EUROPEAN COMMISSION

DIRECTORATE-GENERAL FOR TRADE AND ECONOMIC SECURITY

Brussels, 16 July 2025

GENERAL DISCLOSURE DOCUMENT

Subject: **imposing a definitive anti-dumping duty and definitively collecting the provisional duty imposed on imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel originating in Egypt, Japan and Vietnam, and terminating the investigation on imports thereof originating in India**

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1. PROCEDURE

1.1. Initiation

(1) On 8 August 2024, the European Commission ('the Commission') initiated an anti-dumping investigation with regard to imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel, originating in Egypt, India, Japan and Vietnam ('the countries concerned') on the basis of Article 5 of Regulation (EU) 2016/1036 ('the basic Regulation'). The Commission published a Notice of Initiation in the *Official Journal of the European Union*[1] ('the Notice of Initiation').

(2) The Commission initiated the investigation following a complaint lodged on 24 June 2024 by the European Steel Association ('EUROFER' or 'the complainant'). The complaint was made on behalf of the Union industry of certain hot-rolled flat products of iron, non-alloy or other alloy steel in the sense of Article 5(4) of the basic Regulation. The complaint contained evidence of dumping and of resulting material injury that was sufficient to justify the initiation of the investigation.

1.2. Registration

(3) The Commission made imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel originating in Egypt, India, Japan and Vietnam subject to registration by Commission Implementing Regulation (EU) 2024/2719 of 24 October 2024 ('the registration Regulation')[2].

1.3. Provisional measures

(4) In accordance with Article 19a of the basic Regulation, on 14 March 2025, the Commission provided parties with a summary of the proposed duties and details of the calculation of the dumping margins and the margins adequate to remove the injury to the Union industry. Interested parties were invited to comment on the accuracy of the calculations within three working days. The Commission did not receive comments relating to the accuracy of the calculations.

(5) On 7 April 2025, the Commission imposed provisional anti-dumping duties on imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel originating in Egypt, Japan and Vietnam by Commission Implementing Regulation (EU) 2025/670 of 4 April 2025[3] ('the provisional Regulation').

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[1] Notice of initiation of an anti-dumping proceeding concerning imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel, originating in Egypt, India, Japan and Vietnam, OJ C/2024/4995 8.8.2024, ELI: http://data.europa.eu/eli/C/2024/4995/oj .

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

[3] Commission Implementing Regulation (EU) 2025/670 of 4 April 2025 imposing a provisional anti-dumping duty on imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel originating in Egypt, Japan and Vietnam, (OJ L, 2025/670, 7.4.2025 p. 1), https://eur-lex.europa.eu/eli/reg_impl/2025/670/oj/eng

1.4. Subsequent procedure

(6) Following the disclosure of the essential facts and considerations on the basis of which a provisional anti-dumping duty was imposed ('provisional disclosure'), the complainants, the following exporting producers: Daido Steel Co., Ltd. ('Daido'), Formosa Ha Tinh Steel Corporation ('FHS'), Al Ezz Dekheila Steel Company S.A.E ('Ezz Steel Company'), Nippon Steel Corporation ('Nippon Steel') and JFE Steel Corporation ('JFE'), Hoa Phat Group, as well as the Government of Egypt ('GOE') and the Government of Japan ('GOJ') made written submissions making their views known on the provisional findings within the deadline provided by Article 2(1) of the provisional Regulation.

(7) The parties who so requested were granted an opportunity to be heard. Hearings took place with Ezz Steel Company, the GOE, Nippon Steel Corporation ("Nippon Steel"), the GOE and the GOJ.

(8) The Commission continued to seek and verify all the information it deemed necessary for its final findings. When reaching its definitive findings, the Commission considered the comments submitted by interested parties and revised its provisional conclusions when appropriate.

(9) The Commission informed all interested parties of the essential facts and considerations on the basis of which it intended to impose a definitive anti-dumping duty on imports of certain hot-rolled flat products originating in Egypt, Japan and Vietnam ('final disclosure'). All parties were granted a period within which they could make comments on the final disclosure.

1.5. Claims on initiation

1.5.1. Claim regarding procedure

(10) Formosa Ha Tinh Steel Corporation ('FHS') argued that the Commission did not properly address its procedural claims on the ground that these claims went beyond the sufficient evidence requirement under Articles 5(3) and 5(7) of the Basic Regulation and Articles 5.2 and 5.3 of the WTO Anti-Dumping Agreement. FHS considered these three elements: i) the absence of core economic indicators in the Complaint, ii) the deficient non-confidential version and iii) the Commission's failure to examine the Union industry's own structural weaknesses, mounting decarbonisation costs and record high electricity prices in their entirety. FHS was of the opinion that a number of factors identified by the Commission in the chapter on "causation" confirmed its claims that the standard for initiation in the complaint was not met by the complainant. FHS claimed that the Commission breached its obligation to conduct an objective examination based on positive evidence by considering procedural allegations in isolation and labelling the evidence presented by the complainants as "insufficient" without properly addressing the issues raised. The claims made at initiation by this exporting producer concerning the lack of positive evidence justifying the initiation of the proceeding within the meaning of Articles 5.2 and 5.3 of the WTO Anti-Dumping Agreement were addressed in detail in recitals 12 to 18 of the provisional regulation. The Commission noted that the aspects which, according to this exporting producer, were incomplete or presented in a way to misrepresent the actual state of the Union industry have been duly

documented in the provisional regulation. These factors and indices concerned the following points of the State of the Union industry:

– a breakdown of import volumes per each targeted country;

– import volumes and value of non-targeted countries;

– sale prices of the Complainant and Union Industry;

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

– wages to personnel;

– cash flow.

(11) As mentioned in recital (16) of the provisional Regulation, it was considered that the version open for inspection by interested parties of the complaint contained all the essential evidence and non-confidential summaries of data provided under confidential cover in order for interested parties to exercise their right of defence throughout the proceeding. The claim was therefore rejected.

1.6. Sampling

(12) In the absence of comments concerning sampling, recitals (27) to (35) of the provisional Regulation were confirmed.

1.7. Individual examination

(13) In the absence of comments concerning this section, recital (36) of the provisional Regulation was confirmed.

1.8. Questionnaire replies and verification visits

(14) An additional verification visit was carried out at the premises of EUROFER, in Brussels, Belgium.

1.9. Investigation period and period considered

(15) FHS argued that by recognising in recital (45) of the provisional Regulation that the year 2021 had been "an exceptionally low point" for capacity utilisation, and also acknowledging the existence of a post-COVID-19 price spike in the same period, the Commission should not have used this "abnormal year" as the benchmark. By choosing 2021 as the index base year, the Commission created a bias affecting the trend line.

(16) The Commission addressed this claim in recital (42) of the provisional Regulation, where it stated that the period considered should not be extended to the year 2020 since the market and the performance of the Union industry were severely influenced by exceptional circumstances triggered by the COVID-19 crisis. Such extension would not have added value, in particular since in 2020, the industry faced significant losses, primarily attributable to the impact of COVID-19. The market situation started to go back to normal in terms of supply

and demand, which explains the improvement of the economic situation of the Union Industry, however, at the same time the Union Industry found itself under renewed pressure from imports from the countries concerned, which eroded market share and profits which became even more acute in 2023 and in the IP. Moreover, the length of the period considered was consistent with standard investigation practices.

(17) In the absence of any other comments concerning the investigation period ('IP') and the period considered, recitals (40) to (45) of the provisional Regulation was confirmed.

2. PRODUCT CONCERNED AND LIKE PRODUCT

2.1. Claims regarding the product scope

(18) One exporting producer, Daido, requested the exclusion of all its types of hot-rolled flat steel products on the basis that they are known in the industry as tool steel and high-speed steel, even though they do not fit the description of tool steel included in the EU Combined Nomenclature (CN).

(19) The Commission confirmed in the provisional Regulation that tool steel and high-speed steel were not covered in the product scope of the investigation at hand. However, the Commission considered that the claim of Daido to exclude all its types of hot-rolled flat steel products was not specific enough, opening the risk that it could cover also many ordinary hot-rolled flat steel products for other uses than for tools. On these grounds, the Commission dismissed Daido's claim to reject all its products but confirmed the exclusion of tool steel as provided in Section 2.1. of the provisional Regulation. The Commission also considered that the use of the appropriate CN codes was of the responsibility of the importers when declaring the goods to the customs authorities.

(20) Following the imposition of provisional measures, Daido claimed that even if its tool steel fell outside the definition of tool steels and therefore not falling within the dedicated CN codes to tool steel[4], their tool steel still competed with them. Therefore, the Commission should recognise "Daido's tool steels" as having different physical and chemical properties from those of the "hot-rolled flat steel products" covered by this investigation, and exclude them from the product scope.

(21) Daido considered that it had in its submission established objective and specific criteria to support their exclusion request. Furthermore, Daido was confident that both the end use of tools steels and their physical characteristics were sufficiently specific for preventing the exclusion of non-tool steel products that should not be excluded from the investigation (i.e. to prevent circumvention).

(22) The Commission concluded that based on the information on the file and in the absence of information to the contrary from Daido, 'Daido's Tool Steel' products are not, as such, different from HRF and could cover many ordinary

[4] Relevant CN codes for tool steel: 7224 10 10, 7224 90 02, 7225 30 10, 7225 40 12, 7226 91 20, 7228 30 20, 7228 40 10, 7228 50 20 and 7228 60 20.

hot rolled flat steel products for other uses than for tools. Consequently, the Commission did not consider that it was warranted to explicitly exclude 'Daido's Tool Steel' products from the product scope. Daido failed to provide objective technical characteristics that would allow customs authorities to distinguish and verify its "tool steel" from any other steel product covered by the measures. An alleged market perception not supported by objective technical characteristics is not sufficient to exclude a product. Moreover, as noted in recital (18), and confirmed by Daido 'Daido's Tool Steel' was not an actual tool steel within the meaning of the EU Combined Nomenclature. Indeed, the Commission noted that the additional note 1 to Chapter 72 provides for a clear definition of tools steels. Should the product for which an exclusion is requested not fall in the defined scope for tools steels, they should not be considered as such and would therefore fall under the scope of this investigation.

(23) The Commission thus rejected the exclusion request of "Daido's tool steels". As to the impact on the requesting party, the Commission failed to see why the non-exclusion would be "catastrophic", as claimed by the party, given the capacity of Daido to declare its products under the correct CN code to the customs authorities or to request a specific CN code.

2.2. Conclusion

(24) In the absence of any other comments with respect to the product scope, the Commission confirmed the conclusions set out in recitals (52) and (53) of the provisional Regulation.

3. DUMPING

3.1. Egypt

(25) Following imposition of provisional measures, the Commission received written comments on the provisional dumping findings regarding Egypt from the Egyptian exporting producer Ezz Steel, the GOE and EUROFER. Those claims are addressed in the relevant section below.

3.1.1. Normal value

(26) The details of the calculation methodology of the normal value were set out in recitals (54) to (65) of the provisional Regulation.

