



2026/1063

13.5.2026

**COMMISSION IMPLEMENTING REGULATION (EU) 2026/1063**

**of 12 May 2026**

**imposing a provisional anti-dumping duty on imports of PET Spunbond originating in the People's Republic of China**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2016/1036 of the European Parliament and of the Council of 8 June 2016 on protection against dumped imports from countries not members of the European Union <sup>(1)</sup> ('the basic Regulation'), and in particular Article 7 thereof,

After consulting the Member States,

Whereas:

**1. PROCEDURE**

**1.1. Initiation**

- (1) On 15 September 2025, the European Commission ('the Commission') initiated an anti-dumping investigation with regard to imports of PET Spunbond originating in the People's Republic of China ('the country concerned', 'the PRC' or 'China') on the basis of Article 5 of the basic Regulation. It published a Notice of Initiation in the *Official Journal of the European Union* <sup>(2)</sup> ('the Notice of Initiation').
- (2) The Commission initiated the investigation following a complaint lodged on 8 August 2025 by Freudenberg Performance Materials and Johns Manville ('the complainants'), the sole known Union producers of PET Spunbond. The complaint was made on behalf of the Union industry of PET Spunbond 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 the product concerned subject to registration by Implementing Regulation (EU) 2025/2409 <sup>(3)</sup> ('the registration Regulation').

**1.3. Interested parties**

- (4) In the Notice of Initiation, the Commission invited interested parties to contact it in order to participate in the investigation. In addition, the Commission specifically informed the complainants, the known exporting producers and the Government of China ('GOC'), known importers, and users, traders, as well as associations known to be concerned about the initiation of the investigation and invited them to participate.
- (5) Interested parties had an opportunity to comment on the initiation of the investigation and to request a hearing with the Commission and/or the Hearing Officer in trade proceedings.

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

<sup>(2)</sup> Notice of initiation of an anti-dumping proceeding concerning imports of PET Spunbond originating in the People's Republic of China, OJ C, C/2025/5010, 15.9.2025, ELI: <http://data.europa.eu/eli/C/2025/5010/oj>.

<sup>(3)</sup> Commission Implementing Regulation (EU) 2025/2409 of 1 December 2025 making imports of PET Spunbond originating in the People's Republic of China subject to registration (OJ L, 2025/2409, 2.12.2025, ELI: [http://data.europa.eu/eli/reg\\_impl/2025/2409/oj](http://data.europa.eu/eli/reg_impl/2025/2409/oj)).

#### 1.4. Comments on initiation

- (6) Following initiation, the China Chamber of Commerce for Import and Export of Textiles (CCCT) <sup>(4)</sup> and the importer Iko Europe NV submitted comments.
- (7) CCCT considered that the volumes of imports from the PRC was established on an unreliable basis since the complainants used an estimation method rather than figures sourced directly from Eurostat. CCCT also submitted that the alleged low prices of Chinese imports were based on selectively chosen and inconsistently applied data, such as price quotations and import data. Finally, CCCT claimed that the evidence collected for undercutting and underselling was insufficient, partly due to the unreliability of the import data used.
- (8) At the outset, the Commission noted that it carried out its examination of the complaint in accordance with Article 5 of the basic Regulation and came to the conclusion that the requirements for initiation of an investigation were met, i.e. that there was sufficient evidence of dumping, injury and a causal link between the allegedly dumped imports and the alleged injury to initiate the investigation.
- (9) According to Article 5(2) of the basic Regulation, a complaint shall contain such information as is reasonably available to the complainants. The legal standard of evidence required for the purpose of initiating an investigation ('sufficient' evidence) is different from that which is necessary for the purpose of a preliminary or final determination of the existence of dumping, injury or of a causal link. Therefore, evidence which is insufficient in quantity or quality to justify a preliminary or final determination of dumping, injury or causation, may nevertheless be sufficient to justify the initiation of an investigation.
- (10) The Commission considered that the claim of CCCT goes beyond the requirements of Article 5(3) of the basic Regulation, as the Commission's role at initiation stage is to examine the accuracy and adequacy of the evidence provided in the complainant to determine whether there was sufficient evidence to justify the initiation. The Commission considered that the method used for the calculation of import volumes was sufficiently reliable for serving the purpose to open an investigation. The CN codes under which the product under investigation is imported also cover products falling outside the scope of the investigation. Therefore, Eurostat statistics could not be used to determine import volumes and market shares. As explained in the complaint, the complainants established imports based on total demand in the Union minus the Union sales of the Union producers. Overall imports were then split between imports from China and those from other countries, based on an assessment of Eurostat data. The resulting figures were then cross-checked with available market intelligence. With regard to import prices, it follows from the nature of preparing a complaint that the complainants are not in a situation to collect direct, first-hand evidence from individual transactions. Thus, it had to resort to other data collection methods, and the Commission considered that the criteria for sufficient evidence at initiation were met. Thus, in the view of the Commission, the evidence presented to it sufficed to justify the opening of an investigation. The Commission considered the prices, such as quotations, were sufficiently objective and thus also sufficiently reliable for the purpose of calculating undercutting and underselling.
- (11) The CCCT also questioned the negative impact that imports from the PRC have had on the Union producers. First, as CCCT also inferred in recital 7, given that prices of imports were unreliable, a causal link between imports and injury to the Union industry could not be established. Moreover, CCCT also referred to other factors such as the prices of PET chips, the main raw material, that also contributed to the injury suffered by the Union industry, putting the causal link into question.
- (12) The Commission considered that the complainants presented sufficient evidence of undercutting and underselling, as well as a link between imports from China and the injurious situation of the Union industry.
- (13) Following the initiation, suppliers to the EU industry (BASF, Cargill, Corepla, Synthomer, Valmieras Stikla Skiedra), submitted comments in support of the investigation. The Italian associations of plastics recyclers ASSORIMAP and Plastics Recyclers Europe also expressed support noting the importance of PET Spunbond for PET-recycling. The Polish association of roofing membranes (users of the product under investigation) expressed support, as did the European association of non-wovens, EDANA. A German user also came forward, expressing concern and noting the importance of Chinese imports for their security of supply.

