIC. It must be noted that Mexico only has production capacity for S-PVC and E-PVC (see *Annex A.03 – CMA capacities* for the CMA dataset on PVC production capacities). Therefore, the import quantities recorded under the ‘other’ TARIC codes for Mexico are E-PVC volumes.

Split (S-PVC / other PVC)	2024	2025
Mexico		
Export data split (%)	99.90% / 0.10%	99.97% / 0.03%
TARIC split (%)	34.44% / 65.56%	34.42% / 65.58%

See *Annex B.01 – TARIC Data* and *Annex B.02 – Mexico PVC exports*

96. The Mexican export statistics record that above 99% of the PVC exports are S-PVC. This is not reflected in the TARIC data for Mexico which record that S-PVC represent around 34.4% of total PVC imports.
97. This is further evidence that TARIC is inaccurate as regards establishing the import volumes of S-PVC in the Union over the period considered.

B.1.3. S-PVC and other PVC have different price points

98. There is a difference in the S-PVC and E-PVC price points. E-PVC is sold at a significantly higher price than S-PVC. This is evidenced both by the data on Mexican exports to the EU and by the sales prices on the Union market provided by one producer as a benchmark. Despite fluctuations in the price difference, S-PVC is consistently priced lower than E-PVC. Indeed, both report that E-PVC [*confidential information redacted – business sensitive information showing the price difference between S-PVC and E-PVC*] (see *Annex B.02 – Mexico PVC exports* and *Annex B.04 – EU PVC sales prices* for the underlying data).
99. The TARIC data does not reflect this market reality. Although the prices recorded under the ‘other’ PVC dedicated TARIC codes (which for Mexico consist only of E-PVC) are higher than those for the S-PVC TARIC codes, the difference is only marginal, as can be seen in the table below:

Mexico	2024	2025
Export Statistics		
E-PVC (€/t)	6,772	1,908
S-PVC (€/t)	802	711

Price difference ⁶³	+744%	+168%
TARIC		
E-PVC (€/t)	775	751
S-PVC (€/t)	864	753
Price difference	+11%	+0.29%

See Annex B.01 - TARIC Data and Annex B.02 - Mexico PVC exports

100. The lack of a significant difference (0.29% - 11%) between the price points of S-PVC and E-PVC therefore constitutes a further indication pointing to the fact that the import data recorded in the TARIC database is inaccurate for determining the S-PVC import volume and prices.

B.1.4. ‘Other’ PVC capacities versus the imported quantities under TARIC

101. The imported volumes recorded under the ‘other’ PVC TARIC codes are likewise incompatible with ‘other’ PVC production capacities for Mexico. Production capacity figures have been collected from Chemical Market Analytics (CMA), a market monitoring service. Mexico has production capacities for S-PVC and E-PVC only and has no production capacity for M-PVC. Therefore, the ‘other’ PVC volume imported in the Union originating in Mexico is assumed to be E-PVC.
102. The table below provides an overview of the relevant capacity data compared to the TARIC import figures.

Mexico	2024	2025
E-PVC TARIC (t)	79,507	85,691
E-PVC capacity (t)	45,000	31,000
% of imports out of capacity	177%	276%

See Annex B.02 - Mexico PVC exports and Annex A.03 – CMA capacities

103. Accordingly, Mexico would be producing and exporting 177% and 276% of its ‘other’ PVC production capacity in 2024 and 2025 respectively, which is not realistic. This further supports the claim that the PVC imports under TARIC are not properly apportioned between the different codes.

B.2. Colombia

B.2.1. The import volumes under the TARIC codes are inaccurate

104. S-PVC imports are registered under TARIC codes 3904 10 00 15 and 3904 10 00 80, while other PVC imports, including other PVC, are registered under TARIC codes 3904 10 00 25 and 3904 10 00 85. The table below summarises the imports for S-PVC into the Union from Colombia in 2024 and 2025 recorded in the TARIC codes.

S-PVC	2024	2025
Colombia		

⁶³ Price difference is the % by which E-PVC prices exceed S-PVC prices.

Quantity (t)	940	340
Average price (€/t)	954	712

See Annex B.01 - TARIC Data

105. Like Mexico, Colombia has granular reporting on PVC exports, splitting between different types of PVC. The table below presents the various customs code for PVC in Colombia, together with their description.

Colombia	
3904101000	Polyvinyl Chloride, Unmixed With Other Substances, Obtained By <u>Emulsion Polymerization</u> .
3904102000	Polyvinyl Chloride, Unmixed With Other Substances, Obtained By <u>Suspension Polymerization</u> .
3904109000	Other Polyvinyl Chlorides, Not Mixed With Any Other Substances.

Source: S&P Global GTA

106. The Complainant therefore retrieved Colombian export data for the codes 3904 10 01 00 (corresponding to E-PVC), 3904 10 20 00 (corresponding to S-PVC) and 3904 10 90 00 (corresponding to the 'other' PVC category) from the Dirección de Impuestos y Aduanas Nacionales de Colombia (DIAN), as compiled and published by GTA. The table below presents the results for S-PVC exports to the Union from 2022 to 2025.

S-PVC	2022	2023	2024	2025
Colombia				
Quantity (t)	7,982	4,156	2,537	4,976
Index (2022=100)	100	52	32	62

See Annex B.03 - Colombia PVC exports

107. The Complainant then compared S-PVC volumes from both TARIC and export statistics in order to assess the accuracy of the TARIC data. The results are presented in the table below.

S-PVC	2024	2025
Colombia		
Exports (t)	2,537	4,976
TARIC imports (t)	940	340
Ratio	2.70	14.65

See Annex B.01 - TARIC Data and Annex B.03 - Colombia PVC exports

108. In 2024, Colombian export stats recorded 2.70 times more volumes than TARIC for S-PVC. In 2025, this ratio increased to 14.65 times, with the export stats recording 4,976 tonnes of S-PVC exported to the Union, while TARIC only recorded 340 tonnes of S-PVC imported from Colombia over the year. Again, like for Mexico, these differences between export data and TARIC data support the claim that the import volumes recorded TARIC for S-PVC are inaccurate.

B.2.2. The S-PVC / other PVC split recorded in TARIC does not reflect reality

109. The table below summarises the percentage of S-PVC and other PVC out of total volumes recorded for Colombia in the national database and in TARIC. It must be noted that Colombia

only has production capacity for S-PVC and E-PVC (see *Annex A.03 – CMA Capacities* for the CMA dataset on PVC production capacities). Therefore, the import quantities recorded under the ‘other’ TARIC codes for Colombia correspond to E-PVC volumes.

Split (S-PVC / other PVC)	2024	2025
Colombia		
Export data split (%)	100% / 0%	100% / 0%
TARIC split (%)	34.22% / 65.78%	7.20% / 92.80%

See Annex B.01 - TARIC Data and Annex B.03 - Colombia PVC exports

110. The Colombian export statistics in 2024 and 2025 report that all the volumes of PVC destined for the Union were S-PVC. However, the TARIC data for Colombian imports, show a very different picture. Indeed, in 2024 TARIC recorded that 34.22% of PVC imports were of S-PVC and in 2025 this percentage fell to just 7.20%.
111. This is further evidence that TARIC is inaccurate as regards establishing the import volumes of S-PVC in the Union over the period considered.

B.3. Countries producing only S-PVC recorded as importing ‘other’ PVC

112. In addition, import volumes of ‘other’ PVC have been recorded in TARIC for origins that produce only PVC relying on the suspension process (see production capacities in *Annex A.03 – CMA capacities*). In particular, significant volumes of ‘other’ PVC imports originating in the United Kingdom and Türkiye are reported in the TARIC database despite their lack of production capacities for other production processes than suspension. The table below summarises the data also in relation to all the origins that only produce PVC following the suspension production process that TARIC records as importing ‘other’ PVC in the Union.

	2024	2025
United Kingdom		
S-PVC (t)	8,455	8,953
Other (t)	8,292	4,560
Türkiye		
S-PVC (t)	1,920	3,728
Other (t)	6,582	7,410
Saudi Arabia		
S-PVC (t)	-	49
Other (t)	72	1,064
South Africa		
S-PVC (t)	245	0.188
Other (t)	692	376
Vietnam		
S-PVC (t)	-	1
Other (t)	25	56
Serbia		
S-PVC (t)	-	12
Other (t)	76	165

Canada		
S-PVC (t)	-	1
Other (t)	32	28

See Annex B.01 – TARIC Data

113. This is further evidence of the misreporting of S-PVC and ‘other’ PVC under the appropriate TARIC codes, and supports the Complainant’s assertion that another methodology is necessary to estimate the imported volumes of S-PVC within the Union.

B.4. Proposed trade flow methodology

B.4.1. Volumes

114. As the product definition includes both S-PVC and M-PVC, the current TARIC classification of S-PVC versus ‘other’ PVC is not appropriate to determine the import flows of the product concerned in the Union. The issue with the current TARIC data and classification is two-fold: first, it is necessary to isolate the flows of M-PVC into the Union, and second, as was demonstrated in the sections above, the TARIC data for S-PVC is unreliable.
115. In the AD697 investigation into dumping of S-PVC originating in Egypt and the United States, the Commission estimated the S-PVC trade flows on the basis that E-PVC accounted for 4% of total imports under CN Code 3904 10 00. PVC volumes recorded under CN Code 3904 10 00 were therefore reduced uniformly by 4%, irrespective of their origin. This approach was considered appropriate on the basis that E-PVC was the only other type of PVC produced in the countries concerned, i.e., Egypt and the United States. However, due to the change in product scope in this Complaint for the reasons explained in paragraph 30 and the availability of more granular data through CMA, the Complainant has used a methodology that accounts for S-PVC, M-PVC and E-PVC as well as fluctuations in shares of respective imports per country and per year.
116. Therefore, the Complainant proposes to take the total import volumes recorded at the CN-code level for PVC (CN code 3904 10 00), and apportion these volumes according to the respective share of production capacity for S-PVC and M-PVC versus total PVC production capacity, including E-PVC (the full dataset is available in *Annex B.05 – Adjusted trade statistics*). CMA reports production capacity per country, per asset, per year. For each asset, the production process used is documented. The production process is either suspension, bulk mass or emulsion.
117. The imports of the top 10 origins under the CN code were adjusted according to the actual split between S-PVC and M-PVC versus total PVC production capacities from CMA for that country for every year of the period considered (2022-2025). By way of example, for South Korea, which has E-PVC, S-PVC and M-PVC production capacity, the Complainant totalled the capacity of the three processes and computed the share of S-/M-PVC relative to the total, for each year from 2022-2025. The table below demonstrates the result for 2025:

2025	E-PVC	S-PVC	M-PVC	Total	% of S-/M-PVC
South Korea (kt)	100	1,400	130	1,630	93.87%

Annex B.05 - Adjusted trade statistics

118. The adjustment methodology for the rest of the imports was applied on a global basis rather than a per-country basis, for all countries of the world (except the EU27 and those countries for which an individual capacity share had already been computed). Therefore, the Complainant computed the global share of S-/M-PVC production capacity relative to total PVC production capacity for all countries of the world. The Complainant then used this share to adjust the remaining imports, taking into account only S-/M-PVC.
119. The table below presents the results of such adjustment methodology for the total imports and the top 10 origins over the period considered.

	2022	2023	2024	2025
Extra-EU27				
Quantity (t)	496,492	616,611	377,759	458,333
Index (2022 = 100)	100	124	76	92
Mexico				
Quantity (t)	157,320	130,509	114,288	133,520
Index (2022 = 100)	100	83	73	85
South Korea				
Quantity (t)	23,360	55,644	32,786	142,639
Index (2022 = 100)	100	238	140	611
Norway				
Quantity (t)	40,968	32,006	35,022	36,170
Index (2022 = 100)	100	78	85	88
China				
Quantity (t)	3,310	8,489	3,288	51,388
Index (2022 = 100)	100	256	99	1,553
Taiwan				
Quantity (t)	1,785	30,580	10,164	50,795
Index (2022 = 100)	100	1,713	569	2,841
United States				
Quantity (t)	124,848	258,871	118,512	8,167
Index (2022 = 100)	100	207	95	7
United-Kingdom				
Quantity (t)	14,909	16,874	16,832	13,680
Index (2022 = 100)	100	113	113	92
Türkiye				
Quantity (t)	21,621	10,413	8,502	11,139
Index (2022 = 100)	100	48	39	52
Colombia				
Quantity (t)	6,533	3,883	2,431	4,265
Index (2022 = 100)	100	59	37	65
Thailand				
Quantity (t)	1,706	5,539	1,145	3,277
Index (2022 = 100)	100	325	67	192

Annex B.05 - Adjusted trade statistics

B.4.1.1. Volumes of imports are primarily S-PVC

120. As previously mentioned in [Section A.5.4.](#) above, there has been a shift to suspension technology due to process efficiency and the suspension process's greater temperature stability. As such, the Complainant considers that the majority of imports entering the Union are S-PVC as opposed to M-PVC. This is supported by production capacity figures as published by CMA, demonstrating that the majority of the capacity in China, South Korea and Taiwan is S-PVC capacity, with Mexico having no capacity for production of M-PVC. The following table summarises the S-PVC versus M-PVC production capacity in the countries concerned:

2025	S-PVC Capacity	M-PVC Capacity	Total S-/M-PVC Capacity	% S-PVC
Mexico (kt)	700	31	731	96%
South Korea (kt)	1,400	130	1,530	92%
China (kt)	29,826	200	29,095	99%
Taiwan (kt)	1,682	118	1,800	93%

See Annex A.03 – CMA Capacities

121. Therefore, 96% of total S-/M-PVC production capacity is S-PVC capacity in Mexico, 92% of total production capacity is S-PVC capacity in South Korea, 99% of total production capacity is S-PVC capacity in China and 93% of total production capacity is S-PVC capacity in Taiwan. Furthermore, M-PVC represents only about 1.2% of total PVC resin production on a global scale, as compared to S-PVC's 93%.⁶⁴ Therefore, the Complainant contends that the vast majority of S-/M-PVC is produced in the countries concerned and imported into the EU is S-PVC.
122. Furthermore, *[Confidential information redacted – business sensitive information demonstrating the sales breakdown between S-PVC and M-PVC]*.

B.4.2. Prices

123. Regarding prices, the Complainant relies on the price recorded on the CN level 3904 10 00 as a whole. The Complainant considers this approach to be conservative as the average price recorded at the CN-code level will include small E-PVC volumes which, as discussed above, have a higher price point. The table below presents the results of this methodology.

	2022	2023	2024	2025
Total imports (€/t)	1,496	898	846	797
Mexico (€/t)	1,538	889	806	749
South Korea (€/t)	1,686	906	824	761
Norway (€/t)	1,720	1,248	1,058	1,030
China (€/t)	1,524	862	866	668
Taiwan (€/t)	1,403	830	792	716
United States (€/t)	1,319	795	764	1,782
United Kingdom (€/t)	1,448	1,093	944	878
Türkiye (€/t)	1,452	977	898	882
Colombia (€/t)	1,638	978	1,185	872

⁶⁴ Chemical Market Analytics, '2026 World Analysis – Vinyls – Report' (15 January 2026).

Thailand (€/t)	1,663	1,086	939	788
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See Annex B.05 - Adjusted trade statistics

124. The Complainant considers that relying on the price at the CN level for the establishment of the export price from countries concerned for the purposes of establishing *prima facie* dumping margins is a conservative approach. The price recorded in Eurostat is not accurate as it takes into account the value of E-PVC imports, thus inflating the average price. Relying on such higher average price to establish the *prima facie* dumping assessment is conservative as the margin is calculated on the basis of a higher CIF price than it would be if only S-/M-PVC imports were taken into account.

C. DUMPING

C.1. Dumping of Chinese imports of the product concerned

C.1.1. Distortions in the Chinese market

125. According to Article 2(6a)(a) of the basic Regulation, ‘(i)n case it is determined [...] that it is not appropriate to use domestic prices and costs in the exporting country due to the existence in that country of significant distortions within the meaning of point (b), the normal value shall be constructed exclusively on the basis of costs of production and sale reflecting undistorted prices or benchmarks’, and ‘shall include an undistorted and reasonable amount of administrative, selling and general costs and for profits’.
126. Pursuant to this provision, the Commission issued a recent report on “*Significant Distortions in the Economy of the People’s Republic of China for the Purposes of Trade Defence Investigations*” (‘report’)⁶⁵ establishing the existence of substantial government intervention at many levels of the economy, including specific distortions in many key factors of production, such as land, energy, capital, raw materials, and labour.

C.1.1.1. Position of the chemical market

127. The Chinese chemical sector is one of the pillars of the national industry, providing essential inputs to many other strategic sectors. China is currently the world’s leading producer of chemicals. In 2020, sales in the Chinese chemical industry reached 1,547 billion €, accounting for 44.6% of global chemical sales, a significant increase compared with the previous decade, when this share stood at 25.8%. In 2021, chemical production in China recorded the fastest growth worldwide, expanding by 7.7%.⁶⁶

C.1.1.2. The dominant role of state-owned enterprise

128. The sector’s importance within both upstream and downstream industrial value chains explains the particular attention it receives from the Chinese authorities.⁶⁷ Indeed, the state-owned enterprises (‘SOE’), in particular large central ones, have traditionally played a leading role in China’s petrochemical industry. They benefit from their oligopoly position in the supply of raw materials, easy access to resources allocated by the government (funds, loans, land) and a strong influence on government decisions.⁶⁸
129. The important role of SOE extends to the entire chemical sector, since they represent almost a quarter of total assets and more than 40% of the total market value of chemical companies listed on the stock exchange in 2021.⁶⁹ The three largest Chinese chemical companies in 2021 (in terms

⁶⁵ European Commission, *Significant Distortions in the Economy of the People’s Republic of China for Trade Defence Investigations*, SWD(2024) 91 final, Brussels, 10 April 2024.

⁶⁶ See the report, p. 459.

⁶⁷ See the report, p. 495.

⁶⁸ AT Kearney (2012). *China’s Chemical Industry: Flying Blind?*, available at : <https://www.kenarney.com/documents/291362523/291364877/Chinas-Chemical-Industry---Flying-Blind.pdf/a3bb9398-fb58-1096-46c1-d518e0b19665?t=1687792095000> (accessed on 3 November 2025); see the report, p. 462.

⁶⁹ See Everbright Securities (2021). *Dynamic report on state-owned listed companies in the chemical industry*, available at: https://pdf.dfcfw.com/pdf/H3_AP202105141491681949_1.pdf (accessed on 3 November

of turnover) were central SOEs. The Sinochem merger in 2021 is an example of the consolidation of central-level SOEs, confirming the strategic organisation of companies.⁷⁰

C.1.1.3.State led industrial policies

130. The Chinese government actively shapes the chemical market through strategic industrial policies. Authorities promote the creation of industrial clusters to exploit economies of scale and interdependencies among chemical processes. By 2022, China had 596 chemical industrial parks, mainly concentrated in provinces such as Shandong (18%), Zhejiang (8,7%) and Hubei (8,7%), which are among the main centres of chemical production in the country.⁷¹ Stricter environmental regulations are often used as instruments to restructure the sector, encouraging the closure of small outdated facilities while consolidating production in larger, more competitive enterprises, predominantly state owned. These measures distort the natural functioning of the market, as firms' success increasingly depends on alignment with government priorities rather than pure market performance.⁷²
131. The government implements also so-called "anti-involution" policies to artificially support market floor prices and stabilise the sector in the face of competition considered destructive.⁷³ In addition, the market is influenced by strict industrial controls, such as restrictions on new capacities using the calcium carbide method and routine environmental inspections that dictate the available supply.⁷⁴

C.1.1.4.Distortions in the price of raw materials used to produce PVC

C.1.1.4.1. Ethylene

132. Ethylene accounts for [40-50]% of the cost of production of PVC produced using the ethylene-based manufacturing process. The Commission Staff Working Document on Significant Distortions in the Chinese Economy lists as number of distortions observed across several sectors, one of which is in ethylene production.⁷⁵ In 2005, the National Development and Reform Commission issued the Urgent Notice Regarding the Orderly and Healthy Development of the Oil Refining and Ethylene Industry.⁷⁶ Article 4 states: *"Large petrochemical installations have been listed as a focus area of the State's revitalization of the equipment manufacturing industry. We must actively adopt technologies and domestic equipment that are developed indigenously or that are re-innovated after being imported, digested, and absorbed, strengthening the capability of indigenous innovation and system integration."*

2025).

⁷⁰ See the report, p. 459.

⁷¹ Ministry of Ecology and Environment (MOEE) – Foreign Environmental Cooperation Center, *Progress of Water Pollution Prevention and Control in Industrial Parks in China*, presentation at the IWRA 2023 Beijing Congress, 11 September 2023, available at: https://www.iwra.org/proceedings/congress/resource/IWRA2023_Beijing_China_Presentation_1_Progress_of_Water_Pollution_Prevention_and_Control_in_Industrial_Parks_in_China.pdf (accessed on 3 November 2025).

⁷² See the report, p. 461.

⁷³ SCI, *PVC Market Monthly Report*, Nov. 2025, p. 1.

⁷⁴ Oil Price Information Service, LLC, *2025 World Analysis – Vinyls – Report*, 6 February 2025, p. 51.

⁷⁵ European Commission, *Significant Distortions in the Economy of the People's Republic of China for Trade Defence Investigations*, SWD(2024) 91 final, Brussels, 10 April 2024, page 200

⁷⁶ Staff Working Document, page 204

133. Furthermore, the China Petroleum and Chemical Industry 2020 Economic Operations report noted a rapid growth in the overall production of key chemicals, including ethylene. In 2020, ethylene output grew by 5.2% compared to 2019 and landed at 21.6 million tonnes.⁷⁷ The corresponding 2021 report observed a continued overall growth trend with the *output of ethylene was 28.257 million tons, up 30.8% compared to the previous year*.⁷⁸
134. In March 2022, six ministries⁷⁹ issued the Guiding Opinion on Promoting the High-quality Development of the Petrochemical and Chemical Industry During the 14th Five Years Plan Period⁸⁰ ('the Guiding Opinion'). According to the text of the Guiding Opinion, *The concentration of bulk chemical production shall be further increased, and the capacity utilization rate shall exceed 80%; the level of security of supplies of ethylene equivalent shall be greatly improved, and the level of security of supplies of new chemical materials shall exceed than 75%*.
135. Furthermore, ethylene is listed as a pillar chemical in the Jiangsu Province plan as well as the Shandong Province 14th FYP (with specific mention of high-end chemicals and manufacturer Wanhua Ethylene)⁸¹
136. Lower-level plans like the 14th Five Year Plan on Developing the Raw Materials Industry consist of guiding opinions to promote the development of the petrochemical and chemical industry in line with the national Plan.⁸² On a provincial level, plans for the allocation of resources,⁸³ the production of specific goods, and the setting of output targets⁸⁴ explicitly '*tak[e] the Party's leadership as the fundamental principles*'.⁸⁵
137. More recently, the CCP voted on its 15th Five-Year Plan for the period 2026-2030. The petrochemical sector remains one of the State's focus industries with the objective of upgrading its quality as a key industry and strengthening the industrial value chains through the construction of '*the national strategic hinterland*' and building '*back-up capacity for key industries*'.⁸⁶

C.1.1.4.2. Calcium carbide

138. Calcium carbide is the largest cost element in PVC produced using the acetylene-based manufacturing process, accounting for 73% of the cost of production. State regulatory intervention in calcium carbide production is clear. Indeed, the Guiding Opinion states the objective to strictly control the new production capacity of, *inter alia*, calcium carbide.⁸⁷

⁷⁷ Available at: <http://lwzb.stats.gov.cn/pub/lwzb/tzgg/202107/W020210723348607291201.pdf>

⁷⁸ Available at: <http://lwzb.stats.gov.cn/pub/lwzb/tzgg/202205/W020220511400435319593.pdf> (accessed on 10 May 2026)

⁷⁹ MIIT, NDRC, MOST, MEE, Ministry of Emergency Management, and NEA.

⁸⁰ Available at: <https://www.miit.gov.cn/> (accessed on 10 May 2026)

⁸¹ Staff Working Document, page 83

⁸² China Report – Chapter 16 Chemical Industry Sector, 16.3.1. '*14th FYPs Relevant to the Chemical Industry*' p.468.

⁸³ Ibid., page 487.

⁸⁴ Ibid., page 484.

⁸⁵ Ibid., citing the Shanghai Five Year Plan on page 485.

⁸⁶ EU-CLERA, Outline of the 15th Five-Year Plan (2026-2030) for National Economic and Social Development of the People's Republic of China, Chapter 4 Upgrading of Traditional Industries, available from: <https://www.wko.at/ktn/aussenwirtschaft/euclera-translation-15th-five-year-plan-2026-2030-.pdf>, pp.18-21.

⁸⁷ Available at: <https://www.miit.gov.cn/> See Third section, Promote the adjustment of industrial structure and Fourth section, Optimize and adjust the industrial layout.

139. Such differences cannot be explained by normal market conditions and indicate the existence of distortions and state intervention on the Chinese market.

C.1.1.5. Overcapacity in the chemical sector and PVC sector

140. The Chinese chemical sector has long faced structural overcapacity. Official statistics indicate that the capacity utilisation rate for the manufacturing of chemical raw materials and products was approximately 75.3% in the third quarter of 2022⁸⁸ and 76.3%⁸⁹ in the first three quarters of 2024. This persistent overcapacity is concentrated in traditional heavy industries such as petrochemicals, fertilisers and basic chemicals. As a result, production decisions often respond less to market demand and more to state planning, creating artificially low prices domestically and on international markets and limiting the role of competition as a disciplining force.⁹⁰
141. Furthermore, the Complainant contends that China currently has around half of the world's capacity for PVC production, with persistent structural overcapacities. The market is out of balance, with production continuing to grow while demand remains weak.
142. Capacity for production of PVC in China far exceeds domestic demand as shown in the table below. Two figures for production capacity are available to the Complainant. The first is published by SCI, a Chinese market monitoring service, while the second figure is published by CMA, a global market monitoring service. The overcapacity analysis was conducted for both figures.

	2025 – SCI capacities	2025 – CMA capacities
Capacity PVC (t)	28,930,755	29,095,000
Consumption (t)	20,779,460	20,779,460
Consumption/capacity	71.82%	71.42%
Domestic production (t)	24,375,960	24,375,960
Consumption/Production	85.25%	85.25%
Excess capacity	8,151,295	8,315,540

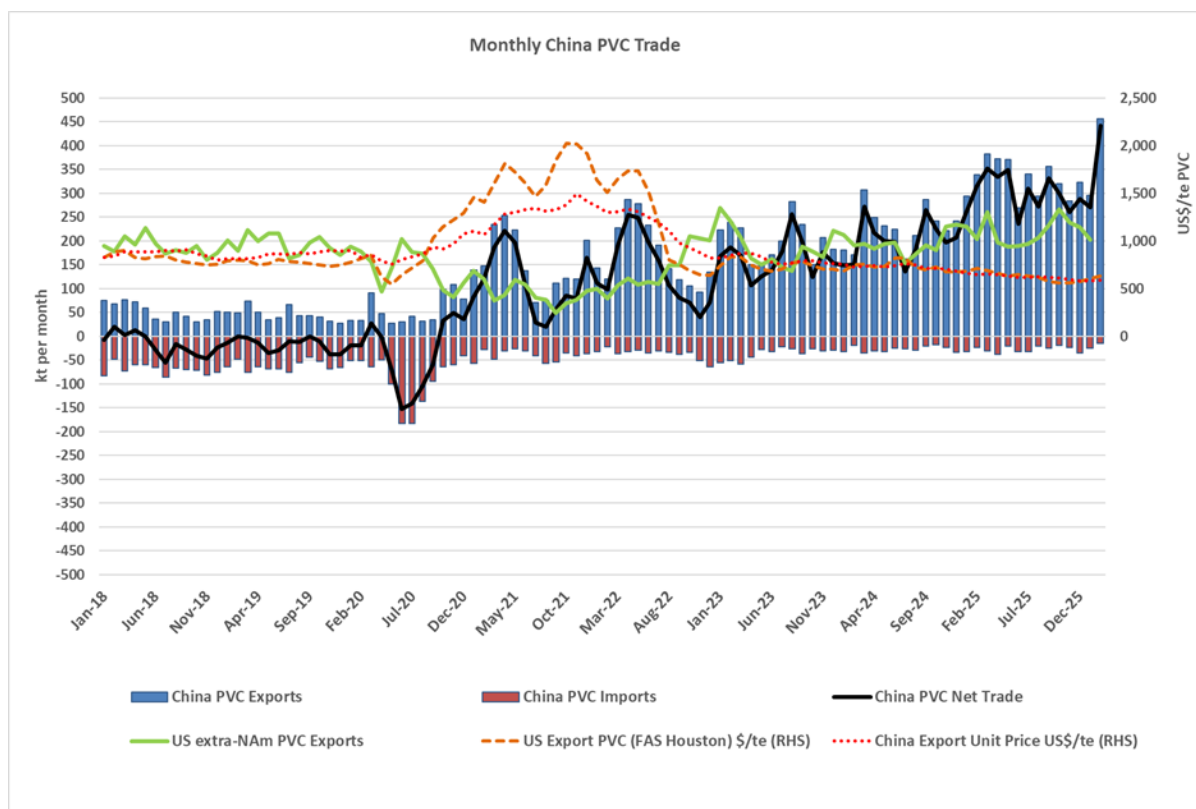
See Annex D.04i – China spare capacities

143. In 2025, the Chinese PVC market had between 8.2 and 8.3 million tonnes in excess production capacity. The Chinese excess capacities are far higher than the total Union consumption figure for 2025 which stands at 3.16 million tonnes (see *Annex D.02 – Injury indicators*).
144. As a result of China's heavy development in its chemical industry, it has developed a trade surplus, exporting PVC at increasing levels and relying on exports to offload excess supply. The following graph demonstrates rapid development in Chinese PVC exports:

⁸⁸National Bureau of Statistics of China, "The Utilization Rate of National Industrial Capacity in the Third Quarter of 2022", 25 Oct 2022, <https://www.stats.gov.cn/>.

⁸⁹ National Bureau of Statistics of China, "Industrial Capacity Utilization Rate in the Third Quarter of 2024", 19 October 2024, https://www.stats.gov.cn/english/PressRelease/202410/t20241025_1957140.html.

⁹⁰ See the report, p. 464.



145. The Chinese chemical market is exerting an increasing influence on global trade. Chinese production benefits from low costs and economies of scale due to its large production capacities. Due to state support, the situation allows Chinese to maintain artificially low prices.
146. China's dominance is also reflected in trade with the European Union. China has become the primary source of chemical imports for the EU. The share of EU chemical imports from China has increased sharply over time, rising from 12% in 2003 to 27% in 2023, demonstrating a growing dependence of the European Union on China for its chemical supplies. This concentration exposes the European chemical industry to Chinese production trends and decisions, amplifying the global impact of China's industrial policies and persistent overcapacity.⁹¹ In relation to PVC in particular, China went from a net importer of the product to now being its biggest producer and a net exporter globally.

C.1.1.5.1. Chinese State intervention in the PVC industry

147. The Jiangsu Chemical Plan specifically states that the chemical industry is one of the pillar industries of Jiangsu province which has formed from oil refining, ethylene production to basic chemical raw materials, synthetic materials, special chemical manufacturing and other industrial systems.⁹² The Jiangsu Chemical Plan furthermore states that during the 14th Five-Year Plan period, we shall continue to control the new production capacity of excess industries such as polyvinyl chloride.⁹³ Indeed, this demonstrates both the overcapacity in the PVC industry and the level of state involvement and direction.

⁹¹ Annex A.04 - SCI Report 2025-2026

⁹² Staff Working Document, page 472

⁹³ Available at: http://gxt.jiangsu.gov.cn/art/2021/8/25/art_83673_10000511.html (accessed on 10 May 2026)

C.1.1.6. Conclusion

148. The Chinese chemical market is heavily distorted due to substantial state intervention, the dominant role of SOEs, targeted industrial policies, and persistent overcapacity. These factors undermine market-driven pricing and competition, allowing Chinese producers to maintain artificially low prices both domestically and internationally. Consequently, China wields growing influence over global chemical trade, particularly affecting the European Union, which has become increasingly dependent on Chinese chemical imports. These market distortions have significant implications for international competition and trade.

C.1.2. Undistorted prices on the basis of a representative country

C.1.2.1. Choice of a representative country

149. Article 2(6a)(a) of the Basic Regulation provides that in the case that significant distortions within the meaning of Article 2(6a)(b) are shown, the normal value shall be established on the basis of undistorted prices or benchmarks in an appropriate country. To guide the choice of the appropriate representative third country, the Basic Regulation provides that the following elements should be taken into account:
- Similar level of economic development;
 - Readily available corresponding costs of production;
 - Readily available financial information; and
 - An adequate level of social and environmental protection.
150. To the Complainant's best knowledge Chinese imported product in the Union is largely ethylene-based (as opposed to carbide-based).⁹⁴ Accordingly, in its choice of representative country for the construction of the normal value, the Complainant prioritised the availability of publicly available costs benchmarks for the factors of production of the ethylene-based product concerned.
151. The Complainant identified nine countries with a similar level of economic development to the People's Republic of China and with PVC production capacity: Argentina, Brazil, Colombia, Indonesia, Malaysia, Mexico, South Africa, Thailand and Türkiye using information on production capacities of S-/M-PVC as published by CMA (see *Annex A.03 – CMA Capacities*). The tables below present the availability of import statistics into these potential representative countries for the two main raw materials necessary for PVC production in China, namely ethylene (HS code 290121) and chlorine (HS code 280110).

	Ethylene	Chlorine
Argentina		
Undistorted Quantities	11,634	214
% of China	0.17%	-
Brazil		
Undistorted Quantities	25	5,585

⁹⁴ See [Section A.5.4.](#) for details of the different feedstocks and methods of production.

% of China	-	-
Colombia		
Undistorted Quantities	6,630	0
% of China	-	-
Indonesia		
Undistorted Quantities	559,349	596
% of China	1.29%	0.01%
Malaysia		
Undistorted Quantities	18,677	6,761
% of China	0.03%	-
Mexico		
Undistorted Quantities	6,976	-
% of China	-	-
South Africa		
Undistorted Quantities	29	467
% of China	-	-
Thailand		
Undistorted Quantities	0	-
% of China	-	-
Türkiye		
Undistorted Quantities	32,347	52
% of China	0.02%	-

See Annex C.01 – Choice of Representative Country

152. Based on this preliminary analysis of the undistorted imports of the main raw materials necessary for PVC production, it is possible to exclude Colombia, Mexico, and Thailand. These three countries report no import volumes of chlorine over the CIP.
153. It is also possible to exclude Brazil and South Africa as their recorded imports of ethylene over the CIP are low, standing at 25 tonnes and 29 tonnes respectively. Türkiye is in a similar situation regarding its low imports of chlorine over the CIP, which stood at 52 tonnes. These volumes are not sufficient to establish representative prices in the countries for the purposes of constructing the normal value.
154. Both Indonesia and Malaysia have low volumes of Chinese imports influencing the market for their raw materials. However, Malaysia records a significantly more representative import volume for chlorine (6,761 tonnes), an important raw material for PVC production, therefore allowing for the establishment of a more representative price than the Indonesian imports (596 tonnes).
155. As regards financial information, the Complainant was able to obtain financial data from Malaysia's active PVC producer, namely *Kaneka (Malaysia) Sdn. Bhd* for the most recent period available, i.e., full year 2025. *Kaneka (Malaysia) Sdn. Bhd.* is a chemical manufacturing

company. The company produces products for the plastics and PVC industry, including MS Polymer, expandable foam, modifiers, and processing aids for PVC.⁹⁵

156. Based on the availability of both representative prices for the main raw materials and the availability of financial data in order to establish reasonable amounts for SG&A and profit as provided for in Article 2(6a) of the Basic Regulation, the Complainant constructed the normal value of the product concerned in China on the basis of Malaysia as the representative country.

C.1.3. Ethylene-based CNV

157. In order to assess the normal value of the product concerned, Malaysia has been chosen as the representative country. The detailed calculations are available in *Annex C.02 – CNV China (Malaysia)*.
158. The factors of production for the ethylene-based CNV are based on bills of material obtained from the Complainant producers of the like product. The cost of manufacturing was constructed for each bill of materials. China uses fundamentally the same suspension polymerisation process as is used in the EU to produce PVC from VCM. Chinese manufacturers produce VCM via two different routes – the acetylene route (based on coal-calcium carbide) and the ethylene route. However, it is the Complainant's understanding, as explained in further detail in [Section A.7.2.](#), that imports into the EU of PVC originating in China are produced using the ethylene route. This is the same route as is used by producers of PVC in the Union. The description of the acetylene-based CNV is in [Section C.1.2.3.](#) below.
159. In order to obtain a representative normal value, the Complainant subsequently aggregated the different costs of manufacturing to establish a single value that is considered representative. To this constructed cost of manufacturing, the SG&A and profit margins were added to obtain a single representative normal value.

C.1.3.1.1. Raw Materials

160. In order to establish the **ethylene** price in Malaysia, the Complainant consulted the official trade statistics available on UN Comtrade for the import data collected for HS code 2901 21.⁹⁶ On this basis, the average ethylene import price into Malaysia for the period 2025 was established at 846.86 USD/t. This price was further converted into €/t using the official conversion rate published by the European Central Bank.⁹⁷ The price of ethylene in Malaysia was therefore established at **751.29 €/t** in the CIP.
161. In order to establish the **chlorine** price in Malaysia, the Complainant consulted the official trade statistics available on UN Comtrade for the import data collected for HS code 2801 10.⁹⁸ On this basis, the average chlorine import into Malaysia for the period for 2025 was established at 403.58 USD/t. This price was further converted into €/t using the official conversion rate published by

⁹⁵ See the company website available at: <https://www.kaneka.com.my/>.

⁹⁶ UN Comtrade, available at: <https://comtradeplus.un.org> (last accessed March 2026).

⁹⁷ European Central Bank, 'ECB interest rates and exchange rates', available from: <https://data.ecb.europa.eu/> (last accessed March 2026).

⁹⁸ UN Comtrade, available at: <https://comtradeplus.un.org> (last accessed March 2026).

the European Central Bank.⁹⁹ The price of chlorine in Malaysia was therefore established at **358.03 €/t** in the CIP.

162. In order to establish the **vinyl acetate** price in Malaysia, the Complainant consulted the official trade statistics available on UN Comtrade for the import data collected for HS code 2915 32.¹⁰⁰ On this basis, the average vinyl acetate import price into Malaysia for the period for 2025 was established at 735.49 USD/t. This price was further converted into €/t using the official conversion rate published by the European Central Bank.¹⁰¹ The price of vinyl acetate in Malaysia was therefore established at **652.49 €/t** in the CIP.
163. In order to establish the **ethylene dichloride** price in Malaysia, the Complainant consulted the official trade statistics available on UN Comtrade for the import data collected for HS code 2903 15.¹⁰² However, the import quantities of this raw material are insufficient to establish a representative price on this basis (only 11.1 tonnes). On this basis, the average ethylene dichloride import price into Malaysia for the period for 2025 was established at 5,399.13 USD/t. Therefore, the Complainant relied on the percentage of the chlorine cost out of the total cost of production for the like product in the Union in order to establish the cost of ethylene dichloride in Malaysia.
164. In order to establish the **hydrochloric acid** price in Malaysia, the Complainant consulted the official trade statistics available on UN Comtrade for the import data collected for HS code 2806 10 00.¹⁰³ However, the imported volumes of hydrochloric acid were too low (6,539.27 tonnes) to allow the establishment of a representative price. Indeed, on this basis, the average hydrochloric acid import price into Malaysia for the period for 2025 was established at 423.26 €/t in the CIP. The Complainant thus relied on the percentage of the hydrochloric acid cost out of the total cost of production for the like product in the Union in order to establish the cost of hydrochloric acid in Malaysia.

C.1.3.1.2. Energy and Utilities

165. The electricity price in Malaysia was established using the tariff schedule published by Tenaga Nasional Berhad (TNB) in the document “Tariff Rate – Final, 1 January 2014”¹⁰⁴ for the period up to the end of June 2025, after which new tariffs entered into force in July 2025.¹⁰⁵ The average electricity price in the period for 2025 was calculated as a weighted average, taking into account six months under the 2014 tariff schedule and six months under the revised July 2025 tariffs. For each period, the average price was derived by averaging the peak and off-peak rates. For the tariff “E2 Medium Voltage Peak-Off-Peak Industrial Tariff” applicable until June 2025, the peak rate

⁹⁹ European Central Bank, ‘ECB interest rates and exchange rates’, available from: <https://data.ecb.europa.eu/> (last accessed March 2026).

¹⁰⁰ UN Comtrade, available at: <https://comtradeplus.un.org> (last accessed March 2026).

¹⁰¹ European Central Bank, ‘ECB interest rates and exchange rates’, available from: <https://data.ecb.europa.eu/> (last accessed March 2026).

¹⁰² UN Comtrade, available at: <https://comtradeplus.un.org> (last accessed March 2026).

¹⁰³ UN Comtrade, available at: <https://comtradeplus.un.org> (last accessed March 2026).

¹⁰⁴ TNB, “Tariff Rate – Final, 1 January 2014”, available at: https://www.tnb.com.my/assets/files/Tariff_Rate_Final_01.Jan.2014.pdf (last accessed November 2025).

¹⁰⁵ MRA, “New RP4 Electricity Tariff Structure Now in Effect – What Retailers Should Know”, July 2025, available at : <https://mra.com.my/wp-content/uploads/2025/07/New-RP4-Electricity-Tariff-Structure-Now-in-Effect—What-Retailers-Should-Know.pdf> (last accessed November 2025); see also : PlusXenergy, “July 2025 TNB Tariff Update: What Malaysian Businesses Need to Know”, 2025, available at: <https://www.plusxenergy.com/july-2025-tnb-tariff-update-what-malaysian-businesses-need-to-know/> (last accessed March 2026).

was 0.0355 RM/kWh and the off-peak rate 0.0219 RM/kWh, giving an average of 0.0287 RM/kWh. For the “*Medium Voltage TOU Tariff*” (also known as Tariff E2) applicable from July 2025, the peak rate was 0.3132 RM/kWh and the off-peak rate 0.2723 RM/kWh, giving an average of 0.29275 RM/kWh. The resulting weighted average for the CIP corresponds to 0.06 €/kWh or 60.02 €/MWh.

166. The price of natural gas in Malaysia was established on the basis of the information published by Petronas on its *Malaysia Energy Pricing* platform.¹⁰⁶ The provided gas prices cover the period from July 2024 to August 2025, with an average price calculated at **7.6 €/MMBtu**, **7.22 €/GJ** and **0.03 €/kWh**.
167. **Steam** is not a traded commodity. In order to establish the price of steam, the Complainant started from the price of natural gas as established in the above paragraph. The Complainant then relied on the US Government’s benchmark to establish the fuel cost of steam generation in order to calculate the price of steam generation per tonne.¹⁰⁷ For the FOP where the pressure of the steam and the temperature of the feedwater was provided, relying on the relevant tables published by the US Department of Energy, the Complainant determined the energy content expressed in Btu/MMBtu, the energy required to produce 1 lb of saturate steam and the combustion efficiency for natural gas. *[Confidential information redacted – business sensitive information relating to steam used by Complainant]*.
168. For the other FOP, for which no information was available regarding steam pressure and feedwater temperature, the cost of steam was estimated based on the proportion of steam costs in the total production cost of a comparable product within the Union.
169. The price of **water** in Malaysia was established based on the information published by Air Selangor, which provides details on the cost of water for industrial use.¹⁰⁸ For this analysis, the historical water prices up to August 2025 (old tariff) and the new water prices effective from 1 September 2025 were taken into account. A weighted average price was calculated by considering the total usage in each category and applying the respective rates before and after the tariff change. For the “*Non-Domestic category with usage above 35 m³*”, the rate was RM 2.94/m³ before 1 September 2025 and RM 3.83/m³ from 1 September 2025, resulting in a weighted average price of **0.67 €/m³**.

C.1.3.1.3. Labour

170. The cost of **labour** in Malaysia was established on the basis of the data on average hourly earnings obtained from the ILO Data Explorer, a database of international labour statistics.¹⁰⁹ Since these data only cover up to 2020, the values were adjusted to better reflect current

¹⁰⁶ Petronas, *Malaysia Energy Pricing*, available at: <https://www.petronas.com/mpm/malaysia-e-p/gas-pricing> (last accessed March 2026).

¹⁰⁷ US Department of Energy, ‘Benchmark the Fuel Cost of Steam Generation: Steam Tip Sheet #15’, available from: <https://docs.nrel.gov/docs/fy12osti/52750.pdf> (last accessed March 2026).

¹⁰⁸ Air Selangor, “*New water tariff beginning 1 September 2025*”,

¹⁰⁹ ILO Data Explorer, *International Labour Statistics*, available at: <https://rshiny.ilo.org/dataexplorer9/> (last accessed March 2026).

conditions using the CPI published by the Department of Statistics Malaysia (DOSM).¹¹⁰ After this adjustment, the average hourly earnings adjusted for CPI is **3.71 €/h**.

C.1.3.1.4. Other direct costs and manufacturing overheads

171. Other direct costs and manufacturing overheads are incurred in the production of the product concerned. However, there is no publicly available information on these costs. Therefore, the Complainant relied on the percentage of these costs out of the total cost of production for the like product in the Union in order to estimate the costs of the other direct costs and manufacturing overheads.

C.1.3.1.5. Financial information

172. Article 2(6a)(a) of the Basic Regulation provides that the ‘*constructed normal value shall include an undistorted and reasonable amount for administrative, selling and general costs and for profits*’. The Complainant therefore attempted to collect financial information for the sole PVC producer active in Malaysia, *Kaneka (Malaysia) Sdn. Bhd.*, for the most recent period available, i.e., full year 2025. *Kaneka (Malaysia) Sdn. Bhd.* is a chemical manufacturing company. The company produces products for the plastics and PVC industry, including MS Polymer, expandable foam, modifiers, and processing aids for PVC.¹¹¹ This is summarised in the table below:

Kaneka (Malaysia) Sdn. Bhd.	In thousands USD
Net sales revenue	139,742.03
Cost of sales	(118,446.96)
Gross (loss) profit	21,295.06
Depreciation, Amortization, Impairment	(6,928.82)
Selling + General & Administrative Expenses	19,336.07
Operating profit (EBIT)	8,887.81
Profit before Income Tax	8,887.81
SG&A %	16%
Profit %	8%

See Annex C.02 - CNV China (Malaysia) and Annex C.03 – SG&A and Profits (China – Malaysia)

C.1.3.1.6. Construction of the Normal Value based on Malaysia

173. In order to construct the normal value, the amounts for SG&A and profits were added to the cost of manufacturing, obtained by compiling the undistorted benchmarks retrieved in Malaysia. The table below summarises the construction of the normal value:

Constructed Normal Value		
Average cost of Manufacturing		[755 – 955] €/t
SG&A	16%	[123 – 156] €/t
Profit	8%	[57 – 72] €/t

¹¹⁰ Department of Statistics Malaysia (DOSM), *Producer Price Index (PPI) data*, available at: https://open.dosm.gov.my/data-catalogue/cpi_headline (last accessed March 2026).

¹¹¹ See Annex C.03 – SG&A and Profits (China – Malaysia) and the company website available at: <https://www.kaneka.com.my/>.

CNV	[935 – 1.182] €/t
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See Annex C.02 – CNV China (Malaysia)

174. The constructed normal value for 1 tonne of the product concerned following the ethylene-based production process is established at [935 – 1.182] €/t in the CIP.

C.1.4. Acetylene-based CNV

175. In the methodology for constructing the normal value, the production process selected should, as far as possible, reflect the actual industrial practices observed in the exporting country, in order to ensure the relevance of the reference cost.
176. Therefore, the Complainant has also constructed an additional normal value based on the acetylene production route. Although the Complainant maintains that a significant share of S-/M-PVC exports to the European Union is based on the ethylene chain (driven in part by coastal logistics advantages and compliance with European buyers' sustainability requirements) the acetylene route nevertheless remains the predominant industrial standard in China. Indeed, according to market data, this process accounts for approximately 76% of total PVC production capacity in China.
177. Accordingly, the inclusion of this additional CNV is necessary to accurately reflect the structure of the Chinese domestic industry and to ensure a comprehensive assessment of the pricing practices in the country concerned.
178. The acetylene-based production process is not utilised in the Union. The factors of production for the acetylene-based CNV are instead derived from bills of materials obtained from the economic snapshots contained in the *2025 World Analysis – Vinyls Report* (see Annex C.19 – *Acetylene-based BOM World Analysis Vinyls Report*). The figures given in the acetylene-based bill of materials are for Mainland China.