(27) In the absence of claims related to the calculation of the normal value, those recitals are hereby confirmed.

3.1.2. Export price

(28) The details of the calculation of the export price were set out in recital (66) of the provisional Regulation.

(29) EZZ Steel identified five export sales transactions which were reported by the company in their questionnaire reply but were missing from the dumping calculation. The Commission corrected accordingly.

3.1.3. Comparison

(30) Following the publication of the provisional Regulation, Ezz Steel and the GOE submitted that the Commission should have used the invoice date as the date for the exchange rate to convert export sales to the Union in USD into local currency, instead of using the initial sales contract date. Ezz Steel furthermore argued that, if the Commission were to deviate from using the invoice date, it should not use the initial sales contract date, but the date of issuance of the letter of credit for the corresponding export sale, when the contract becomes final. For this, an average time lag between the invoice date and sales contract date of 20 days was proposed by the company based on the few export transactions sampled by the Commission during the verification which would effectively lead to applying an average exchange rate no greater than 30 days following the date at which the sales legal terms become final.

(31) EZZ Steel argued that the Commission should also use the sales invoice date to the domestic sales as there was also a time lag of between one and two months between the date of the sales contract and the date of the invoice, and that prices varied between those dates.

(32) Regarding the export sales, the parties did not demonstrate, nor did the sampled sales transactions reveal that there was a structural difference in the agreed terms of sales (for instance in price, volume or quality) in between the initial sales contract date and the date of issuance of the letters of credit other than the existence of a time lag for the small number of export transactions in question, not representative of the population. In addition, the average of 30 days mentioned in recital (30) is irrelevant because the standard deviation of the sample is high.

(33) Therefore, this claim was rejected. Concerning the existence of a similar situation for the domestic sales, the Commission concluded that besides that this claim was not substantiated by any evidence, there was also no reason to deviate from the domestic sales invoice date since these sales were not subject to the exchange rate difficulties as the domestic sales were all made in Egyptian pounds. This claim was thus rejected.

(34) Ezz Steel furthermore submitted that the Commission had used the wrong exchange rates for the transactions during the IP related to sales contracts concluded in the three months preceding the IP, i.e. for the period from January to March 2023. They claimed that the Commission should have used the exchange rates in audited financial report of the company, provided to the Commission during the investigation.

(35) The Commission assessed and accepted the company’s claim as regards the exchange rate for March 2023. For January and February 2023, however, the Commission found that the use of the official exchange rate was correct since the problem of exchangeability of the Egyptian Pound as regards normal access to USD in the exchange currency market only became an issue for the company from March 2023, as confirmed in the several financial statements of the

company itself[5]. There are no monetary reasons not to use the official exchange rate when the monetary market works normally, which was the case until Feb 2023, included, according to Ezz 2023 financial statements. In addition, the 2023 financial statements do not disclose the specific exchange rates of January and February 2023.

(36) Besides the corrections described above, no other changes in the methodology for comparison as described in recitals (67) to (72) were made. They are thus hereby confirmed.

3.1.4. Dumping margin

(37) As described in recitals (28) and (29), following claims from interested parties, the Commission revised the dumping margins.

(38) The definitive dumping margins expressed as a percentage of the cost, insurance and freight (CIF) Union frontier price, duty unpaid, are as follows:

Company	Definitive dumping margin
Ezz Steel Company	11,7 %
All other imports originating in Egypt	11,7 %

3.2. India

(39) Following provisional disclosure, the Commission received written comments by EUROFER which are addressed in section 3.2.4.

3.2.1. Normal value

(40) In the absence of any comments regarding the normal value, recitals (78) to (90) of the provisional Regulation were confirmed.

3.2.2. Export price

(41) In the absence of any comments regarding the export price, recitals (91) to (93) of the provisional Regulation were confirmed.

3.2.3. Comparison

(42) In the absence of any comments regarding the export price, recitals (94) to (100) of the provisional Regulation were confirmed.

[5] For instance Annex F-1-2-6 EFS Financial Statements IFRS 2023 (EN) page 14 where it is stated that ‘the period in which the functional currencies lacked exchangeability has been determined from March 1, 2023 until the end of the financial year and continued to the date of the Egyptian pound’s float in March 2024’.

3.2.4. Dumping margin

(43) EUROFER contested the Commission's conclusion that there was no dumping of Indian hot-rolled flat steel imports, arguing that the finding was distorted and should be reassessed.

(44) EUROFER submitted that export volumes and prices from India to the Union in Q2 2023 were unusually high, which it believed distorted the dumping calculation. These high volumes were, according to EUROFER, largely the result of quota carryovers under the EU Steel Safeguard mechanism, with 334 000 tonnes carried over from Q4 2022 to Q1 2023 and 422 000 tonnes from Q1 to Q2 2023, resulting in total Q2 exports of 555 000 tonnes—an exceptional surge compared to other quarters. Additionally, Q2 2023 prices reached EUR 740 per tonne, which was unusually high given India's usual practice of selling excess steel abroad at lower prices after satisfying domestic demand. EUROFER suggests this spike may have been influenced by the removal of a 15% export duty and other incentive schemes. It argues that calculating dumping over the full period hides this temporary distortion and calls for the use of monthly or quarterly averages instead, a method previously applied by the Commission in other cases involving market volatility.

(45) EUROFER stated that seasonal factors that contributed to the unusual high exports to the Union: while Union demand and prices are typically higher in Q2 before the summer slowdown, Indian domestic demand is usually lower due to the start of the monsoon season, incentivizing exporters to export more to the Union. Since the quota carryover system was discontinued in March 2025, EUROFER emphasized that Q2 2023 represented a one-off distortion that should not be averaged across the entire investigation period.

(46) EUROFER submitted the Commission wrongly treated iron ore costs when calculating the normal value. EUROFER contended that Indian producers sold iron ore from captive mines at a loss to comply with government directives. However, the Commission treated these transactions as legitimate procurement costs rather than adjusting them to market-based valuations. EUROFER insisted that cost adjustments should reflect prices that would occur in the ordinary course of trade, including a reasonable profit. Using distorted input prices like below-cost iron ore sales results in an underestimated normal value and, consequently, a misleading dumping margin.

(47) EUROFER therefore requested that, first, the dumping margin for Indian HRFS should be recalculated either by removing the influence of Q2 2023 data or by averaging margins on a monthly or quarterly basis. Second, the methodology for determining normal value should be revised to account for fair market-based iron ore prices, including a reasonable profit margin, in line with international trade standards.

(48) The Commission carefully examined these claims. First, it concluded that that Eurofer did not properly explain why Q3 would be different from the other quarters. The Commission found that the removal of export duties in India occurred already in November of 2022 and those duties were not reimposed. It is unclear why they would have affected only Q3. Finally, the Commission noted that, following the removal of those duties, exporting producers in India had the

option of charging lower export prices or increase prices. They decided to increase prices (and their profits). Thus, the Commission cannot consider that the sales data from Q2 2023 did not reflect actual commercial transactions that occurred within the investigation period. Also, the export sales volumes of the two exporting producers during Q2 2003 were not exceptionally high and there were representative sales in all quarters for both exporting producers. Consequently, these data are representative and valid for inclusion in the dumping margin calculation. The claim was thus rejected.

(49) The Commission also rejected EUROFER's arguments concerning both seasonality and distorted iron ore input prices. Regarding seasonality, the Commission maintained that the Q2 2023 data—despite EUROFER's claims of exceptional volume and pricing due to quota carryovers and seasonal market dynamics—reflected actual commercial transactions within the investigation period. As such, it found no legal basis under Article 2(11) of the basic Regulation to deviate from the standard methodology, which considers the full investigation period as representative.

(50) Regarding EUROFER's claim on iron ore input prices, the Commission found that there was not sufficient evidence which would allow for the replacement of the reported costs with alternative market-based values. First, EUROFER has not indicated the legal basis for the adjustment it claimed. Second, the Commission notes that the "sales" of iron ore referred to by EUROFER are in fact internal transfers, and not a sale between related companies at a loss. The statement in recital (84) of the provisional Regulation refers to sales of iron ore to unrelated customers in the free market, and not to the intracompany transactions. To reflect the actual cost of manufacturing of the product under investigation, the Commission has allocated the realised loss of iron ore sales as a procurement cost to the cost of manufacturing. Therefore, contrary to EUROFER's claims, the dumping calculation correctly accounted for losses incurred on sales of iron ore. This claim was therefore rejected.

(51) In both instances, the Commission upheld its provisional findings and concluded that the methodology used complied with the legal requirements of the basic Regulation.

(52) In the absence of any accepted claim concerning the dumping margin calculation, recital (102) of the provisional Regulation is hereby confirmed and therefore no dumping of Indian hot-rolled flat steel imports was found.

3.3. Japan

(53) Following the imposition of provisional measures, the Commission received written comments on the provisional dumping findings regarding Japan from GOJ and one sampled exporting producer (Nippon Steel). Other comments received from these parties, or from other companies such as Daido and JFE concerning other aspects of the investigation were treated in the relevant sections (e.g. in sections 2.1., 4.3.2 and 4.4).

3.3.1. Related companies

(54) GOJ and Nippon Steel both claimed that some of the companies, which the Commission at provisional stage considered as related companies, should not be treated as related given the little influence of one of the shareholders and the size of the entity controlled as explained in detail below. This concerned the Japanese companies Marubeni-Itochu Steel Inc. ("MISI") and Sumitomo Corporation Global Metals Co., Ltd. ("SCGM"). In the provisional Regulation both companies were considered as related to Nippon Steel since they each held a shareholding interest in a common third entity. In this regard, the Commission noted the following.

(55) First, Nippon Steel itself had reported both MISI and SCGM as related entities from the outset of the investigation. Already as early as 16 September 2024, i.e. five weeks after initiation of the investigation and before the deadline for questionnaire replies, Nippon Steel informed the Commission by email of the relationship between the different companies and indicated that these related entities would provide questionnaire replies. Subsequently, questionnaire replies and deficiency replies were submitted and verification visits were undertaken, all based on the premise that these companies were related to each other.

(56) Second, the basic Regulation states in Article 2(1) that "*In order to determine whether two parties are associated, account may be taken of the definition of related parties set out in Article 127 of Commission Implementing Regulation (EU) 2015/2447*".[6] Letter (g) of that Article 127 provides that persons shall be deemed to be related if "*together they control a third person directly or indirectly*".

(57) Concerning MISI, Nippon Steel and MISI together held almost 100 % of the shares of a third entity,[7] where the two companies together appointed almost all directors, including the president. Concerning SCGM, Nippon Steel and SCGM together held (close to) 100 % of two separate entities,[8] either directly or via Nippon Steel's (undisputed) related entity Nippon Steel Trading Corporation ("NST"). Nippon Steel and SCGM together appointed (almost) all directors, including the president.

(58) Nippon Steel claimed that in each case one of the two shareholders had less influence on or control over the third entity than the other shareholder. A mere shared ownership of the third entity by itself, therefore, was, according to the company, not enough to conclude that a relationship existed. However, whether one shareholder had less influence on the day-to-day operations of the third entity than the other shareholder does not diminish the objective reality that

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6 See 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, OJ L 343, 29.12.2015, p. 558–893, eli: http://data.europa.eu/eli/reg_impl/2015/2447/oj.