<sup>(4)</sup> By way of Powers of Attorney, four exporting producers – including the sampled ones – have authorized the CCCT to act on their behalf in the proceeding.

- (14) In response to the initiation of the proceeding, the importer/user Iko Europe NV made a request for product exclusion. This claim is set out in more detail in Section 2.4 below.

#### 1.5. **Sampling**

- (15) In the Notice of Initiation, the Commission stated that it might sample the interested parties in accordance with Article 17 of the basic Regulation.

##### 1.5.1. *Sampling of Union producers*

- (16) In its Notice of Initiation, the Commission stated that it had provisionally selected a sample of Union producers. The Commission invited interested parties to comment on the provisional sample. No comments were received, but finally the Commission decided that sampling of Union producers was not necessary as the three known and cooperating Union producers represented 100 % of the estimated total Union production of the product under investigation.

##### 1.5.2. *Sampling of unrelated importers*

- (17) To decide whether sampling is necessary and, if so, to select a sample, the Commission asked unrelated importers to provide the information specified in the Notice of Initiation. Two unrelated importers provided the requested information and agreed to be included in the sample. In view of the low number of replies, the Commission decided that sampling was not necessary. The two unrelated importers that came forward during the sampling exercise were invited to submit a response to the questionnaire.

##### 1.5.3. *Sampling of exporting producers*

- (18) To decide whether sampling is necessary and, if so, to select a sample, the Commission asked all exporting producers in the PRC to provide the information specified in the Notice of Initiation. In addition, the Commission asked the Mission of the People's Republic of China to the European Union to identify and/or contact other exporting producers, if any, that could be interested in participating in the investigation.
- (19) Eight exporting producers in the country concerned provided the requested information and agreed to be included in the sample. In accordance with Article 17(1) of the basic Regulation, the Commission selected a sample of two exporting producers, one of which consisting of two entities, on the basis of the largest representative volume of exports to the Union which could reasonably be investigated within the time available. In accordance with Article 17(2) of the basic Regulation, all known exporting producers concerned, and the authorities of the country concerned were consulted on the selection of the sample <sup>(5)</sup>. No comments were received on the selection of the sample.

#### 1.6. **Questionnaire replies and verification visits**

- (20) The Commission sent a questionnaire concerning the existence of significant distortions in the PRC within the meaning of Article 2(6a)(b) of the basic Regulation to the GOC.
- (21) The Commission also sent questionnaires to the Union producers and to importers and made questionnaires available to the sampled exporting producers in the PRC. Other questionnaires, such as questionnaires for Union users, were made available online <sup>(6)</sup> on the day of initiation.

<sup>(5)</sup> TRON t25.009148 and t25.009150 of 24 September 2025.

<sup>(6)</sup> <https://tron.trade.ec.europa.eu/investigations/case-view?caseId=2811>.

- (22) The Commission sought and verified all the information deemed necessary for a provisional determination of dumping, resulting injury and Union interest. Verification visits pursuant to Article 16 of the basic Regulation were carried out at the premises of the following companies:

**Union producers**

- Johns Manville GmbH, Bobingen, Germany
- Politex SAS di Freudenberg Politex SRL, Milano, Italy
- Freudenberg Performance Materials S.A.S, Colmar, France

**Exporting producers in the PRC**

- Changde Tiandingfeng Nonwovens Co Ltd, Changde City, Hunan province
- Tiandingfeng Nonwovens Co Ltd, Dezhou City, Shandong province
- Hubei Unibon nonwovens Co Ltd, Jingmen City, Hubei province

**1.7. Investigation period and period considered**

- (23) The investigation of dumping and injury covered the period from 1 July 2024 to 30 June 2025 ('the investigation period'). The examination of trends relevant for the assessment of injury covered the period from 1 January 2022 to the end of the investigation period ('the period considered').