C.1.4.1.1. Raw materials

179. In order to establish the **carbide** price in Malaysia, the Complainant consulted the official trade statistics available on UN Comtrade for the import data collected for HS code 2849 10.¹¹² Undistorted imports only represented 173 tonnes, merely 1.4% of the total carbide imports into Malaysia. The Complainant therefore considered that the average price of the undistorted imports would not be representative due to the significant influence of the Chinese imports on the Malaysian market.
180. The Complainant therefore established an international benchmark price for carbide on the basis of all imports of calcium carbide into all countries of the world excluding imports into China and imports of Chinese origin, as well as exports originating in non-WTO member countries, as established by Regulation 2015/788.¹¹³ On this basis the benchmark price for calcium carbide was established at 1,075 USD/t. This price was further converted into €/t using the official

¹¹² UN Comtrade, available at: <https://comtradeplus.un.org> (last accessed November 2025).

¹¹³ This methodology was preferred as China does not report its export data to UNComtrade.

conversion rate for the CIP published by the European Central Bank.¹¹⁴ The price of carbide was therefore established at **953.26 €/t** on the basis of an international benchmark in the CIP.

181. In order to establish the **chlorine** price in Malaysia, the Complainant consulted the official trade statistics available on UN Comtrade for the import data collected for HS code 2801 10.¹¹⁵ On this basis, the average chlorine import into Malaysia for the period for 2025 was established at 403.58 USD/t. This price was further converted into €/t using the official conversion rate published by the Commission.¹¹⁶ The price of chlorine in Malaysia was therefore established at **358.03 €/t** in the CIP.
182. In order to establish the cost of **catalysts and other chemicals** in Malaysia, the Complainant relied on the proportion of catalyst and chemical costs relative to the total cost of production of the like product in the Union, as catalysts and other chemicals are broad and do not provide sufficient detail regarding its content.

C.1.4.1.2. Energy and utilities

183. The electricity price in Malaysia was established using the tariff schedule published by Tenaga Nasional Berhad in the document “*Tariff Rate – Final, 1 January 2014*”¹¹⁷ for the period up to the end of June 2025, after which new tariffs entered into force in July 2025.¹¹⁸ The average electricity price in the period for 2025 was calculated as a weighted average, taking into account six months under the 2014 tariff schedule and six months under the revised July 2025 tariffs. For each period, the average price was derived by averaging the peak and off-peak rates. For the tariff “*E2 Medium Voltage Peak-Off-Peak Industrial Tariff*” applicable until June 2025, the peak rate was 0.0355 RM/kWh and the off-peak rate 0.0219 RM/kWh, giving an average of 0.0287 RM/kWh. For the “*Medium Voltage TOU Tariff*” (also known as Tariff E2) applicable from July 2025, the peak rate was 0.3132 RM/kWh and the off-peak rate 0.2723 RM/kWh, giving an average of 0.29275 RM/kWh. The resulting weighted average for the CIP corresponds to 0.06 €/kWh or 60.02 €/MWh.
184. In order to establish the M.P. steam in Malaysia, the Complainant relied on the share of steam costs in the total cost of production of the like product in the Union, since the cost of steam must be derived from underlying input indicators such as gas consumption.

¹¹⁴ European Central Bank, ‘ECB interest rates and exchange rates’, available from: <https://data.ecb.europa.eu/main-figures/ecb-interest-rates-and-exchange-rates/exchange-rates> (last accessed March 2026).

¹¹⁵ UN Comtrade, available at: <https://comtradeplus.un.org> (last accessed November 2025).

¹¹⁶ European Central Bank, ‘ECB interest rates and exchange rates’, available from: <https://data.ecb.europa.eu/main-figures/ecb-interest-rates-and-exchange-rates/exchange-rates> (last accessed March 2026).

¹¹⁷ TNB, “Tariff Rate – Final, 1 January 2014”, available at: https://www.tnb.com.my/assets/files/Tariff_Rate_Final_01.Jan.2014.pdf (last accessed November 2025).

¹¹⁸ MRA, “New RP4 Electricity Tariff Structure Now in Effect – What Retailers Should Know”, July 2025, available at : <https://mra.com.my/wp-content/uploads/2025/07/New-RP4-Electricity-Tariff-Structure-Now-in-Effect—What-Retailers-Should-Know.pdf> (last accessed November 2025); see also : PlusXenergy, “July 2025 TNB Tariff Update: What Malaysian Businesses Need to Know”, 2025, available at: <https://www.plusxenergy.com/july-2025-tnb-tariff-update-what-malaysian-businesses-need-to-know/> (last accessed November 2025).

185. The price of **water** in Malaysia was established based on the information published by Air Selangor, which provides details on the cost of water for industrial use.¹¹⁹ For this analysis, the historical water prices up to August 2025 (old tariff) and the new water prices effective from 1 September 2025 were taken into account. A weighted average price was calculated by considering the total usage in each category and applying the respective rates before and after the tariff change. For the “*Non-Domestic category with usage above 35 m³*”, the rate was RM 2.94/m³ before 1 September 2025 and RM 3.83/m³ from 1 September 2025, resulting in a weighted average price of 0.67 €/m³ or **0.68 €/t**.

C.1.4.1.3. Labour

186. The cost of **labour** in Malaysia was established on the basis of the data on average hourly earnings obtained from the ILO Data Explorer, a database of international labour statistics.¹²⁰ Since these data only cover up to 2020, the values were adjusted to better reflect current conditions using the CPI published by the Department of Statistics Malaysia (DOSM).¹²¹ After this adjustment, the average hourly earnings adjusted for CPI is **3.71 €/h**.

187. In order to establish the inert in Malaysia, the Complainant on the share of inert air costs in the total cost of production of the like product in the Union, since reliable and representative pricing information for inert air is not readily available.

C.1.4.1.4. Other direct costs and manufacturing overheads

188. Other direct costs and manufacturing overheads are incurred in the production of the product concerned. However, there is no publicly available information on these costs. Therefore, the Complainant relied on the percentage of these costs out of the total cost of production for the like product in order to estimate the costs of the other direct costs and manufacturing overheads.

C.1.4.1.5. Financial information

189. As in the ethylene-based CNV calculation, the Complainant identified the sole PVC producer active in Malaysia, *Kaneka (Malaysia) Sdn. Bhd.*, for the most recent period available, i.e., full year 2025.

Kaneka (Malaysia) Sdn. Bhd.	In thousands USD
Net sales revenue	139,742.03
Cost of sales	(118,446.96)
Gross (loss) profit	21,295.06
Depreciation, Amortization, Impairment	(6,928.82)
Selling + General & Administrative Expenses	19,336.07
Operating profit (EBIT)	8,887.81
Profit before Income Tax	8,887.81
SG&A %	16%

¹¹⁹ Air Selangor, “New water tariff beginning 1 September 2025”,

¹²⁰ ILO Data Explorer, *International Labour Statistics*, available at : <https://rshiny.ilo.org/dataexplorer9/> (last accessed November 2025).

¹²¹ Department of Statistics Malaysia (DOSM), *Producer Price Index (PPI) data*, available at: https://open.dosm.gov.my/data-catalogue/cpi_headline (last accessed December 2025).

Profit %	8%
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See *Annex C.02 - CNV China (Malaysia)* and *Annex C.03 – SG&A and Profits (China – Malaysia)*

C.1.4.1.6. Construction of the Normal Value

190. In order to construct the normal value, the amounts for SG&A and profits were added to the cost of manufacturing, obtained by compiling the undistorted benchmarks retrieved in Malaysia. The table below summarises the construction of the normal value:

Constructed Normal Value		
Average cost of Manufacturing		[1.828 – 2.022] €/t
SG&A	16%	[298 – 330]
Profit	8%	[137 – 152]
CNV		[2.264 – 2.504] €/t

See *Annex C.02 – CNV China (Malaysia)*

191. The constructed normal value for 1 tonne of the product concerned based on the acetylene production process is established at **[2.264 – 2.504] €/t** in the CIP.

C.1.5. Export price

192. The export price for the product concerned originating in China in the period for 2025 is based on the import price recorded on a CIF basis at the Union border as reported by Eurostat for CN code 3904 10 00. As explained in [section B.4.2.](#) above, the Complainant considers that relying on the average price for the whole CN code represents a conservative approach to conduct a *prima facie* dumping assessment. Indeed, due to the presence of high-priced E-PVC imports, the CN code average price is higher than the average price of S-/M-PVC imports, thus leading to a smaller *prima facie* dumping margin. The export price CIF is therefore established at **667.72 €/t** in the CIP. See *Annex C.04 – Dumping Calculation (China)*.
193. As the constructed normal value is reported on an ex-works ('EXW') basis, it is necessary to adjust the export price to allow for a fair comparison with the normal value. Therefore, the sea freight costs per tonne along the route from China to the Union has been deducted. For this, the Complainant obtained freight data from *[confidential information redacted – business sensitive information relating to freight forwarder]* for 40-feet containers for the route East China Main to North Europe. The average price in the period for 2025 is established at 2,549 USD/container.
194. Based on market intelligence, the Complainant considers that between 22 and 25 tonnes of the product concerned can be transported in a 40-feet container. Based on this the average price per tonne for the sea freight between China and the Union has been established at 108.49 USD/t. This price was further converted into €/t using the official conversion rate published by the Commission.¹²² The average price of sea freight from China was therefore established at **96.24 €/t**. The export price was therefore brought to a free on board ('FOB') basis by deducting the sea freight cost from the CIF export price. The FOB export price was established at **571.74 €/t**.

¹²² European Central Bank, 'ECB interest rates and exchange rates', available from: <https://data.ecb.europa.eu/main-figures/ecb-interest-rates-and-exchange-rates/exchange-rates> (last accessed March 2026).

195. The Chinese PVC export market largely operates through unrelated traders. The traders active in China are large international trading houses such as Vinmar and Tricon Energy which operate through regional hub and network structures, with established registered offices in the country (see *Annex A.01 – Interested parties contact details*). The local offices have the commercial capability to engage with local PVC producers, source and consolidate PVC volumes, coordinate documents, and sell onward to international customers. Importantly, such large traders maximise their value by taking on the commercial risk and often the goods' title, before reselling the material.
196. In order to account for the profit margin of the unrelated traders to make a fair comparison between the export price and the normal value as per Article 2(10)(i) of the basic Regulation, the Complainant further adjusted the FOB export price. There is no publicly available data regarding the profit margin of the traders applied to the final price of the product concerned destined for the EU. Therefore, the Complainant applied a notional profit of 6.89% that was considered reasonable in two previous investigations concerning chemical products, namely polyvinyl alcohols and 1,4-butanediol.¹²³ On this basis the ex-works export price was established at **534.64 €/t**. The details of the calculations are available in *Annex C.04 – Dumping Calculation (China)*.

C.1.6. Dumping Calculation

197. The dumping margin of the Chinese exported product concerned was established by comparing the constructed normal value and the export price calculated above. The dumping margin is expressed as a percentage of the CIF import price at the Union border. On this basis, the table below summarises the dumping calculations for the Chinese imports.

Dumping Calculation – China (Malaysia)	
Ethylene - Complainants BoMs	
Constructed Normal Value EXW	[935 – 1,182]
Import Price (CIF)	667.72
Export Price (FOB)	571.47
Export Price (EXW)	534.64
Dumping amount	[401 – 648]
Dumping margin	[60 – 97]%

See *Annex C.04 – Dumping Calculation (China)*

198. On the basis of the data presented above, Chinese imports of the product concerned via ethylene-based process are found to be dumped on the Union market at significant level of **[60 – 97]%**.

Dumping Calculation - CNV Malaysia	
Acetylene-based chlorine integrated (China)	
Constructed Normal Value EXW	[2,264 – 2,504]
Import Price (CIF)	667.72

¹²³ Commission Implementing Regulation (EU) 2026/270 of 4 February 2026 imposing provisional anti-dumping duties on imports of 1,4-Butanediol originating in the People's Republic of China, the Kingdom of Saudi Arabia and the United States of America, recital (221); Commission Implementing Regulation (EU) 2020/1336 of 25 September 2020 imposing definitive anti-dumping duties on imports of certain polyvinyl alcohols originating in the People's Republic of China, recital (352).

Export Price (FOB)	571.47
Export Price (EXW)	534.64
Dumping amount	[1,729 – 1,970]
Dumping margin	[259 – 295]%

See Annex C.04 – Dumping Calculation (China)

199. On the basis of the data presented above, Chinese imports of the product concerned via acetylene-based process are found to be dumped on the Union market at significant level of **[259 – 295]%**.

C.2. Dumping of Mexican imports of the product concerned

C.2.1. Normal Value

200. Under Article 2(1) of the Basic Regulation, the normal value shall normally be based on the prices paid or payable in the ordinary course of trade, by independent customers in the exporting country. However, according to Article 2(3) of the Basic Regulation, *‘when there are no or insufficient sales of the like product in the ordinary course of trade, or where, because of the particular market situation, such sales do not permit a proper comparison, the normal value of the like product shall be calculated on the basis of the cost of production in the country of origin plus a reasonable amount for selling, general and administrative costs and for profits.’*
201. The Basic Regulation does not contain a definition of the concept of the ordinary course of trade. However, according to Article 2(4) of the Basic Regulation, sales of the like product in the domestic market of the exporting country at prices below production costs (fixed and variable) plus selling, general and administrative costs may be treated as not being in the ordinary course of trade by reason of price.
202. First, the Complainant alleges that the domestic price in Mexico is not in the ordinary course of trade due to distortions on the domestic market caused by dumped imports from the United States (‘US’). On 10 December 2024, Mexichem Resinas Vinílicas, S.A. de C.V. (‘Mexichem’), the sole producer of PVC in Mexico, filed a request for the initiation of an investigation into dumping of imports of suspension-polymerised vinyl chloride homopolymer (‘S-PVC’) originating in the United States of America.¹²⁴ The Resolution accepting the application by the interested party was published in the Official Gazette of the Federation of Mexico on 28 April 2025 with the investigation period and injury analysis period running from 1 October 2023 to 30 September 2024.¹²⁵ The significant, distorting effect of imports from the US has been confirmed by the provisional measures in the ongoing anti-dumping investigation, published on 24 March 2026.¹²⁶
203. In the AD investigation, the Secretariat found that imports from the US *‘displaced and virtually eliminated imports originating in other countries from the domestic market, becoming the main source of external supply with an average market share of 99%. In the domestic market, the imports under investigation accounted for 58.5% in period 1, 56.1% in period 2 and 58.6% in*

¹²⁴ Preliminary decision in the administrative anti-dumping investigation concerning imports of suspension-polymerised vinyl chloride homopolymer originating in the United States of America, irrespective of the country of consignment (24 March 2026), available at: <https://sidof.segob.gob.mx/> (‘Mexico AD Investigation’), para 1

¹²⁵ Ibid, para 2

¹²⁶ Ibid.

*the investigation period.*¹²⁷ Therefore, the US became the predominant source of PVC imports to Mexico, increasing imports in both absolute and relative terms. The Secretariat attributed the increase in imports in absolute terms and relative to production to the fall in the price of imports under investigation during the period analysed.¹²⁸

204. The Secretariat confirmed that this surge in low-priced imports caused the price depression of domestic products, given its large share of the domestic market.¹²⁹ Indeed, the Secretariat found that the domestic industry acted as a price-taker or price-follower in relation to the dumped imports¹³⁰ and that there was a generalised fall in prices on the domestic market during the period analysed driven by the price of imports originating in the US, which account for the majority of imports of the product concerned.¹³¹ Therefore, the fall in import prices dropped domestic prices down in order for them to remain competitive and avoid losing market share.¹³²
205. The Complainant therefore submits that due to the dominant position of the US as an importer on the Mexican domestic market and the proven price distorting effect that imports from the US have had on prices in Mexico, sales in the Mexican market are not in the ordinary course of trade,
206. Second, the Complainant submits that there are no or insufficient sales of the like product in the ordinary course of trade in Mexico since the like product is sold at a price below the costs of production in Mexico.
207. This is supported firstly by information provided in the provisional decision, where the Secretariat *'observed a 198% decrease in operating profit in period 2, resulting in an operating loss, although this financial loss decreased by 4% in the investigation period. [...] The operating margin of the domestic suspension PVC industry developed as follows: during the period, it accounted for 16.3% of sales revenue, but fell by 44.6 percentage points to -28.3% in period 2, whilst in the period under investigation, the margin recovered by 0.2 percentage points, ending at -28.1%.'*¹³³ This information shows that, during the investigation period of the AD investigation, the producer in Mexico is not covering its cost of production when selling PVC on the domestic market in Mexico. While the investigation period in the AD investigation does not overlap with the CIP of this Complaint, the Complainant asserts that this provides *prima facie* evidence that producers in Mexico are selling below the cost of manufacturing.
208. Secondly, CMA publishes the average contract market price for suspension PVC in Mexico.¹³⁴ CMA monthly contract prices represent a contract reference/base price. These prices are based on confirmation obtained from agreements between major producers and buyers on the market. Based on the information provided in the AD investigation in Mexico, the Mexican PVC market consists of imports from the US (99% of imports) and sales by the Mexican domestic producer. Domestic prices in Mexico follow a similar trend to that of the US product entering the market. Indeed, the Secretariat found that there was no undercutting by US imports as the domestic price was below the price of the product under investigation but import prices acted as a limiting factor

¹²⁷ Ibid, para 356(a)

¹²⁸ Ibid, para 368

¹²⁹ Ibid, para 374(b)(iii)

¹³⁰ Ibid, para 374(c)(ii)(1)

¹³¹ Ibid., para 379

¹³² Ibid. para 368

¹³³ Ibid, paragraph 417 - 418

¹³⁴ See Annex C.12 – Mexico Domestic Prices

on domestic prices.¹³⁵ On this basis, the Complainant asserts that the contract price published by CMA is a reasonable proxy for the sales price of Mexichem, the producer of PVC in Mexico.

209. Additionally, the Complainant has constructed the cost of production for PVC in Mexico, based on a bill of materials provided by one of the Complainant producers and the publicly available input prices in Mexico.¹³⁶ The constructed cost of production is the same that has been used to estimate the constructed normal value and will be explained in greater detail below. The following table compares the cost of production to the published contract price in Mexico:

Mexico	Suspension PVC
Cost of production (€/t)	[942 – 1,137]
Contract price (€/t)	658.12

See Annex C.12 – Mexico Domestic Price and Annex C.13 – Mexico CNV

210. Therefore, the cost of production, based on the input costs in Mexico is [43 – 73]% above the contract price for PVC in Mexico. On this basis, the Complainant considers that there is strong evidence that there are insufficient sales of the product concerned in the ordinary course of trade.

C.2.1.1. Factors of Production

211. PVC's normal value of production in Mexico was established on the basis of factors of production provided by [confidential information redacted – business sensitive information relating to the provider of the bill of materials]. Orbia, previously Mexichem, is the only S-/M-PVC producer in Mexico. According to the Complainant's market intelligence, Orbia sources its vinyl chloride monomer (VCM), a raw material synthesised from ethylene and chlorine, from its joint venture with OxyChem. Indeed, since 2017 Orbia and OxyChem jointly operate an ethylene cracker in Texas, Ingleside Ethylene, LLC.¹³⁷ Ingleside has an ethylene production capacity of 550,000 cubic meter, which OxyChem then processes and from which it manufactures VCM. This VCM is then used by Orbia/Mexichem to produce its PVC.¹³⁸ This is further supported by the information provided in Annex A.03 – CMA Capacities which demonstrate that Mexico does not have capacity for VCM or EDC production.
212. This arrangement is unlike most other PVC producers globally which manufacture VCM from ethylene as part of the PVC production process. In order to reflect this difference, the Complainant constructed the normal value for Mexico on the basis of a bill of materials that relies on VCM as a raw material.

C.2.1.2. Raw Materials

213. The unit cost for VCM in the Mexican market was established using export statistics from the United States Department of Commerce's trade statistics database, compiled by S&P Global's GTA.¹³⁹ The Complainant used US export data because all VCM imports originate in the United States, as established by the Complainant's market knowledge, supported by S&P extractions of

¹³⁵ Mexico AD Investigation para. 374(b)(ii)

¹³⁶ See Annex C.13 – CNV Mexico

¹³⁷ Digital Refining, 'OxyChem and Mexichem announce startup of their JV ethylene cracker' (27 February 2017), available at: <https://www.digitalrefining.com/news/1004432/oxychem-and-mexichem-announce-startup-of-their-jv-ethylene-cracker>.

¹³⁸ Ibid.

¹³⁹ DataWeb is available <https://dataweb.usitc.gov/trade/search/Export/HTS>

Mexican import data of VCM.¹⁴⁰ As the Mexican import data¹⁴¹ is based upon bills of lading, which are not publicly available, this source was considered unfit for the establishment of VCM's domestic unit cost, given that this underlying data cannot be considered to be readily available.¹⁴²

214. US export data extractions are reported on an FOB basis. To obtain a CIF price in the Mexican market, the import price of VCM obtained from US export data had to be adjusted to account for freight cost. VCM is extremely flammable and has a wide explosive range. VCM containers may explode when heated up (*Annex C.14 – VCM Guidelines Cost Adjustment*). Strict international transportation regulations exist and according to Regulation (EC) No 1272/2008, VCM is to be labelled as an extremely flammable gas with several hazard statement codes listed. The distribution operations of any road tanker, tank container, rail tanker or barge/sea going vessel with dangerous goods is a potential hazard. It is therefore important that loading/unloading facilities and transport equipment are correctly designed and constructed, and properly used and maintained.
215. According to the VCM Guidelines contained in *Annex C.14*, transport of Vinyl Chloride stabilised by sea and inner waterways can be executed by the following type of ships only:
 - Fully refrigerated seagoing gas carriers
 - Semi-refrigerated seagoing gas carriers
 - Pressurised seagoing gas carriers and barges
216. As no international freight cost benchmarks for VCM or comparable gases are available, a conservative estimation of the freight cost had to be established.
217. According to the Complainant's knowledge of the market, the most probable mode of transport of VCM exported from the United States to Mexico would be carriage by sea aboard a refrigerated seagoing gas carrier via the Houston-Altamira route. The Houston-Altamira route is approximately 460 nautical miles. [*Confidential information redacted – business sensitive information relating to estimation of the cost of freight*]. The freight cost was therefore established to be [*Confidential information redacted – business sensitive information*]/€/t. See *Annex C.13 – CNV Mexico*.
218. The freight cost had to be adjusted a final time to reflect extraordinary costs incurred due to VCM's unique physical and chemical properties. The unloading and storage of VCM is process-safety-critical and cost-intensive, and its shipment requires the construction and maintenance of dedicated infrastructure such as a specific handling set-up and pressurised storage spheres.¹⁴³ Based on the Complainant's own VCM-specific set-up [*Confidential information redacted – business sensitive information*]. See *Annex C.13 – CNV Mexico*.
219. It follows that, based on export statistics from the US Department of Commerce and the conservative estimation of freight cost, the domestic unit cost of VCM in Mexico is established at [*647.42 – 967.49*] €/t. See *Annex C.13 – CNV Mexico*.

¹⁴⁰See *Annex C.13 – CNV Mexico*

¹⁴¹ International Merchandise Trade Statistics of Mexico (BCMM) is available here: <https://en.www.inegi.org.mx/programas/comext/>

¹⁴²Article 2(3) Basic Regulation, and Article 2(6a)(a), by analogy

¹⁴³ See *Annex C.14 – VCM Guidelines Final Cost Adjustment*.

220. The domestic price of **vinyl acetate monomer** could not be established through national or international trade statistics databases due to an unavailability of data. Accordingly, the Complainant was required to determine its cost based on its proportional share of PVC's total cost of manufacturing, this being $[0.18 - 0.29]$ %.

C.2.1.3. Energy and Utilities

221. The price of **electricity** in Mexico was established on the basis of average electricity price estimations provided by Mexico's National Energy Commission.¹⁴⁴ The Commission publishes estimation for each electricity tariff classification. As the production of PVC is energy intensive, the Complainant relied upon the estimation for the category 'Demanda Industrial en Transmisión', which has a high voltage.¹⁴⁵ Accordingly, the average industrial cost of electricity in Mexico is established to equal **80.97 €/MWh**. See *Annex C.13 – CNV Mexico*.
222. The price for **natural gas** in Mexico was with reference to a report published by Tetakawi,¹⁴⁶ a Mexican provider of outsourced manufacturing support which advises foreign companies looking to establish and operate production facilities in Mexico, including site selection, staffing, compliance, and day-to-day operations. With over 60 manufacturing operations across Mexico, Tetakawi report titled '*Industrial Electricity and Utility Rates for Manufacturing in Mexico*' provides accurate utility cost estimations for industrial clients. Accordingly, the average industrial cost of natural gas in Mexico is established to equal **6.63 €/GJ**. See *Annex C.13 – CNV Mexico*.
223. The price for **steam** in Mexico was established using the natural gas price mentioned above, as steam intended for use in an industrial setting is generally produced using natural gas. Therefore, a standard natural gas-steam conversion rate, such as the one provided by the U.S. Department of Energy,¹⁴⁷ could be applied to estimate a steam price. This estimation is conservative, as it only considers the price of natural gas, and not the cost of the water being vaporised. Accordingly, the average industrial cost of steam in Mexico is established to equal **7.74 €/GJ**. See *Annex C.13 – CNV Mexico*.

C.2.1.4. Labour

224. The price for **labour** in Mexico was established using quarterly wage summaries published by the Mexican National Survey of Occupation and Employment,¹⁴⁸ this being a function of the National Institute of Statistics and Geography ('INEGI'), an autonomous agency of the Mexican Government. Using reports of Q1 to Q4'25, an average hourly wage of the category '*Average income (pesos) per hour worked of employed population*' was calculated. Accordingly, the average cost of labour is established to equal **3.58 €/hr**. See *Annex C.13 – CNV Mexico* for calculation and *Annex C.15 – Mexico Labour Reports 2025* for detailed reports.

¹⁴⁴ Comisión de Energía, 'Tarifa Media Nacional, por Categoría y División tarifaria', available at <https://www.gob.mx/cne>. Data available in *Annex C.13 – Mexico CNV*.

¹⁴⁵ Argia, 'CFE Tariff Classification and Methodology', available at <https://argia.com.mx/en/news/cfe>

¹⁴⁶ Tetakawi, 'Industrial Electricity and Utility Rates for Manufacturing in Mexico', available at <https://insights.tetakawi.com/industrial-electricity-and-utility-rates-in-mexico#natural-gas>

¹⁴⁷ U.S. Department of Energy, 'Benchmark the Fuel Cost of Steam Generation', available at https://www.energy.gov/sites/prod/files/2014/05/f16/steam15_benchmark.pdf

¹⁴⁸ Mexican National Survey of Occupation and Employment, available in *Annex C.15 – Mexico Labour Reports 2025*

C.2.1.5. Other direct costs and manufacturing overheads

225. Other direct costs and manufacturing overheads are incurred in the production of the product concerned. However, there is no publicly available information on these costs. Therefore, the Complainant relied on the percentage of these costs out of the total cost of production for the like product in the Union in order to estimate the costs of the other direct costs and manufacturing overheads.

C.2.1.6. Financial information

226. Article 2(6) of the Basic Regulation provides that the amounts for SG&A and profits ‘*shall be based on actual data pertaining to production and sales, in the ordinary course of trade*’. The Complainant does not have access to this kind of financial information pertaining to Mexican producers of PVC. In such circumstances, Article 2(6)(b) of the Basic Regulation allows for these amounts to be determined on the basis of the ‘*actual amounts applicable to production and sales, in the ordinary course of trade, of the same general category of products for the exports or producer in question*’. The Complainant therefore attempted to collect financial information from wide range of PVC producers active in Mexico. However, according to the Complainant’s best knowledge, no public PVC producer in Mexico reported a profit in 2025, therefore making it impossible to establish SG&A and profits based on their financial statements. The Complainant is limited to publicly listed companies, as privately held companies are not legally obliged to publish financial information in Mexico.¹⁴⁹
227. The Complainant made best efforts to obtain usable financial information for 2025, expanding the search to also include Mexican producers of other plastic producers, such as producers of polypropylene, expandable polystyrene, high-density polyethylene and down-stream plastic packaging. These efforts are summarised in *Annex C.18 – Mexico Company Overview for SG&A and Profit*. After looking into thirteen different possible producers, regrettably, this search also proved fruitless, as all financial statements reported losses.
228. Thus, the Complainant was required to refer to financial statements published in 2024. In 2024, companies that reported losses in 2025 had been profitable, rendering their financial statements suitable for use in the present analysis. The table below shows the weighted average of two profitable producers of PVC: Orbia Advance Corporation, S.A.B. de C.V. and Grupo Rotoplas, S.A.B. de C.V.

Mexico SG&A and Profit (weighted average)	
SG&A (%)	21,3%
Profit (%)	1,7%

See *Annex C.13 – CNV Mexico*

C.2.1.7. Construction of the Normal Value

229. To construct the normal value, SG&A and profit were added to the cost of manufacturing, thereby obtaining the cost of production for PVC in Mexico. The resulting constructed normal value for PVC in Mexico, is summarised in the following table.

¹⁴⁹ See, for example, InfoProff, ‘*Financial Reporting Obligations for Companies in Mexico*’, available at <https://www.infoproff.com/en/open-data/mexico/119/financial-reporting-obligations-for-companies-in-mexico>

CNV		
Average cost of manufacturing		€ [947 – 1,137]
SG&A	21,3%	€ [201 – 242]
Profit	1,7%	€ [16 – 19]
CNV		€ [1,158 – 1,398]

See Annex C.13 – CNV Mexico

230. On this basis, the constructed normal value of PVC in Mexico, established at the EXW level, amount to **[1,158 – 1,398] €/t**. See Annex C.13 – CNV Mexico.

C.2.2. Export price

231. The export price for the product concerned originating in Mexico in 2025 is based on the import price recorded on a CIF basis at the Union border as reported by Eurostat for CN code 3904 10 00. As explained in [section B.4.2.](#) above, the Complainant considers that relying on the average price for the whole CN code represents a conservative approach to conduct a *prima facie* dumping assessment. Indeed, due to the presence of high-priced E-PVC imports, the CN code average price is higher than the average price of S-/M-PVC imports, thus leading to a smaller *prima facie* dumping margin. The export price CIF is established at **749,05 €/t** in the CIP (see Annex B.05 – *Adjusted Trade Statistics*).
232. As the constructed normal value is reported on an EXW basis, it is necessary to adjust the export price to allow for a fair comparison with the normal value. Therefore, the sea freight costs per tonne along the route from Mexico to the Union has been deducted to establish an FOB export price. For this, the Complainant obtained freight data from *[Confidential information redacted – business sensitive information relating to the name of the Complainant's freight forwarder]* for 40-feet containers for the route Mexico East Coast to North Europe Main. The average price for the market average container price in the period for 2025 is established at 764,89 USD/container. See Annex C.16 – *Dumping Calculation (Mexico)*.
233. Based on market intelligence, the Complainant considers that between 22 and 25 tonnes of the product concerned can be transported in a 40-feet container. Based on this, the average price per tonne for sea freight between Mexico and the Union has been established at 32.55 USD/t. This figure is converted into euro using the conversion rates published by the European Central Bank.¹⁵⁰ The average price of sea freight from Mexico was therefore established at **28,77 €/t**. The details of the calculations are available in Annex C.16 – *Dumping Calculation (Mexico)*.
234. By subtracting the freight cost from the CIF export price, an FOB export price could be calculated, which allows a relatively accurate comparison with the EXW constructed normal value. No further adjustments (e.g., inland transportation) were carried out. On this basis, the export price FOB was established at **720,28 €/t**. The details of the calculations are available in Annex C.16 – *Dumping Calculation (Mexico)*.

¹⁵⁰ European Central Bank, 'Euro foreign exchange reference rates', available at https://www.ecb.europa.eu/stats/policy_and_exchange_rates/euro_reference_exchange_rates/html/index.en.html

C.2.3. Dumping calculation

235. The dumping margin of PVC originating in Mexico was established by comparing the constructed normal value and the export price calculated above. The dumping margin is expressed as a percentage of the CIF import price at the Union border. The table below summarises the dumping calculation for Mexican imports under the different cost adjustments considered.

Dumping Calculation – Mexico	
CNV (EXW)	[1,158 – 1,398] €/t
Import Price (CIF)	749.05 €/t
Export Price (FOB)	720.28 €/t
Dumping amount	[442 – 682] €/t
Dumping margin	[59 – 91] %

See Annex C.16 – Dumping Calculation (Mexico)

236. On the basis of the data presented above, Mexican imports of the product concerned are dumped on the Union market at a significant level of **[59 – 91]%**.

C.3. Dumping of South Korean imports of the product concerned

C.3.1. Normal Value

C.3.1.1. The normal value must be constructed

237. Article 2(1) of the Basic Anti-Dumping Regulation provides that *‘the normal value shall normally be based on the prices paid or payable, in the ordinary course of trade, by independent customers in the exporting country’*.
238. The Complainant considers that the normal value must be constructed on the basis that
- Prices paid or payable are not readily available;
 - Sales of the like product in the exporting country are not in the ordinary course of trade; and
 - A particular market situation exists in South Korea that does not permit a proper comparison between the price paid or payable and the export price.
239. Despite its best efforts, the Complainant was not able to obtain domestic prices from the producers active in South Korea. Instead, the Complainant only managed to obtain a regional index and export prices from EU customers. The Complainant first tried to retrieve domestic prices from market monitoring agencies such as CMA. But the database only contained prices for China or for the Northeast Asia region (which include South Korea, Taiwan and Japan).
240. The Complainant then sought public pricing information for the two active S-/M-PVC producers in South Korea, LG Chem and Hanwha Solutions. However, this desk research proved to be unsuccessful. Lastly, the Complainant reached out to other operating teams active in South Korea, [Confidential information redacted – business sensitive information relating to name of operating team], in order to try and establish domestic prices for PVC. The operating teams

confirmed that there is no benchmark price index for South Korea (see *Annex C.05 – SK Lack of domestic prices evidence*).

241. The operating teams contacted by the Complainant explained that PVC prices in South Korea are established in two different ways. First, contract prices are established with reference to the Chinese benchmark price (Platts CFR China). Second, the price is also sometimes established directly by the contract between the supplier and buyer rather than referencing an external benchmark. Therefore, there is no official accumulated price data for the Korean PVC market. Therefore, the Complainant does not have access to any pricing information for PVC on the Korean domestic market. See *Annex C.05 – SK Lack of domestic prices evidence*.

C.3.1.2.CNV on the basis that sales are not in the ordinary course of trade

242. Furthermore, the Complainant puts forward additional points that support the construction of the normal value for PVC in the South Korean market.
243. First, the Complainant contends that there is a high probability that, throughout the course of the investigation, the Commission will find a number of sales not made in the ordinary course of trade as per Article 2(3) of the Basic Regulation and thus, even if domestic prices are readily available during the course of the investigation, the constructed normal value should be based on the cost of production in South Korea plus a reasonable amount for selling, general and administrative costs and for profits. Article 2(4) of the Basic Regulation states that sales made at prices below unit production costs plus SG&A may be regarded as made not in the ordinary course of trade, and may be disregarded if made in significant quantities over an extended period of time, and at prices which do not provide for the recovery of all costs within a reasonable period of time.
244. The Indian trade authority made such a finding of sales not in the ordinary course of trade in its concluded anti-dumping investigation into imports of ‘PVC Suspension Resins’ originating in or exported from China, Indonesia, Japan, South Korea, Taiwan, Thailand and the United States of America.¹⁵¹ It found that, of the two sampled exporting producers, LG Chem and Hanwha Solutions Corporation, only one generated more than 20% of its sales at a profit during the investigation period. There is no indication that the situation in South Korea has changed in this regard, and as such, the Complainant contends that sales in South Korea of PVC are made at prices below unit production cost in the sense of Article 2(4) and should thus not be considered in the ordinary course of trade.
245. Consequently, the Complainant constructed the normal value of PVC for the South Korean market with reference to the costs of production of the product concerned in South Korea, including a reasonable amount for selling, administrative and general expenses, as well as for profits. The detailed calculations relating to the construction of the normal value are available in *Annex C.06a – CNV South Korea*.

C.3.1.2.1. Raw materials

246. In order to establish the **ethylene** price in South Korea, the Complainant consulted the official South Korean trade statistics published by the Korea Customs Service for the import data

¹⁵¹ See *Annex C.17 – Indian Trade Authority Findings*.

collected for HS code 2901 21.¹⁵² On this basis, the average ethylene import price into Korea for the period for 2025 was established at 799.26 USD/t. This price was further converted into €/t using the official conversion rate published by the European Central Bank.¹⁵³ The price of ethylene in South Korea was therefore established at **709.05 €/t** in the CIP.

247. In order to establish the **chlorine** price in South Korea, the Complainant consulted the official South Korean trade statistics collected by the Korea Customs Service for the import data collected for HS code 2801 10.¹⁵⁴ However, the imported volumes of chlorine were too low (118.7 tonnes) to allow the establishment of a representative price. Indeed, on this basis, the average chlorine import price into Korea for the period for 2025 was established at 9,982.76 USD/t. The Complainant thus relied on the percentage of the chlorine cost out of the total cost of production for the like product in the Union in order to establish the cost of chlorine in South Korea.
248. In order to establish the **vinyl acetate** price in South Korea, the Complainant consulted the official South Korean trade statistics collected by the Korea Customs Service for the import data collected for HS code 2915 32.¹⁵⁵ On this basis, the average vinyl acetate import price into Korea for the period for 2025 was established at 732.31 USD/t. This price was further converted into €/t using the official conversion rate published by the European Central Bank.¹⁵⁶ The price of vinyl acetate in South Korea was therefore established at **649.67 €/t** in the CIP.
249. In order to establish the **ethylene dichloride** price in South Korea, the Complainant consulted the official South Korean trade statistics published by the Korea Customs Service for import data under HS code 2903 15.¹⁵⁷ On this basis, the average ethylene dichloride import price into Korea for the period for 2025 was established at 316.08 USD/t. This price was further converted into €/t using the official conversion rate published by the European Central Bank.¹⁵⁸ The price of ethylene dichloride in South Korea was therefore established at **280.41 €/t** in the CIP.
250. In order to establish the **hydrochloric acid** price in South Korea, the Complainant consulted the official South Korean trade statistics collected by the Korea Customs Service for the import data collected for HS code 2806 10.¹⁵⁹ On this basis, the average hydrochloric acid import price into Korea for the period for 2025 was established at 5,271.74 USD/t. Import volumes are expressed in tonnes of solution. However, this value reflects the total mass, which contains a proportion of

¹⁵² Korea Customs Service, 'Trade Statistics', available from: https://tradedata.go.kr/cts/index_eng.do (last accessed November 2025).

¹⁵³ European Central Bank, 'ECB interest rates and exchange rates', available from: <https://data.ecb.europa.eu/main-figures/ecb-interest-rates-and-exchange-rates/exchange-rates> (last accessed March 2026).

¹⁵⁴ Korea Customs Service, 'Trade Statistics', available from: https://tradedata.go.kr/cts/index_eng.do (last accessed November 2025).

¹⁵⁵ Korea Customs Service, 'Trade Statistics', available from: https://tradedata.go.kr/cts/index_eng.do (last accessed November 2025).

¹⁵⁶ European Central Bank, 'ECB interest rates and exchange rates', available from: <https://data.ecb.europa.eu/main-figures/ecb-interest-rates-and-exchange-rates/exchange-rates> (last accessed March 2026).

¹⁵⁷ Korea Customs Service, 'Trade Statistics', available from: https://tradedata.go.kr/cts/index_eng.do (last accessed November 2025).

¹⁵⁸ European Central Bank, 'ECB interest rates and exchange rates', available from: <https://data.ecb.europa.eu/main-figures/ecb-interest-rates-and-exchange-rates/exchange-rates> (last accessed March 2026).

¹⁵⁹ Korea Customs Service, 'Trade Statistics', available from: https://tradedata.go.kr/cts/index_eng.do (last accessed November 2025).

water, while the Complainant reports hydrochloric acid quantities in dry metric tonnes (dmt). One of the two PVC producers in South Korea, Hanwha Chemical Co., published its standard industrial concentration of 35% w/w.¹⁶⁰ To calculate the price per dry metric tonne (DMT), that is the cost of the pure HCl, it is necessary to isolate only the HCl fraction by multiplying the total mass by 0.35. This adjustment ensures that the price reflects the effective amount of acid, allowing for accurate comparison and assessment of imports on a dry mass basis. Without this factor, the quantity of acid imported and its cost per tonne of pure HCl would be overestimated.

251. Following this methodology, the import price of hydrochloric acid expressed in USD is of 5,271.74 USD/t. The established price is unreasonably high, and would not allow for a conservative estimation of the normal value. The Complainant thus relied on the percentage of the hydrochloric acid cost out of the total cost of production for the like product in the Union in order to establish the cost of hydrochloric acid in South Korea.

C.3.1.2.2. Energy and Utilities

252. The price for **electricity** in South Korea has been established on the basis of the published System Marginal Price published by the Electric Power Statistics Information System (EPSIS). The published prices for the period for 2025 were collected by the Complainant, and an average of those published prices was computed for the period. On this basis, the average electricity price was established at 112.68 KRW/kWh. This price was further converted into €/MWh using the official conversion rate published by the European Central Bank.¹⁶¹ The average price of electricity in South Korea was therefore established at **70.30 €/MWh**.
253. The price of **natural gas** in South Korea was established on the basis of the import price for liquified natural gas into the country as reported by CEIC, a data collecting entity.¹⁶² However, CEIC reported prices only up until January 2025. The Complainant therefore collected the average monthly prices from October 2024 to January 2025 and relied on the average of these reported prices to estimate the average price in the missing months. On this basis, the average price in the period for 2025 is established at 555.25 USD/t. This price was then converted in both €/kWh and €/GJ using the official conversion rate published by the European Central Bank,¹⁶³ in accordance with the reported units. The average price for natural gas was therefore established at **0.04 kWh/€** and **9.97 €/GJ**.
254. **Steam** is not a traded commodity. In order to establish the price of steam, the Complainant started from the price of natural gas as established in the above paragraph. The Complainant then relied on the US Government's benchmark to establish the fuel cost of steam generation in order to

¹⁶⁰ Hanwha Chemical Co., '물질안전보건자료' (trans. 'Material Safety Data Sheet'), available from: https://hcc.hanwha.co.kr/download/ko/msds/KR_MSDS_HCl%2835%29.pdf (last accessed November 2025).

¹⁶¹ European Central Bank, 'ECB interest rates and exchange rates', available from: <https://data.ecb.europa.eu/main-figures/ecb-interest-rates-and-exchange-rates/exchange-rates> (last accessed March 2026).

¹⁶² CEIC, 'South Korea Liquified Natural Gas Imports: cif: Price', available from: <https://www.ceicdata.com/en/korea/energy-import-price/liquified-natural-gas-imports-cif-price> (last accessed November 2025).

¹⁶³ European Central Bank, 'ECB interest rates and exchange rates', available from: <https://data.ecb.europa.eu/main-figures/ecb-interest-rates-and-exchange-rates/exchange-rates> (last accessed March 2026).

calculate the price of steam generation per tonne.¹⁶⁴ For the FOP where the pressure of the steam and the temperature of the feedwater was provided, relying on the relevant tables published by the US Department of Energy, the Complainant determined the energy content expressed in Btu/MMBtu, the energy required to produce 1 lb of saturate steam and the combustion efficiency for natural gas. *[Confidential information redacted – business sensitive information relating to steam used by Complainant]*.

255. For the other BOM, for which no information was available regarding steam pressure and feedwater temperature, the cost of steam was estimated based on the proportion of steam costs in the total production cost of a comparable product within the Union
256. The price of **water** in South Korea was established on the basis of the ‘Water Rate Status’ published by the Korean Statistical Information Service.¹⁶⁵ As the Korean PVC producers are located in three different locations (Busan, Chungnam and Jeonnam),¹⁶⁶ the water rate was retrieved for each of them. On this basis, the average water rate over 2023 (the last period for which KOSIS reported price data) was established at 919.98 KRW/m³. This price was adjusted relying on the Producer Price Index (‘PPI’) as reported by the Bank of Korea’s Economic Statistics System database.¹⁶⁷ The adjusted water price was established on this basis at 946.54 KRW/m³. This price was further converted into €/m³ using the official conversion rate published by the European Central Bank.¹⁶⁸ The average price of water in South Korea was therefore established at **0.59 €/m³**.

C.3.1.2.3. Labour

257. The cost of **labour** in South Korea was established on the basis of the International Labour Organisation’s (‘ILO’) database reporting the average hourly earnings of employees by sex from the ‘ES Survey on labour conditions by employment type’.¹⁶⁹ The hourly earnings of plant and machine operators was considered to be representative of the cost of labour incurred in the production of the product concerned. Labour data was last reported to the ILO for this indicator in 2022, and the hourly cost of labour for that year was established at 20,987 KRW/h. Therefore, the cost established was adjusted relying on the Consumer Price Index (‘CPI’) as reported by the Bank of Korea’s Economic Statistics System database.¹⁷⁰ The adjusted labour price was established on this basis at 22,719.11 KRW/h. This price was further converted into €/h using the

¹⁶⁴ US Department of Energy, ‘Benchmark the Fuel Cost of Steam Generation: Steam Tip Sheet #15’, available from: <https://docs.nrel.gov/docs/fy12osti/52750.pdf> (last accessed November 2025).

¹⁶⁵ Korean Statistical Information Service (‘KOSIS’), ‘Water Rate Status’, available from: https://kosis.kr/statHtml/statHtml.do?orgId=106&tblId=DT_106N_06_0100050&conn_path=I2&language=en (last accessed November 2025).

¹⁶⁶ See Annex A.03 – CMA Capacities.

¹⁶⁷ Bank of Korea, ‘Economic Statistics System’, available from: <https://ecos.bok.or.kr/#/SearchStat> (last accessed November 2025).

¹⁶⁸ European Central Bank, ‘ECB interest rates and exchange rates’, available from: <https://data.ecb.europa.eu/main-figures/ecb-interest-rates-and-exchange-rates/exchange-rates> (last accessed March 2026).

¹⁶⁹ ILOSTAT, ‘ES - Survey on labor conditions by employment type’, available from: <https://rshiny.ilo.org/dataexplorer91/> (last accessed November 2025).

¹⁷⁰ Bank of Korea, ‘Economic Statistics System’, available from: <https://ecos.bok.or.kr/#/SearchStat> (last accessed November 2025).

official conversion rate published by the European Central Bank.¹⁷¹ The average price of labour in South Korea was therefore established at **14.17 €/h**.

C.3.1.2.4. Other direct costs and manufacturing overheads

258. Other direct costs and manufacturing overheads are incurred in the production of the product concerned. However, there is no publicly available information on these costs. Therefore, the Complainant relied on the percentage of these costs out of the total cost of production for the like product in the Union in order to estimate the costs of the other direct costs and manufacturing overheads.

C.3.1.2.5. Financial information

259. Article 2(6) of the Basic Regulation provides that the amounts for SG&A and for profits '*shall be based on actual data pertaining to production and sales, in the ordinary course of trade*'. The Complainant does not have access to this kind of financial information pertaining to the South Korean exporting producers of PVC. In such circumstances, Article 2(6)(b) of the Basic Regulation allows for these amounts to be determined on the basis of the '*actual amounts applicable to production and sales, in the ordinary course of trade, of the same general category of products for the exports or producer in question*'. The Complainant therefore attempted to collect financial information for the 2 PVC producers active in South Korea: LG Chem Ltd and Hanwha Solutions Corporation for the most recent period available. See *Annex C.07 – South Korea SG&A and profits*.

260. However, the profit achieved by Hanwha Solutions Corporation was negative in 2023 and no 2025 data was available. See *Annex C.06a – CNV South Korea 'SG&A – Profits'*. Such a low profit margin was not considered reasonable. Consequently, Hanwha's financial data were not used for the purpose of determining SG&A and profit. Accordingly, only the financial data of LG Chem Ltd for the first 6-months of 2025, which reflect a reasonable level of profitability, were taken into account for the construction of the normal value:

<i>LG Chem, Ltd., for the 6-month period ended 30 June 2025¹⁷²</i>	In millions KRW
Revenue	23,538,863.00
Cost of sales	(19,618,679.00)
Gross profit	3,920,184.00
Other operating income	948,477.00
Selling and administrative expenses	(3,954,211.00)
Operating income	914,450.00
Financial income	1,661,824.00
Financial costs	(1,878,688.00)

¹⁷¹ European Central Bank, 'ECB interest rates and exchange rates', available from: <https://data.ecb.europa.eu/main-figures/ecb-interest-rates-and-exchange-rates/exchange-rates> (last accessed March 2026).