7 This entity was declared by Nippon Steel as the reason for declaring MISI as a related entity by email on 16 September 2024.

8 One of these entities was reported by Nippon Steel as the reason for determining Nippon Steel and SCGM as related entities by email on 16 September 2024. The other entity was mentioned in Nippon Steel's submission after initiation.

Nippon Steel and MISI, respectively SCGM, *together*, fully controlled that third entity.

(59) In addition, Nippon Steel provided conflicting information as to which of the companies was the main shareholder – Nippon Steel or MISI, respectively SCGM. The shareholding percentages reported in its email of 16 September 2024 were different from those in the company's submission after provisional disclosure. Moreover, the third entity mentioned in the email of 16 September 2024, owned by Nippon Steel and SCGM together, was no longer mentioned in Nippon Steel's submission after provisional measures. According to public information, this third entity was fully owned by SCGM and Nippon Steel and/or NST during the investigation period.[9]

(60) Apart from the foregoing, letter (b) of the Article 127 referenced in recital (56) above also states that persons shall be deemed to be related if "*they are legally recognised partners in business*". The shared ownership of the third entities by Nippon Steel and MISI or SCGM respectively, in and of itself established the existence of a legally recognized business partnership.

(61) Third, Nippon Steel also claimed that the size of the third entities (in terms of turnover or number of employees) was very small compared to Nippon Steel and that this underlined the limited involvement of Nippon Steel in those entities. However, size could not be accepted as a determining argument showing a relationship or lack thereof.

(62) Fourth, during the investigation period Nippon Steel had a similar relationship with another entity, Metal One. The two companies together owned 100 % of a third entity, as reported by Nippon Steel in their email of 16 September 2024.[10] However, although the situation seemed to be identical to that of MISI and SCGM, Nippon Steel did not claim a lack of relationship with Metal One at any time during the investigation.

(63) Fifth, although the legal representatives of Nippon Steel did mention during the on-spot verification that they did not agree that MISI should be considered a related entity, this was at the time a mere comment. No formal claim was made with respect to this issue, and no argumentation or supporting evidence was provided until after the imposition of provisional measures. It should be noted that it was not the Commission, but Nippon Steel itself who declared MISI and SCGM as related entities from the very beginning of this investigation and who ensured that these entities provided the requested information as related entities. Only after seeing the outcome of the dumping calculations, and, presumably, the

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[9] This entity seems to have had the name NSM Coil Centre Co., Ltd. until 1 January 2025, but is currently called NST Coil Centre Co., Ltd. See for example page 20 of Nippon Steel Trading's 2024 report, available at https://www.nst.nipponsteel.com/corporate/ir/integrated_report/pdf/integrated_report2024_digest_en_02.pdf.

For more details on the historical ownership situation, see here: https://www.nst.nipponsteel.com/en/news/assets/pdf/Optimization%20of%20the%20Domestic%20Coil%20Center.pdf, or the current situation here: https://www.nstcoil.co.jp/company/profile.html, which shows Nippon Steel, Nippon Steel Trading and SCGM as owners of NST (formerly NSM) Coil Centre.

[10] And as also reported as such by, for example, Moody's Orbis database (https://orbis.bvdinfo.com).

impact of the companies' relationships on those calculations, did Nippon Steel decide to make a claim regarding relationships.

(64) In view of the above, the Commission concluded that there was a relationship between Nippon Steel on the one hand and MISI, respectively SCGM on the other hand, based on a joint ownership of a third entity which the companies controlled together and which established their legally recognized business partnership. Consequently, the Commission rejected the claim that these companies should not be considered as related entities.

3.3.2. Arm's length

(65) Nippon Steel claimed that its export sales to its related companies were conducted on arm's length terms. To support this claim, Nippon Steel argued that Nippon Steel's sales to NST, MISI and SCGM had similar framework agreements, that the related entities were free to buy from other suppliers and that sales to these entities were made at similar prices. Furthermore, MISI's sales to its related company in the Union, Marubeni-Itochu Steel Europe GmbH. ("MISEA"), were at arm's length since MISI's sales to MISEA were allegedly in line with those to unrelated customers in the EU, while MISEA also purchased the product concerned from unrelated entities. In addition, MISEA's sales to its related Union entity Company A[11] should be considered as done at arm's length, since Company A also purchased the product concerned from unrelated entities. To support these claims, Nippon Steel provided evidence that the companies were free to buy from other entities as well as ex-works sales price comparisons on a PCN basis.

(66) First, the Commission noted this claim concerning the transactions in question being at arm's length was made by Nippon Steel after the imposition of provisional measures. Certain entities were reported as related companies, and transactions with those companies were accordingly treated as related transactions by the Commission at provisional stage.

(67) Second, the Commission did not dispute that the different related entities were indeed free to sell and buy from other unrelated companies. It was also true that the framework agreements with related entities that were provided to the Commission were similar in terms of content and conditions. However, the provided framework agreements did not specify how the final prices were set, how commissions (if any) were paid or other details relevant for the determination of arm's length transactions.

(68) Moreover, by the company's own assertions in its submission after provisional measures, the price negotiations involving related traders in practice took place either through the trader or directly with the customer, meaning the trader's influence in these negotiations was limited to acting as an intermediary or "go-between". The final price was therefore mainly determined by the interaction between Nippon Steel and the final customer. In view of the limited (if any) influence of the related trader on the price setting, the price between related entities was considered unreliable.

[11] This entity requested and was granted anonymity throughout the investigation.

(69) Third, Nippon Steel claimed that the prices paid by Nippon Steel to or via its related entities were in line with prices paid to unrelated customers. To support this claim, Nippon Steel provided tables showing the "ex works" prices to related and unrelated entities for sales by Nippon Steel itself and by its related entities MISI and MISEA. However, it is unclear which prices were used as "ex works" prices by Nippon Steel. When comparing sales prices, a comparison should be made between the invoice prices, minus relevant transport costs (to account for differences in delivery terms) and minus import duties where applicable. Such comparison showed notable price differences between related and unrelated sales transactions, where in most cases[12] the sales price to related traders were lower than to unrelated traders (up to more than 50 % lower prices on a product type basis). It can therefore not be concluded that the transfer prices to related entities were in line with prices to unrelated entities. In any event, Nippon Steel had not provided any argument or evidence showing that the prices between the related entities reflected market prices.

(70) In view of the above, the Commission rejected Nippon Steel's claim and concluded that there was no evidence that prices between related entities were at arm's length or that they reflected market prices.

3.3.3. Normal value

(71) The details of the calculation methodology of the normal value were set out in recitals (104) to (116) of the provisional Regulation. In the absence of any specific claims related to the calculation of the normal value, these recitals are hereby confirmed.

3.3.4. Export price

(72) The details of the calculation of the export price were set out in recitals (117) to (119) of the provisional Regulation.

(73) Following provisional disclosure, Nippon Steel made two claims related to the calculation of the export price. These concerned the deduction of profit for sales via related entities and the exclusion of dividends and other income in the SG&A costs.

(74) First, the company claimed that the amount for profit of sales through related entities (whether importers in the Union or traders outside the Union) should be deducted only once, in line with previous investigations such as *Plain Paper Photocopiers*[13] and *Polyester Staple Fibre*[14]. In Plain Paper Photocopiers for

[12] On a product type basis, prices were lower to related for product types sold to both related and unrelated entities for 99 % of all quantities sold to the EU by Nippon Steel, 98 % of quantities sold on the domestic market by Nippon Steel, and 88 % of all quantities sold to the EU by MISI. They were lower for 51 % of all quantities sold to the EU by MISEA for product types sold to both related and unrelated entities. However, this included one specific product type which accounted for 50 % of the quantities sold where the price was higher to related entities than to unrelated, which was considered an outlier.

[13] Council Regulation (EC) No 2380/95 of 2 October 1995 imposing a definitive anti-dumping duty on imports of plain paper photocopiers originating in Japan, OJ L 244, 12.10.1995, p. 1, ELI: http://data.europa.eu/eli/reg/1995/2380/oj.

[14] Council Regulation (EC) No 428/2005 of 10 March 2005 imposing a definitive anti-dumping duty on imports of polyester staple fibres originating in the People's Republic of China and Saudi Arabia,

instance, the definitive Regulation mentioned in recital (70) that a single profit margin of 5 % was applied, irrespective of the number of subsidiaries involved in the sales chain.

(75) The Commission notes that Nippon Steel's claim mixed up the adjustment made to the export price under Article 2(9) of the basic Regulation when sales were made through related importers and adjustments made for fair comparison under Article 2(10) for sales made through related traders acting as agents in Japan. Those adjustment, however, have different factual and legal basis and therefore cannot be treated together.

(76) The Commission notes that the approach taken (which refers only to Article 2(9)) reflected the specific circumstances of those cases at that time, in particular the type of product and sales flows. Nippon Steel has not explained why the approach in the referenced cases would be relevant for the case at hand, in particular when its claim covers also an adjustment under Article 2(10)(i). The findings in those cases, therefore, cannot be applied as such in the current investigation.

(77) For the case at hand, the Commission made an adjustment of 2% for profit incurred by each Union related entity involved until resale to the first independent Union customer in accordance with article 2(9). Nippon Steel has not challenged that the adjustment under Article 2(9) was unwarranted but merely that, combined with the adjustment under Article 2(10)(i), it was too high.

(78) In view of the above, the Commission rejected Nippon Steel's first claim.

(79) Second, Nippon Steel claimed that certain dividends related to the product concerned should be included in the SG&A costs. To support this claim, Nippon Steel explained that the relevant amounts for MISEA, MISI, NST and NSC all related to dividends from related companies involved in steel trading. However, the Commission considered these amounts as the redistribution of profit between related entities and as such, not part of SG&A costs. The Commission therefore rejected Nippon Steel's claim.

3.3.5. Comparison

(80) Following the imposition of provisional measures, Nippon Steel made three claims with regard to the comparison between the export price and the normal value.

(81) First, as stated in recital (74), Nippon Steel claimed that the amount for profit of sales through related entities (whether importers in the Union or traders outside the Union) should be deducted only once. However, as noted in recital (75), the company mixed up adjustments made under different factual and legal basis and therefore the claim was rejected, as explained in recitals (76) to (78).

amending Regulation (EC) No 2852/2000 imposing a definitive anti-dumping duty on imports of polyester staple fibres originating in the Republic of Korea and terminating the anti-dumping proceeding in respect of such imports originating in Taiwan, OJ L 71, 17.3.2005, p. 1, ELI: http://data.europa.eu/eli/reg/2005/428/oj.

(82) Nippon Steel claimed that for sales to the Union via unrelated traders, the Commission should add an amount for SG&A costs and profit of those unrelated traders to the CIF prices they themselves had provided to the Commission during the investigation. According to Nippon Steel, the Court of Justice's judgment in the Hansol case[15] implied that competition at the EU border takes place at the point of resale to the first independent customer in the Union, not in Japan or elsewhere.