**2. PRODUCT UNDER INVESTIGATION, PRODUCT CONCERNED AND LIKE PRODUCT**

**2.1. Product under investigation**

- (24) The product subject to this investigation is certain non-woven needle-punched sheets of polyester filaments, whether or not reinforced by glass fibres, weighing more than 70 g/m<sup>2</sup>, of a thickness exceeding 0,5 mm but not exceeding 1,8 mm, impregnated with one or more binders, containing less than 30 % of glass fibres by weight, not coated or covered, currently classified under CN codes ex 5603 13 90, 5603 14 20 and ex 5603 14 80 (TARIC codes 5603 13 90 70 and 5603 14 80 70) <sup>(7)</sup> ('the product under investigation').
- (25) The Commission clarified that products produced from staple fibres do not fall under the scope of the investigation, which only includes products made of man-made filaments, i.e. continuous fibres of man-made material.
- (26) The production process to manufacture PET Spunbond starts with PET chips (or PET flakes) that are first molten and thereafter formed into filaments by spinning and stretching the molten polymer. These filaments are then dispersed on a net (directed with air streams) to form a web. The filaments are then entangled together mechanically by needle-punching, bound together by a starch-based or polymer-based (chemical) binder, and can be reinforced with glass fibre. The final product is wound up and packaged in large rolls or cut to size according to the customer's requirements.
- (27) PET Spunbond is normally sold in rolls and used, essentially, as a carrier for bituminous membranes, i.e. waterproofing material for roofing in the construction industry. Bituminous membranes are typically produced by impregnating a PET Spunbond carrier membrane (sometimes reinforced with fiberglass to enhance strength and durability) in bitumen, a petroleum-based substance that is highly resistant to water and moisture.

**2.2. Product concerned**

- (28) The product concerned is the product under investigation originating in the People's Republic of China.

<sup>(7)</sup> Since 1 January 2024, the product under investigation is classified under CN codes 5603 14 20, 5603 13 90, and 5603 14 80 (residual code). Until 31 December 2023, the product under investigation was mainly classified under CN codes 5603 14 90 and 5603 13 90.

### 2.3. Like product

- (29) The investigation showed that the following products have the same basic physical chemical and technical characteristics as well as the same basic uses:
- the product concerned when exported to the Union;
  - the product concerned produced and sold on the domestic market of the PRC; and
  - the product under investigation produced and sold in the Union by the Union industry.
- (30) The Commission decided at this stage that those products are therefore like products within the meaning of Article 1(4) of the basic Regulation.

### 2.4. Claims regarding product scope

- (31) The Commission received a claim on the product scope from the importer/user Iko Europe NV (Iko). Iko requested to exclude certain types of PET Spunbond with a width of more than 5 meters and without a binder. The Commission clarified that PET Spunbond products with a binder are included, regardless of the width. Moreover, the Commission also clarified that according to the product definition, product types without binder are outside the product scope of the investigation.
- (32) The product control numbers (PCN's), as established at initiation, distinguished between glass-fibre reinforced and non-reinforced PET Spunbond. Several parties argued in favour of a more refined PCN, that also would consider the different types of binders applied to it (acrylic or starch). However, both the Union industry and the exporting producers use a mixture of binders. All types were found to have similar uses and prices. Hence, a more detailed analysis of products with different types of binder that do not differ in use or price was not found to be necessary.

## 3. DUMPING

### 3.1. Procedure for the determination of the normal value under Article 2(6a) of the basic Regulation

- (33) In view of the sufficient evidence available at the initiation of the investigation pointing to the existence of significant distortions within the meaning of point (b) of Article 2(6a) of the basic Regulation with regard to the PRC, the Commission considered it appropriate to initiate the investigation with regard to the exporting producers from this country having regard to Article 2(6a) of the basic Regulation.
- (34) Consequently, to collect the necessary data for the eventual application of Article 2(6a) of the basic Regulation, in the Notice of Initiation the Commission invited all exporting producers in the PRC to provide information regarding the inputs used for producing PET Spunbond. Four exporting producers submitted the relevant information.
- (35) To obtain information it deemed necessary for its investigation with regard to the alleged significant distortions, the Commission sent a questionnaire to the GOC. In addition, in point 5.3.2 of the Notice of Initiation, the Commission invited all interested parties to make their views known, submit information and provide supporting evidence regarding the application of Article 2(6a) of the basic Regulation within 37 days of the date of publication of the Notice of Initiation in the Official Journal of the European Union.
- (36) In respect of the use of the application of Article 2(6a) of the basic Regulation, no exporting producers questioned the use thereof, while one of them claimed that its factors of production used were all undistorted. However, since it did not further substantiate this claim and since the verification of the questionnaire reply showed that all factors of production were domestically procured and thus subject to the significant distortions detailed in Section 3.2.1. below, the claim was rejected.