¹⁷² LG Chem, Ltd., 'LG Chem, Ltd. and Subsidiaries: condensed Consolidated Interim Financial Statements June 30, 2025 and 2024 (Unaudited), and December 31, 2024', available from: https://www.lgchem.com/upload/file/audit-report/LG_Chem_FY2025_2Q_K-IFRS_Eng_Consolidated_Audit_report%5b0%5d.pdf (last accessed November 2025).

Profit before income tax	251,919.00
Other non-operating income	565,035.00
Other non-operating expenses	(907,184.00)
SG&A %	16%
Profit %	1%

See Annex C.06a – CNV South Korea ‘SG&A – Profits’

C.3.1.2.6. Construction of the Normal Value

261. In order to construct the normal value, the amounts for SG&A and profits were added to the cost of manufacturing, obtained by compiling the undistorted benchmarks retrieved in South Korea. The table below summarises the construction of the normal value:

Constructed Normal Value		
Average cost of Manufacturing		[634 – 828] €/t
SG&A	16%	[104 – 136] €/t
Profit	1%	[8-11] €/t
CNV		[747 – 975] €/t

See Annex C.06a – CNV South Korea

262. The constructed normal value for 1 tonne of the product concerned in South Korea is established at [747 – 975] €/t in the period for 2025 (see Annex C.06a – CNV South Korea).

C.3.1.3. CNV on the basis of a particular market situation

263. The Complainant contends that the South Korean PVC market is subject to input-based and sales price-based particular market conditions within the meaning of Article 2(3) of the Basic Regulation that do not permit a proper comparison with the export price. The Basic Regulation defines particular market situations as, inter alia, situations ‘when prices are artificially low, when there is significant barter trade, or when there are non-commercial processing arrangements’.
264. The Complainant submits that such a particular market situation exists on the South Korean market for the following reasons: first, the S-/M-PVC prices in South Korea are artificially low due to the distorting effect of the availability of Chinese low-priced volumes at short notice as a result of their geographical proximity; second, the ethylene prices (an important raw material for PVC) as well as electricity prices are also artificially low due to (i) significant government intervention in both the wider petrochemical industry and ethylene production more specifically and (ii) government involvement in regulating electricity prices; and (iii) imports of low-priced naphtha from Russia for the production of ethylene.

C.3.1.3.1. Sales-based particular market situation

C.3.1.3.1.1. Effect of the Chinese structural overcapacities

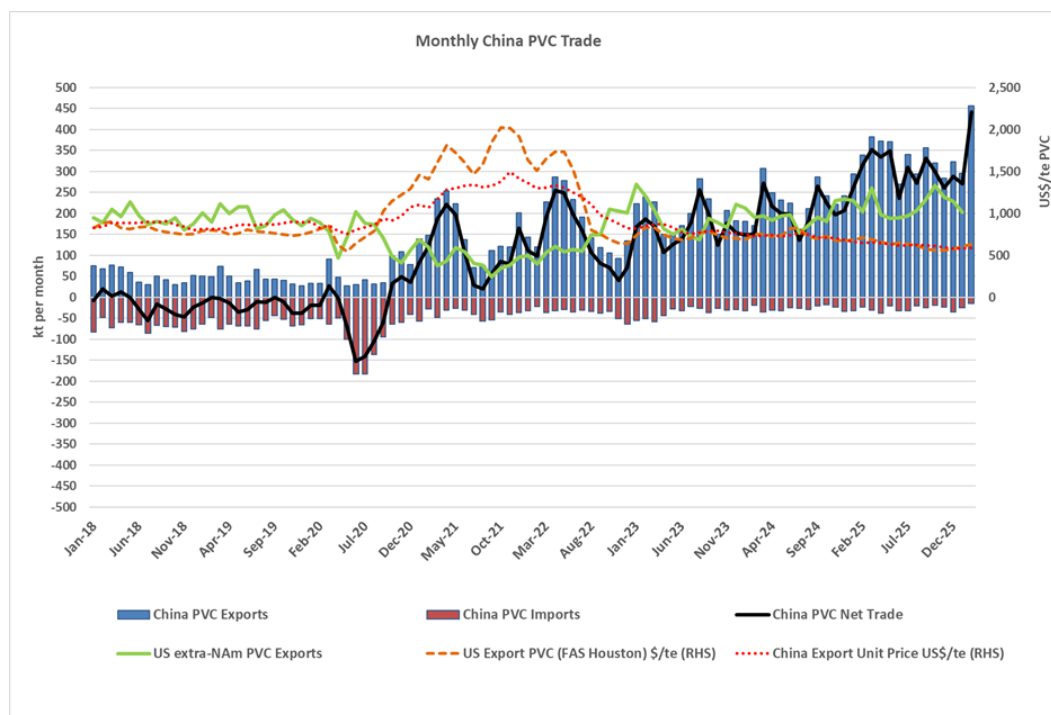
265. China currently holds about half of the global S-/M-PVC production capacity, with an industry characterised by significant structural overcapacities. Capacity for production of S-/M-PVC in China far exceeds domestic demand as shown in the table below. Two figures for production capacity are available to the Complainant. The first is published by SCI, a Chinese market

monitoring service, while the second figure is published by CMA, a global market monitoring service. The overcapacity analysis was conducted for both figures.

	2025 – SCI capacities	2025 – CMA capacities
Capacity PVC (t)	28,930,755	29,095,000
Consumption (t)	20,779,460	20,779,460
Consumption/capacity	71.82%	71.42%
Domestic production (t)	24,375,960	24,375,960
Consumption/Production	85.25%	85.25%
Excess capacity	8,151,295	8,315,540

See Annex D.04i – China spare capacities

266. In 2025, the Chinese PVC market had between 8.2 and 8.3 million tonnes in excess production capacity. Faced with the domestic market's inability to absorb the resulting excess supply, China has increasingly turned to international markets. As a result, the share of exports in total production has risen from a historical level of around 5% to over 10% in 2024. This is projected to reach 15.4% in 2025 and 19% by 2030.¹⁷³ As a result of China's dominant position in terms of capacity and trade surplus, China, together with the US, acts as a price setter in the PVC market. The full analysis of the Chinese overcapacities is available in [Section D.3.3.1.](#) below.
267. As a result of China's heavy investment in its chemical industry, it has developed a trade surplus, exporting PVC at increasing levels and relying on exports to offload excess supply. As a result of persistent overcapacity, China has been lowering export prices to increase volumes of sales on the export market. The following graph demonstrates the rapid development in Chinese PVC exports, with China transforming from a net importer to a net exporter as of 2020 and the concurrent decrease in export prices:



¹⁷³ Oil Price Information Service, LLC, *2025 World Analysis – Vinyls – Report*, 6 February 2025, p. 51.

268. The Chinese government made general statements in its last two five-year plans that capacity increases for products of the chlor-alkali process, such as PVC and caustic soda, were to be strictly controlled to curb the significant overcapacities.¹⁷⁴ However, it seems that the Chinese government is placing limits on smaller plants as per the National Development and Reform Commission's guidance document from 2019.¹⁷⁵ Furthermore, in practice, in spite of this government policy, new PVC plant projects, both carbide and ethylene-based, were still being approved by the state, as reported by CMA.¹⁷⁶ In addition, S&P reported that Chinese ethylene-based PVC expansions in Jiangsu, Fujian, Tianjin and Qingdao added around 1.7 million tonnes per year.¹⁷⁷

C.3.1.3.1.2. 'Push-out' effect of Chinese PVC volumes on the South Korean domestic market

269. China's trade surplus and recent surge in exports threaten the South Korean domestic market. Consumers of PVC in South Korea have the possibility to import Chinese PVC with short lead times and at low prices.
270. The South Korean PVC market is thus subject to a significant increase in low-priced Chinese material, which distorts the domestic PVC market. This is most notably demonstrated by the recent anti-dumping investigation opened on 8 July 2026. On July 8, 2026, the Korea Trade Commission issued Announcement No. 2026-13, deciding to initiate an anti-dumping investigation into dumping and injury to the domestic industry concerning polyvinyl chloride (PVC) suspension resin originating in China.
271. The investigation was initiated based on a petition filed by South Korean company Hanwha Solutions at the end of April 2026 with the Korea Trade Commission. Hanwha Solutions alleged that Chinese-origin PVC suspension resin has been flooding the Korean market at low prices, causing material injury to the domestic industry.¹⁷⁸
272. The Complainant retrieved Chinese export data to South Korea for the Chinese customs code 3904 10 90 corresponding to 'Other Poly(vinyl chloride), Not Mixed With Any Other Substances; Other Poly, Not Mixed With Any Other Substances', which excludes paste resins (E-PVC) that have their own dedicated code (3904 10 10). This data was accessed from S&P Global's Global Trade Atlas ('GTA') service, which is a statistics aggregation service. GTA's main source for trade data is national statistical databases such as the Chinese Customs in the

¹⁷⁴ European Commission, 'Commission Staff Working Document on significant distortions in the economy of the People's Republic of China for the purposes of Trade Defence investigations' SWD(2017) 483 final/2, p.70; European Commission, 'Commission Staff Working Document on significant distortions in the economy of the People's Republic of China for the purposes of Trade Defence investigations' SWD(2024)91 final, p.466.

¹⁷⁵ See EnvoChemical, 'PVC Environmental Policy', available at: <https://envochemical.com/pvc-environmental-policy/>.

¹⁷⁶ OPIS Chemical Market Analytics, 'Mainland China PVC markets – Polyvinyl Chloride Supply Continues to Increase' (06 June 2023), available from: <https://chemicalmarketanalytics.com/insights/mainland-china-pvc-markets-polyvinyl-chloride-supply-continues-to-increase/>.

¹⁷⁷ S&P Global Energy, 'CHEMICALS H2 2025: PVC makers rethink trade flows amid excess capacity, regulatory changes' (29 July 2025), available at: <https://www.spglobal.com/energy/en/news-research/latest-news/chemicals/072925-chemicals-h2-2025-pvc-makers-rethink-trade-flows-amid-excess-capacity-regulatory-changes>, last accessed June 2026.

¹⁷⁸ ECHEMI.com 'South Korea Initiates Anti-Dumping Probe on Chinese PVC Suspension Resin, Involving Tianjin Bohua and Wanhua Chemical' (9 July 2026), available at: <https://www.echemi.com/cms/3119324.html> (last accessed August 2026).

present case. The table below presents the export data for PVC other than paste resins destined for South Korea over the period considered.

	2022	2023	2024	CIP
Export quantity (t)	8,689	8,072	11,852	35,791
<i>Index (2022=100)</i>	<i>100</i>	<i>93</i>	<i>136</i>	<i>412</i>
Export price (€/t)	1,083	741	681	560
<i>Index (2022=100)</i>	<i>100</i>	<i>68</i>	<i>63</i>	<i>52</i>

See Annex C.10 – Chinese export to South Korea

273. As can be seen in the table above, there has been a 312% increase in export volumes from China destined to South Korea of the product concerned. This dramatic increase in volumes is coupled with a significant price drop of almost 50% in the CIP. This has created mounting pressure on South Korea's domestic industry, evident in LG Chem's conversion of part of its PVC production line at the Yeosu Industrial Complex into a facility for 'ultra-high polymerisation PVC', citing a decline in the competitiveness of general-purpose products due to low-priced competition from China.¹⁷⁹
274. It is important to stress the specific nature of a commodity market, such as the S-/M-PVC market. Indeed, as the product has the same specification and technical characteristics no matter its origin, the only parameter on which the different actors can compete is the price of the available material in such an environment. This leads to the prices of all providers aligning with the lowest offers made at a certain time. Therefore, even producers with a small market share can drive down prices on the market as other suppliers are compelled to align their prices to prevent market share losses.

C.3.1.3.1.3. Impact on Korean PVC prices

275. The Complainant reiterates that domestic prices of PVC in South Korea are not publicly available. However, the decreasing market prices can be demonstrated through the import prices of PVC into South Korea. Considering the commodity nature of the PVC market, the increased presence (or even the availability) of low-priced supplies undoubtedly has a negative impact on the price-setting environment in the South Korean domestic market. Therefore, even if Chinese volumes have not wholly replaced domestic sales on the South Korean market, the availability of low-priced PVC from China has had a cascading impact on prices in South Korea. Thus, the very short lead time of one day for shipping material from China to South Korea heightens the price pressure even in the absence of entry of significant Chinese volumes on the South Korean market as South Korea producers are forced to lower prices to match offers received from China. The table below shows the evolution of the prices of total imports into South Korea as a proxy for the evolution of the domestic PVC prices (see *Annex C.22 – Evolution of imports into South Korea*).

	2022	2023	2024	CIP
Total Imports Price (€/t)	1,336	853	829	690
<i>Index (2022=100)</i>	<i>100</i>	<i>64</i>	<i>62</i>	<i>52</i>

¹⁷⁹ The Asia Business Daily, '[Exclusive] LG Chem to Reduce PVC Production Capacity by Over 10%... Plans to Mass-Produce High-Value Products' (12 November 2024) available at: <https://www.asiae.co.kr/en/article/2024111116332261209> (last accessed June 2026).

% of Chinese imports volume	35%	33%	38%	49%
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See Annex C.22 – Evolution of imports into South Korea

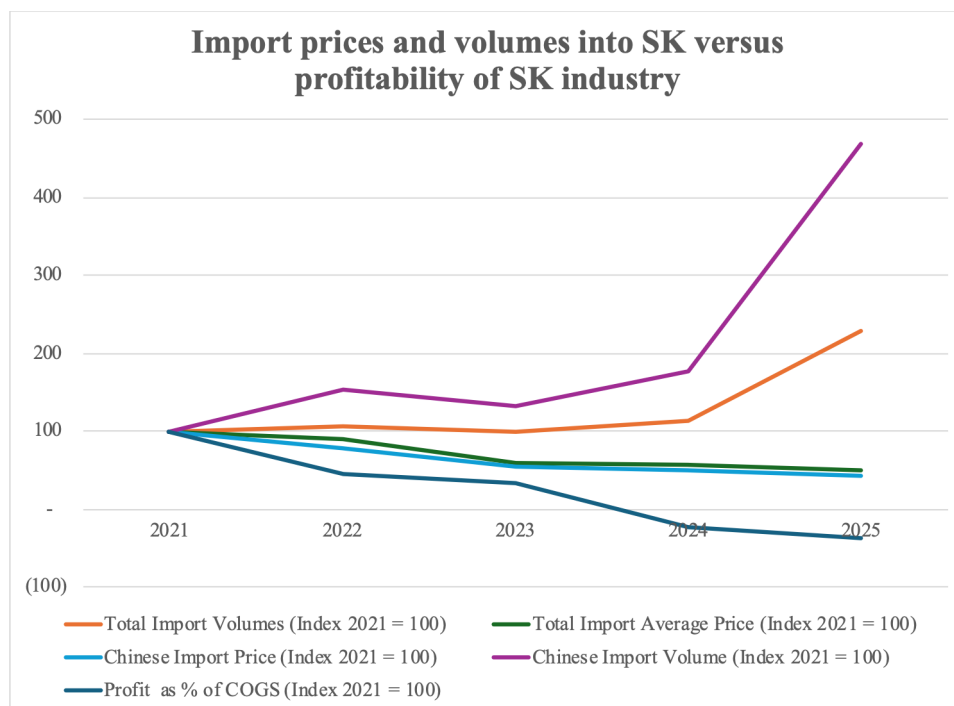
276. From 2022 to the CIP, the average price of PVC imports into South Korea has significantly decreased by 48%, going from 1,336 €/t in 2022 to 690 €/t in the CIP. This decrease in price coincides with the increasing presence of Chinese imports of PVC over the same period. Indeed, the share of Chinese imports out of total imports grew from 35% in 2022 to 49% in the CIP.
277. The effect of China's overcapacities on prices in other Asian countries is well-documented. China's surplus of PVC exports has therefore driven down prices in the Asian market and threatens local Asian manufacturers.¹⁸⁰ Reports show that Chinese manufacturers have pushed inventory overseas due to the slump in China's real estate market as demand for construction PVC pipes slipped, leading to exports surging in the first half of 2025 at decreasing prices.¹⁸¹ This has led to supply exceeding demand in the Asian market, fuelling widespread price declines.¹⁸²
278. The consequent impact on South Korean firms is evident in the profitability margins. An article on the struggles faced by South Korea's petrochemical industry reports that LG Chem and Hanwha recorded losses in the first quarter of 2025 due to intense competition with Chinese imports of general-purpose products.¹⁸³ This shows the direct impact of Chinese exports and prices on the PVC industry.
279. The following graph tracks the development in total import volumes and prices, Chinese import volumes and prices as well as the development in profitability of the South Korean domestic industry. The graph uses indexes to compare the trends in the various metrics:

¹⁸⁰ Global Economic, 'China's Plastic Export Rush Puts Pressure on Asian Prices... Domestic Inventory Released Overseas Due to Real Estate Slump' (5 August 2025), available at: https://www.g-enews.com/article/Global-Biz/2025/08/2025080507395865490c8c1c064d_1 (last accessed June 2026).

¹⁸¹ Ibid.

¹⁸² Ibid.

¹⁸³ Chosun Biz, 'Korean petrochemical firms face losses amid oversupply and industry restructuring efforts' (12 June 2025) available at: <https://biz.chosun.com/>, last accessed June 2026.



See Annex C.22 – Evolution of Imports into South Korea and
Annex C.23 – SK Historical Profitability (2021-CIP)

280. The graph demonstrates that total imports have increased, with Chinese imports increasing at a far greater rate, indicating a rising share of imports originating in China compared to total imports into South Korea. At the same time, import prices from all origins have decreased, with Chinese prices falling faster than total import prices. The consequences for LG Chem and Hanwha are demonstrated in the development of the weighted average profit margin of the two companies since 2021. Profitability has been decreasing as import volumes from China have increased, eventually resulting in firms becoming loss-making in 2024.
281. The weighted average profit calculated above is based on the publicly available financial statements of LG Chem and Hanwha Solutions Chemical Division.¹⁸⁴ The profit margins have been determined based on the consolidated financial statements and do not therefore demonstrate the profitability of only the PVC sales; however, the fact that sales of PVC are made below cost is further substantiated by the investigation by the Indian trade authority into imports of PVC originating in South Korea.¹⁸⁵ The trade authority found that, of the two sampled exporting producers, LG Chem and Hanwha Solutions Corporation, only one of the two sampled exporting producers, LG Chem and Hanwha Solutions Corporation, only one generated more than 20% of its sales at a profit during the investigation period (Q4/22 – Q3/23). The Complainant submits that this situation has likely deteriorated further, since the findings were made, due to the increased presence and threat of Chinese imports on the South Korean market.
282. Due to the price-based distortions on the South Korean market because of the influence of Chinese imports, the Complainant submits that it would be inappropriate to rely on the financial information published by producers of PVC in South Korea to determine a reasonable amount

¹⁸⁴ See Annex C.23 – SK Historical Profitability (2021 – CIP) and Annex C.24 – SK Financial Statements

¹⁸⁵ See Annex C.17 – Indian Trade Authority Findings.

for profits and selling, general and administrative expenses. Instead, the Complainant proposes an alternative benchmark detailed below in [Section 3.1.3.8](#).

C.3.1.3.2. Cost-based particular market situation

283. Second, the Complainant considers that the South Korean PVC industry is subject to significant government intervention, such that there is a particular market situation in domestic ethylene production. Ethylene is one of the main raw materials used to produce PVC in South Korea (accounting for [40-50]% the cost of production). Furthermore, South Korean PVC producers benefit from access to discounted naphtha due to access to low-priced Russian imports. In addition, the Complainant asserts that the electricity market in South Korea is also subject to distortions due to the government's involvement in price-setting mechanisms.
284. The Complainant submits that the intervention at the level of ethylene production and in the electricity market prevents a proper comparison between the normal value and the export price for the purposes of the dumping calculation as laid out in Article 2(3) of the Basic Regulation.

C.3.1.3.2.1. Distortions in ethylene domestic production

285. Ethylene is produced through a chemical reaction named 'cracking' of naphtha. As such, ethylene is a product of the petrochemical industry, in which the South Korean government is heavily involved. The government's involvement is evident in the creation of industrial complexes, which currently house the country's naphtha crackers.
286. South Korean naphtha crackers are located together with PVC production in three of these government-backed industrial parks:
- The Ulsan Petrochemical Complex: containing **EDC/VCM/PVC** production of Hanwha Solutions¹⁸⁶
 - The Yeosu Petrochemical Complex: containing **ethylene** production of LG Chem and YNCC and **EDC/VCM/PVC** production of Hanwha Solutions and LG Chem¹⁸⁷
 - The Daesan Petrochemical Complex: containing **ethylene** production of Hanwha TotalEnergies PC and LG Chem and **VCM/PVC** production of LG Chem¹⁸⁸
287. The three complexes were constructed during the prioritisation of the petrochemical industry under the 1st and 2nd Economic Development Plan, the Petrochemical Industry Promotion Act and the later Industrial Development Act enacted by the Korean government.¹⁸⁹ The petrochemical industry was also one of the 6 selected industries in the early 70s that would benefit from certain beneficial measures, examples of which are:

¹⁸⁶ See Annex C.20 – SK Petrochemical Complexes

¹⁸⁷ See Annex C.20 – SK Petrochemical Complexes

¹⁸⁸ See Annex C.20 – SK Petrochemical Complexes

¹⁸⁹ Innovation and Development Network (2012), 'Transition from Government-led limited competition to Private-led free competition: South Korea's Guidelines for Investment in the Petrochemicals industry' *Case Studies on Innovation and Development No.2012-015*, available at: http://idn.snu.ac.kr/?page_id=79&ckattempt=1

- long-term credit granted by a special National Investment Fund that charged low interest rates;
- waiving or reducing tax liabilities;
- allowing duty-free importation of machinery and materials; and
- prioritisation of government financing to invest in infrastructure.¹⁹⁰

288. The Industrial Development Act (IDA) has been amended several times since its enactment, with the most recent amendment being Act No. 18888 of 10 June 2022.¹⁹¹ The IDA provides the legal basis for state intervention, planning and support across manufacturing sectors, including the petrochemical industry. The Act's purpose is to sharpen the competitiveness of the industrial sector and to promote sustainable industrial development.¹⁹² Article 3 empowers the Minister of Trade, Industry and Energy (MOTIE) to create policies for enhancing competitiveness,¹⁹³ facilitating corporate restructuring and business realignment,¹⁹⁴ and expanding industrial infrastructure.¹⁹⁵

289. Preferential measures are still in place today for operators in these industrial parks. The sections below will address each of the three petrochemical complexes in turn.

Yeosu Petrochemical Complex

290. The Yeosu National Industrial Complex, formerly the Yecheon Petrochemical Complex, is one of the world's largest petrochemicals platforms. Its construction was completed in 1979.¹⁹⁶

291. The table below presents the ethylene producers active in the Yeosu Complex, as well as their yearly production capacities. The full diagram listing all the activities occurring in Yeosu is contained in *Annex C.20 – SK Petrochemical Complexes*.

Yeosu Complex	
GS Caltex	900 kt
LG Chem	2,080 kt
LOTTE Chem	1,230 kt
YNCC ¹⁹⁷	2,285 kt
Total	6,495 kt
% of total production	50%

¹⁹⁰ Koo Y. (2013), 'Evolution of Industrial Policies and Economic Growth in Korea: Challenges, Crises and Responses' *European Review of Industrial Economics and Policy*.

¹⁹¹ Korea Law Translation Center, Industrial Development Act (IDA), available at: https://elaw.klri.re.kr/eng_mobile/viewer.do?hseq=60916&type=part&key=28

¹⁹² Article 1 IDA.

¹⁹³ Article 3(2) IDA.

¹⁹⁴ Article 3(4)

¹⁹⁵ Article 3(7)

¹⁹⁶ InvestKorea, 'Yeosu, a Production Hub of Korea's Petrochemicals', available from: https://www.investkorea.org/ik-en/bbs/i-5045/detail.do?ntt_sn=482952#:~:text=At%20the%20center%20of,for%20half%20of%20Korea's%20petrochemicals (last accessed April 2026).

¹⁹⁷ YNCC is a 50/50 joint venture between Hanwha Solutions and DL Chemicals.

Annex C.20 – SK Petrochemical Complexes

292. Yeosu is also an important production site for ethylene dichloride and vinyl chloride monomer (important intermediates for the production of PVC).¹⁹⁸ Furthermore, both PVC producers, LG Chemicals and Hanwha Solutions, are active in the Yeosu chemical complex, starting from the cracking of naphtha.¹⁹⁹ The complex also hosts two-thirds of the country's PVC production (see Annex A.03 – CMA Capacities).
293. In addition to the chemicals necessary for the production of PVC, the Yeosu Complex also hosts production of certain other petrochemicals.²⁰⁰
294. Yeosu was created by the government, together with a number of other industrial complexes, in order to foster the petrochemical industry.²⁰¹ The complex was under significant government supervision from its creation, which granted and continues to grant ethylene producers, amongst producers of other chemicals, significant benefits. Indeed, the government chose the initial operating companies,²⁰² which provide electricity through nationally owned utility providers (Korea South-East Power Company (KOEN) and Korea East-West Power Company (EWP)),²⁰³ grants the complex privileged access to water infrastructure, as well as 14 industrial specialised port facilities.²⁰⁴
295. The Korean government remained involved in the management of the site. In 2020, the Yeosu National Industrial Complex was designated as a Smart Green Industrial Complex, with an allocated policy budget of 24.5 billion KRW from 2020 to 2022.²⁰⁵ This designation and linked governmental support has helped increase the average annual growth in terms of labour

¹⁹⁸ Offshore Technology, 'Petrochemicals complex profile: Hanwha Chemical Corporation Yeosu Complex, South Korea', available from: <https://www.offshore-technology.com/marketdata/hanwha-chemical-corporation-yeosu-complex-south-korea/> (last accessed April 2026).

¹⁹⁹ See 'Yeosu Complex' Diagram in Annex C.20 – SK Petrochemical Complexes, available at: <https://kcia.kr/en/petrochemical-industry/petrochemical-complex> (last accessed April 2026).

²⁰⁰ Basic petrochemicals: propylene, mixed C4, butadiene, NCB, benzene, toluene and xylene;

Intermediates: EO, C4-faffinate, SM, MMA, Aniline, DNT, orthoxylene and para-xylene;

Synthetic resins: LLDPE/L-LDPE, HDPE, PP, PS, EPS, ABS, and PC;

Synthetic fibres raw materials: EG and TPA;

Synthetic rubbers: EPDM, BR, S-SBR, NB-latex and SB-latex; and

Others: Octanol, butanol. IPA, Acrylic Acid/Ester, MTBE, Petroleum Resin, PMMA, phenol, acetone, BPA, epoxy, MDI, TD, PA, methanol and carbon black.

²⁰¹ InvestKorea, 'Yeosu, a Production Hub of Korea's Petrochemicals', available from: https://www.investkorea.org/ik-en/bbs/i-5045/detail.do?ntt_sn=482952#:~:text=At%20the%20center%20of,for%20half%20of%20Korea's%20petrochemicals (last accessed April 2026).

²⁰² Innovation and Development Network (2012), 'Transition from Government-led limited competition to Private-led free competition: South Korea's Guidelines for Investment in the Petrochemicals industry' *Case Studies on Innovation and Development No.2012-015*.

²⁰³ Both are subsidiaries of the Korea Electric Power Corporation (KEPCO), which is directly and indirectly owned at 51.1% by the Korean government. See Yeosu City, 'Yeosu Industrial Complex' available at: <https://www.yeosu.go.kr/yseng/industry/invest/yeosu>; Wikipedia, 'Korea Electric Power Corporation', available at: https://en.wikipedia.org/wiki/Korea_Electric_Power_Corporation.

²⁰⁴ InvestKorea, 'Yeosu, a Production Hub of Korea's Petrochemicals', available from: https://www.investkorea.org/ik-en/bbs/i-5045/detail.do?ntt_sn=482952#:~:text=At%20the%20center%20of,for%20half%20of%20Korea's%20petrochemicals (last accessed April 2026).

²⁰⁵ Choi J. and Lee J. (2023), 'Smart-Green Industrial Complexes: Policy Analysis and Implications', *KIET Monthly Industrial Economics*, 5, available at: https://www.kiet.re.kr/en/pub/economyDetailView?detail_no=2786.

productivity, employment revenue and exports for designated industrial complexes as compared to non-designated complexes.²⁰⁶ In addition, the designated Smart Green Industrial Complexes did better than no-designated complexes in terms of annual average revenue and operating margin growth, showing the impact of this policy on the industries' efficiency and cost reduction.²⁰⁷

296. More recently, the government has declared it to be an industrial crisis response area in order to provide support to the petrochemical companies operating there. Such status would allow it to benefit from government support to boost investment and restore the job market.²⁰⁸ The government would also be able to inject emergency liquidity to help the least well performing operations.

Ulsan Petrochemical Complex

297. The Ulsan-Mipo National Industrial Complex was the country's first petrochemical complex constructed in 1962 under the supervision of the government during the 1st Economic Development Plan.²⁰⁹
298. The table below presents the ethylene producers active in the Ulsan Complex, as well as their yearly production capacities. The full diagram listing all the activities occurring in Ulsan is contained in *Annex C.20 – SK Petrochemical Complexes*.

Ulsan Complex	
KPIC	900 kt
SK Geo Centric	660 kt
S-Oil	182 kt
Total	1,742 kt
% out of total production	13%

Annex C.20 – SK Petrochemical Complexes

299. The Ulsan Petrochemical Complex hosts 13% of the country's total ethylene capacity, making it the smallest ethylene production site (see *Annex C.03 – CMA capacities*). In addition to the chemicals necessary for the production of PVC, the Ulsan Complex hosts production of certain other petrochemicals.²¹⁰

²⁰⁶ Ibid, 5-6.

²⁰⁷ Ibid, 9.

²⁰⁸ The Korea Times, 'Korea designates Yeosu as 'industrial crisis response area' to support petrochemical firms', available from: <https://www.koreatimes.co.kr/economy/20250501/south-korea-designates-yeosu-as-industrial-crisis-response-area-to-support-petrochemical-firms> (last accessed April 2026).

²⁰⁹ InvestKorea, 'Location Report: Ulsan Mipo National Industrial Complex – A Champion of Korea's Industrial Development, Preparing for the Future', available from: https://www.investkorea.org/ik-en/bbs/i-2486/detail.do?ntt_sn=490792.

²¹⁰ *Basic petrochemicals*: propylene, mixed C4, butadiene, NCB, benzene, toluene and xylene;
Intermediates: EO, PO, C4 raffinate, normal paraffin, SM, cyclohexane, ortho-xylene, meta-xylene, para-xylene;
Synthetic resins: LDPE, L-LDPE, HDPE, PP, PS, EPS and ABS;
Synthetic fibre raw materials: EG, AN, caprolactam, PIA, TPA and DMT;
Synthetic rubbers: EPDM, SBR, SB-later, NB-latex and NBR;
Others: acetaldehyde, ethanol, ethylene acetate, PPG, IPA, PG, MA(C4), MTBEm petroleum resin, alkyl benzene, MA(BZ), methanol, PA, acetic acid, VAM.

300. More recently, in 2021, the complex was designated a Smart Green Industrial Complex. Similarly as for the Yeosu Complex, this allowed Ulsan to benefit from government investments of at least 13 billion KRW in 2022.²¹¹
301. In addition, the Ulsan complex will benefit from further state support as it will also shortly be designated as a ‘pre-emptive crisis response area’ by the government.²¹² The Ulsan complex operators will also soon benefit from a ‘secondary compensation’ program that aims to reduce loan burdens for petrochemical companies, amongst others. Despite the fact that these programmes were not put in place during the present Complaint’s CIP, the Complainant submits that this is substantial information to support its claim that the ethylene producers continue to benefit from government support. In addition, the Complainant further submits that the Commission should carefully consider these programmes during the course of the investigation.

Daesan Petrochemical Complex

302. The Daesan Petrochemical Complex is one of South Korea’s three petrochemical hubs. Daesan is the newest of the three complexes and was built between 1989 and 1991.²¹³
303. The table below presents the ethylene producers active in the Daesan Complex, as well as their yearly production capacities. The full diagram listing all the activities occurring in Daesan is contained in *Annex C.20 – SK Petrochemical Complexes*.

Daesan Complex - Ethylene	
Hanwha TotalEnergies PC ²¹⁴	1,525 kt
HD Hyundai Chemical	850 kt
LG Chem	1,300 kt
LOTTE Chem	1,100 kt
Total	4,775 kt
% out of total production	37%

Annex C.20 – SK Petrochemical Complexes

304. The Daesan Complex hosts 37% of the national ethylene production capacities. LG Chemicals owns and operates crackers in both the Daesan and Yeosu Petrochemical Complexes for its own ethylene consumption. Hanwha Chemicals operates its Daesan cracker together with Total Energies under a joint venture. Hanwha Solutions and LG Chem are the two largest ethylene producers in Daesan, collectively accounting for 59% of installed capacity.
305. In addition to the chemicals necessary for the PVC production, the Daesan Complex also hosts production of several other petrochemicals.²¹⁵

²¹¹ Choi J. and Lee J. (2023), ‘Smart-Green Industrial Complexes: Policy Analysis and Implications’, *KIET Monthly Industrial Economics*, 6, available at: <https://www.kiet.re.kr/>.

²¹² Choi E, ‘Ulsan Nam-gu, Chungnam Dangjin Designated Preemptive Crisis Response Areas’ (16 June 2026), available at: <https://www.chosun.com/>.

²¹³ Wikipedia, ‘Hanwha TotalEnergies Petrochemical’, available from: <https://en.wikipedia.org/>.

²¹⁴ Hanwha TotalEnergies PC is a 50/50 joint venture between Hanwha Solutions and TotalEnergies.

²¹⁵ *Basic petrochemicals*: propylene, mixed C4, butadiene, NCB, benzene, toluene and xylene;

Intermediates: EO, C4 raffinates, MMA, SM and para-xylene;

Synthetic resins: LDPE/L-LDPE, HDPE and PP;

Synthetic fiber raw materials: EG and TPA;

306. In contrast with the other two complexes, its construction was privately funded by Samsung General Chemicals and Hyundai Petrochemicals.²¹⁶ The two companies also constructed water treatment facilities as well as heat and power plants in order to secure supplies of utilities to the complex. However, the complex had to operate under a mandatory export quota regime for certain products such as LDP, HDPE and PP.²¹⁷
307. The ethylene producers active in Daesan industrial complex benefit from several advantages. First, Daesan Industrial Harbour is the 6th biggest freight harbour in the country, benefiting from specialised industrial freight infrastructure in close proximity. Second, the complex has preferential access to essential utilities such as water and electricity. Last, the complex will shortly benefit from further government support through its designation as a ‘*preemptive crisis response area*’²¹⁸ and the related ‘Daesan No.1’ project, which will provide the complex with approximately 2.1 trillion KRW.²¹⁹
308. In addition, a notable measure accompanying the package will be further preferential access to electricity, with rates for the complex priced 4 to 5% lower than the country’s rate set by the Korea Electric Power Corporation.²²⁰ The Complainant submits that, despite the fact that these measures were not in place during the present Complaint’s CIP, they are still relevant to underline the significant government involvement in ethylene production.

Conclusion

309. The Complainant submits that the examination of both the historical and current government-backed interventions and support mechanisms benefitting the operators of the three petrochemical complexes in the sections above points to the existing significant government action to which the ethylene industry is subject.
310. Ethylene producers benefit from preferential access to utilities such as water and electricity and specialised industrial harbours. In addition, they have, in the present and in the past, benefitted from direct government intervention in the form of special industrial plans and the more recent declaration of so called ‘pre-emptive/industrial crisis response areas’ allowing for the injection of liquidity and investments into the complexes to the benefit of the operators,²²¹ ‘secondary

Synthetic rubbers: BR, SBR/S-SBR, NBR and SB-L; and

Others: petroleum resin, MTBE, phenol, acetone, BPA, methanol and carbon black.

²¹⁶ Innovation and Development Network (2012), ‘Transition from Government-led limited competition to Private-led free competition: South Korea’s Guidelines for Investment in the Petrochemicals industry’ *Case Studies on Innovation and Development No.2012-015*.

²¹⁷ Innovation and Development Network (2012), ‘Transition from Government-led limited competition to Private-led free competition: South Korea’s Guidelines for Investment in the Petrochemicals industry’ *Case Studies on Innovation and Development No.2012-015*; these measures do not seem to still be in place today.

²¹⁸ Yu, J. ‘The government has designated Seosan City in South Chungcheong Province and Pohang City in North Gyeongsang Province as pre-emptive industrial crisis response areas’, *Maeil Business*, available from: <https://www.mk.co.kr/en/economy/11405023>.

²¹⁹ S&P Global, ‘South Korea approves over \$1.46 bil aid package for petrochemical sector’ (25 February 2026), available from: <https://www.spglobal.com/energy/en/news-research/latest-news/crude-oil/022526-south-korea-approves-over-146-bil-aid-package-for-petrochemical-sector>.

²²⁰ Ibid.

²²¹ The Korea Times, ‘Korea designates Yeosu as ‘industrial crisis response area’ to support petrochemical firms’, available from: <https://www.koreatimes.co.kr/economy/20250501/south-korea-designates-yeosu-as-industrial-crisis-response-area-to-support-petrochemical-firms> (last accessed April 2026).

compensation' loan programmes to reduce loan burdens for petrochemical producers,²²² the lifting of import duties on raw materials such as naphtha²²³, and, more recently, an export ban on that same raw material.

311. More generally, the government is designing, together with the petrochemical industry, a restructuring plan for their naphtha-cracking facilities.²²⁴
312. At the end of 2025, the National Assembly passed the 'Special Act on Strengthening and Supporting the Competitiveness of the Petrochemical Industry', which is expected to come into force in the first half of 2026.²²⁵ This act is aimed at helping the swift streamlining and restructuring of the petrochemical industry by reducing competition law constraints, accelerating merger reviews, and giving tax and financial support both at the local and national government level.²²⁶
313. Lastly, in Q1 2026, South Korean actors again began to import Russian naphtha amidst the Strait of Hormuz crisis.²²⁷ Seaborne Russian crude oil and petroleum-derived products are currently subject to a G7-imposed price cap, significantly lowering the sales price of the materials in order to limit Russian revenue from international trade.²²⁸ Therefore, South Korean cracker operators have access to cheap supply from Russia. The South Korean government is also taking measures to keep the domestic prices for naphtha low on the South Korean market by imposing a de facto export ban on naphtha (exports are authorised in exceptional circumstances following ministerial approval).²²⁹
314. The Complainant submits that it is important to look prospectively at the ongoing government intervention benefitting the ethylene producers – even if the measures were not in place during the CIP of the present Complaint – as it is evidence of a continuing pattern of government-backed initiatives that confer advantage to petrochemical producers whose products represent the majority of the final cost of the product concerned.
315. This demonstrates the continued significant involvement of the South Korean government in ethylene production, which represents between 40 and 50% of the total PVC production costs (see *Annex C.06 – CNV South Korea*).

²²² Ibid.

²²³ ChemAnalyst (2024), South Korea Extends Tariff-Free Crude Oil Import Policy for Naphtha Production Until 2025, Available at: <https://www.chemanalyst.com/NewsAndDeals/NewsDetails/south-korea-extends-tariff-free-crude-oil-import-policy-for-naphtha-production-31877>

²²⁴ Hydrocarbon Processing, 'Major South Korean petrochemical firms and production', available from: <https://www.hydrocarbonprocessing.com/news/2025/08/major-south-korean-petrochemical-firms-and-production/> (last accessed April 2026).

²²⁵ Kim & Chang, 'New Legislation in Korea to Support the Petrochemical Industry' (4 December 2025), available from: https://www.kimchang.com/jp/insights/detail.kc?sch_section=4&idx=33574.

²²⁶ Ibid.

²²⁷ The Moscow Times, 'South Korea Revives Naphtha Imports from Russia Amid Looming Shortage' (30 March 2026), available from: <https://www.themoscowtimes.com/2026/03/30/south-korea-revives-naphtha-imports-from-russia-amid-looming-shortage-a92375>.

²²⁸ Finance, *Price Cap Coalition statements and guidance*, available from: https://finance.ec.europa.eu/publications/price-cap-coalition-statements-and-guidance_en.

²²⁹ ICIS, 'S Korean Mar petrochemical shipments up 6%; overall exports surge to new record' (01 April 2026), available from: <https://www.icis.com/explore/resources/news/2026/04/01/11194245/s-korea-mar-petrochemical-shipments-up-6-overall-exports-surge-to-new-record/>.

316. Ultimately, the government involvement in the petrochemical industry, and specifically in relation to the production of ethylene, serves to artificially lower the price of ethylene, making the industry ‘more competitive’ as mandated by the Industrial Development Act.

C.3.1.3.2.2. Distortions in ethylene prices

317. The Complainant submits that, as a result of the significant government intervention in South Korea’s ethylene production industry, the South Korean domestic ethylene prices are distorted such that the final price of PVC in South Korea is unreliable. The significant government intervention in the South Korean domestic ethylene industry has been outlined in the section above.
318. In addition, there is recent evidence that ethylene producers are selling this input at below-market prices in the domestic market. Indeed, Yeochun NCC Co. Ltd. (YNCC), the third biggest ethylene producer of the country, has been under scrutiny of the tax authorities for supplying ethylene at below market prices in 2025. YNCC operates two crackers with a combined ethylene production capacity of 2,285 kt under a 50/50 joint venture between Hanwha Solutions and DL Chemicals in the Yeosu National Industrial Complex (see [section C.3.1.3.2.1](#) above).
319. The National Tax Service imposed a 106 billion KRW fine on YNCC in 2025 in relation to its alleged provision of ethylene and another chemical at below-market prices.²³⁰ Similarly as for PVC, ethylene is a commodity material. The provision of low-priced commodity material has a disruptive impact on the entire market, as the price-setting mechanisms of commodity markets are driven by the lowest-priced supplies. Furthermore, YNCC alone represents around a fifth of the Korean ethylene market.²³¹
320. As Hanwha Solutions is both a JV partner with YNCC and one of the two Korean PVC producers, it is possible to infer that they are purchasing some, if not all, of the ethylene they require from YNCC. Therefore, the Complainant submits that there is a high possibility that Hanwha’s PVC production is subject to artificially low-input ethylene costs. Hanwha Solutions represents around 49% of the domestic PVC market share.²³²
321. Furthermore, the Complainant considers that South Korea sourced Russian-origin naphtha for use in its naphtha cracking facilities. Information from March 2026 confirms that LG Chem, one of South Korea’s PVC producers, secured 27,000 tonnes of Russian naphtha for use in its Daesan industrial complex. Following the imposition of sanctions on Russia, Russian naphtha is offered at significant discounts compared to non-sanctioned alternatives. This translates into a significant improvement in the cost of ethylene production.
322. South Korea has been a frequent purchaser of Russian naphtha. In 2023, South Korean purchases accounted for almost 20% of Russia’s total Asian naphtha sales, importing 2.36 million tonnes of Russian-origin naphtha.²³³

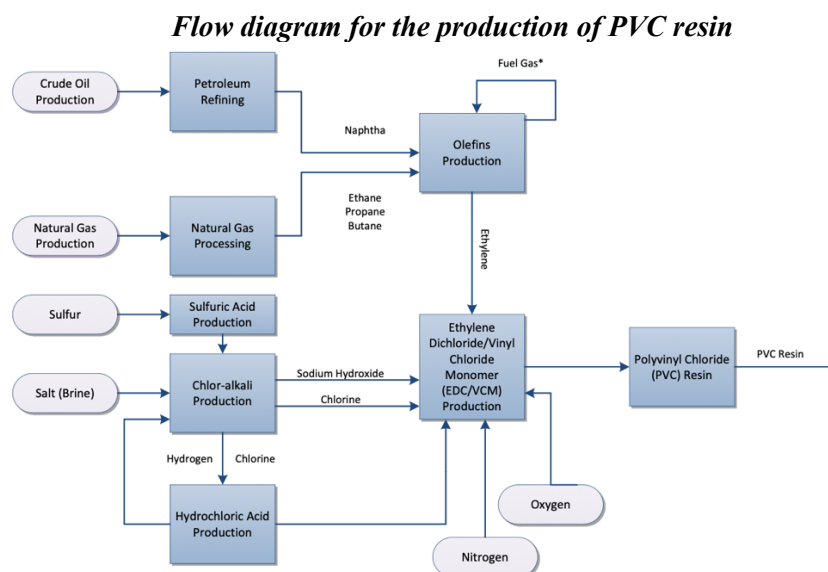
²³⁰ Lim J, ‘Ethylene producer avoids bankruptcy but clash remains over recovery plans’ (13 August 2025) *AJP*, available from: <https://www.ajupress.com/view/20250813142506890>.

²³¹ YNCC, ‘Investor Information – Sales Status’, available from: <https://www.yncc.co.kr/en/company/sales.do>.

²³² Hanwha, ‘Introduction’, available from: <https://hcc.hanwha.co.kr/en/company/introduction>.

²³³ Annex C.28a – Russian Naphtha Exports to Taiwan and South Korea

323. Naphtha is used to produce ethylene through a process known as steam cracking. Naphtha is mainly derived from crude oil refining which is one of the main feedstocks for the petrochemical industry. During steam cracking, naphtha is first mixed with steam and then fed into the tubes of a cracking furnace, where it is briefly heated to a very high temperature (between 750 and 900 °C). The different products formed during cracking are then separated and purified, allowing olefins such as ethylene to be recovered. The conversion rate from naphtha to ethylene is approximately 3.3 tonnes of naphtha to produce 1 tonne of ethylene.²³⁴
324. The overall process is summarised in the diagram below.



Source : Franklin Associates, *Cradle-to-Gate Life Cycle Analysis of Polyvinyl Chloride (PVC) Resin: Final Report*, submitted to the American Chemistry Council (ACC) Plastics Division, December 2021, p. 4.

325. In 2024, South Korean purchases of Russian naphtha began declining, first to 0.94 million tonnes in 2024, and finally to 0 tonnes in 2025. This decline began in the second half of 2024, after Korean petrochemical users sought to avoid the risks tied to trade in Russian fossil fuels, and the South Korean Ministry of Foreign Affairs called for greater energy independence.²³⁵
326. While these developments caused Russian exports to drop sharply, they did not remove Russian suppliers as potential sources of naphtha, as South Korea has a longstanding relationship with Russian suppliers and is a major arbitrage destination, accounting for almost one third of total West-to-East arbitrage.²³⁶
327. Following the Strait of Hormuz crisis of early 2026, South Korean petrochemical users again turned to Russian suppliers to safeguard their supply chains, after the South Korea government eased sanctions on Russian fossil fuel imports. For example, LG Chem secured 27,000 tonnes

²³⁴ ICIS, 'Cheap Oil Raises Naphtha Cracker Over Investment Risk' (7 December 2017), available at: <https://www.icis.com/asian-chemical-connections/2017/12/cheap-oil-raises-naphtha-cracker-over-investment-risk/>

²³⁵ Troy Stangarone, '[Op-Ed] Even Without Sanctions, South Korea Significantly Reduced Fossil Fuel Imports From Russia' (Korea Economic Institute of America, 8 March 2024) <<https://keia.org/news/op-ed-even-without-sanctions-south-korea-significantly-reduced-fossil-fuel-imports-from-russia/>> accessed 18 August 2026

²³⁶ Annex C.28b – NIS 10.07.26, p. 6

- of Russian naphtha for delivery to the Daesan petrochemical complex immediately after the crisis began.²³⁷ This purchase was also well below prevailing market prices for naphtha at the time, about \$80 to \$90 cheaper than prices offered by comparable non-Russian suppliers.²³⁸
328. Since the beginning of the Russian invasion of Ukraine, producers in South Korea have benefitted from access to significantly discounted Russian-origin feedstocks such as naphtha, which have been diverted from traditional markets as a direct consequence of the European Union's restrictive measures against Russia. Following the imposition of EU sanctions, Russian suppliers have been compelled to offer hydrocarbons on third-country markets substantially below prevailing international benchmark prices in order to secure alternative outlets.
 329. As shown by the emergency purchase of Russian naphtha, South Korea has not definitively severed ties with its Russian suppliers and, as global supply of naphtha continues to be strained, is likely to again resort to Russian naphtha after the CIP.
 330. In mid-2026, in reaction to the Strait of Hormuz crisis, the South Korean government introduced a large import support programme worth KRW 674.4 billion.²³⁹ The programme covered 50% of the extra cost of importing naphtha compared with pre-war prices. By helping companies pay for more expensive non-Russian supplies, the subsidy reduced the financial advantage of buying discounted Russian naphtha.
 331. The South Korean subsidy system uses a pre-war reference price to calculate the discount paid out to importers, which is set out in the schedule to the relevant legislation. According to Naphtha International, this market benchmark was at approximately \$780 per tonne.²⁴⁰ Import prices are cross-referenced with S&P Global pricing and premium controls.²⁴¹ This programme was accompanied by domestic measures such as an export prohibition on naphtha²⁴² and its designation as an "economic-security item", which allowed the government to channel 1.5 trillion KRW towards a supply-chain finance programme.²⁴³
 332. The South Korean government's petrochemical feedstock support program applied to all import contracts signed between 1 April and 30 June 2026.²⁴⁴

²³⁷ Yonhap News Agency, 'LG Chem purchase of 27,000 tonnes of Russian naphtha' <<https://en.yna.co.kr/view/AEN20260330009600315>> Accessed 20 August 2026

²³⁸ Annex C.28c – NIS 03.04.26 page 1-2

²³⁹ ICIS, 'South Korea launches support program to secure naphtha supplies' (16 April 2026), available at: <https://www.icis.com/explore/resources/news/2026/04/16/11198475/south-korea-launches-support-program-to-secure-naphtha-supplies/>

²⁴⁰ Annex C.28d – NIS 19.06.26

²⁴¹ Korean Trade-Investment Promotion Agency (KOTRA), '2026 Naphtha Supply and Supply Stabilization Project' <<https://www.kotra.or.kr/subList/20000020753/subhome/bizAply/selectBizMntInfoDetail.do?cpbizYn=N&dtlBizMntNo=26CN0BM>> accessed 19 August 2026.