(83) The Commission noted that this claim was made for the first time only after provisional disclosure while at provisional stage, the company itself had supplied questionnaire replies including an estimated CIF price for Union sales made via unrelated traders. At no point in time did the company propose or request to include in that CIF price the SG&A and profit of the unrelated traders, while the company had ample time to do so. Only after the imposition of provisional measures did Nippon Steel claim adjustments.

(84) Nevertheless, in view of the specific circumstances of this case and in particular the fact that Nippon Steel also exported to the Union via related traders for which the relevant CIF prices were verified to include SG&A costs and profit, the Commission exceptionally agreed that it would be reasonable to reflect an amount for SG&A costs and profit for the unrelated traders in the CIF prices pertaining to the export transactions made via the unrelated traders concerned. With their submission, Nippon Steel had supplied the non-consolidated financial statements of four of the five unrelated traders involved in Union sales during the investigation period. However, those costs and profits did not cover all traders, while they did include the operations of those traders related to other business and other products than the product concerned. Moreover, the type of costs included in the SG&A for those unrelated traders was not specific enough to avoid double-counting of e.g. transport or other costs. The Commission therefore did not consider these costs and profits as reasonable.

(85) As an alternative, Nippon Steel had suggested using as a proxy the verified SG&A and profit as reported by the related traders MISI or NST. The Commission considered that the weighted average of the relevant and verified SG&A costs of the related traders MISI and NST would indeed be a reasonable proxy for the unrelated traders' SG&A. With regard to profit, however, the profit of the related traders was considered unreliable since that profit was affected by the relationship with Nippon Steel.

(86) The Commission instead considered using a notional profit margin of 2 %, which would be consistent with the profit margin used under Article 2(9) for Union sales via related companies, as explained in the provisional Regulation in recital (119) and Nippon Steel's specific disclosure at the time of provisional measures. The Commission considered this a reasonable proxy. On this basis, the Commission recalculated the dumping and injury margins.

(87) Third, Nippon Steel claimed that the Commission should not deduct credit costs from the export price for the related selling entities in the Union. The Commission accepted this claim.

[15] Case C-260/20 P, Commission v Hansol Paper, EU:C:2022:370.

3.3.6. Dumping margin

(88) As described in recitals (80) to (87), following claims from interested parties, the Commission revised the dumping margins.

(89) The definitive dumping margins expressed as a percentage of the cost, insurance and freight (CIF) Union frontier price, duty unpaid, are as follows:

Company	Definitive dumping margin
Nippon Steel Corporation	42,1 %
Tokyo Steel Co. Ltd.	6,9 %
Other cooperating companies: - Daido Steel Co., Ltd. - JFE Steel Corporation	32,6 %
All other imports originating in Japan	42,1 %

3.4. Vietnam

3.4.1. Normal value

(90) Following provisional disclosure, the Commission received written comments by EUROFER and Hoa Phat Group.

(91) EUROFER resubmitted comments on existence of 'a particular market situation' in Vietnam, within the meaning of Article 2(3) of the basic Regulation. It argued that the Government of Vietnam provided domestic steel producers with inputs at a distorted, artificially low prices, and that therefore, together with the export restrictions on raw material, these distortions justify adjustment of costs in accordance with Article 2(3) of the basic Regulation. To support these arguments, EUROFER first referred to statements in working documents or legislation in Vietnam mentioning a need for development of steel industry and support to domestic steel producers. Secondly, it referred to the existence of export taxes or restrictions on coal, scrap, and iron ore.

(92) Hoa Phat Group rebutted the arguments by EUROFER arguing that no particular market situation nor raw material distortions existed in Vietnam and that EUROFER brought no additional evidence compared to the information submitted at a complaint stage and before the provisional regulation.

(93) As concluded in recitals (286) to (287) of the provisional Regulation, the Commission recalled that existence of distortions of the raw material could not be established. Since in Vietnam, the raw material of the quality needed for the production of the product concerned was inexistant or only existed in minor quantities, the exporting producers imported the raw material from several different suppliers and countries. Therefore, it could not be established that raw material prices would be artificially low since the prices of these raw material were not affected by domestic prices and could not be subject to distortions. The claim was thus rejected.

3.4.2. Export price

(94) In the absence of any comments regarding the export price, recitals (150) to (151) of the provisional Regulation were confirmed.

3.4.3. Comparison

(95) In the absence of any comments regarding the comparison, recitals (152) to (156) of the provisional Regulation were confirmed.

3.4.4. Dumping margin

(96) In the absence of any accepted claim concerning the dumping margin calculation, recital (161) of the provisional Regulation is hereby confirmed.

(97) The definitive dumping margins expressed as a percentage of the cost, insurance and freight (CIF) Union frontier price, duty unpaid, are as follows:

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

4. INJURY

4.1. Definition of the Union industry and Union production

(98) In the absence of any comments regarding the definition of the Union industry, recitals (162) to (167) of the provisional Regulation were confirmed.

4.2. Union consumption

4.2.1. Captive consumption on the Union market (tonnes)

(99) The term “captive consumption” included both “captive sales”, (i.e. transfer within the Group at non-market prices (i.e. not at an arm’s length)) and “captive use”, (i.e. internal transfer of HRF for the production of downstream steel products such as tubes for examples). In the absence of any comments regarding the Union captive consumption, recitals (172) to (178) of the provisional Regulation were confirmed.

4.2.2. Free market consumption in the Union

(100) The verification visit held at the premises of EUROFER and referred to in recital (14) revealed that certain sales between related parties, which were made at arm’s length, and thus could not be considered as captive, during the IP for one of the 22 Union producers, had erroneously not been taken into account as free

market sales. Therefore Tables 4, 5, 6 and 10 of the provisional Regulation were revised to include those non-captive sales volumes and are found in the updated tables 2 to 6 below. Furthermore, these non-captive[16] sales to related parties such as traders and Steel Service Centres were also omitted from the provisional assessment of the Union overall consumption. Indeed, it has been investigated and confirmed that these non-captive sales are indeed sales at market prices and that the related buyer had a free choice of supplier, irrespective of whether this supplier was related or not. Consequently, the Commission adjusted the calculation of the consumption in the Union free market. In this regard, the Commission has included all non-captive sales in the Union free market data on top of the sales by the Union producers to unrelated customers and the imports from third countries. This limited change had no material impact on the conclusions outlined in the provisional Regulation as explained below.

(101) Nippon Steel and JFE submitted that Union producers have been importing the product under investigation into the EU in considerable volumes throughout the investigation. This point is addressed in detail, in Section 4.3.2, recitals (119) to (126). The Commission noted that while cross-checking the information on imports of HRF, the Commission found a clerical error in recital (191) of the provisional regulation with regard to the evolution of the total market share of the imports from the countries concerned into the Union. While the market share indeed went up by almost 3 percentage points, the increase in market share amounted to 79% and not 56% in the period considered as erroneously indicated (see Table 2).

4.2.3. Overall consumption

(102) In light of the corrections described in recitals (100), the overall consumption table was revised and overall consumption (including non-captive sales) evolved as follows during the period considered:

Table 1

Union overall consumption (free sales (including non-captive sales between related parties) and captive consumption market) (tonnes)

	2021	2022	2023	Investigation period
Overall Union Consumption	[75 785 251 – 91 095 403]	[60 606 914 – 73 927 115]	[61 726 141 – 72 931 644]	[60 426 794 – 72 709 091]
Index (2021=100)	100	87	86	88
Including captive market	[35 289 645 — 43 224 546]	[29 094 190 – 36 000 359]	[29 005 256 – 36 224 147]	[29 143 141 – 36 224 968]

[16] Non-captive sales on the free market (sold from the Union steel primary producer to a related party)

	100	84	84	84
Source: EUROFER questionnaire reply, sampled Union producers				

(103) Overall Union consumption in 2022 dropped by 12 % as compared to 2021. Captive consumption represented 48,8 % of overall Union consumption in the investigation period and dropped by 14 %.

(104) Following the imposition of provisional measures, FHS stated that the Commission should use the same CN codes to extract Eurostat import data as the ones used to establish EUROFER's production figures. FHS argued that in taking such asymmetric approach, the Commission artificially enlarged the consumption denominator and automatically diluted the calculated market shares of both the Union industry and the countries concerned.

(105) The Commission established the import statistics for HRF on the basis of Eurostat data by applying the CN codes under which the like product would be falling. The Commission also ensured that the same specific CN code was used by the sampled Union producers and EUROFER to report micro and macro-indicators and in particular production volume.

(106) FHS argued that the share of captive consumption (i.e. internal transfers for further processing of the product under investigation without invoicing and entering into free market, and 'captive sales at non-arm's length transactions with related companies for further processing') should be considered in the overall production of hot-rolled flat steel products. In the view of this exporting producer, almost three-quarters of the overall contraction in apparent consumption originated inside vertically integrated groups. According to FHS, captive demand fell by more than 6 million tonnes, whereas free-market demand shrank by fewer than 2 million tonnes.

(107) Therefore, in the view of this exporting producer, before attributing any injury to imports from the countries concerned, the Commission should have first demonstrated that those imports gained a disproportionate share in a context of overall declining market demand. In the view of this exporting producer this would have strong impact on the final injury determination.

(108) The Commission has closely examined the question of 'captive consumption' (see recital (99)) and 'captive sales' which is highly relevant in the investigation at hand. In the provisional Regulation, it has considered sales in the open market (without including non-captive sales as explained in recital (100)) separately from the captive consumption in its injury assessment, as the latter was not considered to be subject to free market conditions.

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

(110) The claims that almost three-quarters of the overall contraction in EU consumption originated inside vertically integrated groups was found to be correct, however, they did not affect the conclusions that the EU sales volumes, including non-captive sales to related parties declined by 12% as shown in the revised Table 2 (Table 4 in this Regulation).

(111) FHS argued that the 13 % drop in the Union overall consumption between 2021 and the IP as reported in Table 5 of the provisional Regulation coincided with a "well-documented" slowdown in the EU construction, automotive and pipeline sectors following the 2022-23 energy-price shock.

(112) However, no underlying evidence was given with regard to the fact that HRF is solely used in those sectors and in which quantities. According to FHS, that macro-shock affected every supplier equally. Before attributing any injury to imports from targeted countries, the Commission should have first demonstrated that those imports gained a disproportionate share within the shrinking pie — something, which in FHS view was not established on the basis of the data in Table 6 of the provisional Regulation.

(113) The Commission disagreed with this statement. First, the statistics reported in Table 6 of the provisional Regulation showed that the trend of imports from the countries concerned did not follow the same trend as the overall Union industry's production volume, which, as shown in Table 9 of the provisional Regulation, decreased by 16% as a consequence of the combined decrease in sales in the free markets. Secondly, FHS did not provide any evidence regarding these alleged "well-documented" slowdown in the EU construction, automotive and pipeline sectors following the 2022-23 energy-price shock or that HRF was only used in these sectors. These claims were therefore rejected.