²⁴² Ministry of Trade, Industry and Energy (Republic of Korea), 'The government responds with all its strength to stabilize the supply and demand of naphtha', <<https://www.motir.go.kr/kor/article/ATCL3f49a5a8c/171641/view>> accessed 19 August 2026.

²⁴³ Ministry of Trade, Industry and Energy (Republic of Korea), 'Intensive support for the stabilization of the supply chain of highly dependent items in the Middle East', <<https://www.motir.go.kr/kor/article/ATCL3f49a5a8c/171604/view>> accessed 19 August 2026.

²⁴⁴ Annex C.28e - South Korean Government Intervention

333. The subsidy scheme discussed above also applies to imports of ethylene. Therefore, a Korean producer would not be required to crack naphtha into ethylene to benefit from the subsidy. Accordingly, where the use of ethylene is possible, it should be imported instead of naphtha. As was the case for naphtha, KOTRA will reimburse purchasers 50% of the extra cost of imported ethylene, compared to a pre-war reference price of \$994 per tonne, which is set by the legislation.²⁴⁵ This policy has led to ethylene imports increasing substantially in the first half of 2026, by over 1,500% compared to the first half of 2025.²⁴⁶ Most of the ethylene imported during this period originated in China, which did not export significant amounts of ethylene prior to the KOFRA scheme.²⁴⁷
334. Therefore, the Complainant submits that this is further evidence of the existing distortions in the South Korean ethylene market such that it represents an input-based particular market situation that does not allow for a fair comparison for the purposes of a dumping analysis.

C.3.1.3.2.3. The average price of ethylene in South Korea is artificially low when compared to an international benchmark

335. In order to provide evidence of the distortion present in the South Korean ethylene domestic market, the Complainant sought to establish an international ethylene benchmark price and conducted a comparison between the two price points.
336. In order to establish an international benchmark for ethylene, the Complainant considered the price of total imports of ethylene into all countries of the world collected by UN Comtrade, excluding imports into South Korea.²⁴⁸ Such an international benchmark price for ethylene was established at 1,017 USD/t over the CIP (see details in *Annex C.21 – Ethylene price comparison*).
337. The Complainant does not have access to any publicly available domestic price of ethylene in South Korea. Therefore, in order to establish a proxy for the South Korean domestic ethylene price, the Complainant relied on the import data for ethylene recorded by the Korean customs authority over the CIP.²⁴⁹ On this basis, the average ethylene import price into Korea for the period for 2025 was established at 799.26 USD/t (see details in *Annex C.21 – Ethylene price comparison*). The table below presents the comparison between these two price points for ethylene.

Ethylene – 2025	
Import price into SK (USD/t)	799.26

²⁴⁵ Korean Trade-Investment Promotion Agency (KOTRA), ‘Support for stabilization of naphtha supply and demand in 2026 (emergency import subsidy for 6 types of basic oil)’, < <https://app.rndcircle.io/gov-grant/580203dc-2b81-49da-a4f3-e725afc8ea4d>>, accessed 19 August 2026.

²⁴⁶ Energy Economy (에너지경제), ‘In the first half of this year, ethylene imports of ‘plastic raw materials’ exploded by 1580%... Chinese production accounted for 90%’ < <https://m.ekn.kr/view.php?key=20260721022104397>> accessed 19 August 2026.

²⁴⁷ Energy Economy (에너지경제), ‘In the first half of this year, ethylene imports of ‘plastic raw materials’ exploded by 1580%... Chinese production accounted for 90%’ < <https://m.ekn.kr/view.php?key=20260721022104397>> accessed 19 August 2026 and *Annex C.28f - Ethylene imports South Korea*

²⁴⁸ UN Comtrade, available at: <https://comtradeplus.un.org> (last accessed March 2026).

²⁴⁹ Korea Customs Service, ‘Trade Statistics’, available from: https://tradedata.go.kr/cts/index_eng.do (last accessed November 2025).

International benchmark (USD/t)	1,017.07
Difference	217.82
% of difference	27%

Annex C.21 – Ethylene Price Comparison

338. The average price of imports into South Korea is 27% lower than the international benchmark, which corresponds to a difference per tonne of 217.82 USD. This significant price difference is further evidence of the ethylene price distortion that exists on the South Korean market.
339. In turn, due to the determinative effect that ethylene has on the final cost of production of PVC, this impacts the final production costs and domestic sales price of PVC such that a fair comparison is not possible for the purposes of a *prima facie* dumping analysis as set out in the section below. The Complainant therefore submits that the circumstances in relation to ethylene contribute to the distortion of the cost of materials and of making PVC, such that the cost of production of PVC does not accurately reflect the cost of production in the ordinary course of trade.

C.3.1.3.3. Distortions in electricity prices

340. The Complainant furthermore considers that there are distortions in South Korea's electricity market as electricity prices do not vary in line with generation costs.²⁵⁰ Retail prices in South Korea are not set by the market and are instead regulated by the Government through MOTIE.²⁵¹ This is regulated through the Electricity Utility Act²⁵² and the Price Stabilization Act.²⁵³ The electricity market is dominated by the state-owned Korea Electric Power Corporation (KEPCO)²⁵⁴ and MOTIE remains the key regulating entity.
341. According to the WTO Trade Policy Review, end-use electricity prices must be reviewed by KOREC, and approved by MOTIE after consultation with the Ministry of Strategy and Finance.²⁵⁵ Tariffs vary depending on voltage, season, time of usage, rate option, and other factors. According to the International Energy Agency (IEA), retail consumers generally pay low tariffs compared to those in other IEA countries, but cross-subsidisation between industrial and residential consumers continues, meaning that industrial users pay lower prices than residential consumers.²⁵⁶ In addition, it is noted that low electricity prices do not send price signals to consumers as they do not vary in line with generation costs.
342. The Complainant therefore considers that due to these distortions, the electricity price in South Korea does not permit a fair comparison for the purposes of a dumping analysis.

²⁵⁰ World Trade Organization, 'Trade Policy Review: Republic of Korea' (8 September 2021) WT/TPR/S/414, paragraph 4.108

²⁵¹ Ibid. paragraph 4.109

²⁵² Electricity Utility Act No. 14672, Mar. 21, 2017, accessible at: <https://elaw.klri.re.kr/>

²⁵³ Price Stabilization Act No. 20409, Mar. 26, 2024, accessible at: <https://elaw.klri.re.kr/>

²⁵⁴ IEA (2025), 'Korea 2025 Energy Policy Review', accessible at: <https://www.iea.org/reports/korea-2025/executive-summary>

²⁵⁵ World Trade Organization, 'Trade Policy Review: Republic of Korea' (8 September 2021) WT/TPR/S/414, paragraph 4.109

²⁵⁶ IEA (2020), 'Korea 2020 Energy Policy Review', accessible at: <https://www.iea.org/reports/korea-2020>.

C.3.1.3.4. The average price of electricity is artificially low when compared to an international benchmark

343. In order to provide evidence of the distortion present in the South Korean electricity market, the Complainant sought to establish an international electricity benchmark price and conducted a comparison between the two price points.
344. The Complainant compared the domestic price for electricity in South Korea to an international benchmark price. The international benchmark price was established based on the World Average Electricity Prices published by Global Petrol Prices.²⁵⁷ The following table compares the South Korean domestic price to the international benchmark:

Electricity – 2025	
Domestic price into SK (EUR/MWh)	70.30
International Benchmark (EUR/MWh)	141.10
% of difference	101%
Difference in EUR/MWh	70.80

Annex C.25 – Electricity Price Comparison

345. The average price of imports into South Korea is 101% lower than the international benchmark, which corresponds to a difference per tonne of 70.80 €/MWh. This significant price difference is further evidence of the ethylene price distortion that exists on the South Korean market.
346. As with ethylene, the distortion on the cost of electricity impacts the final production costs and domestic sales price of the product concerned such that a fair comparison is not possible for the purposes of a *prima facie* dumping analysis as set out in the section below. The Complainant therefore submits that the circumstances in relation to electricity contribute to the distortion of the cost of materials and of making the product concerned, such that the cost of production of does not accurately reflect the cost of production in the ordinary course of trade.

C.3.1.3.5. The particular market situation does not allow for a proper comparison

347. The Complainant contends that the particular market situation as a result of the circumstances in South Korea described above does not allow for a fair comparison between the domestic sales price and the export sales price of the product concerned. Indeed, the impact of the factors described above is expected to be different on the domestic and the export market.
348. The S-/M-PVC prices on the South Korean domestic market do not necessarily follow global market trends, but rather are influenced by the Chinese PVC overcapacity and available supply expansion and government intervention in the domestic ethylene production. On the other hand, the price of the South Korean exports on the Union market are also influenced by their competitive relationship with the like product and with the exports of other countries, such as China, Mexico and Taiwan. Export prices are set to maximise competitiveness on the export market, permitting higher profit margins in spite of artificially low input costs.

²⁵⁷ GlobalPetrolPrices.com ‘Electricity Prices’, available at: <https://www.globalpetrolprices.com/> (accessed on 8 July 2026).

349. Therefore, the price-setting mechanisms to which PVC producers are subject in the South Korean domestic market and in the export market differ to the extent that a fair comparison of prices between the two markets is not possible for the purposes of a dumping assessment.
350. In addition, the Complainant would like to point out that, as recognised by the WTO Panel in *Australia – Anti-Dumping Measures on Paper*,²⁵⁸ the fact that a low-priced input affects the production destined both for domestic consumption and export does not necessarily preclude a finding that such particular market situation prevents a proper comparison between the domestic and export sales price.
351. In addition, the Complainant submits that South Korean producers export in significant quantities so as to maximise profitability on the export market. The Complainant has assessed the volume of sales on the export market relative to sales on the domestic market; the following table summarises exports relative to domestic sales, demonstrating that in the CIP, exports accounted for 80% of domestic sales, increasing from just 58% in 2022. This suggests that South Korean exporters have expanded export sales over the period considered in order to bolster profits:

	2022	2023	2024	CIP
Exports (t)	554.806	683.645	631.995	653.765
Apparent sales (t) ²⁵⁹	964.194	905.356	895.005	812.236
Exports relative to domestic sales (%)	58%	76%	71%	80%

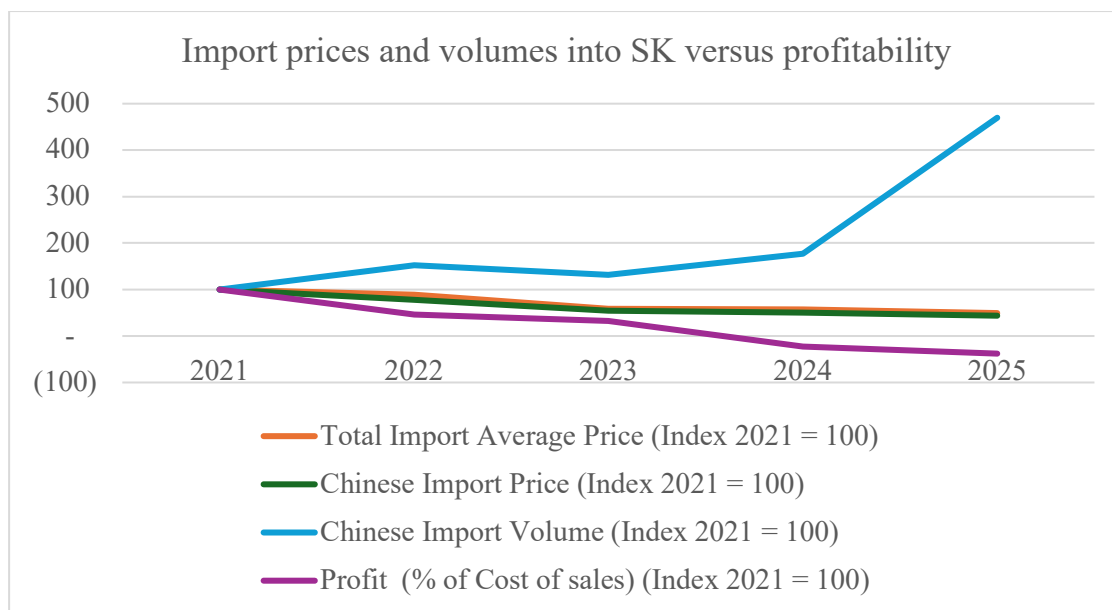
See Annex C.29 – Domestic and export markets Taiwan and South Korea

Methodology for determining the normal value based on the particular market situation

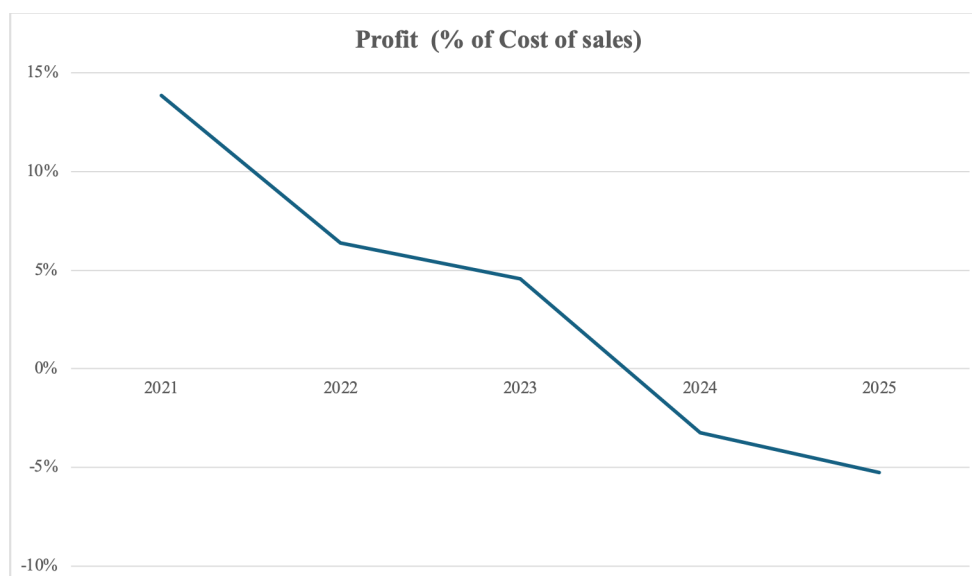
352. Consequently, the Complainant submits that first, the **price-based particular market situation** does not permit a proper comparison of the price paid or payable in South Korea with the export price. Thus, the Complainant proposes that the normal value should be constructed with reference to the costs of production of the product concerned in South Korea, including a reasonable amount for selling, administrative and general expenses, as well as for profits.
353. The Complainant examined the profitability levels of the two PVC producers from 2021 (i.e., from before the significant increase in the import volumes of PVC originating in China). The graph below presents the compared evolution of the Chinese PVC import volumes into China and their average price, the average price of the total imports of PVC into South Korea as a proxy for the South Korean domestic PVC price and the aggregated profitability of the two producers (see Annex C.22 – Evolution of the imports into South Korea).

²⁵⁸ Report of the Panel, *Australia – Anti-Dumping Measures on A4 Copy Paper*, paras 7.33-7.40.

²⁵⁹ Apparent domestic sales have been calculated as domestic production minus exports. Therefore, no fluctuation in stocks have been considered.



354. It is possible to see that while the import volumes originating from China experience a spike in 2024 and 2025, the profitability of the two PVC producers decrease below the break-even point. Therefore, the Complainant submits that the particular market situation caused by the pressure of the presence of the low-priced Chinese imports on the South Korean market is such that it is not possible to rely on the profitability margins of the producers during the CIP. The following graph demonstrates the evolution in profitability of the two PVC producers in South Korea from 2021 to 2025:



355. Instead, the Complainant calculated a weighted average of the aggregated profits of the two producers over the period from 2021 to 2023. On this basis, the Complainant submits that the undistorted profitability level that should be considered for the purposes of the dumping analysis should be established at 7.7%. (see Annex C.23 – SK Historical profitability (2021-CIP)).

356. Alternatively, the Complainant proposes to rely on the healthy profitability margin of 13.1% that was established according to the Commission's methodology in Regulation 2024/1896.²⁶⁰ In both methodologies, the Complainant relies on the selling, general and administrative (SG&A) expenses from 2025 of LG Chem, of 16.4%.
357. Second, as demonstrated above, certain distortions in the cost of materials and utilities exist, resulting in a **cost-based particular market situation**. Accordingly, the Complainant submits that the domestic price for ethylene in South Korea is distorted. Instead, the Complainant relied on an international benchmark to establish an undistorted price for ethylene to account for the input-cost distortion present on the domestic South Korean market.
358. The detailed calculations relating to the construction of the normal value are available in *Annex C.06b – CNV South Korea (PMS)*.

C.3.1.3.6. Raw materials

359. The same sources described in [section C.3.1.2.1](#) above have been relied upon to base the cost of **VCM** and **ethylene dichloride**. The costs for these raw materials are established as follows:
- VCM: **649.67 €/t**;
 - Ethylene dichloride: **280.41 €/t**.
360. The costs of chlorine and hydrochloric acid have been established relying on the percentage of the chlorine cost out of the total cost of production for the like product in the Union in order to establish the cost of these raw materials in South Korea
361. In order to establish an undistorted **ethylene** price in South Korea, the Complainant considered the price of total imports of ethylene into all countries of the world collected by UN Comtrade, excluding imports into South Korea.²⁶¹ On this basis, the benchmark price for ethylene in 2025 was established at 1.017 USD/t. This price was further converted into €/t using the official conversion rate published by the European Central Bank.²⁶² Based on the international benchmark, the ethylene price was therefore established at **902.29 €/t** in the CIP.

C.3.1.3.7. Energy and Utilities

362. The same sources described in [section C.3.1.2.2](#) above have been relied upon to base the cost of **natural gas**, **steam** and **water**. Due to distortions in the cost of electricity, an alternative benchmark has been used compared to that in [section C.3.1.2.2](#), as described above in [section C.1.3.5](#). The costs for these raw materials are established as follows:
- Natural gas: **0.04 kWh/€** and **9.97 €/GJ**;
 - Steam: **29.44 €/t** (or on the basis of the proportion out of the total cost of production);
 - Water: **0.59 €/m³**.

²⁶⁰ Commission implementing regulation (EU) 2024/1896 recital (219), available from: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202401896.

²⁶¹ UN Comtrade, available at: <https://comtradeplus.un.org> (last accessed March 2026).

²⁶² European Central Bank, 'ECB interest rates and exchange rates', available from: <https://data.ecb.europa.eu/> (last accessed March 2026).

- Electricity: **141.10 €/MWh**

C.3.1.3.8. Labour

363. The same source described in [section C.3.1.2.3](#) above has been relied upon to base the cost of **labour**. The labour cost has been established at **14.17 €/h**.

C.3.1.3.9. Other direct costs and manufacturing overheads

364. Other direct costs and manufacturing overheads are incurred in the production of the product concerned. However, there is no publicly available information on these costs. Therefore, the Complainant relied on the percentage of these costs out of the total cost of production for the like product in the Union in order to estimate the costs of the other direct costs and manufacturing overheads.

C.3.1.3.10. Financial information

365. As described in section C.3.1.3.1, as a result of the particular market situation in South Korea, the financial information of the PVC producers in South Korea is distorted, in particular, the profitability. Instead, the Complainant calculated a weighted average of the profit of the two producers over the period from 2021 to 2023 (see *Annex C.23 – SK Historical profitability (2021-CIP)*). The table below presents a summary of this calculation:

Aggregated Income Statements (milKRW)	2021	2022	2023
Cost of sales	39,790,855	52,610,179	57,513,784
Profit before income tax	5,504,542	3,362,028	2,630,225
Weighted Profit (% of Cost of sales)	7.7%		

See *Annex C.23 – SK Historical profitability (2021-CIP)*

366. Alternatively, the Complainant proposes to rely on the healthy profitability margin of 13.1% that was established according to the Commission's methodology in Regulation 2024/1896.²⁶³
367. Regarding SG&A expenses, the Complainant applied the SG&A margin established on the basis of LG Chem's 2025 income statement, i.e. 16.4%, as detailed in Section C.3.1.2.6.

C.3.1.3.11. Construction of the Normal Value

368. In order to construct the normal value, the amounts for SG&A and profits were added to the cost of manufacturing, obtained by compiling the undistorted benchmarks retrieved in South Korea. The table below summarises the construction of the normal value:

Constructed Normal Value – Historical Profitability		
Average cost of Manufacturing		[743 – 957] €/t
SG&A	16.4%	[122 – 157] €/t
Profit	7.7%	[57-73] €/t
CNV		[922 – 1.188] €/t

See *Annex C.06b – CNV South Korea (PMS)*

²⁶³ Commission implementing regulation (EU) 2024/1896 recital (219), available from: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202401896.

369. The constructed normal value for 1 tonne of the product concerned in South Korea is established at **[922 – 1.188] €/t** in the period for 2025 on the basis of historical profitability (see *Annex C.06b – CNV South Korea (PMS)*).

Constructed Normal Value – Target Profit		
Average cost of Manufacturing		[770 – 909] €/t
SG&A	16.4%	[127 – 149] €/t
Profit	13.1%	[101-119] €/t
CNV		[998 – 1.178] €/t

See *Annex C.06b – CNV South Korea (PMS)*

370. The constructed normal value for 1 tonne of the product concerned in South Korean is established at **[998 – 1.178] €/t** in the period for 2025 on the basis of the Commission’s methodology in Regulation 2024/1896 for profitability (see *Annex C.06b – CNV South Korea (PMS)*).

C.3.2. Export price

371. The export price for the product concerned originating in South Korea in the period for 2025 is based on the import price recorded on a CIF basis at the Union border as reported by Eurostat for CN code 3904 10 00. As explained in [section B.4.2.](#) above, the Complainant considers that relying on the average price for the whole CN code represents a conservative approach to conduct a *prima facie* dumping assessment. Indeed, due to the presence of high-priced E-PVC imports, the CN code average price is higher than the average price of S-/M-PVC imports, thus leading to a smaller *prima facie* dumping margin. The export price CIF is therefore established at 760.92 €/t in the CIP (see *Annex B.05 – Adjusted Trade Statistics*).
372. As the constructed normal value is reported on an ex-works (‘EXW’) basis, it is necessary to adjust the export price to allow for a fair comparison with the normal value. Therefore, the sea freight costs per tonne along the route from South Korea to the Union has been deducted. For this, the Complainant obtained freight data from *[redacted – confidential]* for 40-feet containers for the route Korea Main to North Europe Main. The average price for the market average container price in the period for 2025 is established at 2,681.35 USD/container. The details of the calculations are available in *Annex C.08 – Dumping Calculation (South Korea)*.
373. Based on market intelligence, the Complainant considers that between 22 and 25 tonnes of the product concerned can be transported in a 40-feet container. Based on this the average price per tonne for the sea freight between South Korea and the Union has been established at 114.10 USD/t. This price was further converted into €/t using the official conversion rate published by the European Central Bank.²⁶⁴ The average price of sea freight from South Korea was therefore established at **101.22 €/t**. The details of the calculations are available in *Annex C.08 – Dumping Calculation (South Korea)*.
374. The export price was therefore brought to a free on board (‘FOB’) basis by deducting the sea freight cost from the CIF export price. On this basis, the export price FOB was established at

²⁶⁴ European Central Bank, ‘ECB interest rates and exchange rates’, available from: <https://data.ecb.europa.eu/main-figures/ecb-interest-rates-and-exchange-rates/exchange-rates> (last accessed March 2026).

659.70 €/t. The details of the calculations are available in *Annex C.08 – Dumping Calculation (South Korea)*.

375. The South Korean PVC export market largely operates through unrelated traders. The traders active in South Korea are large international trading houses such as Vinmar, Tricon Energy and Samsung C&T Corporation which operate through regional hub and network structures, with established registered offices in the country (see *Annex A.01 – Interested parties contact details*). The local offices have the commercial capability to engage with local PVC producers, source and consolidate PVC volumes, coordinate documents, and sell onward to international customers. Importantly, such large traders maximise their value by taking on the commercial risk and often the goods' title, before reselling the material.
376. In order to account for the profit margin of the unrelated traders to make a fair comparison between the export price and the normal value as per Article 2(10)(i) of the basic Regulation, the Complainant further adjusted the FOB export price. There is no publicly available data regarding the profit margin of the traders applied to the final price of the product concerned destined for the EU. Therefore, the Complainant applied a notional profit of 6.89% that was considered reasonable in two previous investigations concerning chemical products, namely polyvinyl alcohols and 1,4-butanediol.²⁶⁵ On this basis the ex-works export price was established at **617.17 €/t**. The details of the calculations are available in *Annex C.08 – Dumping Calculation (South Korea)*.

C.3.3. Dumping Calculation

377. The dumping margin of the Korean exported product concerned was established by comparing the constructed normal value and the export price calculated above. The dumping margin is expressed as a percentage of the CIF import price at the Union border. On this basis, the tables below summarise the dumping calculation for the Korean imports:

Dumping Calculations – South Korea			
	Unadjusted CNV	Historical Profit CNV	Target Profit CNV
CNV (EXW)	[747 – 975] €/t	[922 – 1.188] €/t	[988 – 1.178] €/t
Import Price (CIF)	760.92 €/t		
Export Price (FOB)	659.70 €/t		
Export Price (EXW)	617.17 €/t		
Dumping amount	[129-358] €/t	[304 – 571] €/t	[380 – 561] €/t
Dumping margin	[17 – 47] %	[40 – 75] %	[50 – 85] %

See *Annex C.08 – Dumping Calculation (South Korea)*

378. On the basis of the data presented above, South Korean imports of the product concerned are dumped on the Union market at a level between **[17 - 47]%** and **[50 - 85]%**.

²⁶⁵ Commission Implementing Regulation (EU) 2026/270 of 4 February 2026 imposing provisional anti-dumping duties on imports of 1,4-Butanediol originating in the People's Republic of China, the Kingdom of Saudi Arabia and the United States of America, recital (221); Commission Implementing Regulation (EU) 2020/1336 of 25 September 2020 imposing definitive anti-dumping duties on imports of certain polyvinyl alcohols originating in the People's Republic of China, recital (352).

C.4. Dumping of Taiwanese imports of the product concerned

C.4.1. Normal Value

C.4.1.1. Prices paid or payable in the ordinary course of trade

379. Article 2(1) of the Basic Anti-Dumping Regulation provides that *‘the normal value shall normally be based on the prices paid or payable, in the ordinary course of trade, by independent customers in the exporting country’*. The Complainant obtained domestic prices in Taiwan through the consultation of the Ministry of Economic Affairs’ ‘Industrial Production, Shipment & Inventory Statistics Survey – Industrial Statistics’ database. This database compiles the results of monthly surveys which producers of industrial products must answer. On this basis, the average PVC price on the Taiwanese domestic market is estimated at **670.58 €/t** over the CIP. See *Annex C.09 – Dumping Calculation (Taiwan)*. This price was converted using the official conversion rate published by the Commission.²⁶⁶ It is assumed that the domestic sales value reported to the Ministry of Economic Affairs is reported on an ex-works (EXW) basis.

C.4.1.2. Sales not in the ordinary course of trade

380. The Complainant notes that during the 2023 Indian anti-dumping investigation into imports of S-PVC originating in Taiwan and South Korea amongst other origins,²⁶⁷ the investigative authority found that only one exporting producer out of the three sampled had sufficient sales made at a profit. The Complainant strongly believes it is still the case that domestic producers do not sell the product concerned at a profit.

381. However, in the absence of more recent evidence of sales not in the ordinary course of trade as understood in Article 2(3) of the Basic Regulation, and due to the public availability of domestic prices in Taiwan, the Complainant did not construct the normal value.

C.4.1.3. Particular Market Situation

382. The Complainant contends that the Taiwanese PVC market is subject to an input-based particular market situation within the meaning of Article 2(3) of the Basic Regulation that does not permit a proper comparison with the export price. The Basic Regulation defines particular market situations as, inter alia, situations *‘when prices are artificially low, when there is significant barter trade, or when there are non-commercial processing arrangements’*.

383. The Complainant submits that such a particular market situation exists on the Taiwanese market due to the costs of a key raw material used in the production of PVC, namely naphtha, which were materially influenced by sustained access to discounted Russian-origin supply, as well as naphtha produced by a state-owned enterprise.

²⁶⁶ As the European Central Bank does not publish the exchange rate from New Taiwanese Dollars to Euro on a monthly/daily basis for the CIP, the Commission’s official published exchange rates were used. See European Commission, ‘Exchange rate (InforEuro)’, available from: https://commission.europa.eu/funding-tenders/procedures-guidelines-tenders/information-contractors-and-beneficiaries/exchange-rate-inforeuro_en (last accessed March 2026).

²⁶⁷ See *Annex C.17 – Indian Trade Authority Findings*; Government of India – Ministry of Commerce & Industry, Notification Final Finding Case NO. AD(OI) – 30/2023, available at: <https://dgtr.gov.in/en/anti-dumping-cases/anti-dumping-investigation-concerning-imports-pvc-suspension-resins-originating>.

C.4.1.3.1. Cost-based particular market situation

384. The Complainant considers that the Taiwanese PVC industry is subject to significant government intervention, such that there is a particular market situation in the domestic ethylene production. Ethylene is one of the main raw materials used to produce PVC in Taiwan (accounting for [40-50]% of the cost of production). The Complainant submits that the intervention at the level of ethylene production and in the electricity market prevents a proper comparison between the normal value and the export price for the purposes of the dumping calculation as laid out in Article 2(3) of the Basic Regulation.

C.4.1.3.1.1. Distortions in ethylene prices

(a) Taiwan's production of ethylene

385. Taiwan's ethylene industry is heavily reliant on naphtha cracking. Taiwan operates five naphtha-based ethylene crackers. China General Plastics Corporation (CGPC) operates two naphtha crackers at the Linyuan Complex²⁶⁸, and Formosa Petrochemical Corporation (FPC) operates three naphtha crackers at its Mailiao Complex.²⁶⁹ Both CGPC and FPC are also producers of the product concerned in Taiwan.

386. Both Formosa's Mailiao and Linyuan PVC plants and CGPC's Linyuan PVC plant are integrated into or adjacent to Taiwan's major petrochemical cracking infrastructure, where imported naphtha is converted into ethylene and then into EDC/VCM, the key intermediates for PVC production.

(b) Distortions to the price of naphtha used in ethylene production in Taiwan

387. The Complainant contends that the Taiwanese naphtha market is subject to distortions due to the effect of the reliance on low-priced sanctioned Russian supply. As explained in [Section 3.1.3.2.](#) above, naphtha is the key raw material used to produce ethylene, with approximately 3.3 tonnes of naphtha used to produce 1 tonne of ethylene.²⁷⁰ As many countries and market participants reduced purchases of Russian petroleum products, trade flows were redirected toward alternative markets. Taiwan emerged as a key destination for Russian naphtha and was the largest cumulative importer of Russian naphtha between 2023 and 2025.²⁷¹

388. From the start of Russia's full-scale invasion of Ukraine through to the end of June 2025, Taiwan imported 6.8 mn tonnes of Russian naphtha worth over USD 4.9 bn. This makes it the third-largest importer of Russian naphtha worldwide, representing approximately 20% of Russia's total exports of this refined fossil fuel during this period.²⁷²

²⁶⁸ China General Plastics Corporation 'About' available at: <https://www.cgpc.com.tw/en-us/dirAbout/frmAbout.aspx> and CPC Corporation, Taiwan 'Downstream Operations', available at: <https://www.cpc.com.tw/en/cp.aspx?n=2610>

²⁶⁹ FPCC 'About No.6 Naphtha Cracker Complex, available at: <https://www.fpcc.com.tw/en/about/no6>

²⁷⁰ ICIS, 'Cheap Oil Raises Naphtha Cracker Over Investment Risk' (7 December 2017), available at: <https://www.icis.com/asian-chemical-connections/2017/12/cheap-oil-raises-naphtha-cracker-over-investment-risk/>

²⁷¹ Annex C.27b - NIS Summary data

²⁷² Annex 27a – CREA Report, page 9.

389. Taiwan has two customs codes for naphtha, code 27101220009 for naphtha and code 27101964009 for mineral naphtha. From 2022 to 2025, 99.47% - 99.93% of Taiwan's imports of naphtha were recorded under the code for mineral naphtha. Imports of mineral naphtha from Russia into Taiwan increased significantly between 2022 and 2025, making Russia an increasingly important source of supply for this product. The table below presents the evolution of total imports between 2022 and 2025, including import volumes, total value, average prices, and the growing share of imports originating from Russia.

	2022	2023	2024	2025
Total Imports (t)	8,969,637	6,216,313	6,185,299	6,567,178
Total values (kUSD)	7,385,942	4,134,770	4,251,525	3,935,764
Average price (USD/t)	823.44	665.15	687.36	599.31
Total imports from Russia (t)	590,657	1,240,912	2,734,066	3,713,814
Share of total imports originating from Russia (%)	7%	20%	44%	57%

See : *Annex C.27e - Naphtha Imports (Taiwan)*

390. The share of Russian imports in Taiwan's total mineral naphtha imports rose from 7% in 2022 to 20% in 2023, 44% in 2024 and 57% in 2025. In volume terms, imports from Russia increased more than sixfold over the period, from around 590,657 tonnes to 3,713,814 tonnes. This increase is particularly notable given that Taiwan's total naphtha imports fell by nearly 27% over the same period.
391. Since the Russian invasion of Ukraine, global efforts to cease reliance on Russian fossil products, *inter alia*, have been put into place. For example, the G7 group of countries have put in place a price cap on Russian oil and certain oil-derived products, including naphtha.²⁷³
392. It has been documented that the Formosa Petrochemical Company (FPCC), which owns the largest naphtha cracker in Taiwan, increased its imports of Russian naphtha after the Russian invasion of Ukraine and the imposition of economic sanctions against Russia. Indeed, according to a report published by the Centre for Research on Energy and Clean Air in October 2025, FPC relied on Russian imports for 90% of its naphtha in the first half of 2025, compared to only 9% before the Russian invasion started.²⁷⁴ The FPCC is also responsible for 96% of Taiwan's total imports of Russian naphtha.
393. Despite the CGPC ending all imports of Russian-sourced naphtha in the second half of 2024, total imports into Taiwan of Russian naphtha continued to increase. The graph below has been extracted from the Centre for Research in Energy and Clean Air's report on Taiwan's monthly naphtha imports, this clearly shows that Taiwan has continued to increase imports of naphtha, with imports of Russian naphtha nearly doubling from 2023 to 2024:

Monthly imported volumes of Russian Naphtha²⁷⁵

²⁷³ Statement of the G7 and Australia on a price cap for seaborne Russian-origin crude oil (2 December 2022) <<https://www.auswaertiges-amt.de/en/newsroom/news/g7-australia-price-cap-seaborne-russian-origin-crude-oil/2567026#:~:text=The%20G7%20and%20Australia%2C%20as,for%20the%20price%20cap%20on>> last accessed June 2026.

²⁷⁴ *Annex C.27a – CREA Report, page 5.*

²⁷⁵ *Ibid.*

Taiwan's average monthly imports of Russian naphtha and coal
USD mn | 2021 to end of first half of 2025

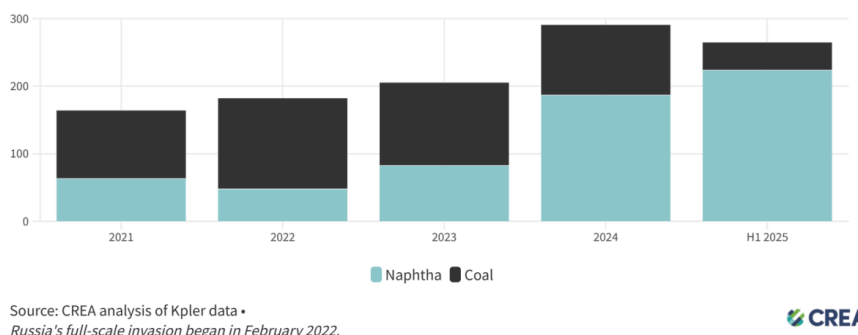


Figure 1 — Taiwan's average monthly imports of Russian naphtha and coal

394. The Complainant submits that Western sanctions on Russian energy have not stopped Russian naphtha from reaching global markets, but they have reshaped trade flows and pricing. The core pricing mechanism is a discount: the gap between what a Russian cargo sells for and the price of an equivalent unsanctioned benchmark barrel or swap. Indeed, due to sanctions on Russian-origin naphtha, traders have offered substantial discounts to attract buyers.

(c) The average price of ethylene in Taiwan is artificially low due to distorted feedstock prices

395. Almost all Russian-origin naphtha imported into Taiwan was directed to the Mailiao complex.²⁷⁶ These volumes were not stored or re-exported but were consumed and processed within the refinery and petrochemical facilities.²⁷⁷ The discounted feedstock therefore entered directly into the production process of downstream petrochemical products.

396. Russian-origin naphtha was purchased at significant discounts to comparable non-Russian grades, with Mailiao in Taiwan being the dominant consumer of Russian light and HVN naphtha.²⁷⁸ The evidence submitted below demonstrates that Russian-origin material consistently traded below Northeast Asian market values, thereby providing Taiwanese producers with access to feedstock at materially lower prices than would otherwise have been available.

Price comparison	Russian Naphtha <u>export</u> price (est.) (€/mt) ²⁷⁹	China/North East Asia Naphtha price (€/mt) ²⁸⁰
Jan-25	589	1.071
Feb-25	547	1.073
Mar-25	548	1.036

²⁷⁶ Naphtha Information Services (NIS), 16 January 2026, pp. 5-6, *Annex C.27c – NIS 16.01.25*

²⁷⁷ Naphtha Information Services (NIS), 11 April 2025, pp.5-6, *Annex C.27d – NIS 11.04.25*

²⁷⁸ Naphtha Information Services (NIS), 12 December 2025, pp. 5, *Annex C.27g – NIS 12.12.25*

²⁷⁹ Data estimated from Naphtha Prices in Russia graph. Converted into €/t using the European Commission's official exchange rate from RUB to EUR in the absence of ECB exchange rates past 2022 <https://commission.europa.eu/funding-and-tenders/procedures-guidelines-tenders/information-contractors-and-beneficiaries/exchange-rate-infoeuro_fr> See *Annex C.27e - Naphtha estimated prices*

²⁸⁰ Data estimated from the Global Naphtha Price Index graph, Converted into €/t using the European Central Bank exchange rate USD to EUR <<https://data.ecb.europa.eu/main-figures/ecb-interest-rates-and-exchange-rates/exchange-rates>> See *Annex C.27f - Naphtha estimated prices*

Apr-25	502	976
May-25	458	970
Jun-25	452	930
Jul-25	476	944
Aug-25	468	918
Sept-25	483	903
Oct-25	441	900
Nov-25	457	882
Dec-25	452	851

See Annex C.27f - Naphtha estimated prices

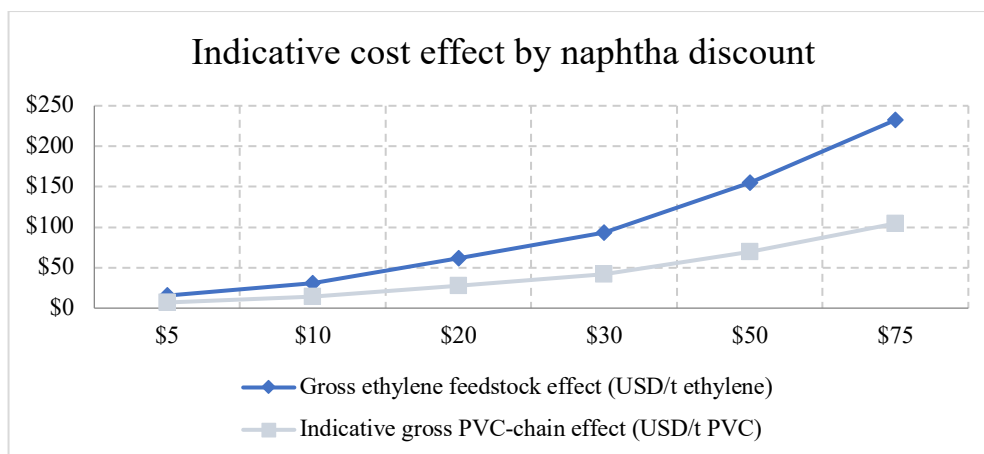
397. Furthermore, Naphtha International repeatedly reported that Russian-origin naphtha was traded at significant discounts compared with comparable non-Russian (“pure”) material. Across the period examined, reported discounts generally ranged from approximately \$15/t to \$35/t. In one Taiwan-related transaction, Mailiao purchased naphtha at a discount of \$11/t to the benchmark.
398. While these discounts were not always linked to a specific destination, Naphtha International reported that discounted Russian barrels were delivered to petrochemical consumers, notably in China, Taiwan and India.²⁸¹ The details of the reported discounts are provided in *Annex C.27b – NIS Summary Table*.
399. These discounts materially affect the cost of producing PVC. Naphtha is the principal feedstock used in steam cracking to produce ethylene. Ethylene is an indispensable input in the manufacture of PVC through the EDC and VCM production chain.
400. Based on a non-confidential conversion rate derived from the Complainant’s market knowledge, the Complainant has been able to show the impact of the discount on PVC prices.

Assumption	Value
Gross naphtha requirement per tonne ethylene ²⁸²	3,10
Ethylene requirement per tonne PVC	0,45
Gross naphtha input per tonne PVC	1,40

401. The graph below clearly illustrates the impact of the Naphtha discount on Ethylene and, consequently, on PVC prices. A larger naphtha discount results in a greater downward impact on PVC prices.

²⁸¹ Naphtha Information Service (NIS), 15 December 2023, pp. 1-2, see *Annex C.27h – NIS 15.12.23*

²⁸² Based on Complainant’s estimate, however, alternative sources suggest that as much as 3.3 tonnes of naphtha is needed, leading to a higher cost impact and therefore greater feedstock advantage. ICIS, ‘Cheap Oil Raises Naphtha Cracker Over Investment Risk’ (7 December 2017), available at: <https://www.icis.com/asian-chemical-connections/2017/12/cheap-oil-raises-naphtha-cracker-over-investment-risk/>



See Annex C.27b - NIS Summary data

402. Given the scale and duration of the discounted Russian-origin supply, the Complainant submits that Taiwanese PVC producers benefited from raw material costs that did not reflect normal market conditions prevailing in international markets. Domestic production costs, and consequently domestic PVC prices, were therefore artificially lowered as a result of this sustained feedstock advantage.
403. As FPC's naphtha crackers reportedly utilised increased amounts of naphtha imported from Russia, at prices which have been capped to prevent Russia from profiting from its war of aggression against Ukraine, the cost structure of ethylene is significantly affected.
404. The fact that a state-owned company operates the naphtha crackers shows that raw material costs are not determined by free market forces, as they are substantially affected by government intervention.
405. The CPC corporation has a policy of absorbing market shocks to keep domestic natural gas and electricity costs below regional averages. According to Reuters, the CPC suppressed natural gas prices in 2025 despite global increases in raw material prices due to the impact of the Russian invasion of Ukraine.²⁸³ In addition, Taiwan's Ministry of Economic Affairs imposed a freeze on electricity prices in 2025. These schemes have led to losses for the CPC and Taiwan Power Company, the state-owned enterprise responsible for electricity generation and supply. Taiwan Power alone incurred losses of 13 billion USD by July 2025 due to this policy.²⁸⁴
406. These initiatives benefit energy-intensive industries, such as the petrochemical industry and specifically the naphtha cracking facilities which provide ethylene to PVC producers. The production of PVC, is also highly energy intensive. Accordingly, lower energy prices impact their cost structure.

²⁸³ Reuters, "Taiwan freezes electricity prices, reports power utility losses of \$13 bln" (March 2025) <<https://www.reuters.com/business/energy/taiwan-freezes-electricity-prices-reports-power-utility-losses-13-bln-2025-03-28/>> last accessed June 2026.

²⁸⁴ Commonwealth magazine, "Why Low Electricity Prices Might Harm Taiwan in the Long Term" <<https://english.cw.com.tw/article/article.action?id=4772>> last accessed June 2026.

C.4.1.3.1.2. The combination of factors renders comparison of domestic sales and export prices impossible.

407. The Complainant contends that this access to artificially low naphtha inputs artificially distorts the cost of ethylene production in Taiwan. By constraining manufacturing costs, Taiwanese producers are able to sell PVC on the domestic market at artificially low prices.
408. As considered by the panel in the WTO dispute anti-dumping measures imposed by Australia on A4 copy paper, the impact of a decrease in the costs of manufacturing/input costs on the domestic market versus its impact on the export market is “*likely to depend significantly upon a number of factors, including the prevailing conditions of competition in each market and the existing relationship between price and cost*”.²⁸⁵ The panel determined that it is not necessary that “*a low-priced input used identically to produce merchandise for domestic and export markets will necessarily have the same effect on domestic prices and export prices and therefore necessarily permit a proper comparison. Rather, we find that whether the exporter's domestic sales permit a proper price comparison with the export price is a question that can only be ascertained through an examination of relevant factual circumstances.*”²⁸⁶
409. The Complainant considers that the impact of the decreased costs of manufacturing is expected to be different on the sales price in the domestic market versus the export market. As prices on the domestic market are artificially low, the domestic market is effectively protected from imports from foreign producers. Prices on the market are not necessarily determined by developments on the global market, but rather by the domestic practices regarding naphtha cracker feedstocks and the activities of state-owned enterprises.
410. By contrast, exports of PVC to the EU compete with the like product in the EU and the product originating in other third countries. The prices of imports are thus not only influenced by the factors described above, but also by the competitive relationship to PVC from different origins. The export prices do not exist in a vacuum.
411. In addition, the Complainant submits that Taiwanese producers export in significant quantities so as to maximise profitability on the export market. The Complainant has assessed the volume of sales on the export market relative to sales on the domestic market; the following table summarises exports relative to domestic sales and production, demonstrating that in the CIP, exports accounted for more than three times the volume of domestic sales. This demonstrates that Taiwanese producers are heavily export-oriented, favouring sales on the export market:

	2022	2023	2024	CIP
Exports (t)	1.263.264	1.333.060	1.291.521	1.160.239
Domestic sales (t)	375.886	349.077	357.474	329.603
Exports relative to domestic sales (%)	336%	382%	361%	352%

See Annex C.29 – Domestic and export markets Taiwan and South Korea

²⁸⁵ Report of the Panel, Australia – Anti-Dumping Measures On A4 Copy Paper, WT/DS529/R (4 December 2019), recital 7.80.

²⁸⁶ *Ibid.* 7.81.

412. Consequently, the conditions in the Taiwanese domestic market and the export market differ to the extent that comparing prices in both markets to calculate the dumping margin would be inappropriate.
413. On the basis of the foregoing, the Complainant constructed the normal value of PVC on the Taiwanese market using the cost of production in Taiwan and a reasonable amount of selling, general and administrative costs and profits, in accordance with Article 2(3) of the basic Regulation.