(114) The changes mentioned above in recitals (100) with respect to Union consumption, did not affect the conclusions set out in recitals (168) to (182) of the provisional Regulation.

4.3. Imports from the countries concerned

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

(115) Following the imposition of provisional measures, Ezz Steel argued that the imports from Egypt to the European Union should be considered negligible both in terms of volumes and market shares, with in addition a low-level increase in percentage of 4% from 2021 to the IP. Furthermore, there were different conditions of competition between imports from Egypt and the hot-rolled flat products produced by the Union industry as according to this exporting producer, Egypt should be considered as a price follower as it had the highest average import prices compared to Japan and Vietnam from 2022 to the IP, and Egyptian imports did not undercut EU sales prices in the IP. Ezz Steel also argued that the market shares should be calculated on the basis of the Union's overall consumption set out in Table 5 of the provisional Regulation which includes sales on the free and captive consumption markets.

(116) The Commission noted that some of these allegations with regard to the conditions set out in Article 3(4) of the basic Regulation and to the cumulative assessment of the effects of imports from the countries concerned had already been submitted by Ezz Steel and addressed by the Commission at provisional stage, in particular recitals (183) to (188).

(117) First the Commission noted that, in this particular case, imports of the product under investigation originating in the countries concerned accounted individually for at least [1,1 – 1,4]% of market share in the investigation period and for [7,5 – 8,5]% when considered together during the investigation period, as reported in Table 2 below. Furthermore, the Commission disagreed with the claim of Ezz Steel that its market shares should be calculated on the basis of the Union's overall consumption and not on the total Union free market consumption). The Commission considered that the imports from Egypt should be compared with the total free market, excluding captive consumption which are not subject to the same conditions of competition as in the free market.

(118) As per its standard practice in anti-dumping investigations, the Commission established the Union free market consumption on the basis of (a) the sales on the Union free market of all known producers in the Union and (b) the imports into the Union from all third countries as reported by Eurostat, thereby also considering the data submitted by the cooperating exporting producers in the countries concerned. On this basis, the Commission assessed the imports from the countries concerned on the free market on which they are in competition with the Union industry; i.e. the Union free market. Against the background of Article 3(4) of the basic Regulation which refers to the *effects* of the imports from the countries concerned, the Commission failed to see how the share of imports from the countries concerned should not be compared with the free market sales of the Union industry, with which they compete, to assess the cumulation of imports from the countries concerned and their effects on the performance of the Union industry. The claim was therefore rejected.

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

(119) As mentioned in Recital (14), Table 6 of the provisional Regulation had to be updated to take into account the non-captive sales volumes to related parties in the IP of one of the Union producers.

(120) Furthermore, as mentioned in recital (14), a clerical error was found in recital (191) of the provisional Regulation with regard to the evolution of the total market share of the imports of the countries concerned into the Union, which went up by 3,5 percentage points, an increase of 79% in the period considered.

Table 2

Import volume (tonnes) and market share

	2021	2022	2023	Investigation period
EGYPT				

Volume of imports from Egypt	[757 029 – 914 743]	[508 554 – 614 503]	[738 891 – 888 162]	[741 336 – 906 077]
Market share Egypt	[2,2 – 2,7]%	[1.3 – 1,8]%	[2,0 – 2,5]%	[2,2 – 2,7]%
JAPAN				
Volume of imports from Japan	592 624	1 049 208	1 072 332	1 080 049
Market share Japan	[1,7 – 2,3]%	[3,2 – 3,7]%	[3,0 – 3,5]%	[2,9 – 3,4]%
VIETNAM				
Volume of imports from Vietnam (excluding Hoa Phat Group)	[376 064 – 452 812]	[391 091 – 475 197]	[791 275 – 956 124]	[791 008 – 957 536]
Market share Vietnam (excluding Hoa Phat Group)	[1,1 – 1,4]%	[1,3 – 1,6]%	[2,5 – 3,1]%	[2,3 – 2,7]%
COUNTRIES CONCERNED				
Volume of imports from the countries concerned	[1 676 689 – 2 029 676]	[1 801 528 – 2 219 425]	[2 457 927 – 2 988 514]	[2 654 306 – 3 201 585]
Market share countries concerned	[4,0 – 5,1]%	[5,1% - 6,1]%	[7,2 – 8,4]%	[7,5 – 8,5]%
Index (2021=100)	100	126	170	175

(121) Nippon Steel and JFE argued that the decline of market shares of only 2 percentage points during the period considered should not be considered as an "*indicator of the deterioration of the competitive position of the Union steel producers*" as stated in recital (212) of the provisional Regulation. Both parties raised in particular the fact that the Union industry maintained a dominant position on the EU market, with a market share of 70.2% by the end of the IP, declining by only 0.6 percentage points from 2023.

(122) As explained in recital (212) of the provisional Regulation, the decrease in sales volume in the Union free market and the loss of Union industry's market share significantly exceeded the decrease of consumption in the Union free market, which is an indicator of the deterioration of the competitive position of the Union steel producers. Furthermore, as clarified in recital (134) of the present Regulation, the drop in market share of the Union industry on the free market amounted to 4 percentage points as mentioned in the revised Table 5 below and not 2 percentage points as mentioned in the provisional Regulation.

(123) Nippon Steel and JFE noted that Union producers have in fact continued to import hot-rolled coils ('HRC') and slabs into the EU since the initiation of the investigation, despite the allegation made in the complaint that imports from Japan, Egypt and Vietnam were preventing them from increasing their production. According to these two parties, Union steel primary and secondary producers imported over 220 000 tonnes of HRC and in total, the Union industry imported almost 4 million tonnes in 2023 from the countries concerned out of a total of 8 million tonnes from the rest of the world. No evidence was provided by these parties regarding the imports of slabs by Union primary steel producers and the investigation did not reveal any information in this regard.

(124) FHS argued that the alleged methodological errors mentioned in recitals (15) and (104) exaggerated both the scale and the competitive impact of imports from Vietnam. FHS reiterated that the choice of 2021 as the index base year distorted the picture as import volumes recorded that year were abnormally depressed because Russian and Turkish supplies were still flowing freely, while Asian mills were struggling with pandemic-related freight bottlenecks. The 56 % increase of imports during the period considered therefore reflected only the replacement of trade flows from these two countries which were subject to either sanctions for the previous or anti-dumping measures for the latter.

(125) The Commission contended that the replacement of imports by the countries concerned, might indeed be the result of measures taken against Russian and Türkiye. However, it remains that those imports from the countries concerned were found to increase in significant quantities to the detriment of the Union industry, be dumped and injurious to the Union industry.

(126) In the absence of any other comments regarding the imports from the countries concerned, recitals (189) to (191) of the provisional Regulation were confirmed.

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

(127) In recitals (192) to (197) of the provisional Regulation, the Commission detailed the methodology to determine the price undercutting, and it concluded that the imports from the countries concerned undercut and suppressed the Union industry prices.

(128) The dumped imports from the majority of the sampled exporting producers concerned were found to undercut the Union industry prices in a range between – 3,3 % and 10,1 % as can be seen in the table 8 of the provisional Regulation.

(129) Following the imposition of provisional measures, Ezz Steel considered that the average prices of imports from Egypt were relatively high and did not undercut EU sales prices. Therefore, these imports could have not caused injury to Union producers. Given the nature of these comments, they are addressed in section 5.1 below.

(130) FHS argued that the 3.3 % undercutting established for its imports corresponded to the freight differential and currency fluctuations that routinely separated FOB offers in Asia from EU mill quotes and therefore, could not be considered as injurious for the Union industry.

(131) The Commission recalled that as explained in recital (194) of the provisional Regulation, the price undercutting during the investigation period was assessed by comparing: the weighted average sales prices per product type of the three Union producers charged to unrelated customers on the free Union market, adjusted to an ex-works level; and the corresponding weighted average prices at CIF Union frontier level per product type of the imports from the cooperating producers of the countries concerned to the first independent customer on the Union market, established on a Cost, Insurance, Freight (CIF) basis, with appropriate adjustments for post-importation costs. While the price undercutting may have various causes, the undercutting calculation was made based on the verified data provided by FHS. On this basis, the Commission confirmed the undercutting margin established in recital (196) of the provisional Regulation. The claim was therefore rejected.

(132) In the absence of any other comments regarding the imports from the countries concerned, recitals (192) to (197) of the provisional Regulation were confirmed.

4.4. Economic situation of the Union industry

(133) In the provisional Regulation (section 4.4), the Commission detailed the macroeconomic and microeconomic indicators of the Union industry in the period considered. It concluded, in recital (238) of the provisional Regulation, that the Union industry suffered material injury within the meaning of Article 3(5) of the basic Regulation.

(134) As mentioned in recital (14) and (90) to (98), the verification visit held at the premises of EUROFER, revealed that the non-captive sales data to related parties by one of the complainants had not been included in the overall non-captive sales data pertaining to the IP. The Commission also made some adjustments to the relevant Tables in order to include non-captive sales in the free market consumption. This had consequences for Table 5 and 6 of the provisional Regulation as mentioned above, but also for Tables 4 and 10 of the provisional Regulation. The captive consumption table of the provisional Regulation remained unchanged.

(135) The revised Union industry’s sales volume and market share developed over the period considered as follows:

Table 3

Union free market consumption including non-captive sales (tonnes)

	2021	2022	2023	Investigation period
Free market Consumption	[36 097 951 – 42 993 358]	[32 245 156 – 37 452 883]	[31 127 073 – 36 275 456]	[31 192 346 – 37 690 752]
Index (2021=100)	100	90	88	88
Source: EUROFER questionnaire reply, sampled Union producers, EUROSTAT				

Table 4

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

	2021	2022	2023	Investigation period
Sales volume in the Union free market (tonnes)	30 578 495	27 787 577	26 331 295	25 822 683
Index (2021=100)	100	91	86	84
Market share	76,1%	77,2%	74,6%	72,7%
Index (2021=100)	100	101	98	96
Source : EUROFER questionnaire reply and Eurostat				

(136) The Union industry sales volume in the Union free market (i.e. excluding captive sales) decreased by 16% during the period considered from 30,578 million tonnes to 25,822 million tonnes.

(137) During the period considered, the Union industry's market share in terms of Union consumption went down by 3.4 percentage points, from 76,1% to 72,7%. The decrease in sales volume in the Union free market and the loss of Union industry's market share significantly exceeded the decrease of consumption in the Union free market, which is an indicator of the deterioration of the competitive position of the Union steel producers.

(138) FHS argued that since the production capacity of the Union industry remained unchanged during the period considered, the Commission wrongly attributed the decrease of capacity utilisation resulting from the lower production level to the imports from the countries concerned instead of recognising that the drop of the production was linked to the overall decrease of demand of the product under investigation. Moreover, the decline was concentrated in the captive segment, which went down by 16 % (from 39.2 to 33.1 million tonnes), whereas free-

market consumption fell only by 6%. By the same token, FHS considered that the data indicated that sales volumes fell because the EU market shrank, especially on the captive side, not because suppliers in the countries concerned displaced business from Union producers. Furthermore, considering that the Union Industry controlled about 70% of the free market and more than 85% of total consumption, a two percent decrease in market share should be considered as an ordinary competitive variation and could not reasonably be viewed as import-driven injury.