C.4.1.3.2. Raw materials

414. In order to establish the **ethylene** price in Taiwan, the Complainant used a global benchmark value for ethylene imported under HS code 2901 21 for the period of 2025 extracted from UN Comtrade.²⁸⁷ This global benchmark is based on global import statistics for ethylene excluding those reported by Taiwan. Given the fact that Taiwan's reporting on UN Comtrade is grouped together with 'Other Asia',²⁸⁸ to be conservative, the Complainant excluded all imports reported under 'Other Asia' from the calculation of the global benchmark price. On this basis, the average import price of ethylene was established at 1,004 USD/t. This price was further converted into €/t using the official conversion rate published by the European Central Bank.²⁸⁹ The price of ethylene in Taiwan was therefore established at **890.11 €/t** in the CIP.
415. The Complainant was unable to establish representative prices for **chlorine** in Taiwan – statistics published by the Taiwanese national trade statistics database²⁹⁰ for customs code 28011000005 yielded an average price of 11,315 USD/t and an import quantity of only 457t. The only available alternative benchmark price published by IMARC²⁹¹ was also not usable because it was for Northeast Asia only. Chlorine was therefore represented as a percentage of the full cost in the constructed normal value.
416. In order to establish the **vinyl acetate** price in Taiwan, the Complainant consulted the official Taiwanese trade statistics database²⁹² for import data concerning customs code 29153200002. On this basis, the average vinyl acetate import price into Taiwan for the period of 2025 was established at 731.43 USD/t. This price was converted into €/t using the official conversion rate published by the European Central Bank.²⁹³ The price of vinyl acetate in Taiwan was thus established at **649.07 €/t** in the CIP.

²⁸⁷ UN Comtrade Database, available from: comtrade.un.org (last accessed August 2026).

²⁸⁸ UN Comtrade Help Center, 'Taiwan, Province of China Trade Data', available at: <https://uncomtrade.org/docs/taiwan-province-of-china-trade-data/> (last accessed August 2026)

²⁸⁹ European Central Bank, 'ECB interest rates and exchange rates', available from: <https://data.ecb.europa.eu/main-figures/ecb-interest-rates-and-exchange-rates/exchange-rates> (last accessed August 2026).

²⁹⁰ Statistics Database Query, 'Total Imports / Total Exports', available from: <https://portal.sw.nat.gov.tw/APGA/GA30E> (last accessed August 2026).

²⁹¹ IMARC, 'Chlorine Price Trend, Index and Forecast' available from: <https://www.imarcgroup.com/chlorine-pricing-report> (last accessed August 2026).

²⁹² Statistics Database Query, 'Total Imports / Total Exports', available from: <https://portal.sw.nat.gov.tw/APGA/GA30E> (last accessed August 2026).

²⁹³ European Central Bank, 'ECB interest rates and exchange rates', available from: <https://data.ecb.europa.eu/main-figures/ecb-interest-rates-and-exchange-rates/exchange-rates> (last accessed March 2026).

417. In order to establish the **ethylene dichloride** price in Taiwan, the Complainant consulted the official Taiwanese trade statistics database²⁹⁴ for import data concerning customs code 29031500007. On this basis, the average ethylene dichloride import price into Taiwan for the period 2025 was established at 197.70 USD/t. This price was converted into €/t using the official conversion rate published by the European Central Bank.²⁹⁵ The price of ethylene dichloride in Taiwan was thus established at **175.44 €/t** in the CIP.
418. In order to establish the **hydrochloric acid** price in Taiwan, the Complainant consulted the official Taiwanese trade statistics database²⁹⁶ for import data concerning HS code 280610. On this basis, the average hydrochloric acid price into Taiwan for the period 2025 was established at 5,093.17 USD/t.
419. Import volumes are expressed in tonnes of solution. However, this value reflects the total mass, which contains a proportion of water, while the Complainant reports hydrochloric acid quantities in dry metric tonnes (dmt). One of the PVC producers in Taiwan, Taiwan VCM Corporation, published its standard industrial concentration of 32% w/w.²⁹⁷ To calculate the price per dry metric tonne (DMT), that is the cost of the pure HCl, it is necessary to isolate only the HCl fraction by multiplying the total mass by 0.32. This adjustment ensures that the price reflects the effective amount of acid, allowing for accurate comparison and assessment of imports on a dry mass basis. Without this factor, the quantity of acid imported and its cost per tonne of pure HCl would be overestimated.
420. Following this methodology, the import price of hydrochloric acid expressed in USD is of 15,916.16 USD/t. The established price is unreasonably high and would not allow for a conservative estimation of the normal value. The Complainant thus relied on the percentage of the hydrochloric acid cost out of the total cost of production for the like product in the Union in order to establish the cost of hydrochloric acid in Taiwan.

C.4.1.3.3. Energy and Utilities

421. The **cost of electricity** was obtained from Taipower, a state-owned company responsible for managing and supplying Taiwan's electricity.²⁹⁸ Its most recently published rate schedules from October 2025 were used,²⁹⁹ although these rates are not applicable to the starting months of the CIP, as industrial rates were not or only marginally affected by this reform.³⁰⁰

²⁹⁴ Statistics Database Query, 'Total Imports / Total Exports', available from: <https://portal.sw.nat.gov.tw/APGA/GA30E> (last accessed August 2026).

²⁹⁵ European Central Bank, 'ECB interest rates and exchange rates', available from: <https://data.ecb.europa.eu/main-figures/ecb-interest-rates-and-exchange-rates/exchange-rates> (last accessed March 2026).

²⁹⁶ Statistics Database Query, 'Total Imports / Total Exports', available from: <https://portal.sw.nat.gov.tw/APGA/GA30E> (last accessed August 2026).

²⁹⁷ Taiwan VCM Corp., 'Safety Data Sheet', available at: <https://www.tvcm.com.tw/ProductPDF/TVCM-SDS-HCL-en-us.pdf?1> (last accessed August 2026)/

²⁹⁸ Taiwan Power Company, *History and Development*, <<https://www.taipower.com.tw/2764/2809/2810/25005/normalPost>> last accessed June 2026.

²⁹⁹ Available at <<https://www.taipower.com.tw/2764/2765/2801/56429/normalPost>> last accessed June 2026.

³⁰⁰ Meryl Kao, 'Taipower to raise electricity rates by average of 0.71%' (20 September 2025) <<https://www.taipeitimes.com/News/front/archives/2025/09/20/2003844112>> last accessed June 2026.

422. High voltage service rates covering electricity used between 11.4 kV and 22.8 kV were used, as these best reflect energy consumption in the chemical sector.³⁰¹ Energy rates were used instead of demand rates in the absence of electricity demand information in the industry. Time-of-use rate A and C were used because their peak demands are not dependent on fixed or mobile peak periods determined by contract.
423. For both rates A and C, weighted average summer rates in NTD/kWh were obtained for each day of the week based on the number of hours for which different daily prices are applied. A weighted average summer rate was then obtained based on the number of days for which a summer rate was applied (e.g. the same rate was applicable Monday-Friday, while different rates were applicable on Saturday and Sunday). This exercise was repeated to obtain an average non-summer rate. A weighted average based on the duration of each season (5 months for summer and 7 months for non-summer) was calculated for rates A and C. Finally, a simple average price between rates A and C was calculated and the average conversion rate for the CIP, calculated using InforEuro conversion rates from NTD to EUR (in the absence of ECB rates), was applied to the resulting figure.³⁰² The price of electricity thus obtained is **0.13 EUR/kWh**.
424. The **cost of water** is determined on the basis of Taiwan Water Corporation's (a state-owned company responsible for managing and supplying Taiwan's water) online "trial water fee calculator".³⁰³ Given that only Vynova used water to produce the product concerned, its monthly water use was used as a proxy for water consumption in the exporting country. On that basis a monthly water cost was obtained through the water fee calculator, which was divided by the monthly consumption to arrive at the cost per cubic meter. The average conversion rate for the CIP, calculated using InforEuro conversion rates from NTD to EUR, was applied to the resulting figure.³⁰⁴ The price of water thus obtained is **0.34 EUR/m³**.
425. The **cost of gas** was obtained from CPC Corporation's (a state-owned enterprise)³⁰⁵ latest available rates, which were published in August 2024.³⁰⁶ These rates were converted from NTD/m³ to NTD/kWh using the conversion rate 1 m³ = 10.55 kWh³⁰⁷ and adjusted to CIP levels

³⁰¹ Benzer Yazılar, "What are Medium Voltage Systems? Usage Areas and Features" (12 May 2025) <<https://www.adatech.com.tr/en/what-are-medium-voltage-systems-usage-areas-and-features/>> last accessed June 2026.

³⁰² InfoEuro rates were used in the absence of an ECB conversion: <https://commission.europa.eu/funding-tenders/procedures-guidelines-tenders/information-contractors-and-beneficiaries/exchange-rate-infoeuro_en> last accessed June 2026.

³⁰³ Taiwan Water Corporation, "Introduction" <<https://www.water.gov.tw/en/Contents?nodeId=4676>> last accessed June 2026.

³⁰⁴ InfoEuro rates were used in the absence of an ECB conversion: <https://commission.europa.eu/funding-tenders/procedures-guidelines-tenders/information-contractors-and-beneficiaries/exchange-rate-infoeuro_en> last accessed June 2026.

³⁰⁵ CPC, "About CPC" <<https://www.cpc.com.tw/en/>> last accessed June 2026.

³⁰⁶ EnergyOMNI, "CPC Corporation Taiwan Announces August NG and LPG Prices" <<https://www.energy-omni.com/en/news/article/0A5Zz37IsdSs3Uh0>> last accessed June 2026.

³⁰⁷ NRG, "Energy conversion calculator" <<https://www.nrg.com/resources/energy-tools/energy-conversion-calculator.html>> last accessed June 2026.

using a Producer Price Index.³⁰⁸ The average conversion rate for the CIP, calculated using InforEuro conversion rates from NTD to EUR, was applied to the resulting figure.³⁰⁹

426. **Steam** is not a traded commodity. In order to establish the price of steam, the Complainant started from the price of natural gas as established in the above paragraph. The Complainant then relied on the US Government's benchmark to establish the fuel cost of steam generation in order to calculate the price of steam generation per tonne.³¹⁰ For the FOP where the pressure of the steam and the temperature of the feedwater was provided, relying on the relevant tables published by the US Department of Energy, the Complainant determined the energy content expressed in Btu/MMBtu, the energy required to produce 1 lb of saturate steam and the combustion efficiency for natural gas. *[Confidential information redacted – business sensitive information relating to steam used by Complainant]*.
427. For the other FOP, for which no information was available regarding steam pressure and feedwater temperature, the cost of steam was estimated based on the proportion of steam costs in the total production cost of a comparable product within the Union.

C.4.1.3.4. Labour

428. In the absence of information on labour costs from the International Labour Organisation, as Taiwan is not a member state, earnings and working hour statistics for industrial workers were obtained from the Ministry of Labor of the Republic of China (Taiwan).³¹¹ “Database 5.6 – Nominal wages in manufacturing (evaluated by US\$)” was used to determine the earnings of industrial workers, unadjusted by purchasing power parity, while “Database 6.4 – Working hours in manufacturing” was used to reflect average working hours. The nominal monthly wages were divided by the monthly hours worked to obtain average manufacturing earnings in USD/hour. The ECB's average conversion rate for the CIP to EUR was applied to the resulting figure and the EUR/hour cost of labour was adjusted to CIP levels using a Producer Price Index.³¹² The resulting labor cost is **10.24 EUR/hour**.

C.4.1.3.5. Other direct costs

429. Other direct costs and manufacturing overheads are incurred in the production of the product concerned. However, there is no publicly available information on these costs. Therefore, the Complainant relied on the percentage of these costs out of the total cost of production for the like product in the Union in order to estimate the costs of the other direct costs and manufacturing overheads.

³⁰⁸ National Statistics Republic of China (Taiwan), “CPI Change Rate” <<https://eng.stat.gov.tw/Point.aspx?sid=t.2&n=4201&sms=11713>> last accessed July 2026.

³⁰⁹ InfoEuro rates were used in the absence of an ECB conversion: <https://commission.europa.eu/funding-tenders/procedures-guidelines-tenders/information-contractors-and-beneficiaries/exchange-rate-infoeuro_en> last accessed June 2026.

³¹⁰ US Department of Energy, ‘Benchmark the Fuel Cost of Steam Generation: Steam Tip Sheet #15’, available from: <https://docs.nrel.gov/docs/fy12osti/52750.pdf> (last accessed March 2026).

³¹¹ Ministry of Labor Republic of China (Taiwan), “International Labor Statistics” <<https://english.mol.gov.tw/21004/21107/21113/lpsimplelist>> last accessed July 2026.

³¹² National Statistics Republic of China (Taiwan), “CPI Change Rate” <<https://eng.stat.gov.tw/Point.aspx?sid=t.2&n=4201&sms=11713>> last accessed July 2026.

C.4.1.3.6. Financial information

430. The Complainant calculated sales, general, and administrative costs as well as profits on the basis of the financial statement for the nine months ended in September 2025 of Formosa Petrochemical Corporation and Subsidiaries. The table below presents a summary of this calculation:

Financial statement (Q1 2025 – Q3 2025)	NT\$ thousand
Operating costs	468,428,099
SG&A	8,344,755
Profit before tax	5,998,014
SG&A (%)	1.8%
Profit (%)	1.3%

See Annex C.26a – CNV Taiwan (PMS)

C.4.1.3.7. Construction of the Normal Value

431. In order to construct the normal value, the amounts for SG&A and profits were added to the cost of manufacturing, obtained by compiling the undistorted benchmarks retrieved in Taiwan. The table below summarises the construction of the normal value:

Constructed Normal Value		
Average cost of manufacturing		[801 – 1,008] €/t
SG&A	1.8%	[14 – 18] €/t
Profit	1.3%	[10 – 13] €/t
CNV		[826 – 1,039] €/t

See Annex C.26a – CNV Taiwan (PMS)

432. The constructed normal value for 1 tonne of the product concerned in Taiwan is established at [826 – 1,039] €/t in the period for 2025 (see Annex C.26a – CNV Taiwan (PMS)).

C.4.2. Export Price

433. The export price for the product concerned originating in Taiwan over the period for 2025 is based on the import price recorded on a CIF basis at the Union border as reported by Eurostat for CN code 3904 10 00. As explained in [section B.4.2.](#) above, the Complainant considers that relying on the average price for the whole CN code represents a conservative approach to conduct a *prima facie* dumping assessment. Indeed, due to the presence of high-priced E-PVC imports, the CN code average price is higher than the average price of S-/M-PVC imports, thus leading to a smaller *prima facie* dumping margin. The export price CIF is therefore established at 715.52 €/t in the CIP.
434. As the normal value is assumed to be reported on an EXW basis, it is necessary to adjust the export price to allow for a fair comparison with the normal value. Therefore, the sea freight costs per tonne along the route from Taiwan to the Union has been deducted. For this, the Complainant obtained freight data from [redacted – confidential] for 40-foot containers for the route Taiwan Main to North Europe Main. The average price for the market average container price in the period for 2025 is established at 2,689.78 USD/t. The details of the calculations are available in Annex C.09 – Dumping Calculation (Taiwan).

435. Based on market intelligence considers that between 22 and 25 tonnes of the product concerned can be transported in a 40-foot container. Based on this the average price per tonne for the sea freight between Taiwan and the Union has been established at 114.46 USD/t. This price was further converted into €/t using the official conversion rate published by the European Central Bank.³¹³ The average price of sea freight from Taiwan was therefore established at **101.54 €/t**. The details of the calculations are available in *Annex C.09 – Dumping Calculation (Taiwan)*.
436. Similar to the Chinese and South Korean PVC export markets, the Taiwanese export market also largely operates through unrelated traders. The main trader active in Taiwan is Vinmar, a large international trading company which operates through regional hub and network structures, with an established registered office in the country (see *Annex A.01 – Interested parties contact details*). The local office has the commercial capability to engage with local PVC producers, source and consolidate PVC volumes, coordinate documents, and sell onward to international customers. Importantly, large traders, such as Vinmar, maximise their value by taking on the commercial risk and often the goods' title, before reselling the material.
437. In order to account for the profit margin of the unrelated traders to make a fair comparison between the export price and the normal value as per Article 2(10)(i) of the basic Regulation, the Complainant further adjusted the FOB export price. There is no publicly available data regarding the profit margin of the traders applied to the final price of the product concerned destined for the EU. Therefore, the Complainant applied a notional profit of 6.89% that was considered reasonable in two previous investigations concerning chemical products, namely polyvinyl alcohols and 1,4-butanediol.³¹⁴ On this basis the ex-works export price was established at **574.41 €/t**. The details of the calculations are available in *Annex C.09 – Dumping Calculation (Taiwan)*.

C.4.3. Dumping Calculation

438. The dumping margin of the Taiwanese exported product concerned was established by comparing the normal value and the export price calculated above. The dumping margin is expressed as a percentage of the CIF import price at the Union border. On this basis, the table below summarises the dumping calculation for the Taiwanese imports:

Dumping Calculations - Taiwan		
	Domestic Prices	CNV (PMS)
Normal Value (EXW)	670.58 €/t	[826 – 1,039] €/t
Export price (CIF)	715.52 €/t	715.52 €/t
Export price (FOB)	613.98 €/t	613.98 €/t
Export price (EXW)	574.41 €/t	574.41 €/t
Dumping amount	96.17 €/t	[251 – 467] €/t
Dumping margin	13%	[35 – 65]%

See *Annex C.09 – Dumping Calculation (Taiwan)*

³¹³ European Central Bank, 'ECB interest rates and exchange rates', available from: <https://data.ecb.europa.eu/main-figures/ecb-interest-rates-and-exchange-rates/exchange-rates> (last accessed March 2026).

³¹⁴ Commission Implementing Regulation (EU) 2026/270 of 4 February 2026 imposing provisional anti-dumping duties on imports of 1,4-Butanediol originating in the People's Republic of China, the Kingdom of Saudi Arabia and the United States of America, recital (221); Commission Implementing Regulation (EU) 2020/1336 of 25 September 2020 imposing definitive anti-dumping duties on imports of certain polyvinyl alcohols originating in the People's Republic of China, recital (352).

439. On the basis of the data presented above, Taiwanese imports of the product concerned are dumped on the Union market at dumping margins between **13%** and **[35 – 65]%**.

D. ECONOMIC SITUATION OF THE UNION INDUSTRY

440. The Complaint considers the situation of *material injury* as well as the further *threat of material injury*, as the increase in low-priced imports originating in China, Mexico, South Korea and Taiwan is a recent development. Considering the already fragile situation of the Union industry and the continuously increasing dumped imports, there is an imminent threat of further material injury that will likely materialise if no protective measures are implemented.
441. Injury is assessed with reference to trends in the CIP and the three preceding calendar years. The performance of the Union industry in 2022, the base year of this assessment, was severely impacted by the dumped imports of the product concerned originating in Egypt and the United States. While 2020 was impacted by the COVID-19 pandemic and 2021 saw a strong economic recovery, the negative effects of dumped imports from Egypt and the United States became particularly evident in 2022. Imports from Egypt and the United States increased by 161%, and their market share rose by 220% compared with 2021, placing considerable pressure on the Union industry.³¹⁵ Sales prices were severely depressed by the effect of the imports. Therefore, 2019 can be considered the last ‘normal’ year for the Union PVC industry.
442. In the Regulation imposing provisional measures on dumped imports from Egypt and the United States, the Commission considered that imposing anti-dumping duties on S-PVC imports would provide certainty to the Union industry that would translate into stable sales volumes in the Union, considering the significant loss of market share. Moreover, the Commission considered that measures would eliminate the impact in terms of price depression, so not only the Union industry would benefit from more stable volumes, but it would also have less uncertainty about the chances of covering its costs.³¹⁶
443. Anti-dumping measures targeting PVC imports from Egypt and the United States were introduced in July 2024. These measures led to a decline in imports from Egypt and the United States. Regarding United States, in the first half of 2024, the monthly imports quantities averaged 18,000 tonnes. These volumes then steeply decreased down to 3,000 tonnes per month in the third quarter of 2024, following the imposition of the provisional anti-dumping measures.³¹⁷ This decrease in the dumped imports from Egypt and the United States allowed for a temporary recovery of the Union industry.
444. However, the positive impact of these measures was short-lived. Instead of allowing the Union industry to stabilise its volumes, regain market share and eliminate the impact in terms of price depression, as envisaged by the anti-dumping measures, the measures allowed a space for imports originating in China, South Korea, Taiwan and Mexico to flood the Union market and continue to erode the weakened position of the Union industry.

³¹⁵ See Commission Implementing Regulation (EU) 2024/1896 of 11 July 2024 imposing a provisional anti-dumping duty on imports of certain polyvinyl chloride (‘PVC’) originating in Egypt and the United States of America, OJ L 1896, 12 July 2024, recital 165.

³¹⁶ Commission Implementing Regulation (EU) 2024/1896 of 11 July 2024 imposing a provisional anti-dumping duty on imports of certain polyvinyl chloride (PVC) originating in Egypt and the United States of America, OJ L, 2024/1896, 12.7.2024, Recital 230.

³¹⁷ Annex B.05 – *Adjusted Trade Statistics*; see also: CEFIC & Advancy, *The Competitiveness of the European Chemical Industry*, January 2025, p. 95, available at: <https://cefic.org/app/> (Last accessed on November 2025).

445. Traders who had previously been supplying PVC originating in Egypt and the United States replaced supply with dumped imports originating in China, Mexico, South Korea and Taiwan. As analysed in [Section B](#), this led to an overall increase in the cumulated volume of imports from these countries of 103%, from 185,773 tonnes in 2022 to 376,212 tonnes during the CIP.
446. The deterioration of the state of the PVC market in the Union has accelerated in 2025 and there are no signs of improvements in the near future. Injury levels in 2025 are worse than the CIP average. Therefore, a quarterly analysis of the injury indicators is crucial. Further, it is necessary to examine the injury indicators in this particular context to understand the persistent fragile position of the Union industry.

D.1. Union apparent consumption and market shares

D.1.1. Methodology for calculating EU consumption and market share

447. The market share is calculated as a percentage of the demand/consumption in the EU and for each country concerned separately. Therefore, the first step is to determine EU consumption. The methodology generally applied is:

$$\text{Apparent Demand} = \text{total sales by EU27} + \text{total extra EU imports}$$

448. The *total sales volume by all EU-27 producers* corresponds to the sales made by the Complainant together with the sales of the other known Union producers. Estimates must be made to determine the volume of sales of non-complainant companies.
449. The *total imports from non-EU countries* represent the sum of all imports of the product concerned from origins located outside of the Union, including the imports alleged to be dumped.

D.1.2. Estimation of Union consumption

450. Total consumption in the EU-27 is estimated by adding the estimated sales of EU-27 producers to imports from third countries. It was not possible to use *[redacted – confidential information which, if disclosed, would have a significantly adverse effect upon the party supplying the information]* data directly to estimate EU-27 sales, as *[redacted – confidential information which, if disclosed, would have a significantly adverse effect upon the party supplying the information]* records sales by destination (including Norway, the UK, and Switzerland) without a geographical breakdown relevant to the present analysis. As a result, this data also includes countries outside the EU-27 and do not allow sales made exclusively within the Union, by Union producers, to be isolated. Furthermore, *[redacted – confidential information which, if disclosed, would have a significantly adverse effect upon the party supplying the information]* data does not include Fortischem's sales as well as extender S-PVC sales. Therefore, to estimate total EU-27 sales, the Complainant relied on its calculated representativeness percentage in order to extrapolate total Union sales on the basis of its own sales.³¹⁸

³¹⁸ This methodology is different to the one used in AD697, where Prodcom was used as the basis for the total Union production and thereby to extrapolate sales. The change in methodology due to the lack of Prodcom data, the availability of more granular *[redacted – confidential information which, if disclosed, would have a*

451. The table below presents the results obtained using this methodology:

Sales in the EU	2022	2023	2024	CIP
Total sales in the EU-27 (t)	[2,500,000 – 3,700,000]	[2,300,000 – 2,900,000]	[2,500,000 – 3,100,000]	[2,500,000 – 3,100,000]
Index (2022 = 100)	100	84	91	91

See Annex D.02 – Injury Figures

452. Imports were derived from Eurostat and are analysed in *Annex B.05 – Adjusted Trade Statistics*. Imports have been obtained according to the methodology described in [Section B](#) above. The results are presented in the table below:

Consumption	2022	2023	2024	CIP
Total sales in the EU-27 (t)	[2,500,000 – 3,700,000]	[2,300,000 – 2,900,000]	[2,500,000 – 3,100,000]	[2,500,000 – 3,100,000]
Index (2022 = 100)	100	84	92	91
Total imports extra-EU27 (t)	496,492	616,611	377,759	458,333
Index (2022 = 100)	100	124	76	92
Consumption (t)	[3,200,000 – 3,800,000]	[2,800,000 – 3,400,000]	[2,800,000 – 3,400,000]	[2,800,000 – 3,500,000]
Index (2022 = 100)	100	90	89	91

See Annex D.02 – Injury Figures

453. The table shows that total sales in the EU-27 were [2,500,000 – 3,700,000] tonnes in 2022, before falling by 16% in 2023. Sales volumes then gradually recovered without going back to the 2022 level. Overall, in the period considered, total sales in the EU-27 have decreased by 9%. Extra-EU27 imports rose by 24% from 496,492 tonnes in 2022 to 616,611 tonnes in 2023, before falling sharply by 48 index points to 377,759 tonnes in 2024 and increasing by 16 index points to 458,33 tonnes in the CIP. Taken together, consumption followed a slight downward trend in the period considered. It went from [3,200,000 – 3,800,000] tonnes in 2022 and reached [2,800,000 – 3,500,000] tonnes in the CIP, resulting in a 9% decrease.

454. The following table focuses on the CIP, presenting quarterly data to provide a closer view of trends over the period:

Consumption	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Total sales in the EU-27	[700,000 – 850,000]	[700,000 – 850,000]	[550,000 – 680,000]	[500,000 – 620,000]
Index (Q1 2025 = 100)	100	100	80	72
Total imports extra-EU27 (t)	69,315	114,662	138,051	136,305
Index (Q1 2025 = 100)	100	165	199	197
Consumption (t)	[750,000 – 930,000]	[800,000 – 980,000]	[680,000 – 830,000]	[620,000 – 760,000]
Index (Q1 2025 = 100)	100	106	90	82

See Annex D.02 – Injury Figures

significantly adverse effect upon the party supplying the information] data and the different import volume adjustment methodology means that the consumption figures in 2022 differ from the AD697 investigation.

455. On a quarterly basis, EU consumption increased from Q1 2025, to Q2 2025, rising from [750,000 – 930,000] tonnes to [800,000 – 980,000] tonnes, which corresponds to an increase of 6%. It then decreased in Q3 and Q4, reaching [620,000 – 760,000] tonnes of S-/M-PVC consumed in the last quarter of the CIP. Overall, consumption decreased by 18% over the period. Thanks to the remedial effect of the anti-dumping duties imposed against imports from Egypt and the United States, in the first two quarters of the CIP, the Union industry managed to increase its sales volumes. However, starting in Q2-2025, imports from third countries started to grow at a significantly faster pace than consumption, thereby capturing a disproportionate share of the additional demand. In Q3-2025, imports also captured some of the Union industry's sales evidenced by the decline in Union sales vis-à-vis Q2-2025 while import kept growing. This trend continued into Q4 2025.

D.1.3. Market shares

456. The market share of the Union industry has been calculated as the proportion of estimated total EU sales out of the total apparent consumption. Similarly, the market share of imports has been calculated as the proportion of the various origins' import volumes out of the total estimated actual consumption. The table below summarises this analysis on a yearly basis:

Market shares (%)	2022	2023	2024	CIP
Total Union sales in the EU27 (t)	[2,500,000 – 3,700,000]	[2,300,000 – 2,900,000]	[2,500,000 – 3,100,000]	[2,500,000 – 3,100,000]
Market share	[84.0% – 87.0%]	[78.5% – 82.5%]	[86.0% – 89.0%]	[83.5% – 87.5%]
China imports (t)	3,310	8,489	3,288	51,388
Market share	[0.08% – 0.12%]	[0.22% – 0.31%]	[0.09% – 0.13%]	[1.45% – 1.80%]
South Korea imports (t)	23,360	55,644	32,786	142,639
Market share	[0.60% – 0.75%]	[1.55% – 2.00%]	[0.95% – 1.20%]	[4.20% – 4.85%]
Taiwan imports (t)	1,785	30,580	10,164	50,795
Market share	[0.04% – 0.07%]	[0.85% – 1.10%]	[0.28% – 0.40%]	[1.45% – 1.80%]
Mexico imports (t)	157,320	130,509	114,288	133,520
Market share	[4.20% – 4.85%]	[3.85% – 4.50%]	[3.40% – 4.00%]	[3.90% – 4.60%]
Other imports (t)	310,718	391,390	217,233	79,960
Market share	[8.30% – 9.50%]	[11.50% – 13.50%]	[6.50% – 7.50%]	[2.20% – 2.80%]

See Annex D.02 – Injury Figures

457. The table shows the evolution of market shares for the EU industry and extra-EU imports from 2022 to the CIP. The EU-27 industry accounted for [84.0% – 87.0%] of apparent consumption in 2022, before falling to [78.5% – 82.5%] in 2023, then rising to [86.0% – 89.0%] in 2024 and slightly declining to [83.5% – 87.5%] in the CIP.
458. Chinese imports rose sharply from 3,310 tonnes to 51,388 tonnes in the CIP, increasing their market share from [0.08% – 0.12%] to [1.45% – 1.80%]. South Korean imports increased from 23,360 tonnes to 142,639 tonnes in the CIP, with the market share rising from [0.60% – 0.75%] to [4.20% – 4.85%]. While Taiwanese imports went from 1,785 tonnes to 50,712 tonnes, representing a market share increase from [0.04% – 0.07%] to [1.45% – 1.80%]. Finally, Mexican imports slightly decreased over the period considered from 157,320 tonnes in 2022 to

133,520 tonnes during the CIP, representing a slight market share decrease from [4.20% – 4.85%] to [3.90% – 4.60%] over the period considered.

459. Finally, imports from other countries fell sharply, from 308,637 tonnes in 2022 to 79,971 tonnes in the CIP, with their market share dropping from [8.30% – 9.50%] to [2.20% – 2.80%].

460. The following table presents the evolution of market shares on a quarterly basis:

Market shares (%)	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Total Union sales in the EU27 (t)	[700,000 – 850,000]	[700,000 – 850,000]	[550,000 – 680,000]	[500,000 – 620,000]
Market share	[89% – 94%]	[84% – 90%]	[79% – 85%]	[77% – 83%]
China imports (t)	4,049	10,996	18,785	17,558
Market share	[0.40% – 0.55%]	[1.05% – 1.40%]	[2.20% – 2.80%]	[2.25% – 2.90%]
South Korea imports (t)	11,158	28,830	44,843	57,808
Market share	[1.15% – 1.50%]	[2.90% – 3.65%]	[5.40% – 6.50%]	[7.70% – 9.20%]
Taiwan imports (t)	3,177	9,834	19,447	18,337
Market share	[0.32% – 0.45%]	[0.95% – 1.25%]	[2.30% – 2.85%]	[2.35% – 3.00%]
Mexico imports (t)	31,592	39,471	35,288	27,168
Market share	[3.50% – 4.10%]	[4.15% – 4.80%]	[4.35% – 5.00%]	[3.65% – 4.30%]
Other imports (t)	19,339	25,530	19,688	15,435
Market share	[2.10% – 2.50%]	[2.60% – 3.20%]	[2.35% – 2.90%]	[2.05% – 2.50%]

See Annex D.02 – Injury Figures

461. At the start of the CIP, the EU-27 industry held a strong market share of [89% – 94%] in Q1 2025, which then declined sharply quarter by quarter. In Q2 2025 the Union industry's market share was at [84% – 90%] and dropped in the last quarter, reaching 548,823 tonnes. Ultimately, the decline from January 2025 to December 2025 is staggering with severe consequences for the Union PVC industry if the trends continue.

462. Imports from China, South Korea, and Taiwan, increased significantly over the period. Chinese imports rose sharply from 4,049 tonnes in Q1 2025 to 17,558 tonnes in Q4 2025, with a market share increase from [0.40% – 0.55%] to [2.25% – 2.90%]. South Korean imports increased from 11,158 tonnes in Q1 2025 to 57,808 tonnes in Q4 2025, raising their market share from [1.15% – 1.50%] to [7.70% – 9.20%], while Taiwanese imports rose from 3,177 tonnes in Q1 2025 to 18,337 tonnes in Q4 2025, with market share growing from [0.32% – 0.45%] to [2.35% – 3.00%]. Mexican imports on the other hand fluctuated over the last four quarters, firstly increasing until Q2 2025 from 31,592 tonnes to 39,471 tonnes. From Q2 to Q4 imports decreased. However, on a relative basis, Mexican imports' market share increased from [3.50% – 4.10%] to [3.65% – 4.30%] over the four quarters.

463. Other Extra-EU countries remained relatively stable in terms of market shares. Imports decreased slightly from 19,309 tonnes in Q1 2025 to 15,412 tonnes in Q4 2025, with their market share slightly decreasing from [2.10% – 2.50%] to [2.05% – 2.50%].

464. The following figure illustrates the monthly evolution of the market share:

Market shares	China	South Korea	Taiwan	Mexico
Jan-25	[0.19% – 0.28%]	[1.50% – 2.10%]	[0.40% – 0.56%]	[4.80% – 6.00%]
Feb-25	[0.37% – 0.54%]	[0.74% – 1.03%]	[0.39% – 0.55%]	[2.55% – 3.15%]
Mar-25	[0.62% – 0.86%]	[1.08% – 1.47%]	[0.16% – 0.23%]	[2.60% – 3.25%]
Apr-25	[0.79% – 1.08%]	[1.30% – 1.75%]	[0.41% – 0.58%]	[2.50% – 3.15%]
May-25	[1.20% – 1.65%]	[2.45% – 3.25%]	[0.95% – 1.35%]	[5.10% – 6.35%]
Jun-25	[1.10% – 1.50%]	[4.50% – 5.75%]	[1.35% – 1.80%]	[3.80% – 4.75%]
Jul-25	[1.75% – 2.30%]	[5.00% – 6.40%]	[1.70% – 2.30%]	[2.70% – 3.50%]
Aug-25	[2.80% – 3.65%]	[5.50% – 7.10%]	[3.00% – 3.90%]	[4.30% – 5.40%]
Sep-25	[2.00% – 2.60%]	[4.90% – 6.30%]	[2.05% – 2.65%]	[5.20% – 6.50%]
Oct-25	[1.40% – 1.85%]	[7.60% – 9.70%]	[1.45% – 2.00%]	[2.70% – 3.50%]
Nov-25	[2.20% – 2.90%]	[5.80% – 7.70%]	[2.45% – 3.20%]	[3.50% – 4.50%]
Dec-25	[3.30% – 4.40%]	[8.30% – 10.60%]	[3.15% – 4.20%]	[4.40% – 5.60%]

See Annex D.02 – Injury Figures

465. As shown in the above table, the market shares of Taiwan, China and South Korea, although relatively low at the beginning of 2025, increased overall over the course of the year, despite some fluctuations. By the end of the period, market shares stood [3.15% – 4.20%] for Taiwan and [3.30% – 4.40%] for China, while South Korea reached [8.30% – 10.60%]. Mexico's market shares fluctuated on a monthly basis and stood at [4.40% – 5.60%] in December 2025.

D.2. Cumulative assessment of the dumped imports

466. Article 3(4) of the Basic Regulation contains the criteria to cumulatively assess dumped imports from different countries. First, the margin of dumping established for each country must be more than *de minimis*. Second, the volume of imports from each country must not be negligible. Third, the conditions of competition between the imported products and the like Union product need to be similar in order for a cumulative assessment of the effects of the imports to be appropriate.

467. First, significant dumping margins ranging between 13% and [259 – 295] % have been established in relation to China, South Korea, Taiwan and Mexico (see [Section C](#) above). These margins are above the *de minimis* threshold established in Article 9(3) of the Basic Regulation.

468. Second, the imports from the countries concerned must not be negligible. Imports in relation to consumption developed as follows:

Market shares (%)	2022	2023	2024	CIP
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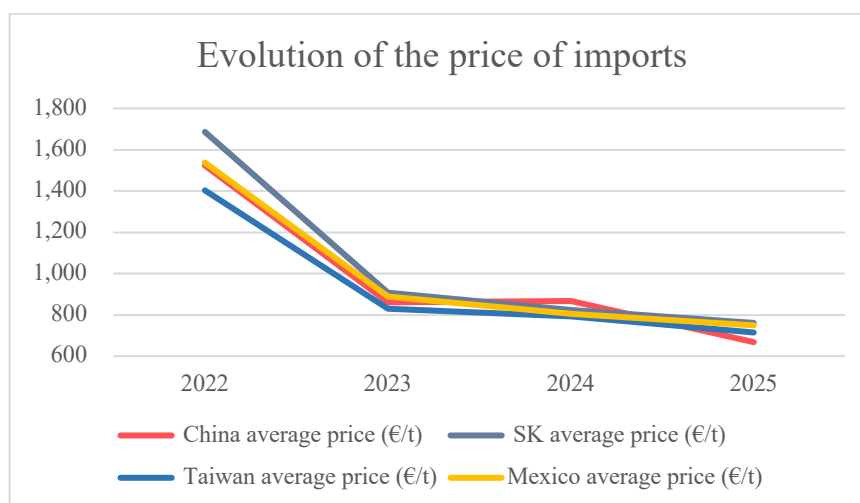
China imports (t)	3,310	8,489	3,288	51,388
<i>Market share</i>	[0.08% – 0.12%]	[0.22% – 0.31%]	[0.09% – 0.13%]	[1.45% – 1.80%]
South Korea imports (t)	23,360	55,644	32,786	142,639
<i>Market share</i>	[0.60% – 0.75%]	[1.55% – 2.00%]	[0.95% – 1.20%]	[4.20% – 4.85%]
Taiwan imports (t)	1,785	30,580	10,164	50,795
<i>Market share</i>	[0.04% – 0.07%]	[0.85% – 1.10%]	[0.28% – 0.40%]	[1.45% – 1.80%]
Mexican imports (t)	157,320	130,509	114,288	133,520
<i>Market share</i>	[4.20% – 4.85%]	[3.85% – 4.50%]	[3.40% – 4.00%]	[3.90% – 4.60%]

See Annex D.02 – Injury Figures

469. While there is no threshold for negligibility of imports set out in Article 3(4) of the basic Regulation, guidance can be obtained from the threshold set out in Article 5(7). Article 5(7) sets out that imports are not considered negligible if they represent at least 1% of the Union market share. The Complainant considers that all imports are above this 1% guidance.
470. Furthermore, as stated by the Court of Justice in *Eurofer v European Commission*, the question of whether the volume of imports from an origin is negligible ‘cannot be reduced to a simple issue of how large that volume is but rather extends to its quality’ meaning it is necessary to take into account other factors which indicate the effects which that volume can have, ‘including the prices associated with those imports’.³¹⁹ Commodity markets, such as S-/M-PVC, are extremely price sensitive, with a high elasticity of demand, as small price changes can trigger significant shifts in demand due to the standardized, interchangeable nature of S-/M-PVC. Therefore, even small players can have an important influence on industry-wide price setting. Thus, although the market shares for China and Taiwan are just above 1%, the Complainant contends that these can place significant pressure on the Union industry and have an injurious effect.
471. Third, there needs to be similar conditions of competition between the dumped imports as well as between the dumped products and the like product in the Union. In order to carry out the assessment of the conditions of competition, it is necessary to consider the price points at which the various origins import the product concerned, as well as the price at which the Union industry sells the like product on the Union market. Additionally, the pricing behaviour of the market actors must also be analysed.
472. During the CIP, the price of the imports of the product concerned originating in China, Mexico, South Korea and Taiwan stayed within the same price range between 611 €/t and 761 €/t. Imports from these three origins also display similar pricing behaviours and are priced significantly lower than imports from other origins. Prices of imports from these origins all undercut the Union industry prices in a significant manner, with undercutting margins standing between 9% and 15% during the CIP (see [Section D.4.3.1.](#) below).

³¹⁹ Judgment of Court (Fourth Chamber) 24 February 2022 Case C-226/20 P *Eurofer v European Commission*, ECLI:EU:C:2022, para 75.

473. Furthermore, prices of imports from the four origins follow similar trends in the period considered, as shown in the graph below.



See Annex B.05 – Adjusted Trade Statistics

474. Prices from China, Mexico, South Korea, and Taiwan decreased by between 49% and 55% in the period considered. All four experienced a significant, sudden drop between 2022 and 2023, followed by a continual, gradual price decrease until the CIP.
475. Finally, the product concerned imported from these four origins is identical in terms of physical, chemical, and technical characteristics, making them fully substitutable products with interchangeable end-uses. This conclusion is reinforced by the fact that S-/M-PVC is a commodity that remains of comparable composition and grade regardless of the origin and/or production method.
476. Taken together, these three indicators (similar pricing range, pricing behaviour and identical characteristics) point to the existence of competition between the imports from these four origins on the Union market, as well as to competition between the imported product and the like product in the Union.
477. The fact that the volume trends are not in the same direction for all four origins, with the Chinese, South Korean and Taiwanese volumes increasing exponentially while Mexico maintained important volumes from the beginning of the period considered cannot in itself prevent the cumulative assessment of the effect of the dumped imports. Indeed, Article 3(4) of the Basic Regulation does not make mention of a prescribed assessment to analyse the conditions of competition between imported products.
478. The Basic Regulation's Article 3(4) imbeds the WTO's Anti-Dumping Agreement's Article 3.3. As recognised by the WTO Panel in the *Certain Footwear from China* case, 'Article 3.3 of the AD Agreement does not contain any further guidance with respect to these "conditions of competition"'.³²⁰ Accordingly, there is no requirement that it 'must be establish[ed] that imports from different countries origins have similar volume and market share trends'.³²¹ As the prices

³²⁰ WTO Panel Report, WT/DS405/R European Union – Anti-dumping Measures on Certain Footwear from China, para. 7.403.

³²¹ Ibid, para. 7.404.

from the four origins follow very similar trends over the period considered and significantly undercut the Union industry's prices, the Complainant submits that the difference in volume trends between Mexico and the three other origins does not prevent a cumulative assessment of their impacts on the Union industry.

479. The Complainant therefore contends that, in the light of the above considerations, the conditions of competition between the dumped imports of the product concerned originating in China, Mexico, South Korea and Taiwan and between the dumped imports and the like-product in the Union are similar. The third requirement of Article 3(4) of the Basic Regulation is therefore satisfied.
480. Therefore, it is reasonable and justified to cumulatively assess the effects of the dumped imports originating in China, Mexico, South Korea and Taiwan on the Union industry, within the meaning of Article 3(4) of the Basic Regulation.

D.3. Threat of injury to the Union industry

481. In accordance with Article 3(9) of the Basic Regulation, the determination of a threat of injury must be based on facts and not merely allegation, conjecture or remote possibility and the change in circumstances which would create a situation in which the dumping would cause injury must be clearly foreseen and imminent. Accordingly, a Complaint must take into consideration the following factors:
- a significant rate of increase of dumped imports into the Union market indicating the likelihood of substantially increased imports;
 - whether there is sufficiently freely disposable capacity on the part of the exporter or an imminent and substantial increase in such capacity indicating the likelihood of substantially increased dumped exports to the Union, account being taken of the availability of other export markets to absorb any additional exports;
 - whether imports are entering at prices that would, to a significant degree, depress prices or prevent price increases which otherwise would have occurred, and would probably increase demand for further imports; and
 - inventories of the product being investigated.
482. The Complainant considers that all four factors are met. In addition, the Complainant considers that it is necessary to examine the following indicators:
- price undercutting
 - order intakes together with price offers and purchase prices from exporting producers.
483. Taken together, these indicators demonstrate that, in addition to material injury, the Union is under clear and imminent threat of further injury.

D.3.1. Current situation of the Union industry

484. For the assessment of the threat of injury to the Union industry, it is necessary to ‘*know the present situation of that industry*’ as it is only against this context that ‘*the institutions can determine whether the imminent increase in future dumped imports will cause material injury to the EU industry*’.³²² Here, the present situation of the Union industry is informed by the finding of dumping from Egypt and the United States, as well as the subsequent imposition of provisional measures in July 2024 followed by definitive measures in January 2025. The injury indicators showed the beginning of the Union industry’s recovery in late 2024 and early 2025. However, the remedial effect of the measures on Egypt and the United States was then rapidly counteracted by the rise in low-priced imports from China, Mexico, South Korea and Taiwan.

D.3.2. Rate of increase of dumped imports

485. While annual data show relatively modest market shares for imports from the countries concerned, such aggregated figures do not fully reflect the rapid and recent increase in import volumes. To better capture the evolution over a short period, a quarterly analysis is used, covering Q1 2025 to Q4 2025. A subsequent monthly analysis will be presented below, which further highlights this upward trend.

486. A quarterly analysis covering the period from Q1 2025 to Q4 2025 reveals a continuous rise in imports from China, South Korea, Taiwan and Mexico. Chinese imports increase from 4,049 tonnes to 17,558 tonnes (+334%) with market share rising from [0.40% – 0.55%] to [2.25% – 2.90%]. South Korean imports grew even more sharply, from 11,158 tonnes to 57,808 tonnes (+418%), pushing their market share up from [1.15% – 1.50%] to [7.70% – 9.20%]. Taiwanese imports also saw a very strong increase, reaching 18,337 tonnes by Q4 2025 (+477%), with market share climbing from [0.32% – 0.45%] to [2.35% – 3.00%]. Mexican imports’ market share increased from [3.50% – 4.10%] in Q1 2025 to [3.65% – 4.30%] in Q4 2025.

487. Overall, the other imports rose from 49,977 tonnes in Q1 2025 to 120,870 tonnes in Q4 2025 (+142%), with market share rising from [5.50% – 6.50%] to [16.20% – 18.80%]. This rise clearly demonstrates not only the exceptional speed at which imports from these third countries have grown, but also the very high levels they have reached, significantly challenging their position in the market.

Market shares (%)	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Total Union sales in the EU27 (t)	[700,000 – 850,000]	[700,000 – 850,000]	[550,000 – 680,000]	[500,000 – 620,000]
Market share	[89% – 94%]	[84% – 90%]	[79% – 85%]	[77% – 83%]
China imports (t)	4,049	10,996	18,785	17,558
Market share	[0.40% – 0.55%]	[1.05% – 1.40%]	[2.20% – 2.80%]	[2.25% – 2.90%]
South Korea imports (t)	11,158	28,830	44,843	57,808
Market share	[1.15% – 1.50%]	[2.90% – 3.65%]	[5.40% – 6.50%]	[7.70% – 9.20%]

³²² Judgement of 7 April 2016 in Joined Cases C-186/14 P and C-193/14 P *Arcelormittal Tubular Products Ostrava and Others v Hubei Xinyegang Steel*, para 31.

Taiwan imports (t)	3,177	9,834	19,447	18,337
<i>Market share</i>	<i>[0.32% – 0.45%]</i>	<i>[0.95% – 1.25%]</i>	<i>[2.30% – 2.85%]</i>	<i>[2.35% – 3.00%]</i>
Mexico imports (t)	31,592	39,471	35,288	27,168
<i>Market share</i>	<i>[3.50% – 4.10%]</i>	<i>[4.15% – 4.80%]</i>	<i>[4.35% – 5.00%]</i>	<i>[3.65% – 4.30%]</i>
Other imports (t)	19,339	25,530	19,688	15,435
<i>Market share</i>	<i>[5.50% – 6.50%]</i>	<i>[9.20% – 10.80%]</i>	<i>[14.50% – 16.80%]</i>	<i>[16.20% – 18.80%]</i>

See Annex D.02 – Injury Figures

488. When assessed on a monthly basis, imports originating in China, South Korea and Taiwan remained overall limited at the beginning of the period considered, with individual market shares mostly below 1 %. However, a clear and progressive increase was observed over the course of the investigation period, primarily driven by South Korea, whose market share *[4.50% – 5.75%]* from June 2025 onwards and peaked at *[8.30% – 10.60%]* in December 2025. On a quarterly basis, Mexican imports retained and increased their market shares over the CIP.
489. China and Taiwan also recorded a notable rise in their respective market shares, which began to exceed the 1 % threshold from spring 2025 and reached peaks of *[3.30% – 4.40%]* and *[3.15% – 4.20%]* respectively in December 2025.
490. When cumulating the market shares of China, Mexico, South Korea and Taiwan, their combined presence in the market became clearly dominant in the CIP. Starting from *[7.50% – 8.50%]* in January 2025, the total share of these four countries steadily increased to reach *[21.00% – 23.00%]* in December 2025, consistently surpassing the aggregated share of imports from all other countries, which remained below *[3.0% – 3.5%]* throughout the same period (see Annex D.02 – Injury indicators). This comparison highlights that the growth of imports from China, Mexico, South Korea and Taiwan when combined, came to represent a significant part of the imports, confirming their increasingly significant role in the market.

Market shares	China	South Korea	Taiwan	Mexico
Jan-25	<i>[0.19% – 0.28%]</i>	<i>[1.50% – 2.10%]</i>	<i>[0.40% – 0.56%]</i>	<i>[4.80% – 6.00%]</i>
Feb-25	<i>[0.37% – 0.54%]</i>	<i>[0.74% – 1.03%]</i>	<i>[0.39% – 0.55%]</i>	<i>[2.55% – 3.15%]</i>
Mar-25	<i>[0.62% – 0.86%]</i>	<i>[1.08% – 1.47%]</i>	<i>[0.16% – 0.23%]</i>	<i>[2.60% – 3.25%]</i>
Apr-25	<i>[0.79% – 1.08%]</i>	<i>[1.30% – 1.75%]</i>	<i>[0.41% – 0.58%]</i>	<i>[2.50% – 3.15%]</i>
May-25	<i>[1.20% – 1.65%]</i>	<i>[2.45% – 3.25%]</i>	<i>[0.95% – 1.35%]</i>	<i>[5.10% – 6.35%]</i>
Jun-25	<i>[1.10% – 1.50%]</i>	<i>[4.50% – 5.75%]</i>	<i>[1.35% – 1.80%]</i>	<i>[3.80% – 4.75%]</i>
Jul-25	<i>[1.75% – 2.30%]</i>	<i>[5.00% – 6.40%]</i>	<i>[1.70% – 2.30%]</i>	<i>[2.70% – 3.50%]</i>
Aug-25	<i>[2.80% – 3.65%]</i>	<i>[5.50% – 7.10%]</i>	<i>[3.00% – 3.90%]</i>	<i>[4.30% – 5.40%]</i>
Sep-25	<i>[2.00% – 2.60%]</i>	<i>[4.90% – 6.30%]</i>	<i>[2.05% – 2.65%]</i>	<i>[5.20% – 6.50%]</i>

Oct-25	[1.40% – 1.85%]	[7.60% – 9.70%]	[1.45% – 2.00%]	[2.70% – 3.50%]
Nov-25	[2.20% – 2.90%]	[5.80% – 7.70%]	[2.45% – 3.20%]	[3.50% – 4.50%]
Dec-25	[3.30% – 4.40%]	[8.30% – 10.60%]	[3.15% – 4.20%]	[4.40% – 5.60%]

See Annex D.02 – Injury Figures

D.3.3. Overcapacities in China, South Korea, Taiwan and Mexico

D.3.3.1. Structural overcapacity in China's PVC market

491. China currently has around half of the world's capacity for PVC production, with persistent structural overcapacities. China's global dominance in the PVC market is starkly evident in the graph below.

[redacted – diagram subject to third-party copyright]

Source: CMA

492. Regarding the capacity, China's PVC powder industry (PVC in powdered form used to manufacture various plastic products) is currently facing significant overcapacity issues. The market is out of balance, with production continuing to grow while demand remains weak. In 2025, production capacity rose by 6.4%, reaching between 28,931 kt/year (based on SCI report – see Annex D.04i – China Spare Capacities) and 29,095 kt/year (based on CMA published capacities – see Annex A.03 – CMA Capacities), whereas domestic consumption slightly fell by 1.35%, to 20,470.30 kt.³²³ As result, inventories have reached records levels, putting downward pressure on prices as shows the following graph.

[redacted – diagram subject to third-party copyright]

Annex A.04 - SCI Report 2025-2026

493. Although production increased by 3.79% in 2025, this did not indicate a healthy market, as a significant portion of the total capacity remained unused. The capacity utilisation rate fell from 84.24% in 2024 to 81.45% in 2025.³²⁴ Furthermore, this capacity increase was in spite of the drop in domestic consumption from 2024 to 2025. In order to compensate for the rise in production and low demand, the Chinese market continued to offload increasing volumes on the export market. As shown below, there was a 46.09% increase in exports from 2024 to 2025. In 2026, SCI forecasts higher production at 24,850 kt, lower demand at 20,560 kt and still higher exports at 3,930 kt.

494. Capacity for production of PVC in China far exceeds domestic demand as shown in the table below. Two figures for production capacity are available to the Complainant. The first is published by SCI, a Chinese market monitoring service, while the second figure is published by CMA, a global market monitoring service. The overcapacity analysis was conducted for both figures.

³²³ See Annex A.04 - SCI Report 2025-2026

³²⁴ See Annex A.04 - SCI Report 2025-2026

	2025 – SCI capacities	2025 – CMA capacities
Capacity PVC (t)	28,930,755	29,095,000
Consumption (t)	20,779,460	20,779,460
Consumption/capacity	71.82%	71.42%
Domestic production (t)	24,375,960	24,375,960
Consumption/Production	85.25%	85.25%
Excess capacity	8,151,295	8,315,540

See Annex D.04i – China spare capacities

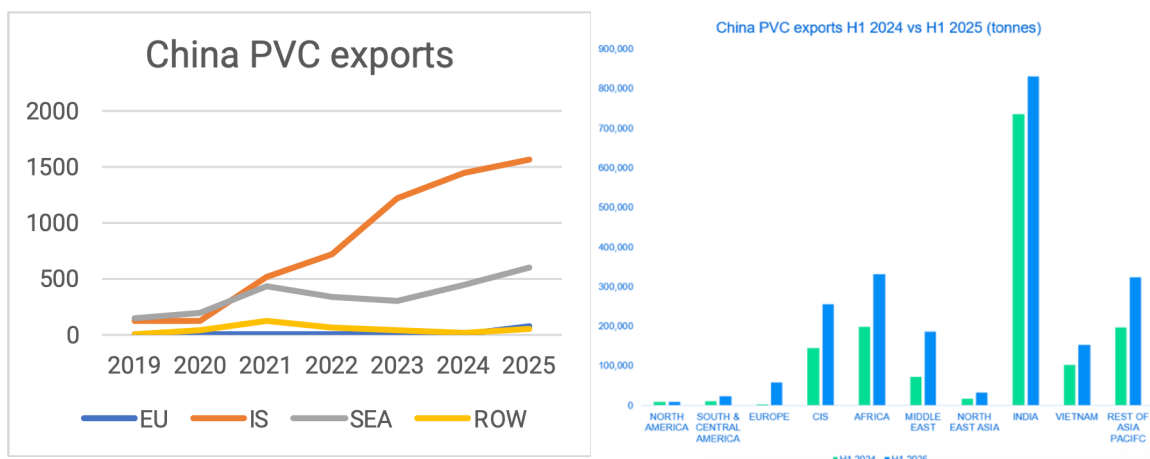
495. In 2025, the Chinese PVC market had between 8.2 and 8.3 million tonnes in excess production capacity. The Chinese excess capacities are far higher than the total Union consumption figure for 2025 which stands at 3.2 million tonnes (see Annex D.02 – Injury indicators).
496. The ongoing weakness in China’s real estate sector continues to drag down PVC consumption, with total demand expected to grow only marginally, by 0.44% in 2026. At the same time, exports surged by 46.09% in 2025, rising from 2,617 kt to 3,823 kt in volume terms, in an effort to offset weak domestic demand. The volume is expected to rise to 3,930kt with a growth rate of 2.79% in 2026.³²⁵
497. Faced with the domestic market’s inability to absorb excess supply, China has increasingly turned to international markets. As a result, the share of exports in total production has risen from a historical level of around 5 % to over 10 % in 2024. This is projected to reach 15.4 % in 2025 and 19 % by 2030.³²⁶ As a result of China’s dominant position in terms of capacity and trade surplus, China, together with the US, act as price setters in the PVC market. The following map shows China’s marked trade surplus.

[redacted – diagram subject to third-party copyright]

498. The following graphs show the evolution of China’s PVC exports, demonstrating that China’s PVC has gained ground in most regions due to large expansions and lacklustre domestic demand. In H1 2025, China overtook the US as the largest exporter of PVC.

³²⁵ See Annex A.04 - SCI Report 2025-2026

³²⁶ Oil Price Information Service, LLC, 2025 World Analysis – Vinyls – Report, 6 February 2025, p. 51.



See Annex D.04a - Exports from China, South Korea and Taiwan³²⁷

D.3.3.2. Overcapacity in South Korea

499. In the Northeast Asian region, PVC production significantly exceeds local demand, resulting in an average annual surplus of approximately 2 million metric tonnes.
500. The Complainant conducted an overcapacity analysis for South Korea using trade data retrieved from the Korean customs authorities, in order to compute the domestic consumption. However, South Korea does not have differentiated codes for the different types of PVC. The Complainant was therefore unable to isolate the product concerned in the trade statistics and instead conducted the overcapacity analysis at the wider PVC-level. It must however be noted that E-PVC represents merely 6% of the total production capacity in South Korea, and around 5% of the global production capacity (see Annex D.04d – South Korea spare capacities for the CMA data on PVC production capacities). On this basis, despite the inclusion of E-PVC data in the overcapacity analysis, it remains representative of the situation for the product concerned as it presumably makes up the vast majority of both domestically produced and consumed volumes of PVC.
501. Capacity for production of PVC in South Korea far exceeds domestic demand, making producers reliant on export markets. The following table demonstrates the domestic overcapacity in South Korea and shows that consumption relative to capacity has been decreasing since 2022, encouraging a growth in exports. This is further demonstrated by the fact that consumption relative to production of PVC has fallen since 2022, down 6.79 percentage points, evidencing the decorrelation of production from demand:

	2022	2023	2024	2025
Capacity PVC (t)	1,630,000	1,630,000	1,630,000	1,630,000
Consumption (t)	999,963	938,271	933,105	889,260
Consumption/capacity	61.35%	57.56%	57.25%	54.56%
Domestic production (t)	1,519,000	1,589,000	1,527,000	1,466,000
Consumption/Production	65.83%	59.05%	61.11%	60.66%
Excess capacity	630,037	691,729	696,895	740,740

See Annex D.04d – South Korea spare capacities

³²⁷ Legend:; EU = European Union; IS = Indian sub-continent; SEA = South East Asia; ROW = Rest of World.

D.3.3.3. Overcapacity in Taiwan

502. As with South Korea, Taiwan also does not have differentiated codes for E-PVC and S-/M-PVC. On this basis, the Complainant conducted the overcapacity analysis at the level of PVC but considers this representative of the domestic industry as E-PVC production capacity accounts for only 4,33% of total production capacity in Taiwan (see *Annex B.05 – Adjusted Trade Statistics*).
503. Furthermore, overcapacities in Taiwan have been developing in a similar fashion. Like in South Korea, consumption relative to capacity has been decreasing since 2022, therefore encouraging a growth in exports in order to maintain sales levels.

	2022	2023	2024	2025
Capacity PVC (t)	1,878,000	1,878,000	1,878,000	1,878,000
Consumption (t)	386,891	360,121	367,015	345,021
Consumption/capacity	20.60%	19.18%	19.54%	18.37%
Domestic production (t)	1,682,108	1,748,529	1,690,605	1,517,897
Consumption/Production	23.00%	20.60%	21.71%	22.73%
Excess capacity	195,892	129,471	187,395	360,103

See *Annex D.04e – Taiwan spare capacities*

504. This persistent overcapacity requires producers to operate at high utilisation rates, above 80%, in order to absorb and recover their fixed costs.³²⁸ As a result, their economic viability is inherently dependent on access to export markets. However, they face intense competition from China in all export markets, particularly those in Asia, as well as on their own respective domestic markets.
505. As demonstrated in the table above, domestic consumption of PVC in Taiwan accounts for less than 20% of capacity and just over 22% of production in 2025. This demonstrates that there is clear structural overcapacity in the market. Furthermore, consumption relative to capacity has decreased by more than 2 percentage points since the beginning of the period considered. This is due to the decrease in consumption as capacity remained stable over the period considered. Additionally, even with the decrease in domestic production, consumption relative to production decreased over the period considered – demonstrating an incentive for producers to increase exports.

D.3.3.4. Competition on historical export markets

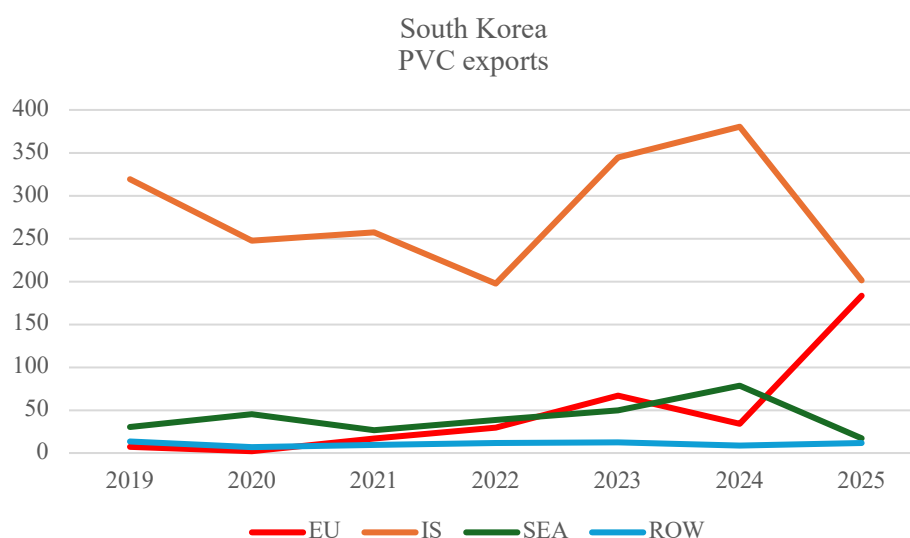
506. Historically, India represented the primary outlet for this volume-based strategy, absorbing more than 54% of the region's export flows.³²⁹
507. From 2024, Taiwanese and South Korean producers, who traditionally exported mainly to Asia, had to redirect their strategies towards other regions. The India–Sri Lanka–Pakistan zone, which had previously been their main export market, became increasingly challenging, mainly due to Chinese competition. This Chinese dominance was further reinforced by recent regulatory changes in India: on 12 November, the Bureau of Indian Standards removed the certification

³²⁸ SCI, *PVC Market Monthly Report*, Nov. 2025, pp. 56-57.

³²⁹ SCI, *PVC Market Monthly Report*, Nov. 2025, pp. 56-57.

requirement for homopolymers³³⁰, and two days later, the anti-dumping duties on PVC imports against China and other countries³³¹) expired and were not renewed.³³² These changes allowed low-cost Chinese shipments, particularly those produced via the carbide process, to dominate the market, reducing the presence of Taiwanese and South Korean suppliers in the region.³³³

508. Indeed, reports from Platts show that there was a subsequent redirection of trade of Chinese cargoes to India with the effect that South Korea and Taiwan had to lower prices in that market.³³⁴
509. Therefore, Taiwan and South Korea were forced to seek ‘alternative markets’ to sell their surpluses. This shift resulted in a greater and sustained presence of their products in Europe and Brazil, thereby altering global PVC flows to offset the saturation of the Indian market.³³⁵ With the highest market prices in the world, Europe became a priority destination, offering favourable netbacks for these Asian exporters. The following graph illustrates the evolution of South Korean PVC exports by regions over this period according to Korea Trade Statistics Promotion Institute (‘KTSPi’):³³⁶



See Annex D.04a - Exports from China, South Korea and Taiwan

510. As the graph shows, exports to India initially fell (reflected in the drop in exports to Southeast Asia), primarily due to increased competition from more attractive Chinese products, which

³³⁰ ICIS, India rescinds import certification for 14 petrochemical products, 13 November 2025, available at : <https://www.icis.com/explore/resources/news/2025/11/13/11154990/india-rescinds-import-certification-for-14-petrochemical-products/> (last Accessed on January 2026)

³³¹ The other countries concerned are: Indonesia, Japan, South Korea, Taiwan, Thailand, and the United States see : *Commoplast, India scraps anti-dumping duties on PVC amid broader polymer regulatory reforms*, 19 November 2025, available at : <https://commoplast.com/news/details/17925/> (last Accessed on January 2026).

³³² See Annex D.04 – Threat of injury evidence, see more : *Commoplast, India scraps anti-dumping duties on PVC amid broader polymer regulatory reforms*, 19 November 2025, available at : <https://commoplast.com/news/details/17925/> (last Accessed on January 2026).

³³³ See Annex D.04b - Polymerscan

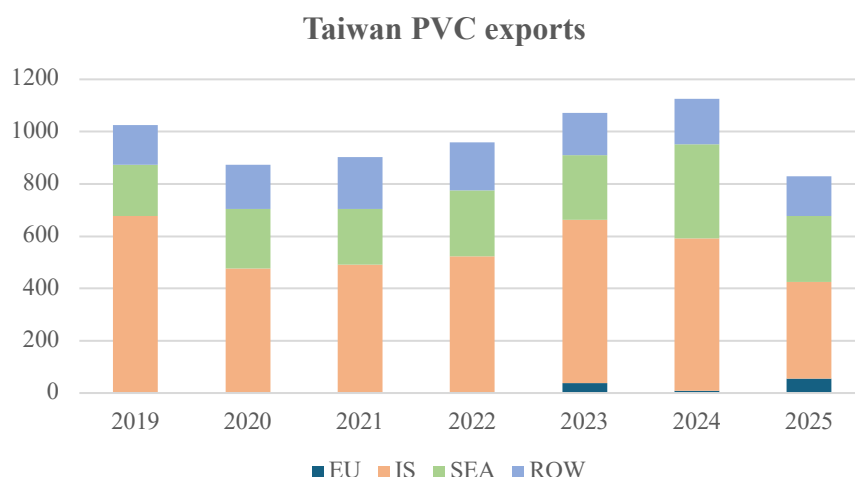
³³⁴ See Annex D.04b - Polymerscan

³³⁵ See Annex D.04b - Polymerscan

³³⁶ S&P Global (available at : statics.teams.cdn.office.net/evergreen-assets/safelinks/2/atp-safelinks.html) sourced from the Korea Trade Statistics Promotion Institute (TRASS portal): <https://www.bandtrass.or.kr/index.do>

reduced South Korea's market share. Following the introduction of anti-dumping measures by India targeting Chinese imports, exports to India rebounded strongly, regaining volumes as Chinese competition was restricted, with growth continuing through 2024. Once these measures were lifted, exports fell again under renewed Chinese competition. To offset this decline, South Korea redirected a portion of its exports to other markets, notably Europe, where demand remained strong.

511. Similarly, as shown in the following graph, Taiwan also experienced a shift in 2025, redirecting part of its exports towards the European market, a share it plans to increase in the coming years³³⁷:



See Annex D.04a - Exports from China, South Korea and Taiwan³³⁸

D.3.3.5. Impact of Chinese supply on the South Korean and Taiwanese domestic markets

512. China is the largest source of PVC import into both South Korea and Taiwan in 2025. Trade data has been retrieved from the national databases for HS code 3904 10 as no more granular code is available (see Annex D.04f – Chinese trade into SK and TW). The table below presents a summary of the Chinese import data into South Korea.

SK	2022	2023	2024	2025
Chinese imports (t)	12,373	10,698	14,345	38,067
Index (2022=100)	100	86	116	308
Chinese imports (€/t)	1,190	817	747	625
Index (2022=100)	100	69	63	53
% of Chinese imports	35%	33%	38%	49%

See Annex D.04f – Chinese trade into SK and TW

513. Import volumes of PVC originating in China on the South Korean market increased more than threefold over the period considered. Chinese PVC's share out of total imports similarly increased significantly by 14 percentage points, going from 35% in 2022 to 49% in 2025. In contrast, the average import price decreased by almost half over the same period. From 1,190 €/t

³³⁷ S&P Global : statics.teams.cdn.office.net/evergreen-assets/safelinks/2/atp-safelinks.html.

³³⁸ 2025 data is based on available export data for 2025, namely January to October 2025.

in 2022 to 625 €/t in 2025. This is in spite of decreasing domestic demand, as outlined in [Section D.3.2.](#) above.

514. A similar picture can be seen when looking at Chinese imports into Taiwan. The table below summarises the Chinese import data into Taiwan.

TW	2022	2023	2024	2025
Chinese imports (t)	1,630	1,611	3,334	9,716
<i>Index (2022=100)</i>	<i>100</i>	<i>99</i>	<i>205</i>	<i>596</i>
Chinese imports (€/t)	1,607	1,028	922	709
<i>Index (2022=100)</i>	<i>100</i>	<i>64</i>	<i>57</i>	<i>44</i>
% of Chinese imports	15%	15%	35%	63%

See Annex D.04f – Chinese trade into SK and TW

515. Over the period considered, Chinese imports into Taiwan increased almost sixfold, going from just 1,630 tonnes in 2022 to 9,716 tonnes in 2025. China's significant increase surpassed Japanese volumes and became the largest source of PVC imports into the country. In a similar trend as the one observable in South Korea, average import prices decreased by 56% going from 1,607 €/t in 2022 to 709 €/t in 2025. As with South Korea, this increase in imports from China is in spite of declining domestic demand.
516. As Chinese customs data has a better granularity in its codes, the Complainant also analysed the export data from China into South Korea and Taiwan for the code 3904 10 90, which excludes E-PVC. The data has been summarised in the table below.

	2022	2023	2024	2025
South Korea				
Quantity (t)	8,689	8,072	11,852	35,791
<i>Index (2022=100)</i>	<i>100</i>	<i>93</i>	<i>136</i>	<i>412</i>
Price (€/t)	1,083	741	681	560
<i>Index (2022=100)</i>	<i>100</i>	<i>68</i>	<i>63</i>	<i>52</i>
Taiwan				
Quantity (t)	281	380	1,516	7,867
<i>Index (2022=100)</i>	<i>100</i>	<i>135</i>	<i>540</i>	<i>2,800</i>
Price (€/t)	1,624	914	661	553
<i>Index (2022=100)</i>	<i>100</i>	<i>56</i>	<i>41</i>	<i>34</i>

See Annex D.04f – Chinese trade into SK and TW

517. The Chinese export stats show an even more dramatic picture, with export volumes to South Korea increasing by 312% and their prices dropping by 48% over the period considered. With regard to Taiwan, the export data show a 2,700% increase in volume paired with a 66% drop in average price.
518. This clearly shows the increased availability of cheaply priced products on both the South Korean and Taiwanese domestic PVC markets. Due to the nature of commodities like PVC, the simple presence of low-priced material on the market, exercises downward price pressure on all market actors, including domestic producers.

519. Furthermore, as South Korea and Taiwan are losing out to China on the Indian market, their historical, export market as explained above, volumes that would in normal circumstances be directed to the Indian market, are restricted on the domestic market, increasing the available supply. Such a situation of overcapacity, the availability of supply and the presence of low-priced Chinese materials, most certainly leads to a depression in prices on the South Korean and Taiwanese domestic PVC markets.
520. The Union market's size, accessibility and relatively high prices reinforce its role as a strategic outlet for producers such as those in South Korea and Taiwan.

D.3.3.6.Overcapacity in Mexico

521. The Mexican market is likewise characterised by significant spare capacities. While the Complainant does not have access to concrete data on Mexican consumption or production, the Complainant has used a reasonable methodology to estimate this and therefore excess capacity in Mexico (see *Annex D.04h – Mexico Spare Capacities*). Apparent consumption was estimated as production plus imports minus exports. Imports and exports were obtained from S&P Global's GTA. On this basis, apparent consumption in Mexico of PVC was estimated at [479,329 – 642,329] tonnes in 2025. Installed capacity figures are obtained from CMA Global. The following table compares apparent consumption to capacity in Mexico to demonstrate excess capacity:

	2025
Apparent consumption (tonnes)	[479,329 – 642,329]
Total capacity (tonnes)	700,000
Consumption/capacity	[68 – 92] %
Excess Capacity (tonnes)	[57,671 – 220,671]

See Annex D.04h – Mexico Spare Capacities

522. The above table demonstrates that Mexico has significant spare capacity of [57,671 – 220,671] tonnes with domestic demand satisfying only [68 – 92] % of capacity.

D.3.3.7.Attractiveness of the EU market

523. A number of third countries have anti-dumping measures in place against imports of PVC originating in the countries concerned by this Complaint. These measures significantly reduce their ability to channel surplus production to a traditional market.
524. Brazil has active anti-dumping duties against imports of S-PVC originating in China and Mexico. In 2020, Brazil imposed duties of 22% on imports of PVC originating in China. On 13 August 2025, the Brazilian authorities initiated a sunset review of such duties.³³⁹ On 16 September 2022, Brazil renewed its anti-dumping measures of 13.6% against imports of S-PVC originating in Mexico.³⁴⁰

³³⁹ Ministério da Economia – Diário Oficial da União, Circular N 63, de 13 de Agosto de 2025, available at: <https://bibliotecadigital.gestao.gov.br/>.

³⁴⁰ Ministério da Economia – Diário Oficial da União, Resolução Gecex N3999, de 16 de Setembro de 2022, available at: <https://bibliotecadigital.gestao.gov.br/>.

525. On 1 August 2023, the Moroccan Government renewed its imposed anti-dumping duties against imports of S-PVC originating in Mexico at a level of 8%, amongst other origins.³⁴¹
526. On 9 December 2023, Pakistan imposed duties of 4–20% on imports from South Korea, Taiwan and China.³⁴²
527. On 30 October 2024, the Indian government imposed provisional anti-dumping duties against imports of S-PVC originating in China, South Korea and Taiwan.³⁴³ These duties were confirmed and definitively imposed on 14 August 2025.³⁴⁴
528. On 29 June 2026, the Department of Foreign Trade of the Thai Ministry of Commerce issued an announcement stating that, in response to an application submitted by domestic enterprises, it has initiated an anti-dumping investigation into Polyvinyl chloride originating from mainland China and Taiwan.³⁴⁵
529. Additionally, the United States has a number of tariffs in place which impact the accessibility of the US market for PVC originating in the countries concerned. Indeed, in 2018 the United States' government put in place a 25% tariff under Section 301 of the Trade Act 1974 for PVC products originating in China.³⁴⁶ In addition, the US government has recently invoked section 122 of the Trade Act 1974 and put in place a 150-day long 15% tariff surcharge on most imports, including PVC, from 24 February 2026 to 24 July 2026.³⁴⁷ Finally, the US government has initiated wide-ranging investigations into structural excess capacity and production in manufacturing sectors, of which the plastics and chemical sectors, under section 301 of the Trade Act 1974.³⁴⁸ China, Mexico, South Korea and Taiwan are some of the targeted economies amongst other producing countries.

³⁴¹ Bulletin Officiel, Annexe à l'arrêté conjoint du ministre de l'industrie et du commerce et de la ministre de l'économie et des finances n 2003-23 du 14 moharrem 1445 (1er août 2023) portant revision et prorogation du droit anti-dumping définitif appliqué aux importations du polychlorure de vinyle originaire de l'Union européenne, du Royaume-Uni et du Mexique, available at: <https://www.sgg.gov.ma/BulletinOfficiel.aspx>

³⁴² Government of Pakistan: National Tariff Commission, available at: <https://www.ntc.gov.pk/antidumping-sunset-notices/>

³⁴³ Government of India – Ministry of Commerce & Industry, Notification Preliminary Findings Case NO. AD(OI) – 30/2023, available at: <https://dgtr.gov.in/en/anti-dumping-cases/anti-dumping-investigation-concerning-imports-pvc-suspension-resins-originating>.

³⁴⁴ Government of India – Ministry of Commerce & Industry, Notification Final Finding Case NO. AD(OI) – 30/2023, available at: <https://dgtr.gov.in/en/anti-dumping-cases/anti-dumping-investigation-concerning-imports-pvc-suspension-resins-originating>.

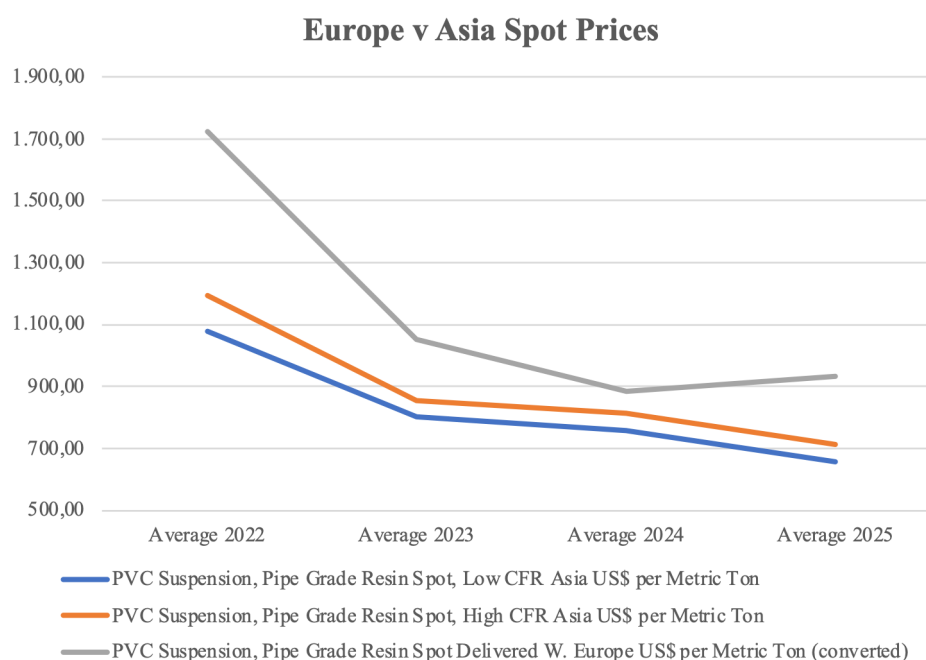
³⁴⁵ Royal Gazette of Thailand, 'Notice of the Department of Foreign Trade: Initiation of an Anti-Dumping Investigation into Polyvinyl Chloride Originating in the People's Republic of China and Taiwan' (29 June 2026), available at: <https://r.atchakitcha.soc.go.th/documents/119744.pdf>.

³⁴⁶ Office of the United States Trade Representative, Notice of Action Pursuant to Section 301: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation, available at: <https://ustr.gov/sites/default/files/enforcement/301Investigations/2018-17709.pdf>.

³⁴⁷ Proclamation by the US President Imposing a Temporary Import Surcharge to Address Fundamental International Payments Problems (20 February 2026), available at: <https://www.whitehouse.gov/presidential-actions/2026/02/imposing-a-temporary-import-surcharge-to-address-fundamental-international-payments-problems/>.

³⁴⁸ Office of the United States Trade Representative, Initiation of Section 301 Investigations: Acts, Policies, and Practices of Certain Economies Relating to Structural Excess Capacity and Production in Manufacturing Sectors, available at: https://ustr.gov/sites/default/files/files/Issue_Areas/Enforcement/Section%20301/Initiation%20Notice%202026-05214.pdf.

530. Although two out of three of the measures presented in the above paragraph are outside the scope of the CIP of the present Complaint, there are important risks of trade diversion as they make the US market less attractive to exports from the countries concerned, amongst others. Due to the size of the US market, this risk of significant trade diversion concerns significant volumes. They are further evidence of the significant and imminent threat of material injury the European Union PVC industry faces.
531. In this context, the European Union emerges as an attractive market with the capacity to absorb these excess volumes. The EU has recently imposed definitive anti-dumping duties on imports of S-PVC from Egypt and the United States to counteract injurious dumping practices. These duties are particularly high, ranging from 74.2% to 100.1% for Egypt and from 58.0% to 77.0% for the United States.³⁴⁹ While the primary aim of these measures is to restore fair competition rather than to halt trade entirely, they do limit the preferential access previously enjoyed by these countries due to their dumped prices, thereby creating an opportunity for other exporters to redirect their volumes towards the European market.
532. The graphs below present a comparison of the published CMA benchmark spot prices for S-PVC in Western Europe and Asia, as well as a comparison of the S-PVC contract price in Mexico and Western Europe³⁵⁰



See Annex D.04g – CMA Price Benchmark

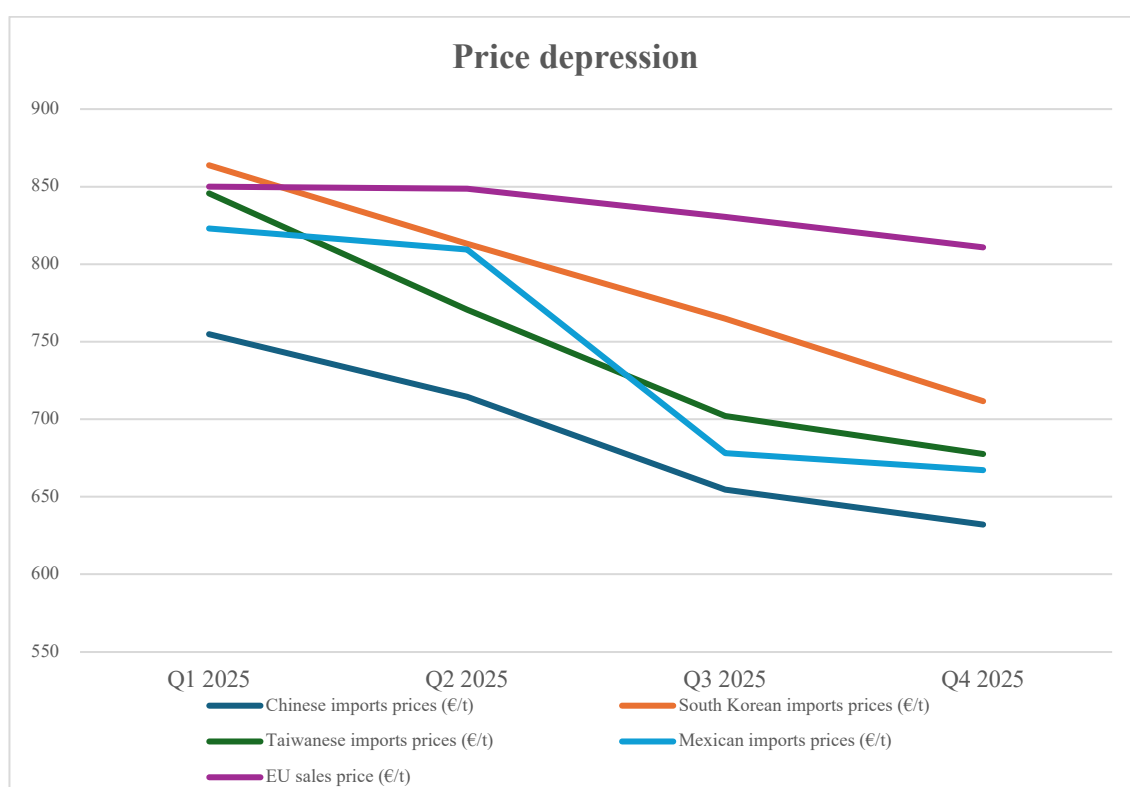
³⁴⁹ Commission Implementing Regulation (EU) 2025/36 of 9 January 2025 imposing a definitive anti-dumping duty and definitively collecting the provisional duty imposed on imports of certain polyvinyl chloride originating in Egypt and the United States, OJ L 7, 10.1.2025, p. 29.

³⁵⁰ CMA only publishes indexes for E-PVC and S-PVC. As M-PVC only represents a marginal part of S-/M-PVC production and sales globally, the S-PVC prices were considered an appropriate benchmark to compare global regional prices. No spot Mexican data was available. Similarly, no contract Asian data was available. The Complainant therefore split the comparison in order to best compare like with like.

533. As can be seen in the above graphs, the price benchmark in Europe, whether on a spot or contract basis, always remains above the other regions' price benchmark. This price difference further proves the price attractiveness of the Union market for exports.
534. Overall, restrictions in other third countries, combined with the prices, size and accessibility of the EU market, reinforce its role as a strategic outlet for producers such as those in China, Mexico, South Korea and Taiwan.

D.3.4. Price depression and price suppression

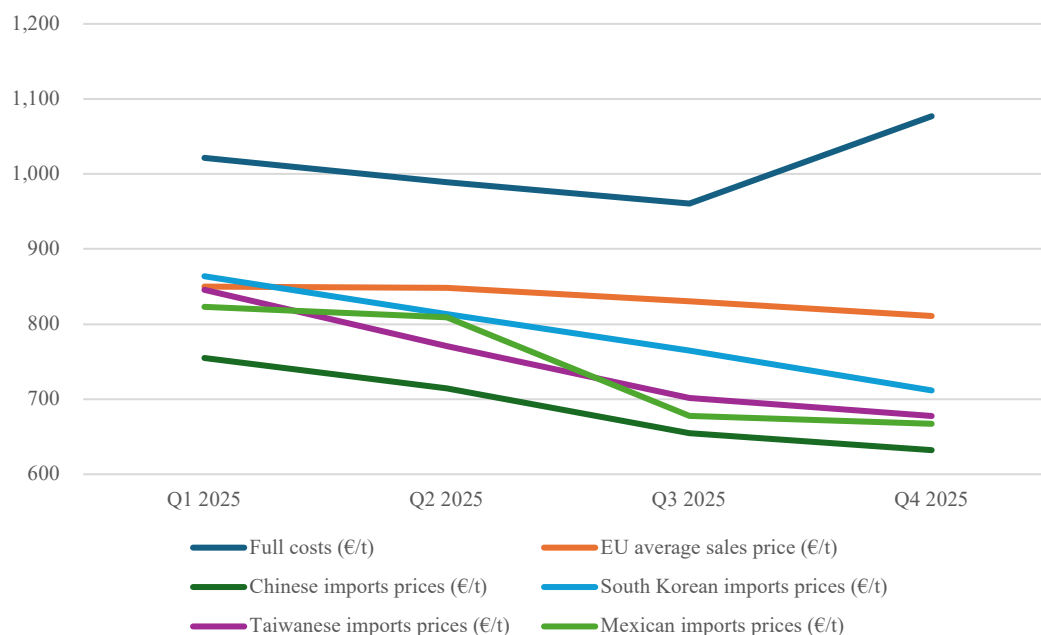
535. Export volumes from China, Mexico, South Korea and Taiwan are entering at prices that are depressing EU prices.
536. Over the past year, imports originating in China, Mexico, South Korea and Taiwan have been placing increasing pressure on the Union industry's price points. This is evident in the graph below.



See Annex D.04c - Price Depression and Suppression

537. As seen in the graph above, imports are entering the Union at prices that are depressing and likely to continue to depress Union sales prices.
538. In addition, the price suppressing effect of imports is demonstrated by the persistent negative profitability. The following graph demonstrates that import prices have prevented EU producers from increasing prices to cover their cost of manufacturing:

Price Suppression



See Annex D.04c - Price Depression and Suppression

D.3.5. Inventories

539. The S-/M-PVC stocks of Union Producers have increased significantly during the CIP, reflecting the imminent threat of injury. After a decrease from 118,034 tonnes in 2022 to 107,184 t in 2023 (-9%), stocks rose sharply to 134,450 t in 2024 (+25%), with the CIP stocks closing at 115,306 tonnes. The table below presents the evolution of Union producers' PVC stocks from 2022 to the CIP.

Stocks	2022	2023	2024	CIP
Stocks end of period (t)	118,034	107,184	134,450	115,306
Index (2022 = 100)	100	91	114	98

See Annex D.02 – Injury Figures

540. Early 2025 data show further volatility, a 2% rise in Q2-2025, and a 42% increase in Q3-2025, followed by a -22% decrease in Q4-2025. The below table shows Union producers' S-/M-PVC stocks on a quarterly basis from Q1 2025 to Q4 2025:

Stocks	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Stocks end of period (t)	101,290	103,206	146,977	115,306
Growth (Q on Q)		2%	42%	-22%

See Annex D.02 – Injury Figures

541. This accumulation results from several factors. First, the Union industry has witnessed a weakening in contract sales with customers reducing volumes, downward price renegotiations, non-compliance with commitments and the loss of contractual leverage vis-à-vis spot sales and imports. The imports from China, Mexico, South Korea and Taiwan price at 5–17% below Union

levels led customers to shift to spot-market purchases, reducing guaranteed contract volumes and leaving producers with unsold output.

542. Second, S-/M-PVC production is a continuous, integrated process, from ethylene chlorination to VCM polymerization, requiring a utilisation rate of 80–85% for profitability. To avoid falling below the technical minimum of 60–65%, producers stored excess output, resulting in the observed stock build-up.
543. Third, stock accumulation put significant financial pressure on producers. Investment fell by 48% (see [Section D.4.2.6.](#) below) and liquidity pressures increased due to inventory costs. As mentioned, the Union industry is required to run plants at a sustainable operating rate and not fall below the technical minimum, however as sales decline due to a shift to dumped imports, stock accumulates. The increase in stocks therefore reflects the inability of the Union industry to sell product.
544. To prevent further stock accumulation, producers responded with temporary or permanent plant closures. In the past 12 months, over 500,000 t/year of capacity has been shut down or idled, including Vynova-Beek (225,000 t/year, Netherlands), Spolana (135,000 t/year, Czech Republic), Fortischem (45,000 t/year, Slovakia), and Inovyn Martorell (125,000 t/year temporarily, Spain). For this reason, stocks began to decrease again during the CIP.
545. In addition, in December 2025, Vynova's Wilhelmshaven plant has filed for insolvency.³⁵¹ The plant had a yearly production capacity of 320,000 tonnes.

D.3.6. Other elements: profitability and order intakes

546. Order intakes are an important element to assess the future profitability levels of the Union industry as they represent confirmed commitments of sales volumes over the next few months up to the end of the year. Furthermore, majority of domestic S-/M-PVC sales in the EU are made on the basis of contract sales. In a threat of injury analysis, particular attention must therefore be given to order intakes in order to consider whether there is a material risk that the threat of injury experienced by the Union industry materialises in the next months following the end of the CIP. Having sustainable profits is crucial for the survival of the Union S-/M-PVC industry, particularly as it has been trying to recover from the injury caused by the US and Egyptian imports in the years prior.
547. *[Redacted – confidential information]*, one of the consortium members at the basis of this Complaint, compiled data from its sales teams as collected from customers during price negotiations. The customers reported in the *Annex D.05 - Imports into EU Tracking File* cover a large part of *[redacted – confidential information]* customer portfolio. This data records price offers received by their customers from exporting producers in China, South Korea, Taiwan and Mexico, together with purchase prices for such imported products when the volume has been lost to a sale with exporting producers. The results of this data collection point to the continued decreasing trend in price offers and purchase prices from exporting producers based in the countries concerned.

³⁵¹ CHEManager, 'Vynova Wilhelmshaven stellt Insolvenzantrag' (18 December 2025), available at: <https://chemanager-online.com/de/news/vynova-wilhelmshaven-stellt-insolvenzantrag>.

548. These price offers and purchase prices have a significant influence on the order uptake from Union producers. The effect is twofold. First, contracts have a pre-negotiated minimum and maximum volume. Due to the low prices of imports, there has been a decline in contractual volume obligations. The Union producers are faced with customers that either prefer leaving larger amounts free for spot purchases to benefit from the low import prices or apply pressure on the producers to match the import prices in order to retain their volumes. In addition, the exporting producers are also themselves offering contracts and/or fixed term commitments at prices much below the prices the Union industry is able to offer.
549. [redacted – confidential commercial information]. Second, the influence of these prices on the sales of the Union industry is heightened in the last quarter of the calendar year, as they have a direct impact on the negotiation process for the contracted volumes to be sold in the next year. CMA reports that, as a result, EU producers generally agreed further reduced discounts by 3-4 percentage points on average despite ‘supply-side margins that were already at rock-bottom’.³⁵² In extreme cases, it has been reported that ‘contract resets have pushed price levels close to import parity’.³⁵³ As such, the impact of the low prices offered by the Chinese, South Korean, and Taiwanese exporting producers on the Union market in October, November, and December 2025 will have a lasting detrimental impact that will be felt by the Union industry throughout 2026.
550. On average, in the CIP, [redacted – confidential commercial information relating to prices offered by exporting producers]. These prices are significantly undercutting the Complainant’s unrelated sales prices in the CIP which stood at 837 €/t on average.
551. CMA, a market monitoring service publishes yearly and monthly contract prices for S-PVC (resin and pipe grade) (see *Annex D.06 – EU domestic pricing CMA*). These reported prices sit higher than the Complainant’s average sales price as the producers sell at a price discounted with reference to the indexed price. However, this established practice is being impacted by the flooding of the market with low-priced imports. Indeed, the presence of low-priced S-/M-PVC supply on the market push the negotiation basis further from the indexed prices down to match the spot prices.
552. First, as can be shown in the table below, when carrying out an undercutting analysis on the basis of the published contract prices in the Union, it is apparent that the imports from the countries concerned significantly undercut the reported prices in the CIP.

Price Undercutting	China	South Korea	Taiwan	Mexico
CMA Contract price (€/t)	1,118	1,118	1,118	1,118
CIF import price (€/t)	668	761	716	749
Import price duty paid (€/t)	711	761	762	749
Undercutting margin (%)	36%	32%	32%	33%

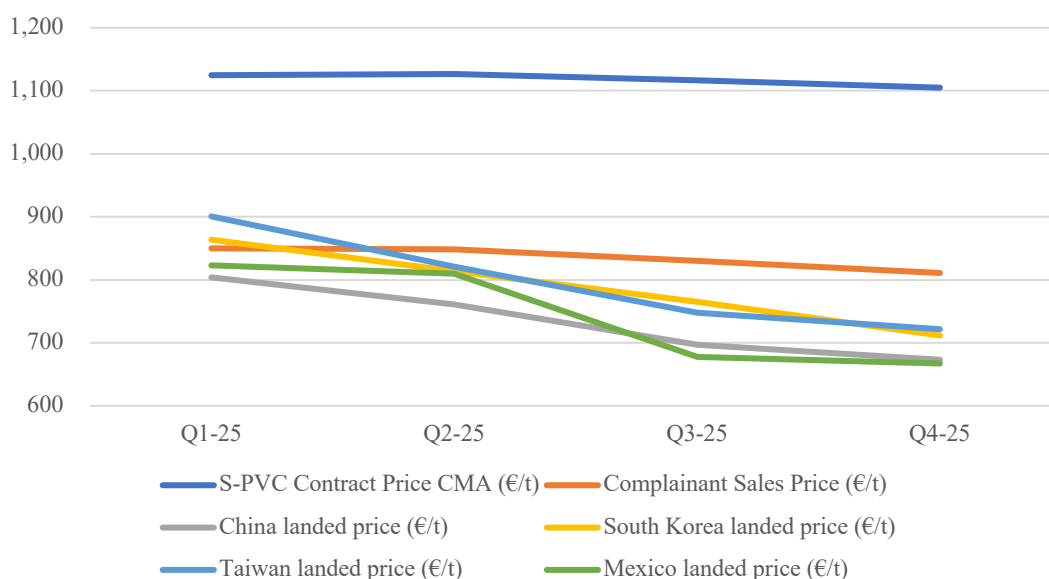
See *Annex D.06 – EU domestic pricing CMA*

553. On a quarterly basis in the CIP, despite the average contract price declining between Q1-2025 and Q4-2025, it remains constantly significantly above the Complainant’s sales prices.

³⁵² CMA, Global Vinyls Report - Monthly Market Report - Issue 168 (December 2025), p.23.

³⁵³ Ibid.

S-PVC Pricing



See Annex D.06 – EU domestic pricing CMA

554. When looking at Q4 2025 only, these offer and purchase prices reported by EU customers fall to between 650 €/t and 680 €/t, while the Union contract price reported by CMA stands at 1,105 €/t. Due to the impact of these prices on the yearly negotiations for contractual volumes and prices between the Union industry and its customers, these price levels indicate the likelihood of continued decreases in both contracted sales volumes and prices over 2026, and therefore further losses in profitability levels for the Union industry.

D.3.7. Other elements: establishment of importers on the Union market

555. The Complainant has gathered information from several sources demonstrating the increasing presence of importers on the Union market. The information has been collected from desk research and shows a growing footprint of importers in Europe as several exporting producers have worked to establish themselves in the European market through investment and recruitment. The Complainant has provided examples from the South Korean producer LG Chem, the Taiwanese producer Formosa, and the Chinese producer Wanhua, showing that producers are increasing their presence in Europe.
556. Formosa has set up a Netherlands-based entity to serve all European countries offering products manufactured by the Formosa Plastics Group.³⁵⁴ This European hub manages sales, logistics and provides local customer support rather than just operating on the basis of spot export sales. This evidences a direct presence to promote and develop goods, not just by operating through traders.
557. Wanhua Chemical Group has recently published a job description for an overseas PVC sales manager, specifying that the manager ‘will play a pivotal role in driving the growth of our PVC products in international markets, will be responsible for developing and implementing sales strategies, building and maintaining strong customer relationships, and achieving sales targets

³⁵⁴ Formosa Europe, available at: <https://www.formosa-europe.com/>

*in the overseas PVC market.*³⁵⁵ This demonstrates exporters' motivation to continue to grow sales in the Union and the lasting nature of this development.