(139) As showed in Table 4 above, and contrary to what FHS erroneously claimed, during the period considered, the Union industry sales volume in the Union free market (as revised after the imposition of provisional measures) and the Union industry captive transfers in the Union market both followed a downward trend dropping respectively by 18,1% and 15,5% over the period considered in line with the drop in total production of the Union industry as reported in Table 9 of the provisional regulation. However, the percentage of captive consumption compared to the total production remaining stable throughout the period considered ranging from 55,7% to 56,1%, this confirmed the existence of sales displacement of the sales of the Union producers in the free market by the exporting producers from the countries concerned which saw their market share increasing at a time when the overall demand was shrinking. This is also confirmed by the sharper decrease in sales on the free than on the captive market which resulted in a loss of 4 percentage points of market share. Furthermore, the loss of Union industry's sales in the free market significantly exceeded the decrease of consumption in the Union free market, which, as mentioned in recital (212) was an indicator of the deterioration of the competitive position of the Union steel producers.

(140) In a context where the Union Industry controlled about 72,7% of the free market and more than 86% of total consumption, the Commission findings that a four percent decrease in market share could not be considered as an ordinary competitive variation were confirmed. The updated figures confirmed that the Union industry had no other choice but to follow the price level set by the dumped imports to avoid losing further market share. This resulted in a deterioration of the situation of the Union industry as showed by various macro and micro indicators such as profitability, sales volume, market share, employment and cash flow. On this basis, these claims were rejected.

(141) Nippon Steel and JFE noted that according to Table 12 of the provisional Regulation, employment levels in the Union industry have increased from 2023 to the IP, by 3,4%, however, the Commission only highlighted the reduction of 7,0% over the period considered.

(142) Nippon Steel and JFE pointed to the information provided by the Union industry, that showed that average labour costs started to stabilise, falling significantly from their peak in 2023.

(143) The Commission first considered that certain injury indicators should not be interpreted in isolation to determine whether the Union industry suffered material injury. On the contrary, injury should be determined by assessing all injury indicators. Furthermore, not all injury indicators should show a

deterioration of the Union industry's performance to conclude that it suffered material injury.

(144) As far as employment is concerned, the Commission considered that the increase from 2023 to the IP, by 3,4% was mostly due to the adjustments made by some of the Union producers after the COVID-19 crisis, which deeply affected the market demand and prices.

(145) The Commission referred to the recitals (45) and (224) to (226) of the provisional Regulation, where it explained that all the indicators of the Union industry were affected, as those of many other industries, by the pandemic situation in 2020. The temporary more favourable situation observed in 2021 and 2022 was due to an unusual supply-demand imbalance in the aftermath of the COVID-19 pandemic. Once the supply-demand situation became more balanced, the Union producers found themselves under renewed pressure from imports from the countries concerned, which affected their market share and economic performances.

(146) On this basis, the claims were rejected.

4.5. Conclusion on injury

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

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

5. CAUSATION

5.1. Effects of the dumped imports

(149) In recital (265) of the provisional Regulation, the Commission concluded that the material injury of the Union industry was caused by the dumped imports of the product concerned originating in the countries concerned.

(150) Following provisional disclosure, the GOJ and FHS disagreed with the conclusions in section 5.1 of the provisional Regulation.

(151) The GOJ submitted that, as a result of the 'Tariff Rate Quotas' ('TRQ's') of the safeguard measures, the overall volume of hot-rolled steel imports did not increase and argued therefore that there have only been substitutions of the origins of the imported products within the volume of TRQ's allowed. On this basis, GOJ considered that imports originating in Japan could not have caused material injury to the EU's domestic industry. The GOJ further claimed that the market share of the imports from Japan has consistently remained below 4%, and even the market share of the subject imports as a whole had been low at around [8.0-8.5%].).

(152) The GOJ finally argued that the volume of imports of products from Japan in the second half of 2024 had fallen by 51,2% compared to the previous year, due to the maximum cap of 15% per single country, which was introduced in June 2024[17]. Therefore, the GOJ questioned the injury analysis which was not properly considering the above-mentioned circumstances and could not be considered as an objective examination in the sense of Article 3.1 of the AD Agreement.

(153) The Commission noted that safeguard and anti-dumping measures address different situations. In this case, safeguard measures have indeed been imposed under the form of a TRQ, on the basis of traditional trade flows and with a view to avoid trade diversion. However, the safeguard measure does not prevent the imposition of measures to remove the effects of unfair trade practices, in particular within the limits of the TRQ, i.e. before any safeguard duty would apply. Thus, the reference to volume caps unaffected by an additional safeguard duty cannot put into question the causation between the subject imports and the injury to the Union industry. The Commission also recalled that its analysis covered the investigation period ending on 30 June 2024. Hence, the inclusion of post-IP elements in its causation analysis, such as a decrease in imports in the second half of 2024, would not ensure an objective examination of the facts. On this basis, this claim was rejected.

(154) As mentioned in recital (136), FHS argued that the negative effects on macro and micro economic indicators such as capacity utilisation, production capacity, production, sales volumes and market share could not result from the imports from Vietnam as the quantities were too small.

(155) The Commission rejected this argument on the grounds that the conditions for assessing the imports from the countries concerned cumulatively were fulfilled so that dumped imports from Vietnam were assessed together with imports from the other countries concerned.

(156) FHS stated that while acknowledging that the recent profitability and cash-flow results of the Union industry were weak, it was not established whether the losses arising from lower demand, higher energy and input costs, an ambitious

[17] OJ L, 25.6.2024, ELI: http://data.europa.eu/eli/reg_impl/2024/1782/oj

investment timetable, or other structural factors had negatively influenced these micro economic indicators.

(157) The Commission disagreed with this view. The list of factors raised by FHS were already considered by the Commission as mentioned in recitals (240) and Section 5.7 of the provisional Regulation. Whilst FHS did not present any new elements contradicting the analysis made by the Commission on how these factors influenced the micro economic indicators. These claims were therefore rejected.

(158) FHS stated that the Commission failed to carry out an objective examination of each of several elements, which contributed to the Union industry's difficulties such as weakened global demand.

(159) In the absence of more precise and substantiated claims regarding the alleged lack of objectivity in the Commission's assessment, the Commission referred to section 5 of the provisional Regulation and more specifically section 5.8 which addresses this factor in particular.

(160) In the absence of any other comments with respect to this section, the Commission confirmed its conclusions set out in recitals (241) and (242) of the provisional Regulation.

5.2. Low-capacity utilisation

(161) In the absence of any other comments with respect to this section, the Commission confirmed its conclusions set out in recitals (243) and (244) of the provisional Regulation.

5.3. Export sales performance of the Union producers

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

Table 5

Export sales of the sampled Union producers

Total exports to Unrelated customers	2021	2022	2023	Investigation period
Total Exports (EUR)	650 898 419	633 788 344	473 973 825	477 671 676
Index (2021=100)	100	97	73	73
Total exports (tonnes)	736 702	659 023	577 824	590 812
Index (2021=100)	100	89	78	80
Average unit price (EUR/tonnes)	883	961	820	808

Index (2021=100)	100	109	93	92
Source: Questionnaire reply of sampled Union producers				

(163) The sampled Union producers export volumes decreased by 20 % over the period considered to remain below 600.000 tonnes in the IP. Overall, the volumes exported by the Union industry accounted for only about 2.3 % of their total sales in the free market during the investigation period and an even smaller proportion of total production in the same period.

(164) The GOJ claimed that while export sales have decreased by 20% over the investigation period compared to 2021 as shown in Table 17 of the provisional Regulation and Table 5 above, Union producers have significantly increased their investments in 2023 as shown in Table 16 of the provisional Regulation. The GOJ considered that it was this business strategy of the producers has led to reduced profit margins.

(165) FHS claimed that Union producers' deteriorating export performance has itself contributed to the alleged material injury, particularly through reduced volumes, lower international prices, and lost economies of scale.

(166) These claims have been examined by the Commission and the findings reached in the provisional Regulation that the export sales accounted for a minor share of total sales were confirmed. Their decrease could not have a significant impact on the performance of the Union industry as a whole.

(167) In the absence of any other comments with respect to this section, the Commission confirmed its conclusions set out in recitals (245) to (247) of the provisional Regulation.

5.4. Imports from countries other than the countries concerned

(168) Following the reassessment of the total free market consumption to include non-captive sales to related parties, as explained in recital (133) and (134), the volume of imports from other third countries over the period considered was re-assessed. It developed as follows:

Table 6

Volumes, unit prices and market shares from third countries

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

Unit import prices from India	678	966	698	685
Index (2021=100)	100	143	103	101
Market share in total Union free consumption	3,4%	1,8%	3,0%	3,9%
South Korea				
Volume of imports from South Korea	471 645	728 997	810 335	745 900
Index (2021=100)	100	155	172	158
Unit import prices from South Korea	773	957	729	723
Index (2021=100)	100	124	94	93
Market share in total Union free consumption	1,2%	2,0%	2,3%	2,1%
Taiwan				
Volume of imports from Taiwan	702 961	845 353	1 045 768	1 038 571
Index (2021=100)	100	120	149	148
Unit import prices from Taiwan	773	922	716	702
Index (2021=100)	100	119	93	91
Market share in total Union free consumption	1,7%	2,3%	3,0%	2,9%
Vietnam (Hoa Phat Group)				

Volume of imports from Vietnam (Hoa Phat Group)	0	[33 856 – 36 489]	[645 812 – 660 826]	[763 125 – 789 249]
Index (2021=100)	-	100	1852	2189
Unit import prices from Vietnam (Hoa Phat Group)	-	[680 – 690]	[601- 625]	[586 – 614]
Index (2021=100)	-	100	89	87
Market share in total Union free consumption	-	[0,1% – 0,2%]	1,9% – 2,3%]	[2,0% – 2,5%]
Total of all third countries except the countries concerned				
Volume of imports from all other countries	7 831 765	6 187 938	6 338 382	6 961 632
Index (2021=100)	100	79	81	89
Average unit import prices	755	915	702	687
Index (2021=100)	100	121	93	91
Market share in total Union free consumption	19,5%	17,2%	17,9%	19,6%
Index (2021=100)	100	88	92	101
Market share of all third countries including the countries concerned				
Market share in total Union free consumption	23,9%	22,8%	25,4%	27,3%
Index (2021=100)	100	95	106	114

Market share of countries concerned in all third countries imports				
Market share in total Union free consumption	18,4%	24,4%	29,4%	28,2%
Index (2021=100)	100	133	160	153
Source: Eurostat, Formosa, Hoa Phat Group				

(169) The investigation revealed that the market share of imports from India, South Korea, Taiwan and Vietnam (Hoa Phat Group) increased over the period considered and except for India, both in absolute and relative terms. On the contrary, the Commission observed that the imports from other third countries did not increase over the same period, but in fact decreased by 11 %. In contrast, imports from the countries concerned increased significantly. However, the share of imports from the countries concerned in all third countries imports increase by 53 percent over the period considered, which therefore indicated that the imports from the countries concerned increased proportionally more than the imports from all countries which only increased by 14%.