558. LG Chem, one of the two South Korean producers of S-/M-PVC, is already well established in Europe with its physical footprint in Germany, Hungary and Poland³⁵⁶ and inaugurated its first European Customer Solution Centre in Frankfurt.³⁵⁷ Furthermore, LG Chem's marketing subsidiary is based in Germany, and is mentioned directly in LG's Suspension PVC product guide, demonstrating a direct presence in Europe.³⁵⁸
559. As imports from the countries concerned grow month-on-month, increasing evidence of exporting producers with direct presence in the European market demonstrates a willingness to continue to expand operations in the EU. The substantial investment and presence furthermore exhibit a long-term plan to maintain and grow market share in the Union. The Complainant submits that this is evidence that further dumped imports are imminent and that, unless protective action is taken, material injury will occur.

D.3.8. Conclusion on the threat of material injury

560. The Union industry is clearly facing a real and imminent threat of injury due to the rapid increase in low-priced imports from China, Mexico, South Korea, and Taiwan. These imports are putting downward pressure on prices and sales volumes, leading to stock accumulation and weakening the profitability of European producers.
561. Structural overcapacity in the exporting countries, combined with the attractiveness of the EU market and restrictions in other markets, reinforces the risk that these excess volumes will continue to flow into the Union. Market indicators confirm that this threat is genuine and imminent and could result in material injury to the industry if no measures are imposed to curb the imports of dumped product concerned originating in China, Mexico, South Korea and Taiwan.
562. The Union industry is already facing material injury as a result of past dumped imports originating in Egypt and the United States. The dumped imports originating in China, Mexico, South Korea and Taiwan are threatening to cause further injury to the Union industry, and this threat is already materialising as will be demonstrated in the section below.

D.4. Material injury assessment

563. In accordance with Article 3(5) of the Basic Regulation, the examination of the impact of the dumped imports on the Union industry included an evaluation of all economic indicators having a bearing on the state of the Union industry during the period considered.
564. A distinction must be made between macroeconomic and microeconomic injury indicators. The macroeconomic indicators considered are production, production capacity, capacity utilisation,

³⁵⁵ See Annex D.09 – *LinkedIn Wanhua Group*

³⁵⁶ LG Chem 'Global Network', available at: <https://www.lgchem.com/company/global-network>

³⁵⁷ Plastics Today, 'LG Chem Inaugurates First Customer Solutions Center in Europe' (18 September 2023) available at: <https://www.plasticstoday.com/>

³⁵⁸ LG Chem Product Guide, available at: https://www.lgchem.com/upload/file/reference-brochure/pvc_catalogue_cn_.pdf

sales volume and prices and market share. Macroeconomic indicators were analysed based on the methodology described above in [Section A.4.1](#).

565. The microeconomic indicators considered are average unit prices, unit cost, labour costs, inventories, profitability, cash flow and investments. These figures were obtained from the Complainant's data.

D.4.1. Macroeconomic indicators

D.4.1.1. Production, production capacity and capacity utilisation

566. Production and production capacity in the Union are shown below. Production has been obtained using the methodology described in [Section A.4.1](#) above. Production capacity has been obtained from Chemical Market Analytics (CMA) data. These indicators developed as follows:

Production, capacity and utilisation	2022	2023	2024	CIP
Total EU production (t)	[3,900,000 – 4,100,000]	[3,500,000 – 3,700,000]	[3,950,000 – 4,200,000]	[3,750,000 – 3,950,000]
<i>Index (2022 = 100)</i>	100	89	100	95
Total EU capacity (t)	5,541,000	5,641,000	5,641,000	5,473,559
<i>Index (2022 = 100)</i>	100	102	102	99
Total EU utilisation rate (%)	[69% – 74%]	[60% – 66%]	[68% – 74%]	[67% – 72%]

See Annex D.02 – Injury Figures

567. Production in the period considered decreased by 5%. Production initially decreased from [3,900,000 – 4,100,000] tonnes in 2022 to [3,500,000 – 3,700,000] tonnes in 2023, representing an 11% decline, then recovered to [3,950,000 – 4,200,000] tonnes in 2024, close to the 2022 level. It then decreased again to [3,750,000 – 3,950,000] tonnes in the CIP. Capacity slightly decreased over the period considered from 5,541,000 tonnes in 2022 to 5,473,559 tonnes in the CIP.
568. As such, capacity utilisation fluctuated overall. It fell from [69% – 74%] in 2022 to [60% – 66%] in 2023, reflecting the significant drop in production relative to the slight decrease in capacity. Although utilisation increased to [68% – 74%] in 2024, it declined again to [67% – 72%] in the CIP.
569. Overall, the Union industry operated with significant spare capacity throughout the period, reaching levels below the rates necessary for the Union producers to be profitable. Indeed, utilisation rates of 80% to 85% are considered the minimum rates necessary for PVC production to be profitable, while the technical minimum operating rates are reported to be 60 to 65%.³⁵⁹ Currently, the operating rate of the Union industry is at unsustainable levels, operating just between 1 and 11 percentage points above. As a result, closures are already taking place, with about 530,000 tonnes of yearly capacity announced to be closing across the Union PVC producers (Spolana, Fortischem, Vynova-Beek), as discussed in [Section A.7.1](#).

Production, capacity and utilisation	Q1 2025	Q2 2025	Q3 2025	Q4 2025
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³⁵⁹ Chemical Market Analytics, '2025 World Analysis – Vinyls – Report', p.3.

Total EU production (t)	[950,000 – 1,050,000]	[920,000 – 1,020,000]	[930,000 – 1,020,000]	[810,000 – 900,000]
Index (Q1 2025 = 100)	100	97	98	86
Total EU capacity (t)	1,368,390	1,368,390	1,368,390	1,368,390
Index (Q1 2025 = 100)	100	100	100	100
Utilisation rate	[71% – 75%]	[68% – 72%]	[69% – 73%]	[60% – 64%]

See Annex D.02 – Injury Figures

570. On a quarterly basis, total EU production showed an overall decline during 2025. Production started at [950,000 – 1,050,000] tonnes in Q1 2025, then decreased to [920,000 – 1,020,000] tonnes in Q2 2025, before slightly recovering to [930,000 – 1,020,000] tonnes in Q3 2025. It decreased again to [810,000 – 900,000] tonnes in Q4 2025, representing a total decrease of about 15% compared with Q1 2025.
571. Total EU capacity remained stable at 1,368,390 tonnes throughout the year. Consequently, the utilisation rate mirrored the production trend: it declined from [71% – 75%] in Q1 2025 to [60% – 64%] in Q4 2025. The Complainant has relied on CMA data as a publicly available estimation of total Union capacity.³⁶⁰

D.4.1.2. Total Union Industry sales

572. The methodology relied on to estimate total EU-27 sales has been described in [Section D.1.1.](#) above. The table below presents the results obtained using this methodology:

Sales in the EU	2022	2023	2024	CIP
Total sales in the EU-27 (t)	[2,800,000 – 3,300,000]	[2,350,000 – 2,750,000]	[2,550,000 – 3,000,000]	[2,500,000 – 2,950,000]
Index (2022 = 100)	100	84	91	91

See Annex D.02 – Injury Figures

573. The table shows that total sales of the European industry was at [2,800,000 – 3,300,000] tonnes in 2022, before declining by 16% to [2,350,000 – 2,750,000] tonnes in 2023, and then partially increasing again in 2024. Overall, total sales of the EU industry dropped by 9% from 2022 to the CIP.
574. Quarterly, the total EU industry sales is shown as follows:

Sales in the EU	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Total sales in the EU-27 (t)	[750,000 – 820,000]	[750,000 – 825,000]	[600,000 – 660,000]	[535,000 – 590,000]
Growth (QonQ)		0%	-20%	-11%

See Annex D.02 – Injury Figures

575. The table shows that total sales in the EU-27 amounted to [750,000 – 820,000] tonnes in Q1 2025 and increased slightly to [750,000 – 825,000] tonnes in Q2 2025. Sales then dropped sharply by 20% to [600,000 – 660,000] tonnes in Q3 2025, before falling further to [535,000 – 590,000] tonnes in Q4 2025. The Complainant notes that while the Union industry's sales

³⁶⁰ See Annex A.03 – CMA Capacities

improved slightly in Q1 and Q2 2025 due to the imposition of definitive measures on the US and Egypt, the effect should not be overstated.

D.4.1.3. Employment

576. Employment is based on an extrapolation of the Complainant's employment, according to its share in total Union production in the period considered. Employment developed as follows.

Employment	2022	2023	2024	CIP
Employment (FTE)	[4,600 – 5,000]	[4,600 – 5,000]	[4,600 – 5,000]	[4,450 – 4,850]
<i>Index (2022 = base year)</i>	100	100	100	96

See Annex D.02 – Injury Figures

577. In the period considered, the number of employees has remained stable in the first 3 years, but it then decreased by 4% in the CIP.

D.4.2. Micro-economic injury indicators

578. The microeconomic analysis has been carried out both on a yearly and quarterly basis to carry out the threat of injury analysis. Regarding the quarterly data, a growth analysis has been preferred over general indexed trends to account for the fast-moving evolution of the injury indicators in the CIP.

D.4.2.1. Production and capacity

579. The following table presents the evolution of production, capacity and capacity utilisation over the years.

	2022	2023	2024	CIP
Production (t)	2,114,886	1,895,997	2,152,637	2,073,652
<i>Index (2022 = 100)</i>	100	90	102	98
Capacity (t)	3,007,956	3,007,956	3,007,956	2,975,281
<i>Index (2022 = 100)</i>	100	100	100	99
Capacity utilisation (%)	70%	63%	72%	70%
<i>Index (2022 = 100)</i>	100	90	102	99

See Annex D.02 – Injury Figures

580. From 2022 to 2023, production decreased by 10%, from 2,114,886 tonnes to 1,895,997 tonnes, before recovering to 2,152,637 tonnes in 2024 and slightly declining to 2,073,652 tonnes in the CIP period. Total capacity remained largely stable, with a minor reduction to 2,975,281 tonnes in the CIP, so capacity utilisation closely followed production trends. The utilisation rate reached 70% in 2022, fell to 63% in 2023, increased to 72% in 2024, and stood at 70% in the CIP period. CMA reports that a utilisation rate of 60% to 65% is the technical minimum operating rate.³⁶¹ Under this, 'marginal cost producers would need to consider plant closures'.³⁶²

	Q1 2025	Q2 2025	Q3 2025	Q4 2025
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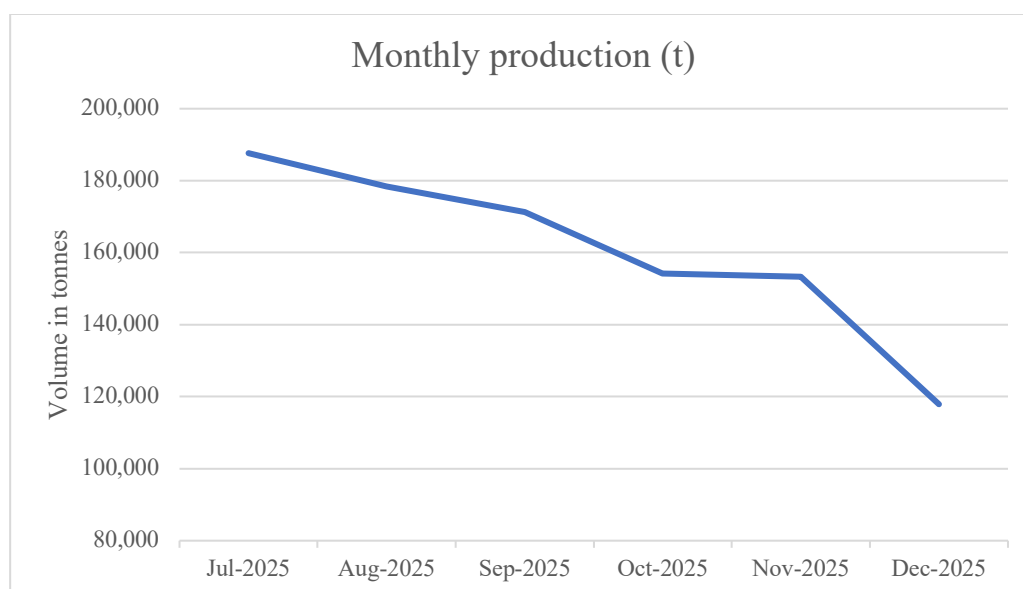
³⁶¹ Chemical Market Analytics, '2025 World Analysis – Vinyls – Report', p.3.

³⁶² Ibid.

Production (t)	563,598	547,454	537,284	425,315
Growth (QonQ)		-3%	-2%	-21%
Capacity (t)	749,180	751,426	753,673	721,002
Growth (QonQ)		+0%	+0%	-4%
Capacity utilisation (%)	75%	73%	71%	59%
Growth (QonQ)		-3%	-2%	-17%

See Annex D.02 – Injury Figures

581. On a quarterly basis, the picture is different: production continually decreased over the last four quarters. The important drop in production of 21% in the last quarter is due to the combined effects of seasonal closures and of the significant increase in the volume of dumped imports.
582. Looking at the monthly production figures for the second half of 2025, it can be seen that production is steadily decreasing on a monthly basis. The following graph represents the abnormal and concerning trends in production over the past six months:



See Annex D.02 – Injury Figures

583. To be taken into consideration in the analysis, the situation at Vynova represents a significant risk to production and capacity in the sector. As highlighted in [Section A.7.1.](#), Vynova filed for insolvency proceedings for its PVC plant in Wilhelmshaven, Germany, on 11 December 2025³⁶³ as well as its Tessenderloo plant. [redacted – confidential commercial information].

D.4.2.2. Unrelated sales in the EU

584. The following table presents the evolution of unrelated sales volumes, values, and prices of the Complainant from 2022 to the CIP.

	2022	2023	2024	CIP
Sales unrelated (t)	1,614,086	1,369,393	1,495,761	1,509,707
Index (2022 = 100)	100	85	93	94

³⁶³ CHEManager, 'Vynova Wilhelmshaven stellt Insolvenzantrag' (18 December 2025), available at: <https://chemanager-online.com/de/news/vynova-wilhelmshaven-stellt-insolvenzantrag>.

Sales unrelated (€)	2,658,175,478	1,408,592,894	1,262,155,053	1,263,975,495
Index (2022 = 100)	100	53	47	48
Sales price unrel (€/t)	1,647	1,029	844	837
Index (2022 = 100)	100	62	51	51

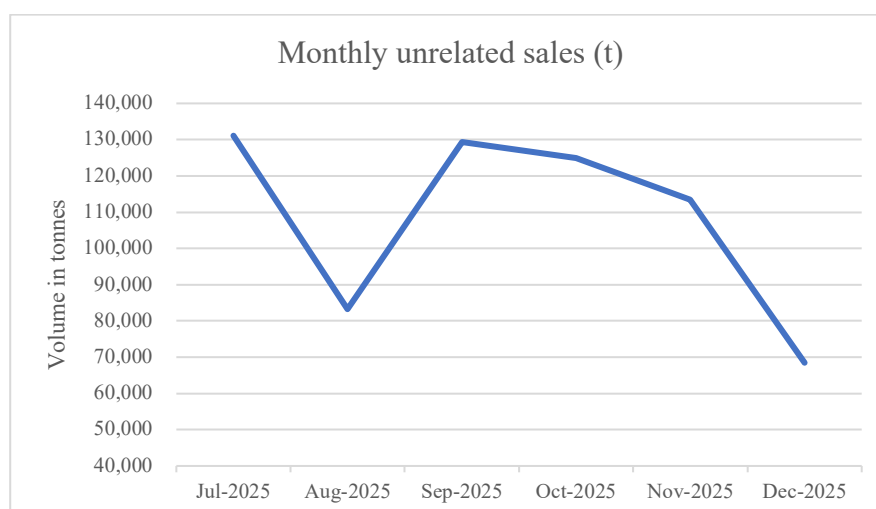
See Annex D.02 – Injury Figures

585. From 2022 to 2023, unrelated sales decreased by 15%. Since then, sales have increased steadily but have not yet recovered to 2022 levels. Average unrelated sales prices have consistently decreased in the period, falling from 1,647 €/t in 2022 to 837 €/t in the CIP, a decline of 49%.
586. The following table focuses on the CIP, presenting quarterly profitability data to provide a closer view of trends in the period.

	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Sales Unrelated (t)	428,628	430,415	343,753	306,912
Growth (QonQ)		+0%	-20%	-11%
Sales Unrelated (€)	364,336,893	365,304,088	285,467,845	248,866,670
Growth (QonQ)		+0%	-22%	-13%
Sales price unrel (€/t)	850	849	830	811
Growth (QonQ)		+0%	-2%	-2%

See Annex D.02 – Injury Figures

587. In the CIP, the average price has decreased consistently over the quarters, reaching 811 €/t in Q4-2025. From Q1-2025 to Q2-2025, sales volumes increased slightly, reflecting an initial recovery following the impact of the dumped imports from Egypt and the United States. This improvement was temporary, however, as new low-priced imports from the countries concerned exerted further pressure on the market, causing a decline in sales volumes in Q3 2025, despite decreases in sales prices. This trend clearly demonstrates that the measures imposed on imports from Egypt and the United States did not result in a sustainably strengthened market position, and that the pressure on prices remains persistent.
588. As mentioned above in relation to production, August is an unusual month in the PVC market due to the summer holidays. During the summer month, demand dips due to systematic summer shutdowns at converters. The demand then recovers its usual levels in September as production operations resume.



See Annex D.02 – Injury Figures

589. The decrease in sales from July to December is the result of the pressure exercised on the Union industry's customers, who find themselves faced with the choice of either switching their supply of PVC to the cheaper source represented by the imports from the countries concerned or losing competitiveness in their own respective downstream markets.

The Union PVC Contract Market

590. Domestic PVC sales in the EU are made on the basis of contract sales. It is estimated, according to market intelligence, that around *[redacted – confidential commercial information]* of the sales in the EU are contracts, with only *[redacted – confidential commercial information]* of EU sales being spot sales.
591. Typically, contracts are negotiated in Q4 to be executed for the subsequent year, for the duration of the year. Thus, the Union industry has already lost out on contract for the 2026 calendar year, and this trend will continue to worsen if anti-dumping measures are not imposed to tackle the unfair trade practices from the targeted countries.
592. Contracts are generally 'gentlemen agreements' with a pre-negotiated minimum and maximum volume but with a freely negotiated price. This means that price and volume are negotiated on a monthly basis.
593. Market monitoring platforms such as CMA and Platts publish weekly/monthly contract prices which represent a contract reference/base price. These prices are based on confirmation obtained from agreements between major producers and buyers on the market. European producers then negotiate contracts by taking the published price as a basis and applying a premium or discount.
594. Imports are generally spot sales and spot pricing can significantly impact the contract price. If spot prices/import prices are below the published contract price, it pushes the price down.
595. As a result of contracts being 'gentlemen agreements' the reality is that customers can reduce their purchasing costs by defaulting on their contractual volume obligations and buying on the spot market. Thus, if imported PVC is entering the EU market at prices lower than the EU published contract price, one of two situations can occur: (1) EU producers lose out on sales and have to cut production, or (2) it forces the EU contract price down.
596. This trend is likely to continue. Indeed, the Complainant notes that in their ongoing negotiations for 2026 sales, their customers expect the Union industry to lower their sales price by around *[redacted – confidential commercial information]*
597. Further, the wider market dynamics have been impacted by the inflow of cheap imported product. EU customers are reducing their contractual volumes with the Union producers in order to leave larger volumes open to purchase the low-priced imports. The Complainant reports this has started to be observable in the Benelux, Polish and German markets, but that this is now systematic and seen across the entire Union market. Union producers have therefore witnessed a significant loss in contractual volumes concluded for 2026. This is a direct consequence of the impact of dumped imports.

D.4.2.3.Full Costs

598. The full costs of production comprise the following costs:

- Raw materials
- Labour & direct costs
- Overhead expenses
- SG&A and financial costs.

599. For the production of PVC, the cost of raw materials mainly includes the cost of the three main raw materials used in the production of PVC, namely: VCM (and thus indirectly the cost of chlorine and ethylene) and energy.

600. Chlorine is a highly volatile gas that cannot be stored or transported easily. It is toxic in large concentrations. Many, but not all, PVC producers therefore make their own Chlorine on-site and use this chlorine directly in the production of PVC. Different PVC producers will therefore cost their chlorine depending on whether they purchase from third parties or produce for themselves. Where they produce captively, the costing can also be on the basis of formulas.

601. For the integrated PVC producers, such as the 3 Complainant companies, a value is allocated to the cost of chlorine which represents a cost to the PVC business.³⁶⁴ This value is historic, having been set even prior to the creation of the current Complainant producers, and has not changed since its allocation. This value is set at around 100 €/t but varies for each Complainant producer. The Complainant considers that the following arguments support the value allocated to the cost of chlorine:

- The delivered sales price of chlorine to the (limited) merchant market has historically been of the order of 150 to 200 €/t with freight costs ranging between 50 to 75 €/t. This would provide for an ex works price of around 100 €/t.
- The production of chlorine also produces caustic soda as a co-product. A value of around 100 €/t for chlorine leaves a positive margin to both caustic soda and PVC over a very broad range of market conditions.
- The value is based on a 50/50 allocation of the cost of electrolysis of brine. This is because for each tonne of chlorine produced in the electrolysis of salt and water, 1.1 tonnes of caustic soda is produced.

602. For the purposes of the calculation of the cost of production of PVC for this Complaint, the Complainant has used the means established by each of the Complainant producers and is consistent with the methodology used in the Complaint leading to the AD697 investigation.

603. The table below summarises the data for the Complainant's costs of production per tonne of like product in the period considered:

	2022	2023	2024	CIP
Full costs (€/t)	1,336	1,116	1,012	1,010
Index (2022 = 100)	100	84	76	76

³⁶⁴ See Annex D.07 - Note on the cost of chlorine for further information on the costing of chlorine.

See Annex D.02 – Injury Figures

604. In the period considered, the full unit costs continuously decreased, from 1,336 €/t in 2022 to 1,010 €/t in the CIP. However, the picture is different over the CIP, with the full costs increasing by 5% in the four quarters.
605. The following table focuses on the CIP, presenting quarterly data on the full costs for sale to provide a closer view of trends in the period.

	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Full costs (€/t)	1,021	989	961	1,077
Growth (QonQ)		-3%	-3%	12%

See Annex D.02 – Injury Figures

606. This decrease in full costs should have led to a recovery of profitability in the period. However, as will be seen in the next section, the profitability did not improve, and on the contrary deteriorated in the period considered.
607. Such evolution can be attributed to the price depression caused by the pressure the imports from the countries concerned exert on the Union industry. As mentioned, when discussing the Complainant's unrelated sales, this phenomenon is likely to continue and worsen over the next months. This situation is unsustainable for the Union industry, as already demonstrated by the significant and sudden closure of over 530kt of production capacity in the Union.
608. The Union industry's customers expect it to match the low-priced imports and lower their prices. This has been evident in the contractual negotiations for 2026, with information provided by [confidential name of company redacted], a Complainant producer, showing that customers have an expectation that the Union industry lower prices further by [confidential information redacted – information would provide an unfair advantage to a competitor] €/t to enter a 2026 contract.³⁶⁵

D.4.2.4. Profitability

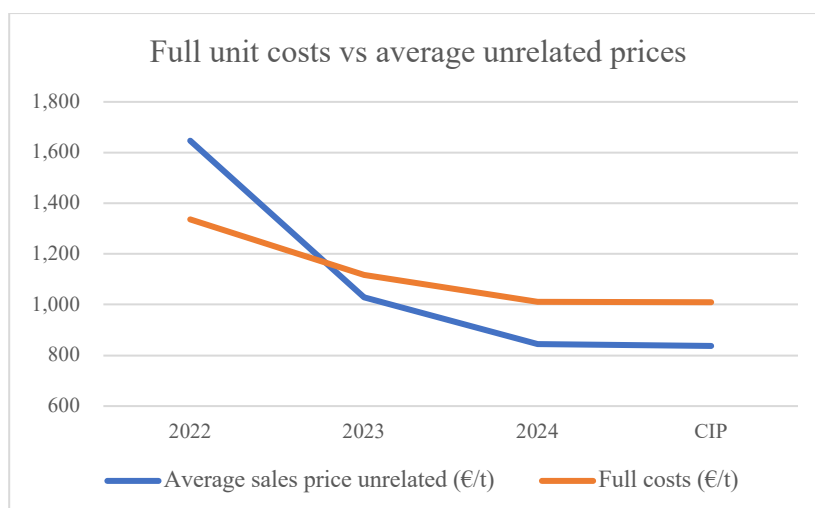
609. The table below summarises the Complainant's profitability indicators for the product concerned in the period considered.

Profitability	2022	2023	2024	CIP
Profitability (%)	19%	-9%	-20%	-21%

See Annex D.02 – Injury Figures

610. In 2022, profitability was at 19%. It then declined sharply to -9% in 2023 and further to -20% in 2024, as reflected in the negative index values (-45 in 2023 and -106 in 2024, see Annex D.02 – Injury Figures). During the CIP, profitability remained negative at -21%, a 40 percentage point decline from 2022.

³⁶⁵ See Annex D.08 - Contract negotiation evidence.



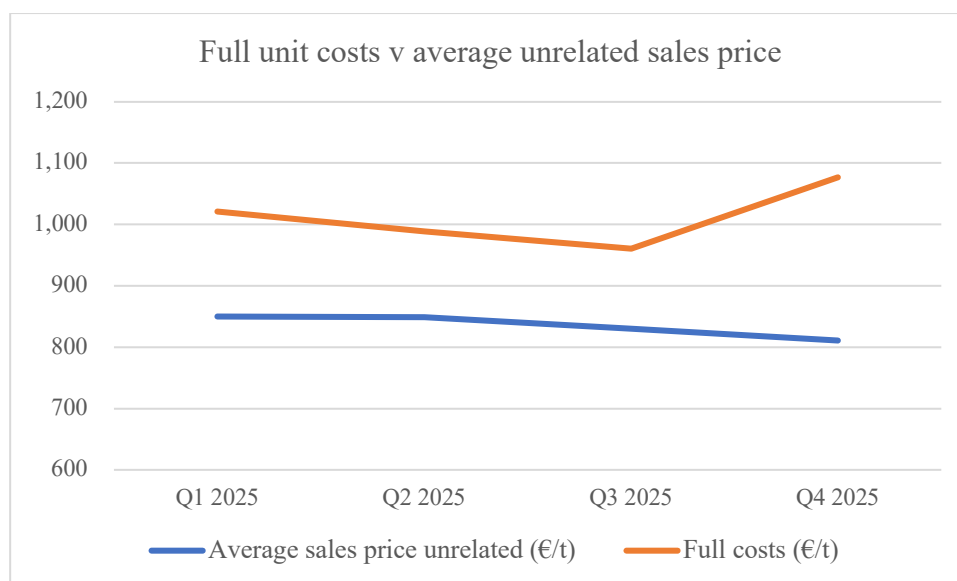
See Annex D.02 – Injury Figures

611. In 2022, the Complainant managed to keep sales price above its full unit cost, in spite of the peak in costs. However, starting in 2023, the delta between the sales price and the full unit costs became negative. At the time, this was due to the pressure exercised by the US and Egyptian imports as investigated in the AD697 investigation. Following the imposition of the provisional measures against Egypt and the US in summer 2024, the Complainant should have been able to reverse this negative delta. However, this recovery was impeded by the increase in low priced imports from the countries targeted in this Complaint.
612. The following table focuses on the CIP, presenting quarterly profitability data to provide a closer view of trends in the period.

Profitability	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Profitability (%)	-20%	-17%	-16%	-33%
Growth (QonQ)		+18 %	+5 %	-109%

See Annex D.02 – Injury Figures

613. Profitability stood at –20% in Q1 2025. It then showed a recovery, reaching – 17% in Q2 2025 and – 16% Q3 2025. However, profitability took a plunge in Q4 2025 reaching its lowest level at – 33%. Despite the fluctuations in Q2 and Q3 2025, profitability remained clearly negative throughout the entire period.



See Annex D.02 – Injury Figures

614. The gradual increase in profitability is mainly explained by a reduction in the Complainant's full unit cost in the first three quarters of 2025. Although unrelated sales prices fell during the same period by 5%, the decrease in full unit cost (COM + SG&A + financial expenses) was greater. As a result, the Complainant was able to partially recover margins. However, this situation did not continue in Q4-2025. Instead, while average sales prices continued to decrease in Q4-2025, the full costs increased to a level higher than at the beginning of the calendar year.
615. It is apparent from the data that there has been a significant price depressing effect of imports on Union sales prices. Initially, this effect was associated with imports from Egypt and the United States, but over time the source of the pressure shifted to imports from China, South Korea, Taiwan and Mexico.³⁶⁶ This continued inability to achieve positive profit levels (despite internal cost-cutting efforts) illustrates the significant price pressure exerted on the Union industry, consistent with the injury caused by the dumped imports during the CIP.

D.4.2.5. Employment

616. The table below summarises the Complainant's aggregate employment and productivity data in the period considered:

Employment	2022	2023	2024	CIP
Employment (FTE)	2,558	2,582	2,594	2,542
Index (2022 = 100)	100	101	101	99
Productivity (t/FTE)	827	734	830	816
Index (2022 = 100)	100	89	100	99

See Annex D.02 – Injury Figures

617. During the period considered, employment remained largely stable, increasing slightly by 1% from 2,558 FTE in 2022 to 2,582 FTE in 2023, and then to 2,594 FTE in 2024, before slightly

³⁶⁶ Commission Implementing Regulation (EU) 2024/1896 of 11 July 2024 imposing a provisional anti-dumping duty on imports of certain polyvinyl chloride (PVC) originating in Egypt and the United States of America, *OJL*, 2024/1896, 12.7.2024, Recital 214

decreasing to 2,542 FTE in the CIP. Productivity fluctuated over the same period: it decreased to 734 t/FTE in 2023, returned to 830 t/FTE in 2024, and slightly declined to 816 t/FTE in the CIP.

Employment	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Employment (FTE)	2,572	2,545	2,536	2,515
<i>Growth (QonQ)</i>		-1%	0%	-1%
Productivity (t/FTE)	219	215	212	169
<i>Growth (QonQ)</i>		-2%	-1%	-20%

See Annex D.02 – Injury Figures

618. Looking more closely at the quarterly data, employment decreased gradually over the year, from 2,572 FTE in Q1 2025 to 2,515 FTE in Q4 2025. The largest quarterly declines were observed in Q2 and Q4, each showing a 1% decrease. Productivity followed a downward trend after an initial increase, starting at 219 t/FTE in Q1 2025, then declining to 215 t/FTE in Q2, 212 t/FTE in Q3, and dropping sharply to 169 t/FTE in Q4.

D.4.2.6. Investments

619. The table presents the investment levels of the Complainant in the period considered.

	2022	2023	2024	CIP
Investments (€)	218,525,961	242,014,352	202,698,505	142,018,208
<i>Index (2022 = 100)</i>	100	111	93	65

See Annex D.02 – Injury Figures

620. Investments decreased from 218,525,961 € in 2022 to 242,014,352 € in 2023, before declining to 202,698,505€ in 2024 and further to 142,018,208€ in the CIP, with the index reflecting this downward trend (from 100 in 2022 to 65 in the CIP).

621. The following table focuses on the CIP, presenting quarterly data on the investment level indicator to provide a closer view of trends in the period considered.

	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Investments (€)	33,358,483	33,440,440	34,981,874	40,237,410
<i>Growth (QonQ)</i>		0%	5%	15%

See Annex D.02 – Injury Figures

622. Investments were relatively stable in Q1 and Q2 2025, at around 33 € million, increased slightly to around 35 € million in Q3, and then 40.2 € million in Q4.

D.4.3. Price undercutting and underselling

D.4.3.1. Undercutting

623. Price undercutting compares the average ex-works sales prices of the Complainant against the average import price duty paid of the dumped imports. To assess the price pressure of dumped imports, the Complainant compared its own average sales price with the average export price of China, Mexico, South Korea and Taiwan after payment of all duties to obtain a landed price duty

paid. The undercutting margin is expressed as a percentage of the Complainant's average sales price.

Price undercutting	CN	SK	TW	MX
EXW sales price - Complainants (€/t)	837	837	837	837
CIF import price (€/t)	668	761	716	749
Import price duty paid (€/t)	711	761	762	749
Undercutting margin (%)	15%	9%	9%	11%

See Annex D.02 – Injury Figures

624. The average price of dumped imports from China, Mexico, South Korea and Taiwan after customs clearance in the EU undercut the Complainant's prices by margins of 15%, 9%, 9% and 11% respectively during the CIP.
625. Thus, in spite of the Union industry decreasing its sales prices by 49% over the period considered, imports from all origins are still undercutting the Union's prices at margins of 9% to 15%.
626. To better understand how undercutting evolved in the CIP, the tables below present its quarterly development for each of the four exporting countries.

Quarterly undercutting – China

627. The following table shows the quarterly developments in undercutting from imports originating in China:

China Price Undercutting (Quarterly)	Q1/25	Q2/25	Q3/25	Q4/25
EXW sales price - Complainants (€/t)	850	849	830	811
CIF import price (€/t)	755	715	655	632
Import price duty paid (€/t)	804	761	697	673
Undercutting margin (%)	5%	10%	16%	17%

See Annex D.02 – Injury Figures

628. In the CIP, the EXW sales price of the Complainant gradually decreases from 850 €/t in Q1/25 to 811 €/t in Q4/25. At the same time, the CIF import price drops more sharply, from 755 €/t to 632 €/t, while the import price duty paid falls from 804 €/t to 673 €/t. As a result, the undercutting margin steadily rises, increasing from 5% in Q1/25 to 17% in Q4/25.

Quarterly undercutting – South Korea

629. The following table shows the quarterly developments in undercutting from imports originating in South Korea:

SK Price Undercutting (Quarterly)	Q1/25	Q2/25	Q3/25	Q4/25
EXW sales price - Complainants (€/t)	850	849	830	811
CIF import price (€/t)	864	813	765	712
Import price duty paid (€/t)	864	813	765	712
Undercutting margin (%)	-2%	4%	8%	12%

See Annex D.02 – Injury Figures

630. In the CIP, the EXW sales price of the Complainants gradually decreases from 850 €/t in Q1/25 to 811 €/t in Q4/25. The undercutting margin shifts from -2% in Q1/25, increasing to 12% in Q4/25.

Quarterly undercutting – Taiwan

631. The following table shows the quarterly developments in undercutting from imports originating in Taiwan:

<i>TW Price Undercutting (Quarterly)</i>	Q1/25	Q2/25	Q3/25	Q4/25
EXW sales price - Complainants (€/t)	850	849	830	811
CIF import price (€/t)	846	771	702	678
Import price duty paid (€/t)	901	821	748	722
<i>Undercutting margin (%)</i>	-6%	3%	10%	11%

See Annex D.02 – Injury Figures

632. In the CIP, the EXW sales price of the Complainants gradually decreases from 850 €/t in Q1/25 to 811 €/t in Q4/25. Meanwhile, the CIF import price decreases more significantly from 846 €/t in Q1/25 to 678 €/t in Q4/25, and the import price duty paid follows a similar pattern, decreasing from 901 €/t in Q1/25 to 722 €/t in Q4/25. Consequently, the undercutting margin shifts from negative values of -6 in Q1/25 to positive values of 11% in Q4/25.

Quarterly undercutting – Mexico

633. The following table shows the quarterly developments in undercutting from imports originating in Taiwan:

<i>MX Price Undercutting (Quarterly)</i>	Q1/25	Q2/25	Q3/25	Q4/25
EXW sales price - Complainants (€/t)	850	849	830	811
CIF import price (€/t)	823	810	678	667
Import price duty paid (€/t)	823	810	678	667
<i>Undercutting margin (%)</i>	3%	5%	18%	18%

See Annex D.02 – Injury Figures

634. In the CIP, the EXW sales price of the Complainants gradually decreases from 850 €/t in Q1/25 to 811 €/t in Q4/25. Meanwhile, the CIF import price decreases more significantly from 823 €/t in Q1/25 to 667 €/t in Q4/25. Consequently, the undercutting margin increases from 3% in Q1/25 to 18% in Q4/25.
635. As demonstrated above, price undercutting by imports from the targeted countries has increased significantly since the beginning of the CIP. This shows the aggressive position of imports, further eroding the already fragile position of the Union market.

D.4.3.2. Underselling

636. Price underselling assesses the difference between the ‘target price’ (i.e., the price the Complainant could achieve in the absence of dumped imports), against the average import price, duty paid, of the exports originating from the country concerned. The underselling margin is used

as to assess the injury to the Union industry. The underselling margin is expressed as a percentage of the CIF price of the dumped imports.

637. To establish the target price, the Complainant applied a profit margin of 13.1%, in line with the methodology used by the European Commission in Regulation 2024/1896.³⁶⁷

Price Underselling	China	SK	Taiwan	Mexico
CIF import price (€/t)	668	761	716	749
Import price duty paid (€/t)	711	761	762	749
EU full unit cost (€/t)	1,010	1,010	1,010	1,010
EU target price (w/ 13,1% profit)	1,162	1,162	1,162	1,162
Underselling margin (%)	68%	53%	56%	55%

See Annex D.02 – Injury Figures

638. As shown in the table above, imports from China, Mexico, South Korea and Taiwan significantly undersell the Complainant's prices in the EU.
639. To better understand how underselling evolved in the CIP, the tables below present its quarterly development for each of the four exporting countries.

Quarterly underselling – China

640. The following table shows the quarterly developments in underselling from imports originating in China:

China Price Underselling (Quarterly)	Q1/25	Q2/25	Q3/25	Q4/25
CIF import price (€/t)	755	715	655	632
Import price duty paid (€/t)	804	761	697	673
EU full unit cost(€/t)	1,021	989	961	1,077
EU target price (13,1%)	1,175	1,138	1,105	1,239
Underselling margin (%)	49%	53%	62%	90%

See Annex D.02 – Injury Figures

641. In the CIP, both the CIF import price and the import price duty paid decline steadily, falling from 755 €/t and 804 €/t in Q1/25 to 632 €/t and 673 €/t in Q4/25 respectively. In comparison, the EU full unit cost increases from 1,021 €/t to 1,077 €/t, while the EU target price (based on a 13.1 % target profit) rises from 1,175 €/t to 1,239 €/t. As a result, the underselling margin rises significantly, increasing from 49% in Q1/25 to 90% in Q4/25.

Quarterly underselling – South Korea

642. The following table shows the quarterly developments in underselling from imports originating in South Korea:

SK Price Underselling (Quarterly)	Q1/25	Q2/25	Q3/25	Q4/25
CIF import price (€/t)	864	813	765	712

³⁶⁷ Commission implementing regulation (EU) 2024/1896 recital (219), available from: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202401896.

Import price duty paid (€/t)	864	813	765	712
EU full unit cost(€/t)	1,021	989	961	1,077
EU target price (13,1%)	1,175	1,138	1,105	1,239
Underselling margin (%)	36%	40%	44%	74%

See Annex D.02 – Injury Figures

643. In the CIP, both the CIF import price and the import price duty paid decreased, falling from 864 €/t in Q1/25 to 712 €/t in Q4/25. In comparison, the EU full unit cost increases from 1,021 €/t to 1,077 €/t, while the EU target price (based on a 13.1 % target profit) falls from 1,175 €/t to 1,239 €/t. As a result, the underselling margin increases in the CIP, starting at 36% in Q1/25, rising to 74% in Q4/25.

Quarterly underselling – Taiwan

644. The following table shows the quarterly developments in underselling from imports originating in Taiwan:

TW Price Underselling (Quarterly)	Q1/25	Q2/25	Q3/25	Q4/25
CIF import price (€/t)	846	771	702	678
Import price duty paid (€/t)	901	821	748	722
EU full unit cost (€/t)	1,021	989	961	1,077
EU target price (13,1%)	1,175	1,138	1,105	1,239
Underselling margin (%)	32%	41%	51%	76%

See Annex D.02 – Injury Figures

645. Over the last four quarters, both the CIF import price and the import price duty paid for the imports of the product concerned originating in Taiwan experienced a significant decrease, going from 846 €/t CIF in Q1/25 to 678 €/t CIF in Q4/25. The EU full unit costs increase over the last four quarters going from 1,021 €/t in Q1/25 to 1,077 €/t in Q4/25, with the import prices remaining consistently lower than the industry costs and prices. The underselling margins in the CIP therefore increased consistently. Overall, the imports undersold the Union industry prices from 32% in Q1/25 to 76% in Q4/25.

Quarterly underselling – Mexico

646. The following table shows the quarterly developments in underselling from imports originating in Mexico:

MX Price Underselling (Quarterly)	Q1/25	Q2/25	Q3/25	Q4/25
CIF import price (€/t)	823	810	678	667
Import price duty paid (€/t)	823	810	678	667
EU full unit cost(€/t)	1,021	989	961	1,077
EU target price (13,1%)	1,175	1,138	1,105	1,239
Underselling margin (%)	43%	41%	63%	86%

See Annex D.02 – Injury Figures

647. In the CIP, both the CIF import price and the import price duty paid decreased, falling from 823 €/t in Q1/25 to 667 €/t in Q4/25. In comparison, the EU full unit cost increases from 1,021 €/t to 1,077 €/t, while the EU target price (based on a 13.1 % target profit) falls from 1,175 €/t to 1,239 €/t.

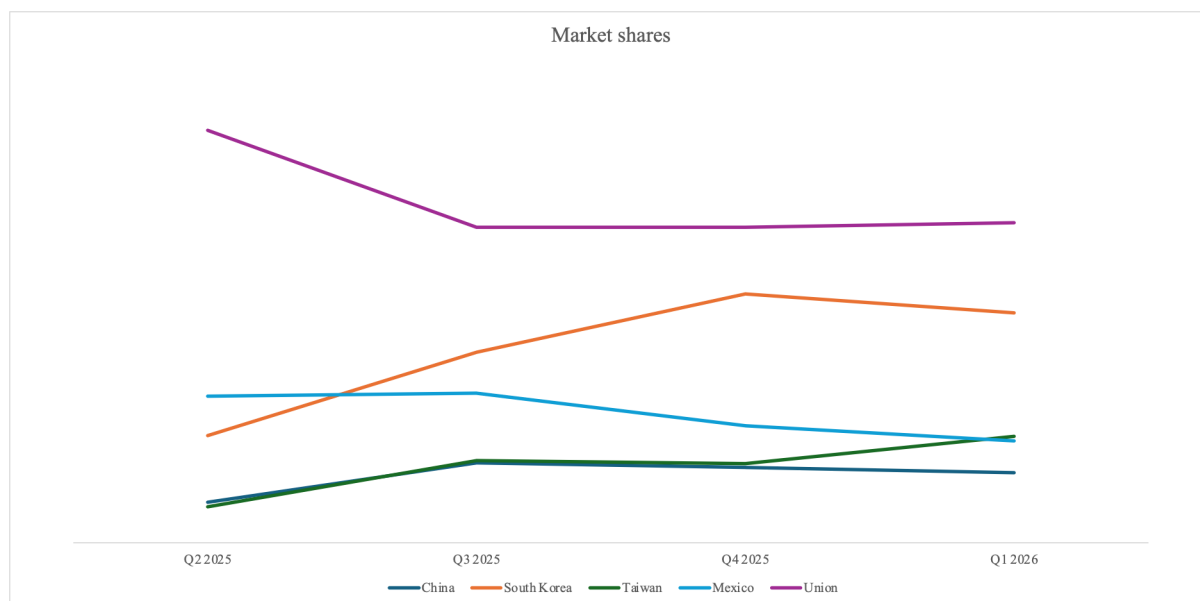
1,239 €/t. As a result, the underselling margin increases in the CIP, starting at 43% in Q1/25, rising to 86% in Q4/25.

648. As shown above, the imports of the product concerned from China, Mexico, South Korea and Taiwan consistently undersell the Union industry's like product in the Union market, both on a yearly and quarterly basis. Furthermore, the underselling margins increased for all three origins over the last four quarters clearly pointing to a worsening of the injury caused to the Union industry.

D.5. Post-CIP data confirms material injury to the Union industry

649. The Complainant has gathered further evidence of injury from Q1/2026. First, a number of Union producers are facing increasing pressure to maintain their production lines open as already mentioned in [Section A.7.1](#) above. Indeed, persistently low utilisation rates, such as those observed over the period considered, endanger the whole PVC production chain. Production at levels below the technical operating rate are unsustainable and inevitably lead to plant closures.
650. Vynova, a member of the Complainant consortium for the present Complaint and one of the largest PVC producers in the Union, is a dramatic example of the consequences of the worsening pressure of the dumped imports. At the end of Q4 2025, three production sites were in a difficult position:
- The plant in Beek stopped production in November 2025 (representing a production capacity of 225,000 mt/year);
 - The Wilhelmshaven plant was put into administration in December 2025; and
 - The Tessenderlo plant has been under judicial reorganisation since December 2025.
651. Second, the market share of the Union industry continues to deteriorate into Q1 2026, while the share of the dumped imports significantly increased, as can be seen from the analysis below.
652. Due to the dire financial situation that Vynova is facing and the related ongoing insolvency proceedings, the Vynova group was not in a position to provide the Complainant with a full set of injury data for Q1 2026. However, *[redacted – confidential commercial information]*, provided data regarding the group sales. This allowed the Complainant to conduct a market share analysis for the first quarter of 2026.
653. In order to calculate the total sales of the Union industry, a simple extrapolation from the Complainant's production figures per quarter was conducted. *[redacted – confidential commercial information]* production volume for the first quarter of 2026 was estimated by extrapolating the volume of sales up to production volumes on the basis of the average sales to production ratio for the period from Q2 2025 to Q4 2025.
654. The graph below presents the significant evolution of the market shares on the Union market over the last four quarters (i.e., Q2 2025 to Q1 2026).³⁶⁸

³⁶⁸ There was an exceptional delay in the availability of March 2026 extra-EU detailed data for the Netherlands.



See Annex D.10 – Q1 2026 Injury update

655. The market share of the Union industry dropped from [84% – 90%] in Q2 2025 to [78 – 82] % in Q1 2026. At the same time the market share from South Korea increased from [2.90% – 3.65%] in Q2 2025 to [6 – 10]% in Q1 2026. Similarly, the Chinese and Taiwanese market shares followed this upward trend, starting at [1.05% – 1.40%] and [0.95% – 1.25%] respectively in Q2 2025 and ending up at [2 – 3]% and [3,5 – 4.5]% in the first quarter of 2026. Mexican imports on the other hand decreased from [4.15% – 4.80%] to [2.5 – 4.5]% from Q2 2025 to Q1 2026.
656. The degradation of the Union's market share from Q2 2025 to Q1 2026 points the dire situation of the Union industry and echoes the ongoing difficulties that the EU producers are having in maintaining their market share and by default, their production lines.