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

(171) Following the imposition of provisional measures, FHS considered that by omitting any structured attribution analysis of these formally non-dumped yet clearly injurious volumes originating in other third countries, the provisional Regulation overstated the causal role of the imports from Egypt, Japan and Vietnam, while understating broader market dynamics that are demonstrably more influential in shaping price trends and competitive pressures. The Commission recalled that these aspects had been examined in detail in recitals (248) to (252) of the provisional regulation. The claim was rejected.

(172) As noted in recital (129), Ezz Steel considered that the average prices of imports from Egypt were relatively high and did not undercut EU sales prices. Therefore, these imports could have not caused injury to Union producers. As noted in recital (197) of the provisional Regulation, the Commission concluded that, although imports of HRF were not undercutting Union industry prices, there was price suppression whereby they were impacting negatively the performance of the Union industry. This conclusion was not contested.

5.5. Imports from the countries concerned by the Union industry

(173) Nippon Steel and JFE considered that the production figures could not be taken as evidence that the Union industry was suffering material injury, given the refusal to increase production even in the particularly favourable environment

created by the investigation and that imports were evidently an important source of supply for the EU market — including for the Union producers themselves.

(174) With regard to the import volume, the Commission considered that Nippon Steel and JFE overstated the volume of imports from the countries concerned by including imports from India in their analysis although the Commission's causation analysis was limited to Egypt, Japan and dumped imports from Vietnam. The verified information received from the sampled EU producers, confirmed that the 220 000 tonnes of HRF were in fact mostly imported in limited quantities by Union steel secondary producers related to Union primary producers. The vast majority of imports from the countries concerned were made by Union non-related trader and processors. Referring to recital (253) of the provisional Regulation, the Commission reiterated that, Union producers' related entities are not required to buy from their related companies and purchase on an arm's length basis. As mentioned in recital (313) of the provisional Regulation, the objective of anti-dumping duties is not to close the Union market from any imports, but to restore fair trade by removing the effect of injurious dumping. Imports from the countries concerned are therefore not expected to come to an end, but to continue, albeit at fair prices.

(175) In the absence of any other comments than those already addressed in recitals (123) to (125) with respect to this section, the Commission confirmed its conclusions set out in recital (253) of the provisional Regulation.

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

(176) In the absence of any comments with respect to this section, the Commission confirmed its conclusions set out in recitals (254) to (256) of the provisional Regulation.

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

(177) In the absence of any comments with respect to this section, the Commission confirmed its conclusions set out in recitals (257) to (262) of the provisional Regulation.

5.8. Reduced demand

(178) In the absence of any comments other than those addressed in recitals (111) and (113) with respect to this section, the Commission confirmed its conclusions set out in recitals (263) to (264) of the provisional Regulation.

5.9. Conclusion on causation

(179) The Commission assessed the impact of all other known factors, taking into account the comments of interested parties, and concluded that those factors did not attenuate the causal link. Therefore, the Commission confirmed the conclusions in recitals (265) to (267) of the provisional Regulation that there was a causal link between the injury suffered by the Union industry and the dumped imports from the countries concerned which was not attenuated by the factors mentioned above.

6. LEVEL OF MEASURES

6.1. Injury margin

(180) In the provisional Regulation (recitals (272) to (287)), the Commission detailed the methodology used to establish margins adequate to remove injury to the Union industry.

(181) Following provisional disclosure, Nippon Steel claimed that an amount for the out-of-quota duties paid under the safeguard measures should be added when establishing the landed export price for the purpose of the injury margin calculations, as any other normal customs duties.

(182) The Commission disagreed with Nippon Steel. The Commission recalled that the anti-dumping measures and the safeguard duties are not cumulative contrary to conventional customs duties. Rather, the anti-dumping measures will apply to imports made under the available tariff free quota, i.e. on imports that are not subject to the safeguard tariff measure. As to imports made once the relevant tariff quota is exhausted, they would be subject to a total duty level (excluding the conventional customs duty) equivalent to the higher of the safeguard tariff measure or the anti-dumping measure, as the case may be. In other words, when the anti-dumping duty exceeds the level of the safeguard measure, the safeguard measure is effectively deducted from the applicable anti-dumping duty to be collected. As a result of the mechanism put in place to avoid any cumulation of safeguard or anti-dumping measure beyond the higher of the two measures, increasing the landed import price of Nippon Steel with the paid safeguard tariff measures during the investigation period to determine the level of anti-dumping duty would result in reducing the anti-dumping duty to a level insufficient to address the injury caused by the said dumped imports, either because the safeguard measure is not applied or because it is effectively deducted from the applicable anti-dumping duty. For these reasons, the Commission concluded that the allegation made by Nippon Steel was factually incorrect and conceptually wrong. In any case, it was found that, during the investigation period, safeguard duties were paid on less than 6% of the imported volume of HRF originating in Japan and therefore the impact of not considering the safeguard duties in this particular case was marginal, that is around 0,1 percentage point. On this basis, this claim was rejected.

(183) Furthermore, Nippon Steel submitted that the injury margin calculations did not take delivery time into account. It alleged that, although not quantifiable, buyers in the EU were willing to pay a price premium for short delivery times. According to Nippon Steel, it takes on average approximately 43 days for shipments to arrive to the Union border from Japan. Furthermore, because of the EU Steel Safeguard Measure, there might be an additional waiting time until the start of the following quarter of the EU Steel Safeguard Measure to be able to customs clear imports. The exporting producer further stated that this explained the gradually increasing undercutting and underselling margins the farther the country of export was located from the EU —the higher the injury margins were found for Japanese exporters.

(184) The Commission concurred with the view that such “price premium for short delivery times”, even if demonstrated, was not quantifiable. Furthermore, if

short delivery times were a factor increasing the selling price, the Commission failed to see how this could gradually increase the undercutting and underselling margins the farther the country of export was located from the EU. Nippon Steel's reasoning was also contradicted by the low underselling margin found for JFE, another Japanese exporting producer in the country concerned.

(185) As mentioned in recital (65), Nippon Steel contested the method used to assess the CIF value for certain transactions. As explained in recitals (66) to (69), this claim was partially accepted whereby the CIF values used as a denominator was revised for certain transactions. Consequently, the injury margin calculated for Nippon Steel was adjusted accordingly.

(186) As described in recital (185), the Commission revised the injury margins. Therefore, the final injury elimination level for the cooperating exporting producers and all other companies is as follows:

Country of origin	Company	Definitive injury margin
Egypt	Ezz Steel Company	18,2%
Egypt	All other imports originating in Egypt	18,2%
Japan	Nippon Steel Corporation	30,4%
Japan	Tokyo Steel Co. Ltd.	29,3%
Japan	Other cooperating companies: - Daido Steel Co., Ltd. - JFE Steel Corporation	30,1%
Vietnam	Formosa Ha Tinh Steel Corporation	27,0%
Vietnam	All other imports originating in Vietnam	27,0%

6.2. Examination of the margin adequate to remove the injury to the Union industry

(187) In the absence of any other comments with respect to this section, the Commission confirmed its conclusions set out in recitals (272) to (289) of the provisional Regulation.

6.3. Conclusion on the level of measures

(188) Following the above assessment, definitive anti-dumping duties should be set as below in accordance with Article 7(2) of the basic Regulation:

Country of origin	Company	Definitive anti-dumping duty
Egypt	Ezz Steel Company	11,7%
Egypt	All other imports originating in Egypt	11,7%
Japan	Nippon Steel Corporation	30,4%
Japan	Tokyo Steel Co. Ltd.	6,9%
Japan	Other cooperating companies: - Daido Steel Co., Ltd. - JFE Steel Corporation	30,1%
Vietnam	Formosa Ha Tinh Steel Corporation	12,1%
Vietnam	All other imports originating in Vietnam	12,1%

7. UNION INTEREST

(189) After publication of the provisional measures, the exporting producers FHS and Ezz Steel Company, the GOE and the GOJ, submitted comments on the Union interest.

7.1. Interest of the Union industry

(190) In the absence of any related claim or comment regarding the interest of the Union industry, the conclusions reached in recitals (291) to (295) of the provisional Regulation were confirmed.

7.2. Interest of unrelated importers and users

(191) Following provisional disclosure, the GOJ claimed that it would not be in the Union interest to impose anti-dumping measures against the countries concerned. They alleged that anti-dumping measures would be against the interests of importers and Steel Service Centres because they will have an anti-competitive effect (Union producers will increase their prices) and because Union producers do not produce certain types of cold-rolled flat steel products.

(192) These allegations were already dealt with in recitals (296) to (305) regarding the anti-competitive effects and recital (306) to (325) of the provisional Regulation regarding the claim that the Union industry did not produce certain specific

categories of HRF. As no substantive additional information for such allegations was provided after the provisional disclosure, the claims were rejected.

(193) In view of the above the Commission maintained that the overall benefits of the measures outweighed the potential negative impact for importers and users and therefore, the conclusions in recitals (296) to (325) of the provisional Regulation were confirmed.

7.3. Other arguments

(194) Ezz Steel and the GOE argued that the Commission had largely ignored a number of important considerations in the provisional Regulation when assessing whether it is in the Union interest to impose measures on Egypt.

(195) Their argued in particular that:

(196) First, the Union enjoys a mutually beneficial trade relationship with Egypt. The trade balance between Egypt and the Union resulting in a surplus of $10.4 billion in favour of the Union in 2023. With respect to HRF, in particular, the volume of imports of HRF from Egypt to the Union represents only 1.25% of the total Union captive and non-captive HRF consumption during the IP. In contrast, Egypt has opened its borders to Union imports of HRF, which represented between [9-14] % of Egyptian consumption between 2021 and 2023. Moreover, the imposition of measures would contradict the assistance provided by the Union to Egypt through short-term macro financial loans. The imposition of anti-dumping measures on Union imports of HRF, not only harm the national Egyptian steel industry and its international competitiveness, but also negatively impact the national economy as a whole in blatant contradictions with the objectives pursued by the macro-financial loans granted to Egypt by the Union.

(197) Second, Ezz Steel also argued that Egyptian export prices are the highest among all countries covered by the investigation; and that the Commission has found no evidence of price undercutting by Egypt.

(198) Third, Union suppliers rely extensively on the purchase of raw materials by Egyptian steel manufacturers. Furthermore, since its inception in 1994, Ezz Steel has invested a substantive amount in equipment from Union suppliers. Moreover, Ezz Steel argued that between 2019 and mid-2024, it imported a substantial amount worth of raw materials and spare parts from the Union.