D.6. Disapplication of the lesser duty rule

657. Pursuant to Article 7(2a) of the basic Regulation, where any of the raw material distortions– listed in that subparagraph and accounting for at least 17% of the cost of production of the product concerned – are found to exist, the lesser duty rule may be disapplied.³⁶⁹
658. As established in the fifth subparagraph of Article 7(2a), for the purpose of calculating the 17% of the cost of production benchmark, an undistorted price of the raw material as established in representative international markets shall be used. In this regard, the Complainant notes that there is one raw material that accounts for more than 17% of the cost of production based on the undistorted prices established in the representative country for which distortions can be established – calcium carbide, accounting for [redacted – confidential information] of the cost of production based on undistorted prices in Malaysia (see *Annex C.02 – CNV China (Malaysia)*).
659. While calcium carbide is the main input material for PVC production via the acetylene route to make VCM, coal is used to make calcium carbide. Calcium carbide is manufactured by heating

³⁶⁹ 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, OJ L 176/21, article 7(2a).

a lime and carbon mixture to 2000 to 21000 degrees Celsius in an electric arc furnace. The sources of carbon for the reaction are petroleum coke, metallurgical coke, and anthracite coal, with carbon sources representing approximately 40% of the raw materials used to produce 1 metric tonne of calcium carbide.³⁷⁰

660. The segment of the carbide-based PVC capacity in China that is integrated into calcium carbide production and further integrated into or strategically located near coal mines accounts for 73% of total PVC capacity in mainland China.³⁷¹
661. The unprecedented level of vertical integration of producers of calcium carbide with the coke and coal effectively constitutes captive mining which lowers the price of the raw material of coke and coal (and consequently, calcium carbide) as compared to prices in the representative international markets. Captive mining is defined by the OECD as when a processing company is required to own the mine, which produces its inputs or has been awarded captive mining rights with the intent that the company will mine the commodity for use in its own domestic processes and not trade it. Captive mining is a form of government support for firms with access to captive supplies, as well as a means to control the price and availability of a commodity.³⁷²
662. According to the OECD list of industrial raw materials, both bituminous coal and coke and semi-coke of coal are subject to distorting measures.³⁷³ The distortion created by captive mining is thus further exacerbated by the licensing requirement in place as of 2024 for bituminous coal, coke, and semi-coke, under which exporters must obtain prior approval to export these products.³⁷⁴
663. State intervention in the Chinese calcium carbide market reveals itself when considering this material's domestic cost, which is consistently lower than international prices according to two different sources. First, the Complainant obtained Chinese factors of production for acetylene-based PVC, which contains the domestic (Chinese) price per ton of raw material used. See *Annex C.19 – Acetylene-based BOM World Analysis Vinyls Report*. This document indicates that Chinese producers of acetylene-based PVC pay \$560,25 per ton of calcium carbide, or €497.02.
664. By contrast, an international benchmark for calcium carbide, calculated by the Complainant using trade statistics extracted from UN Comtrade,³⁷⁵ equals €953.26. See *Annex C.02 – CNV China (Malaysia)*.
665. Second, as shown by the graph below, Chinese prices are consistently lower than in other regions. According to Business AnalitIQ, the average price for one kilogram of calcium carbide was [redacted – information subject to third party copyright. Available for purchase and consultation on the following website: <https://businessanalytiq.com/procurementanalytics/index/calcium-carbide-price-index/>]. The average price for “Northeastern Asia”, a region that most notably

³⁷⁰ United States Environmental Protection Agency, Chapter 11.4 “Calcium Carbide Manufacturing Background Document” in *AP – 42: Compilation of Air Emissions Factors from Stationary Source*.

³⁷¹ Chemical Market Analytics, “2025 World Analysis – Vinyls – Report” (2025) page 52.

³⁷² OECD, “Methodological note to the Inventory of Export Restrictions on Critical Raw Materials” (2026)

³⁷³ OECD Data Explorer ‘Export Restrictions on Critical Raw Materials’, available at: <https://data-explorer.oecd.org/>

³⁷⁴ OECD, “Methodological note to the Inventory of Export Restrictions on Critical Raw Materials” (2026)

³⁷⁵ UN Comtrade, available at: <https://comtradeplus.un.org> (last accessed March 2026).

contains China, was only [redacted – information subject to third-party copyright].³⁷⁶ Chinese prices are plotted in red on the graph below.

[redacted – chart subject to third party copyright. Available for purchase and consultation on the following website: <https://businessanalytiq.com/>].

Source: Business AnalytIQ³⁷⁷

666. Given the existence of captive mining and licensing requirements distorting the prices of key raw materials in the production of calcium carbide, the Complainant asserts that the lesser duty rule must be disappplied for dumped calcium carbide-based PVC of Chinese origin in line with Article 7(2a) of the basic Regulation.

D.7. Conclusion on the economic situation of the Union industry

667. The Union industry is already facing a clear situation of material injury and is under threat of further injury as a result of the dumped imports originating in China, Mexico, South Korea and Taiwan.
668. Imports from the countries concerned undersell Union prices by significant margins ranging from 53% to 68%. These high margins, structural overcapacity in the exporting countries, combined with the attractiveness of the EU market and restrictions in other markets, reinforces the risk that these excess volumes will continue to flow into the Union and worsen the injury suffered by the Union industry.
669. Sales prices have decreased by half, going from 1,647 €/t in 2022 to 837 €/t in the CIP. This dramatic evolution reflects the Complainant's attempts to retain market share over the period considered, and maintain its utilisation rate above the minimum technical level. If utilisation rates drop further the production lines become unsafe to operate. As a result, profitability dropped from 19% in 2022 to -21% in the CIP.
670. Although the Union industry's market share in the CIP is at a similar level as in 2022, this must be considered in relation to two factors. First, the imports originating in China, South Korea, Taiwan and Mexico in particular increased at a significantly higher pace in the CIP. Therefore, the Union's market share decreased significantly in the last period, standing at [89% – 94%] in Q1 2025 and dropping to [77% – 83%] in the last quarter of 2025. Second, the Union's market share cannot be considered in isolation, and instead must be analysed in combination with the sales price and profitability evolution outlined in the above paragraph.
671. The Complainant therefore submits that the requirements in Article 3 of the Basic Regulation for the determination of injury have been met both in relation to a finding of threat of injury and material injury in the last period.

³⁷⁶Business AnalytIQ, "Calcium carbide price index", <https://businessanalytiq.com/procurementanalytics/index/calcium-carbide-price-index/>

³⁷⁷Business AnalytIQ, "Calcium carbide price index", <https://businessanalytiq.com/procurementanalytics/index/calcium-carbide-price-index/>

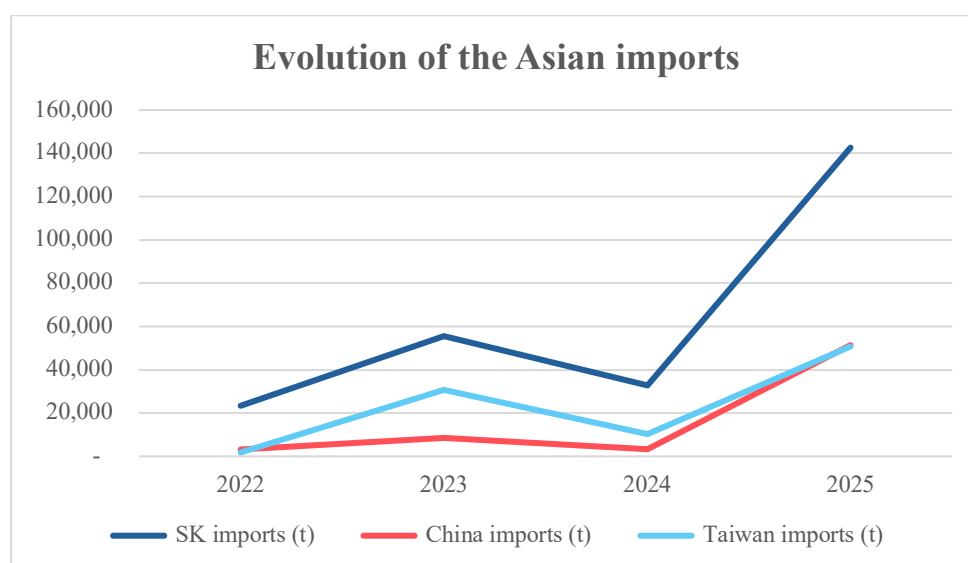
E. CAUSATION

673. A positive determination in an anti-dumping investigation requires that the threat of injury to the Union industry be caused by the dumped imports, as provided for in Article 3(6) of the Basic Regulation, and that the vulnerable state of the Union industry not be attributable to factors other than the dumped imports, as provided for in Article 3(7) of the Basic Regulation.
674. By means of Implementing Regulation 2024/1776, the Commission imposed anti-dumping duties on imports of S-PVC originating in Egypt and the United States.³⁷⁸ While the Union industry was able to recover slightly in the immediate aftermath of the imposition of these duties, long-term recovery was not possible. The limited scope of the measures allowed low-priced S-/M-PVC imports of other origins, such as China, South Korea, Taiwan to increase their share of the Union market, and to maintain it for Mexico, thus further eroding an already fragile Union industry.

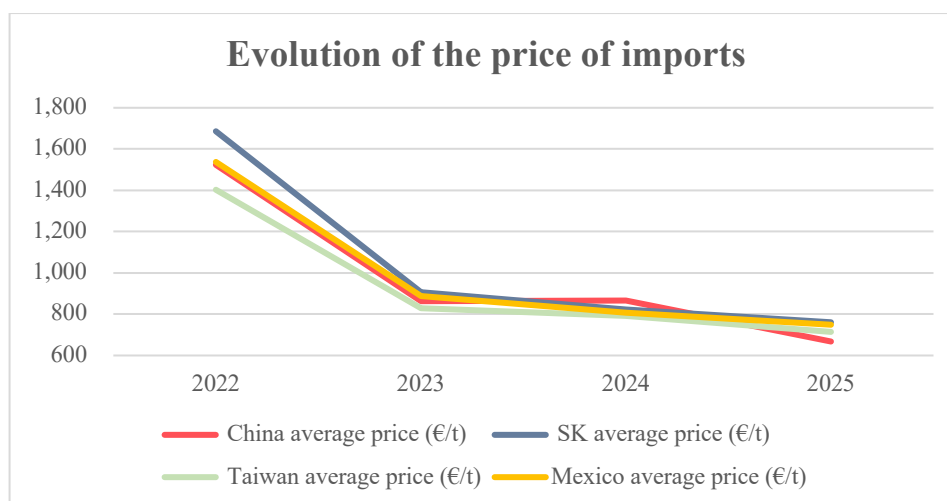
E.1. Effects of the dumped imports

E.1.1. Increase in import volumes and decrease in import prices

675. Injurious price levels imposed by the dumped imports threaten further injury to the already fragile Union industry. The prices of S-/M-PVC imports have developed in significant ways throughout the period considered. In the CIP, Taiwanese imports have increased by more than 2,700%, while the average price of these imports has reduced by around half compared to 2022 levels. Similar patterns can be observed when considering import prices and volumes originating in China; imports have increased over 1,400%, while the average price of imports per tonne has dropped by more than 50%. Imports from South Korea again show a similar trend: volumes have increased more than fivefold, while average price has dropped by more than 50%. Finally, although Mexican imported volumes did not increase like the other three origins did, the average price has dropped by more than 50%. Cumulatively, imports from these four origins rose 103% in absolute terms. See *Annex B.05 – Adjusted Trade Statistics*.



³⁷⁸ Commission Implementing Regulation (EU) 2025/36 of 9 January 2025 imposing a definitive anti-dumping duty and definitively collecting the provisional duty imposed on imports of certain polyvinyl chloride originating in Egypt and the United States (OJ L 7, 10.1.2025, p.1).



See Annex B.05 – Adjusted Trade Statistics

676. The developments observed in terms of volumes and prices, although starting from initially low levels for imports originating in China, South Korea and Taiwan, have resulted in a very rapid increase in market shares in the recent period. In Q4-2025, imports from China, Taiwan, and South Korea accounted for approximately [2.25-2.90]%, [2.35-3.00]%, and [7.70-9.20]% of the Union S-/M-PVC market, respectively. By way of comparison, in 2022 the market shares of these three countries stood at [0.08-0.12]%, [0.04-0.07]%, and [0.60-0.75]%, respectively. The sharp increase observed over the past year is linked to aggressive pricing and a significant increase in export volumes. See Annex D.02 – Injury Figures. Mexican market shares slightly decreased from [4.20-4.85]% to [3.90-4.60]% over the period considered.

E.1.2. Impact on the Union industry prices and profitability levels

677. Notwithstanding the exporters' relatively low market shares, the impact on the Complainant's economic performance has been noticeable, as its average sales price to unrelated customers has dropped by almost half by the CIP compared to 2022 levels. Furthermore, the pricing behaviour of the Chinese, Mexican, South Korean and Taiwanese exporting producers and its effect on sales has been documented by the Complainant's sales teams as discussed in [Section E.1.1.](#) above. This ultimately led to the Complainant becoming unable to cover its own production costs and therefore reporting negative profitability levels. See Annex D.02 – Injury Figures.

678. As S-/M-PVC is a commodity, i.e., its market is exclusively driven by price levels, developments in such small segments of the Union market have a significant influence on the performance of the Union industry. Indeed, S-/M-PVC resins are produced using identical methods, and production locations have no bearing on the material's quality. The imported product and the like domestic product are fully substitutable and interchangeable.

679. The nature of S-/M-PVC's production process also poses particular challenges to the Complainant. Indeed, the process is not designed to be paused and restarted as necessary to react to market developments. Instead, minimum production levels must be constantly maintained; as already noted in Implementing Regulation 2024/1896, utilisation rates lower than 50% pose

significant safety risks and lead to asset deterioration.³⁷⁹ These rates are lower than the technical minimum operating rates of 60% to 65% as reported by CMA.³⁸⁰

680. Therefore, to ensure the long-term viability of its assets and the operational safety of its plants, the Complainant is forced to match any change in sales price detected on the market without lowering its utilisation rate, even if such change is provoked by a small share of the total S-/M-PVC market, which contributes to the Complainant's sustained lack of profitability.
681. As discussed in [Section E.1.1.](#) above, the Union industry's contractual negotiation process is highly vulnerable to the wider market circumstances, and the industry's order uptakes are severely impacted by the dumped imports from the countries concerned. Under normal market circumstances, negotiations take place on the basis of published indexed prices, such as CMA's monthly and annual indexes, to which discounts are then applied. However, this pricing dynamic is quickly evolving because of the presence of low-priced products dumped on the Union market, which are driving the prices further down and decoupling them from the published indexed prices.
682. Due to the presence of cheap supply available in the Union market, the domestic producers are confronted with customers pressuring them to either lower their sale prices to match the imported products' prices or face the reality that they will not secure sufficient sales volumes in order to keep production running at levels above the safe operating rate. However, sales at depressed prices further decrease profitability levels to unsustainable levels.
683. With anti-dumping duties only being applied to exports from Egypt and the United States, the European market is an attractive destination for Chinese, Mexican, South Korean and Taiwanese exports of S-/M-PVC. The industry remains in a fragile state, and customers that previously bought low-priced S-/M-PVC from these origins are incentivised to purchase similarly priced S-/M-PVC from other origins, including China, Mexico, South Korea and Taiwan. This conclusion is corroborated by the pronounced presence of exports from the countries concerned on the European S-/M-PVC market, which had previously been hardly noticeable.

E.2. Non-attributing factors

E.2.1. Imports from other countries

684. In the period considered, the imports originating in China, Mexico, South Korea and Taiwan cumulatively increased from representing only 38% to representing 82% of the total extra-EU27 import volumes in the CIP, as can be seen from the table below:

	2022	2023	2024	CIP
Extra-EU27 imports				
Volume (t)	496,492	616,611	377,759	458,333
Cumulated dumped imports				
Volume (t)	185,774	225,221	160,526	378,341
% out of total imports	37%	37%	42%	83%

³⁷⁹Ibid.

³⁸⁰ Chemical Market Analytics, '2025 World Analysis – Vinyls – Report', p.3.

Market share (%)	[5.0% – 5.7%]	[6.8% – 7.6%]	[4.9% – 5.5%]	[11.4% – 12.6%]
Other imports				
Volume (t)	310,718	391,390	217,233	79,991
% out of total imports	63%	63%	58%	17%
Market share (%)	[8.5% – 9.5%]	[11.9% – 13.2%]	[6.6% – 7.4%]	[2.3% – 2.8%]

See Annex B.05 – Adjusted Trade Statistics

685. Imports originating in third countries other than the countries concerned significantly decreased over the period considered. Such significant decrease is in most part due to the effect of the anti-dumping measures against S-PVC originating in Egypt and the United States. As the volumes of the other third countries decrease both in relative and absolute terms, they cannot be said to break the causal link between the dumped imports and the poor situation of the Union industry.

E.2.2. EU energy crisis and raw materials prices

686. S-/M-PVC production costs are significantly driven by energy and ethylene prices (one of the two main raw material involved in S-/M-PVC production, together with chlorine). It is therefore important to assess the impact of the price volatility of these two input costs on the performance of the Union industry in order to determine whether they played any role in the injury experienced by the Union S-/M-PVC producers.
687. First, the injury that the Union industry is experiencing is not attributable to the energy crisis that followed the invasion of Ukraine by Russia. The energy crisis is not threatening injury to the Union industry either. Indeed, in the previous investigation, the Commission found that when the energy prices were at their highest in 2021 and 2022, the Union industry was obtaining its largest profits.³⁸¹ It also stated that the Union industry's injury became visible '*when the energy crisis has subdued, and the energy prices had decreased*'.³⁸² This led the Commission to a finding that the '*energy crisis experienced in the Union did not explain the evolution observed in the investigation period and therefore do not break or attenuate the causal link*'.³⁸³
688. Second, the injury of the Union industry is not attributable to the evolution of ethylene prices either. Indeed, as is illustrated in the graph below, the European S-PVC prices do not follow the same evolution as the ethylene prices.

[omitted – chart subject to third-party copyright and available for consultation from the source below]

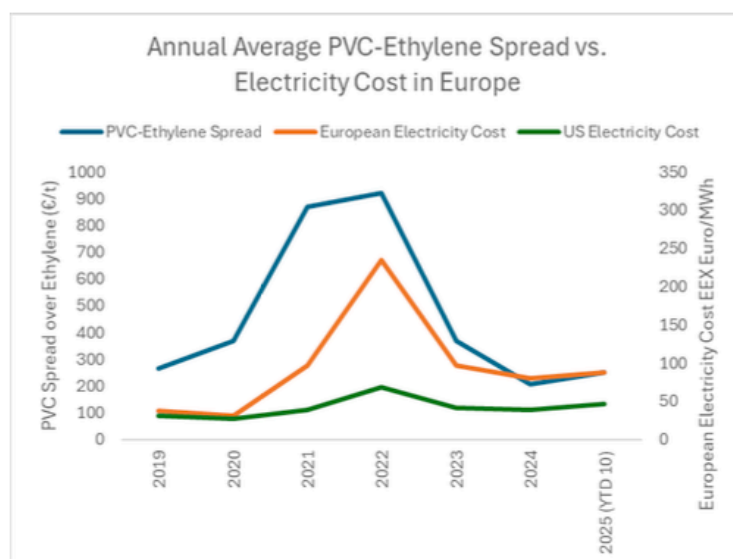
Source: CMA, *Global Vinyls Report – Monthly Market Report – Issue 168*

689. While the ethylene prices in Western Europe remained relatively stable in the period remaining around 1,100 €/t. In contrast, the S-PVC price, which was historically higher than the ethylene price, collapsed with the ethylene price starting at the beginning of 2025. In addition, the evolution of the ethylene prices as reported by CMA does not correspond to the evolution of the PVC-ethylene spread represented in the graph below.

³⁸¹ Commission Implementing Regulation (EU) 2024/1896. Recital 193.

³⁸² Ibid.

³⁸³ Ibid, recital 194.



Source:

1. CMA: PVC price - Western Europe, Spot, Delivered W. Europe, (Suspension, Pipe Grade Resin)
2. CMA: Ethylene price - West Europe, Contract-Market Pipeline, Delivered W. Europe
3. European Electricity Cost - European Electricity Cost EEX Euro/MWh
4. US Electricity Cost - IHS US Electricity USGC + interconnector cost Euro/MWh

690. The spread represents the difference between the price of PVC and the cost of ethylene. It can be seen that the spread was the highest in 2022, experiencing a sharp decrease in 2023 which continued in 2024, reaching levels below 100 €/t. The lack of correlation between the ethylene price evolution and the PVC-ethylene spread is evidence pointing to the fact that the decrease in PVC prices is due to other factors than the increase in ethylene prices. Consequently, it cannot be said that ethylene prices caused, or threatened to cause, injury to the Union industry.

691. Furthermore, the Union industry was largely able to pass costs incurred due to heightened energy costs on to the customers in 2022. As can be seen in the table below, between 2022 and 2023 the cost of manufacturing decreased by 18%. This decrease in cost was simultaneously mirrored by a decrease of the Complainant's average sales price to unrelated customers in the same period, as illustrated in the table below.

	2022	2023	2024	CIP
COM (€/t)	1,281	1,049	954	942
Index (2022 = 100)	100	82	74	73
Average sales price (€/t)	1,647	1,029	844	837
Index (2022 = 100)	100	62	51	51

See Annex D.02 – Injury Figures

692. Therefore, an attempt to attribute the injury suffered by the Union industry to the energy crisis and the volatility of the price of ethylene can largely be rejected. Additionally, the injury suffered by the Union industry was already found not to be attributable to the effect of the energy crisis by the Commission in the previous investigation against Egypt and the US.

E.2.3. Economic contraction and market share

693. Neither the material injury, nor the threat of injury, experienced by the Union industry can be attributable to the general contraction of demand for S-/M-PVC in the EU market, which decreased by 9% in the period considered (see *Annex D.02 – Injury figures*).
694. In the aftermath of the energy price crisis in 2022, borrowing costs and inflation increased. Due to the cyclical nature and long lead times of the construction industry – which is the primary market for S-/M-PVC – the decrease in overall consumption of S-/M-PVC should also be attributed to the delayed effects of these factors, and not to an overall decrease in demand for S-/M-PVC.
695. S-/M-PVC imports from the countries concerned increased by [6.08-8.13]% percentage points in market share and by 103% in absolute terms, with sales prices consistently below those of the Union industry, and consistently dropping lower. This is the primary reason for the injury suffered by the Union industry, not contractions in demand in an industry as cyclical as the construction industry, where demand will eventually recover.

E.2.4. Export performance

696. The argument that the Union’s financial situation can be explained with reference to its export performance can largely be rejected. The table below shows the development of export volumes, the yearly average export price, and the percentage of the Complainant’s production destined for export.

Export performance	2022	2023	2024	CIP
Total exports (t)	503,174	527,636	623,835	559,808
Index (2022 = 100)	100	105	124	111
Average export price (€/t)	1,367	811	752	700
Index (2022 = 100)	100	59	55	51
% of exported EU production	24%	28%	29%	27%

See *Annex D.02 – Injury Figures*

697. Total exports have been increasing in the period considered (with a significant spike in 2024). As discussed in [Section D.4.1.1](#), chemical plants must run at a certain rate to maintain asset quality and safety. Due to the importance of this factor and given the decrease in Union sales during the period considered, the industry was forced to increase exports. Despite rising export sales, the Union industry’s production declined due to pressure on the domestic market, as Union sales decreased.
698. Meanwhile, the average export price has fallen dramatically to a level far below S-/M-PVC’s cost of production. The collapse in average export price did not occur in a vacuum; indeed, the Complainant’s average sales price to Union consumers has experienced an almost identical development in the period considered. Therefore, producers in the EU have experienced similar pressure on the export market as they are experiencing in the domestic market.
699. In Commission Implementing Regulation (EU) 2024/1896 concerning imports of S-PVC originating in the US and Egypt, the Commission concluded that: ‘*the producers from the*

*countries concerned normally make use of traders to sell their product in foreign markets. The same traders who sell dumped S-PVC in the Union are active in the largest Union export markets. In this regard, the traders that are selling the dumped PVC in the Union are also operational in the Union's traditional export markets, which also explains the challenges faced by the Union industry.*³⁸⁴ The Complainant considers that these developments in the foreign market occurred due to identical reasons as they occurred on the domestic market: because S-/M-PVC is a commodity market, and small changes in price have an outsized impact on the entire industry, exporters have to align prices to maintain market share. Therefore, Union producers have had to compete in the same markets as aggressively-priced dumped imports, forcing them to lower their prices.

700. In addition, the Complainant maintains that first, decreases in profitability are not caused by export sales prices. The following table summarises the proportion of exports relative to total sales, the price of EU relative to export sales, and the profitability of the Union industry; and second, exports relative to total sales have remained similar over the period considered:

	2022	2023	2024	CIP
EU Sales Unrelated (€/t)	1.647	1.029	844	837
Exports Unrelated (€/t)	1.348	800	746	692
Profitability (%)	19%	-9%	-20%	-21%
Exports Relative to Total Sales (%)	24%	28%	29%	27%

701. First, profitability as a percentage of turnover is calculated on the basis of sales to unrelated customers in the EU. Therefore, the dramatic drop in profitability has developed decorrelated from the export sales trends. Thus, while export prices to unrelated customers have consistently been priced below Union sales prices, the dramatic drop in profitability since 2023 has been the result of dumped imports' impact on the Union market, first the imports from the US and Egypt and, in the CIP, due to imports from the countries concerned.
702. Second, as shown above, exports have consistently accounted for roughly one quarter of the Union industry's S-/M-PVC sales. Compared to total sales, exports have only marginally increased from representing 24% of total sales in 2022 to representing 27% in the CIP – an increase of 3 percentage points relative to total Union sales, as sales on the domestic market dropped. On this basis, the Complainant maintains that there has not been a significant change in the share of exports relative to domestic sales.
703. Therefore, the developments on the export market cannot attenuate or break the causal link between dumped imports and injury to the EU industry.

³⁸⁴ Commission Implementing Regulation (EU) 2024/1896 of 11 July 2024 imposing a provisional anti-dumping duty on imports of certain polyvinyl chloride (PVC) originating in Egypt and the United States of America, *OJL*, 2024/1896, 12.7.2024, Recital (181)

F. UNION INTEREST

704. The Complainant considers that it is in the Union interest to impose AD measures on S-/M-PVC imports originating in China, Mexico, South Korea and Taiwan. S-/M-PVC is an essential European industry and for the wider chemical industry in Europe. Furthermore, allowing the Union industry to suffer injury as a result of dumped imports of S-/M-PVC will inevitably threaten sustainable developments and investments in the S-/M-PVC industry, impacting the EU sustainability targets and the Green Deal.

F.1. Importance of the European PVC industry for the European Union

705. As recognised in Implementing Regulation 2024/1896, *'having a healthy PVC industry is essential for the Union due to its linkages with several downstream industries'*.³⁸⁵ If dumping from the countries concerned persists, this will not only have severe consequences for the EU PVC sector but also for the wider European chemical industry and beyond. In particular, in the previous investigation on dumped imports originating in Egypt and the United States, the Commission recognised that by imposing anti-dumping duties, it would be protecting around 4,000 direct jobs and multiple indirect jobs across the wider chemical industry.³⁸⁶

F.1.1. PVC Industry

706. The diversity of PVC applications is extensive, from construction profiles, pipes for water and gas to credit cards and medical devices.³⁸⁷ S-/M-PVC resins are used to create several essential products that are necessary in everyday life, and life-saving in certain instances, such as blood bags and IV lines. The material for blood bags must have a certain permeability to oxygen. If it does not, the blood platelets will not survive. On the other hand, it must not be too permeable to water. The bag must also be sufficiently heat-resistant so that it can be sterilised with steam prior to use. The material must not burst or tear. It must remain undamaged when seriously bent, sufficiently flexible when squeezed, and be translucent. Furthermore, the material needs to be cost-efficient. PVC is the only material that meets these strict requirements.
707. A healthy European S-/M-PVC industry is necessary to adequately supply the Union's demand for S-/M-PVC; the users of S-/M-PVC resins cannot rely on imports to replace the Union's production. If the Union S-/M-PVC industry continues to sustain injury, S-/M-PVC converters would be seriously impacted. There have been several occasions when imports have halted for period of times such as during COVID-19, natural disasters hampering production capabilities in the United States, or simply an increase in domestic demand in the exporting country's domestic market. A healthy Union PVC industry has allowed S-/M-PVC converters to rely on EU supply and remain relatively unaffected by a decrease in exports. If measures are not imposed on dumped imports of S-/M-PVC originating in China, Mexico, South Korea and Taiwan, the Union S-/M-PVC industry would not be in a position to supply the Union market in such cases. This would significantly impact the critical sectors highlighted above.

³⁸⁵ Commission Implementing Regulation (EU) 2024/1896 of 11 July 2024 imposing a provisional anti-dumping duty on imports of certain polyvinyl chloride ('PVC') originating in Egypt and the United States of America, recital 227.

³⁸⁶ Ibid. recital 231.

³⁸⁷ ECVM, 'PVC Applications', accessible at: <https://pvc.org/pvc-applications/>

F.1.2. The Chlor-Alkali industry

708. As demonstrated earlier in this Complaint, the continued increase of dumped imports into the European market is causing a significant decrease in profitability and sales volumes for the Union industry. These downward trends will inevitably lead to falling production and plant closures, which will in turn affect the wider chemical industry as lower quantities of key feedstock will be needed to be fed into the PVC industry. The strategic importance of S-/M-PVC production for the Chlor-Alkali industry has been recognised by the Commission in Implementing Regulation 2024/1896.³⁸⁸ Ethylene and chlorine are the major raw materials for VCM. Sales of S-/M-PVC therefore impact the supply-demand conditions of both ethylene and chlorine.
709. A reduction in PVC production in Europe will also decrease the industry's purchase of ethylene from other EU ethylene producers. Around 14% of the ethylene produced by the European ethylene industry goes into EDC which is almost entirely used for the production of S-/M-PVC.³⁸⁹ A reduction in PVC production in Europe will decrease the industry's purchase of ethylene from other EU ethylene producers thus significantly hurting their industry.
710. While PVC represents only 14% of all ethylene use in Europe, it amounts to about 30-35% of all chlorine use.³⁹⁰ S-/M-PVC will therefore have an even greater impact on the supply-demand conditions of chlorine. As highlighted in [Section A.5.4](#) of this Complaint, chlorine and caustic soda are the co-products of the chlor-alkali process. Thus, any impact on the supply-demand conditions of chlorine will in turn effect the supply of caustic soda. The effects of dumped S-/M-PVC from China, Mexico, South Korea and Taiwan will therefore be felt not only by the European S-/M-PVC industry but by the European chemical industry at large.
711. Chlorine is an incredibly important raw material for the chemical industry.³⁹¹ Furthermore, chlorine and caustic soda are essential chemicals for the manufacture of numerous everyday products used across Europe. They are vital for a variety of sectors such as construction, food, energy, health, safety, pharmaceuticals, sport, transport and technology, to name a few.³⁹² Chlor-alkali chemistry is also vital for the development of the new and innovative materials that Europe needs in the future.
712. The Chlor-alkali industry directly employs over 6,600 chemical professionals at 62 manufacturing locations in 19 different European countries.³⁹³ Furthermore, as stated above, the availability of Chlor-alkali products stretches far beyond the chemical industry, meaning that

³⁸⁸ Implementing Regulation 2024/1896, recital 228.

³⁸⁹ IEEFA, 'EEFA: European-based regulatory model has global implications for complex plastics questions' (01 February 2022) available at: <https://ieefa.org/resources/ieefa-european-based-regulatory-model-has-global-implications-complex-plastics-questions> (last accessed January 2026); ICIS, 'Chemical Profile: Europe EDC' (11 May 2017), available at: <https://www.icis.com/subscriber/icb/chemicalprofile?commodityId=10169®ionId=10345#:~:text=About%2095%25%20of%20ethylene%20dichloride,mostly%20driven%20by%20PVC%20production>. (last accessed January 2026).

³⁹⁰ See *Annex F.04 - Slide deck PVC*.

³⁹¹ See for example, *Annex F.02 - The Role of Chlorine in Modern Society*

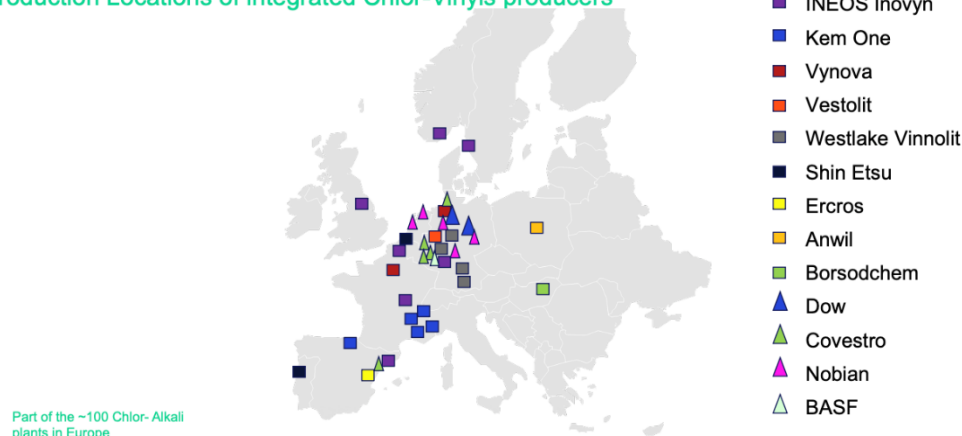
³⁹² EuroChlor, 'Uses', accessible at: <https://www.eurochlor.org/uses/> (last accessed January 2025).

³⁹³ EuroChlor, 'Rooted in Europe', accessible at: <https://www.eurochlor.org/rooted-in-europe/>; and 'Employment', accessible at: <https://www.eurochlor.org/employment/> (last accessed January 2025).

millions of jobs across Europe and across several sectors are dependent on the availability of chlor-alkali supplies.³⁹⁴

Chlor- Vinyl players in EU

Production Locations of integrated Chlor-Vinyls producers



See Annex F.04 - Slide deck PVC and Caustic

713. Across Europe, S-/M-PVC, chlorine, caustic soda and hydrogen supply chains are closely intertwined and self-supporting. Reducing the production of PVC through imports will disrupt the related supply chains. This is highlighted in *Annex F.01 – PVC From Manufacturing to Recycling*. By way of example, more than 90% of European drinking water is made safe with the help of chlorine. Chlorine also plays a key role in controlling pathogens such as typhoid and cholera and in preventing diarrhoea. If the operating rates of S-/M-PVC in Europe decrease, the operating rates of chlorine will inevitably reduce, disrupting the supply for the European water industry, inter alia. This would make Europe reliant on chlorine imports to maintain supply for these essential services.

F.2. Importance for sustainability targets

F.2.1. The EU's S-/M-PVC industry sustainable investments

714. The Union S-/M-PVC industry has taken many initiatives in order to comply with EU policies under the European Green Deal such as the Chemicals Strategy for Sustainability and the Circular Economy Action Plan.
715. VinylPlus is the European S-/M-PVC industry's commitment to sustainable development. It is an industry-wide and voluntary initiative³⁹⁵ to address the industry's environmental challenges, based on long-term sustainability commitments and ambitious targets for the entire S-/M-PVC value chain. VinylPlus embraces the EU Green Deal ambitions and the Union's carbon emission targets by focusing on minimising the environmental impact of production, promoting the

³⁹⁴ See Annex F.03 - Statistical Overview of the PVC Industry

³⁹⁵ This is a voluntary commitment, made in 2018, following the European Commission's call for voluntary pledges from the plastics industry: https://vinylplus.eu/wp-content/uploads/2021/06/VinylPlus_Pledge_Statement_Final-v3.pdf (last accessed January 2026).

responsible use of additives, supporting collection and recycling schemes, promoting a circular economy approach and the reduction of carbon emissions.³⁹⁶

716. VinylPlus includes all members of the European Council of Vinyl Manufacturers (ECVM), which in turn represents the seven leading European S-/M-PVC resin manufacturers, accounting for around 85% of the PVC resin manufactured in Europe.³⁹⁷ VinylPlus is thus a 10-year commitment industry-wide initiative and is specific to Europe. VinylPlus 2030 is the current 10-year commitment, representing a renewal of the initiative's first commitment term. The VinylPlus 2030 Commitment aims to bring together not only S-/M-PVC producers, but also converters and recyclers to '*accelerate the transition of the European PVC value chain to a circular economy*'.³⁹⁸ Such an industry-wide initiative does not exist in China, Mexico South Korea or Taiwan.
717. The VinylPlus programme has set out the "VinylPlus 2030 Sustainability Commitments" which provide specific targets to be met by 2030 in order to enhance the industry's sustainability. The Commitment is built around three pathways:
- (i) Scaling up PVC value chain circularity,
 - (ii) advancing towards carbon neutrality and minimising our environmental footprint, and
 - (iii) building global coalitions and partnering for the SDGs.
718. Each pathway sets out important targets and steps, including reducing greenhouse gas emissions by 50% by 2030 compared to 2000 levels and recycling 1 million tonnes of PVC per year by 2030.

F.2.2. The cost of decarbonisation

719. Investment in PVC infrastructure modernisation and decarbonisation is costly. The Union industry has already invested a lot of effort and resources in implementing the VinylPlus initiatives. This increases the overall cost of production. Since many investments are also made in light of the EU Green Deal, the increased cost of production is necessary in order to comply with EU regulatory requirements and pursue sustainability goals which are important both to the EU PVC industry and the EU as a whole.
720. The following are examples of projects undertaken by the Union industry to help achieve the Union's sustainability targets.

³⁹⁶ VinylPlus, 'Our History', accessible at: <https://www.vinylplus.eu/about-us/our-history/> (last accessed January 2026).

³⁹⁷ The European Council of Vinyl Manufacturers (ECVM), accessible at: <https://pvc.org/> (last accessed January 2026).

³⁹⁸ VinylPlus, 'VinylPlus 2030 Commitment', accessible at: <https://www.vinylplus.eu/about-us/vinylplus-2030-commitment/> (last accessed January 2026).

- Project Eneco: INEOS signed a renewable power deal with Eneco in 2022 to increase its Belgian offshore wind generation to over 200MW and reduce CO₂ emissions by nearly 3 million tonnes.³⁹⁹
 - Project ELYSE: Kem One has invested over 100 million euros to replace the existing diaphragm electrolysis used at Fos-sur-Mer with a membrane process. The new process could reduce CO₂ emissions by 50,000 tonnes per year.⁴⁰⁰
 - Vynova Hydrogen-fired steam boilers: In 2022, Vynova installed hydrogen-fired steam boilers at their Tessenderlo site which will reduce the CO₂ emissions of this production site by 10,000 tonnes per year. The project represents a total investment of more than 8 million euros.⁴⁰¹
721. Furthermore, INEOS has developed a new range of PVC offering a significantly reduced carbon footprint, enabling customers to lower their scope 3 emissions and develop sustainable downstream products.⁴⁰² This demonstrates the Union industry's commitment to meeting sustainability targets and continuing innovation to facilitate Europe's green transition.
722. Large investments of this kind require a healthy PVC industry. Thus, if imports from China, South Korea, Taiwan and Mexico continue to enter the Union market at dumped prices, the PVC industry will not be able to maintain this level of investment into improving the sustainability of the Union industry.

F.2.3. Dumped PVC imports undermine the Union's sustainability targets

723. As highlighted above, enhancing the sustainability of the PVC industry is a costly initiative. The Complainants consider that the EU PVC industry cannot remain competitive and continue to invest in key sustainable developments if dumped imports continue to cause injury to the Union industry. The EU PVC industry is already at a competitive disadvantage as Chinese, South Korean and Taiwanese PVC producers do not have the same carbon reduction targets and regulatory constraints as Union producers and thus benefit from a lower cost of production.
724. Furthermore, the Complainants consider that allowing the introduction of dumped PVC imports from China, South Korea, Taiwan and Mexico do not align with the Union's carbon emission targets. The technology used for Chlor-Alkali production in Europe is better aligned to the ambitions of the European Green Deal than that used elsewhere in the world. The Chlor-alkali process can be carried out using three different electrolysis cells: diaphragm cell, mercury cell or membrane cell. The membrane cell is the most environmentally friendly of the three

³⁹⁹ INEOS, 'INEOS signs renewable power deal with Eneco. The deal increases INEOS' total Belgian offshore wind generation to over 200MW and reduces CO₂ emissions by nearly 3 million tonnes' (January 12, 2022), accessible at: <https://www.ineos.com/news/ineos-group/ineos-signs-renewable-power-deal-with-eneco/>

⁴⁰⁰ Kem One, 'France Relance recovery plan: Kem one to receive 15 million euros of government funding to support conversion of Fos-sur-mer electrolysis unit' (March 22, 2021), accessible at: <https://www.kemone.com/en/News-Investors/News/France-Relance-recovery-plan-Kem-One-to-receive-15-million-euros-of-government-funding-to-support-conversion-of-Fos-sur-Mer-electrolysis-unit>. See also the following Kem One webinar for further information on initiatives to reduce carbon emissions: <https://vimeo.com/687922713/5d0db8b65a>

⁴⁰¹ Vynova, 'Vynova reduces carbon footprint of Tessenderlo site with hydrogen-fired steam boilers' (16 March 2022), accessible at: <https://www.vynova-group.com/press-releases/hydrogen-fired-steam-boilers>

⁴⁰² INEOS 'Neovyn enables PVC customers to produce low carbon products and support Europe's green transition' (5 September 2024), available at: <https://www.ineos.com/businesses/inovyn/news/neovyn-enables-pvc-customers-to-produce-low-carbon-products-and-support-europes-green-transition/> (last accessed 30 January 2026)

technologies, with the lowest electricity consumption. Diaphragm cells are known as a source of pollution from asbestos fibres and mercury cells can have extremely serious ecological impacts, potentially entering the food chain with serious implications on human health.⁴⁰³

725. At the end of 2022, 83.9% of the EU chlorine production capacity used a membrane-based process, 9.7% used diaphragm-based and 0% mercury-based.⁴⁰⁴ Asbestos diaphragm technology is no longer allowed in the EU since December 2017. As reported in the eco-profile published by EuroChlor in September 2022, the transition to the more energy efficient membrane process and increasing use of decarbonised energy have both led to a significant decrease in the global warming potential for chlorine this last decade.⁴⁰⁵

[omitted – chart subject to third-party copyright and available for consultation using the following link: https://eurochlor.org/app/uploads/2025/09/Chlor-Alkali-Industry-Review-2024_2025_FINAL-CORRECTED-2025-08-26.pdf]

Source: EuroChlor, ‘Chlor-Alkali industry review 2024-2025’,⁴⁰⁶

726. However, other regions of the world have not yet started or completed their transitions from the mercury or asbestos diaphragm cell. For example, while Asia has been phasing out their chlorine production sites that relied on mercury cells for diaphragm-based chlorine production, PVC production is still highly reliant on the acetylene production route which uses both coal and mercury.⁴⁰⁷

F.3. Conclusion on the Union Interest

727. The Complainant considers that the imposition of AD measures on dumped imports of PVC originating in China, Mexico, South Korea and Taiwan is in the Union interest. Failing to impose measures would lead to continued dumping and the exacerbation of injury sustained by the European PVC industry. This would have detrimental effects on the European Union given both the essential nature of the PVC industry and its importance for the wider chemical industry and key sectors such as food, safety, healthcare and construction. In addition, the Complainant consider that a healthy PVC industry is needed to allow for continued investment in sustainable development, to achieve the VinylPlus initiatives and comply with EU policies under the European Green Deal.

⁴⁰³ Pellegrino Joan L, USDOE, *Energy and Environmental Profile of the Chemicals Industry: Chapter 6, ‘The Chlor-Alkali Industry’*, (2000, United States), Accessible at: https://www1.eere.energy.gov/manufacturing/resources/chemicals/pdfs/profile_chap6.pdf. Page 178; ‘EuroChlor, ‘Membrane Cell Process’, accessible at: <https://www.eurochlor.org/about-chlor-alkali/how-are-chlorine-and-caustic-soda-made/membrane-cell-process/>

⁴⁰⁴ EuroChlor, ‘Chlor-Alkali industry review 2024-2025’, page 17. Accessible at: https://www.eurochlor.org/wp-content/uploads/2025/09/Chlor-Alkali-Industry-Review-2024_2025_FINAL-CORRECTED-2025-08-26.pdf (last accessed January 2026).

⁴⁰⁵ See EuroChlor, ‘Chlor-Alkali industry review 2021-2022 report’.

⁴⁰⁶ EuroChlor, ‘Chlor-Alkali industry review 2024-2025’, page 17.

⁴⁰⁷ Healthy Building Network, ‘Chlorine and Building Materials, Phase 2: Asia’ (2019) p.3, available at: <https://habitablefuture.org/resources/chlorine-building-materials-project-phase-2-asia-including-worldwide-findings/> (last accessed January 2026).

G. CONCLUSION ON THE SITUATION OF THE UNION INDUSTRY

728. The present Complaint concerning imports of the product concerned originating in China, South Korea, Mexico and Taiwan, targeting the EU market, reveals *prima facie* evidence of dumping, material injury and a threat of further injury to the Union industry, as defined in Article 3(9) of the Basic Regulation.
729. First, imports of the product concerned from the countries concerned showed significant increases from the beginning of the period concerned to the CIP with cumulated imports rising sharply from 185,774 tonnes to 378,341 tonnes.
730. The shift in the import volumes and market shares is readily apparent when analysing the monthly trends in the CIP:
- Imports from the countries concerned increased market share by *[10.21 – 17.91]* percentage points from January 2025 to December 2025,
 - Meanwhile, the Union industry's market share dropped by *[14.3-17.5]* percentage points from January 2025 to December 2025.
731. At the same time, over the period considered, average import prices fell markedly: from 1,524 to 668 €/t for China, from 1,538 to 749 €/t for Mexico, from 1,686 to 761 €/t for South Korea, and from 1,403 to 716 €/t for Taiwan.
732. The dumping analysis of the present Complaint shows significant dumping margins:
- For China, the *prima facie* dumping margin was established at between *[60 – 97] % and [259 – 295] %*.
 - For Mexico, the *prima facie* dumping margin was established at *[59 – 91]%*;
 - For South Korea, the *prima facie* dumping margin was established at between *[17 – 47] % and [50 – 85] %*; and
 - For Taiwan, the *prima facie* dumping margin was established between 13% and *[35 – 65] %*.
733. Furthermore, there are clear signs of a further threat of material injury, considering the notable increase in dumped imports into the Union market, the exporters' available and expanding capacity to supply further exports, the large-scale imports arriving at prices that are likely to further depress or limit price increases, and the level of existing stocks of the product.
734. The macro and microeconomic indicators of the Union's industry show a continuous deterioration, hindering the recovery that should have followed the provisional imposition of measures on imports from Egypt and the United States in July 2024, and their definitive collection in January 2025.
735. Both the total sales of the EU industry and the Complainant's unrelated sales fell by 9% in the period considered. The Complainant's total unrelated sales values decreased by 52%, and average unrelated sales prices by 49% compared to 2022. Prices continued on a downward trend during the CIP, decreasing from 850 €/t to 811 €/t from Q1/25 to Q4/25.
736. Financial performance also deteriorated. The full unit cost decreased by 24% over the period considered, from 1,336 to 1,010 €/t, but average selling prices to unrelated customers fell even

more steeply, from 1,647 to 837 €/t. Profitability dropped from 19% to –21% from 2022 to the CIP. Investments decreased by 35% in the period considered.

737. Based on the analysis of the injury indicators, the Complainant submits that the Union industry is clearly facing a real and imminent threat of injury due to the rapid increase in low-priced imports from China, South Korea, Taiwan and Mexico. Structural overcapacity in the exporting countries, combined with the attractiveness of the EU market and restrictions in other markets, reinforces the risk that these excess volumes will continue to flow into the Union. Market indicators support the finding that this threat is genuine and imminent and will result in material injury to the industry if no measures imposed to curb the dumped imports of the product concerned.
738. Significant undercutting and underselling margins establish a *prima facie* causal link between the dumped imports and the material injury. Price undercutting was observed at 15% for China, 11% for Mexico, 9% for South Korea and 9% for Taiwan. Underselling margins were even higher, reaching 68% for China, 55% for Mexico, 53% for South Korea and 56% for Taiwan. This became apparent in the contracting period for 2026 where the Complainants saw contractual offers by export producers being reduced to unsustainable levels. This *prima facie* causal link is supported by evidence of the attributability of threat of material injury to the fragilised Union industry to the rapid rise in low-priced imports originating in China, South Korea, Taiwan and Mexico.
739. The Complainant submits that it is in the interest of the Union to impose anti-dumping measures on dumped PVC imports originating in China, South Korea, Taiwan and Mexico. A failure to impose measures would result in continued dumping and a realisation of the injury threatened by the dumped imports to the Union industry, which is already vulnerable and fragile as a result of the recent dumped imports originating in Egypt and the US. This would have detrimental effects on the European Union, given both the essential nature of the PVC industry and its importance for the wider chemical industry and key sectors such as food, safety, healthcare, and construction. Furthermore, a healthy PVC industry is needed to allow for continued investment in sustainable development, to achieve the VinylPlus initiatives, and to comply with EU policies under the European Green Deal.
740. This current dire situation is unsustainable for the Union industry, as already demonstrated by the significant and sudden closure of over 500,000 tonnes of production capacity in the Union. The case of Vyonva highlights the precarity of the Union industry, as insolvency proceedings further reflect the increasing threat to Union production of S-/M-PVC. The Complainant respectfully requests the initiation of an anti-dumping investigation within the meaning of Article 5 of the Basic Regulation against PVC imports originating in China, Mexico, South Korea and Taiwan.

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