(199) Fourth, the imposition of measures would not be in the interest of the Union industrial users, Ezz Steel producing a number of high-grade HRF which are in high demand by Union customers,

(200) Fifth, the imposition of measures would not allow Union users to benefit from the "clean" steel produced by Egyptian steel manufacturers, to the detriment of the objectives of the Carbon Border Adjustment Mechanism ("CBAM")[18]. The Commission should therefore consider the positive environmental impact of the

[18] Regulation (EU) 2023/956 of the European Parliament and of the Council of 10 May 2023 establishing a carbon border adjustment mechanism, (OJ L 130, 16.5.2023)

steel produced by Ezz Steel when determining whether the imposition of anti-dumping measures on Egypt is in the Union interest.

(201) Concerning the first point regarding the allegations made by Ezz Steel on the negative impact on the national economy as a whole and the contradictions with the objectives pursued by the macro-financial loans granted to Egypt by the Union, the Commission considered that the adoption of anti-dumping measures could not affect the cooperation on trade and investment which are fundamental aspect of the EU-Egypt Strategic Partnership. The European Union will continue to support Egypt's economic reform efforts, including improving the trade and business environment to facilitate Egypt's sustainable economic growth, undistorted trade, and investment flows and green energy transition. Therefore, these claims were rejected.

(202) Concerning the second point, this allegation was found to be correct, however the average export prices were still significantly below the Union Industry average prices, and both were largely inferior to the average cost of production per tonne of the Union industry. This claim was therefore rejected.

(203) Concerning the third point and the allegations that Union suppliers rely extensively on the purchase of raw materials by Egyptian steel manufactures, the Commission noted that the scope of anti-dumping investigation does not specifically cover the economic situation of other Union related industries, whether supplying raw material and other consumables or production machines. Furthermore, none of these suppliers came forward during the investigation, therefore, these allegations could not be verified.

(204) The question raised in the fourth point was extensively addressed in Recital (307) of the provisional Regulation.

(205) Regarding the fifth point and the claim of Ezz that the imposition of measures would not allow Union users to benefit from the "clean" steel produced by Egyptian steel manufacturers to the detriment of the objectives of CBAM. Firstly, the Commission recalled that CBAM entered into force on 1 October 2023, and it is currently in a transitional period until 2026 when the definitive regime will apply. Moreover, the scope of the present investigation was not to verify whether an exporting producer provides "clean" steel, therefore, these allegations were not considered relevant for this proceeding and could not be verified. The claim was therefore dismissed.

(206) FHS claimed that while, users had raised specific, documented concerns about the real-world impact of duties, the Commission offered only qualitative assurances that alternative supply sources exist as mentioned in recital (315) of the provisional Regulation, without any rigorous modelling of market behaviour, supply-chain capacity, or price elasticity.

(207) The Commission rejected this argument on the ground that, first, these users had not put forward any concrete modelling of market behaviour, supply-chain capacity, or price elasticity by alternative supply sources, whilst the Union industry market behaviours was well known to these users, and second, as mentioned in recital (316) of the provisional Regulation, referring to industry

specialised sources, the imposition of measures would not lead to a shortage of supply of the product concerned/like product.

(208) The international competitiveness of users was also well documents in recitals (317) to (320) of the provisional Regulation, showing that with a competitive market and the availability of spare capacity among Union producers, contrary to what was argued by the users, the activities of the companies processing flat metal products or involved in the resale of the product under investigation should remain competitive, despite the competitive market conditions on the EU market.

(209) Finally, FHS argued that the companies processing flat metal products, the Steel Service Centres ('SSC') which also included SSC related to primary steel makers would be more affected by the measures than the Union primary steel makers, with knock-on risks across multiple strategic sectors of the EU economy, such as the automotive, construction or "white" goods sectors.

(210) In addition to the findings set out in recital (312) of the provisional Regulation, it was noted that in a joint statement issued in April 2025([19]), both the complainant and the European steel distributors and processors association (Eurometal) claimed that the weakening of downstream steel "*supply chain puts at risk 13.6 million direct jobs across steel processing, intermediate suppliers, and manufacturing sectors in the EU, and threatens a wider European deindustrialisation"*. According to the complainant[20], the steel sector employs 306 000 people directly and is responsible for up to 2.5 million indirect jobs.

7.4. Conclusion on Union interest

(211) Considering the above, the Commission confirmed the conclusions in recital (326) of the provisional Regulation that there were no compelling reasons to come to the conclusion that it was not in the Union interest to impose measures on imports of hot-rolled flat products originating in the countries concerned.

8. DEFINITIVE ANTI-DUMPING MEASURES

8.1. Definitive measures

(212) In view of the conclusions reached with regard to dumping, injury, causation, level of measures and Union interest, and in accordance with Article 9(4) of the basic Regulation, definitive anti-dumping measures should be imposed in order to prevent further injury being caused to the Union industry by the dumped imports of the product concerned.

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

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19 "Eurometal represents a significant portion of the intermediate steel processing market in Europe – comprising nearly 50% of deliveries in the EU". https://eurometal.net/eu-steelmakers-distributors-demand-whole-value-chain-support/

20 https://www.EUROFER.eu/assets/publications/brochures-booklets-and-factsheets/european-steel-in-figures-2023/FINAL_EUROFER_Steel-in-Figures_2023.pdf

Country of origin	Company	Dumping margin (%)	Injury margin (%)	Definitive anti-dumping duty (%)
Egypt	Ezz Steel Company	11,7%	18,2%	11,7%
Egypt	All other imports originating in Egypt	11,7%	18,2%	11,7%
Japan	Nippon Steel Corporation	42,1%	30,4%	30,4%
Japan	Tokyo Steel Co. Ltd.	6,9%	29,3%	6,9%
Japan	Other cooperating companies: -Daido Steel Co., Ltd. -JFE Steel Corporation	32,6%	30,1%	30,1%
Japan	All other imports originating in Japan	42,1%	30,4%	30,4%
Vietnam	Formosa Ha Tinh Steel Corporation	12,1%	27,0%	12,1%
Vietnam	All other imports originating in Vietnam	12,1%	27,0%	12,1%

(214) The individual company anti-dumping duty rates specified in this Regulation were established on the basis of the findings of this investigation. Therefore, they reflect the situation found during this investigation in respect to these companies. These duty rates are thus exclusively applicable to imports of the product under investigation originating in the countries concerned and produced by the named legal entities.

(215) Imports of the product concerned manufactured by any other company not specifically mentioned in the operative part of this Regulation, including entities related to those specifically mentioned, cannot benefit from these rates and should

be subject to the duty rate applicable to 'all other imports originating in Egypt, Japan or Vietnam'.

(216) A company may request the application of these individual anti-dumping duty rates if it changes subsequently the name of its entity. The request must be addressed to the Commission[21]. The request must contain all the relevant information enabling to demonstrate that the change does not affect the right of the company to benefit from the duty rate which applies to it. If the change of name of the company does not affect its right to benefit from the duty rate which applies to it, a Regulation about the change of name will be published in the *Official Journal of the European Union*.

(217) To minimise the risks of circumvention due to the difference in duty rates, special measures are needed to ensure the proper application of the individual anti-dumping duties. The application of individual anti-dumping duties is only applicable upon presentation of a valid commercial invoice to the customs authorities of the Member States. The invoice must conform to the requirements set out in Article 1(4) of this Regulation. Until such invoice is presented, imports should be subject to the anti-dumping duty applicable to 'all other imports originating in Egypt, Japan or Vietnam'.

(218) While presentation of this invoice is necessary for the customs authorities of the Member States to apply the individual rates of anti-dumping duty to imports, it is not the only element to be taken into account by the customs authorities. Indeed, even if presented with an invoice meeting all the requirements set out in Article 1(4) of this Regulation, the customs authorities of Member States should carry out their usual checks and may, like in all other cases, require additional documents (shipping documents, etc.) for the purpose of verifying the accuracy of the particulars contained in the declaration and ensure that the subsequent application of the rate of duty is justified, in compliance with customs law.

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

(220) To ensure a proper enforcement of the anti-dumping duties, the anti-dumping duty for all other imports originating in Egypt, Japan or Vietnam should apply not only to the non-cooperating exporting producers in this investigation, but also to the producers which did not have exports to the Union during the investigation period.

(221) Exporting producers that did not export the product concerned to the Union during the investigation period should be able to request the Commission to be made subject to the anti-dumping duty rate for cooperating companies not included in the

[21] Email: TRADE-TDI-NAME-CHANGE-REQUESTS@ec.europa.eu; European Commission, Directorate-General for Trade, Directorate G, Wetstraat 170 Rue de la Loi, 1040 Brussels, Belgium.

sample. The Commission should grant such request provided that three conditions are met. The new exporting producer would have to demonstrate that: (i) it did not export the product concerned to the Union during the IP; (ii) it is not related to an exporting producer that did so; and (iii) has exported the product concerned thereafter or has entered into an irrevocable contractual obligation to do so in substantial quantities.

8.2. Definitive collection of the provisional duties

(222) In view of the dumping margins found and given the level of the injury caused to the Union industry, the amounts secured by way of provisional anti-dumping duties imposed by the provisional Regulation, should be definitively collected up to the levels established under the present Regulation.

8.3. Retroactive collection

(223) As mentioned in section 1.2., the Commission made imports of the product under investigation subject to registration.

(224) As set out in recital (336) of the provisional Regulation, the Commission could not take a decision on a possible retroactive application of anti-dumping measures at that stage of the investigation. Therefore, the Commission has to decide, in line with Article 10(4) of the basic Regulation, whether definitive anti-dumping measures shall be retroactively collected on imports during the period of registration.

(225) During the definitive stage of the investigation, the data collected in the context of the registration was assessed. The Commission analysed whether the criteria under Article 10(4) of the basic Regulation were met for the retroactive collection of definitive duties.

(226) The Commission's analysis showed no further substantial rise in imports in addition to the level of imports which caused injury during the investigation period, as prescribed by Article 10(4)(d) of the basic Regulation. For this analysis, the Commission compared the monthly average import volumes of the product concerned during the investigation period (column 2) with the monthly average import volumes during the period from the month following the initiation of this investigation until the last full month preceding the imposition of provisional measures (column 3). Also, when comparing the monthly average import volumes of the product concerned during the investigation period with the monthly average import volumes during the period from the month following the initiation of this investigation up to and including the month in which provisional measures were imposed (column 4), no further substantial increase could be observed, rather the contrary, imports decreased significantly:

Monthly average period considered	IP (column 2)	09/2024 to 03/2025 (column3)	09/2024 to 04/2025 (Column 4)
Egypt	68 642	27 738	24 271
Japan	90 004	38 232	40 625

Vietnam	99 557	25 176	23 640
Total: Countries concerned	258 203	91 146	88 536
Source: Eurostat, surveillance database			

(227) Therefore, it was considered that the conditions for collecting retroactively the duties were not met.

9. FINAL PROVISION

(228) In view of Article 109 of Regulation 2024/2509[22], when an amount is to be reimbursed following a judgment of the Court of Justice of the European Union, the interest to be paid should be the rate applied by the European Central Bank to its principal refinancing operations, as published in the C series of the *Official Journal of the European Union* on the first calendar day of each month.

[22] Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (recast) (OJ L, 2024/2509, 26.9.2024)).