- (37) No questionnaire reply was received from the GOC. Subsequently, the Commission informed the GOC that it would use facts available within the meaning of Article 18 of the basic Regulation for the determination of the existence of the significant distortions in the PRC.
- (38) In point 5.3.2 of the Notice of Initiation, the Commission also specified that, in view of the evidence available pursuant to Article 2(6a)(a) of the basic Regulation, for the purpose of determining the normal value based on undistorted prices or benchmarks, possible appropriate representative third countries are Thailand and Türkiye. The Commission further stated that it would examine other possibly appropriate representative countries in accordance with the criteria set out in 2(6a)(a) first indent of the basic Regulation.
- (39) The Commission issued two notes for the file to inform interested parties on the relevant sources it intended to use for the determination of the normal value: the first note on the production factors of 14 November 2025 (hereinafter the 'First Note') and the second note on the production factors of 9 February 2026 (hereinafter the 'Second Note').
- (40) In these notes, the Commission provided a list of all factors of production such as raw materials, labour and energy used in the production of the product concerned. In addition, based on the criteria guiding the choice of undistorted prices or benchmarks, the Commission identified possible representative countries.
- (41) In the First Note, the Commission identified readily available financial statements for three producers of the product under investigation in Thailand and Indonesia. In the second Note, the Commission proposed to establish selling, general and administrative costs ('SG&A') and profits based on PT Multi Spunindo Jaya Tbk a producer of the product concerned in Indonesia, since the readily available financial data obtained from Thai producers were deemed unreliable.
- (42) These notes also addressed the comments received by the interested parties on these elements and on the relevant sources. The comments provided by the parties are addressed in the following sections.

### 3.2. Normal value

- (43) According to Article 2(1) of the basic Regulation, *'the normal value shall normally be based on the prices paid or payable, in the ordinary course of trade, by independent customers in the exporting country'*.
- (44) However, according to Article 2(6a)(a) of the basic Regulation, *'in case it is determined ... that it is not appropriate to use domestic prices and costs in the exporting country due to the existence in that country of significant distortions within the meaning of point (b), the normal value shall be constructed exclusively on the basis of costs of production and sale reflecting undistorted prices or benchmarks', and 'shall include an undistorted and reasonable amount of administrative, selling and general costs and for profits' ('administrative, selling and general costs' is referred hereinafter as 'SG&A').*
- (45) As further explained below, the Commission concluded in the present investigation that, based on the evidence available, and in view of the lack of cooperation of the GOC, the application of Article 2(6a) of the basic Regulation was appropriate.

#### 3.2.1. Existence of significant distortions

- (46) Article 2(6a)(b) of the basic Regulation states that *'significant distortions are those distortions which occur when reported prices or costs, including the costs of raw materials and energy, are not the result of free market forces as they are affected by substantial government intervention. In assessing the existence of significant distortions regard shall be had, inter alia, to the potential impact of one or more of the following elements:*
- the market in question being served to a significant extent by enterprises which operate under the ownership, control or policy supervision or guidance of the authorities of the exporting country;

- state presence in firms allowing the state to interfere with respect to prices or costs;
  - public policies or measures discriminating in favour of domestic suppliers or otherwise influencing free market forces;
  - the lack, discriminatory application or inadequate enforcement of bankruptcy, corporate or property laws;
  - wage costs being distorted;
  - access to finance granted by institutions which implement public policy objectives or otherwise not acting independently of the state.’
- (47) As the list in Article 2(6a)(b) of the basic Regulation is non-cumulative, not all the elements need to be given for a finding of significant distortions. Moreover, the same factual circumstances may be used to demonstrate the existence of one or more of the elements of the list.
- (48) However, any conclusion on significant distortions within the meaning of Article 2(6a)(a) of the basic Regulation must be made on the basis of all the evidence at hand. The overall assessment on the existence of distortions may also take into account the general context and situation in the exporting country, in particular where the fundamental elements of the exporting country’s economic and administrative set-up provide the government with substantial powers to intervene in the economy in such a way that prices and costs are not the result of the free development of market forces.
- (49) Article 2(6a)(c) of the basic Regulation provides that *‘[w]here the Commission has well-founded indications of the possible existence of significant distortions as referred to in point (b) in a certain country or a certain sector in that country, and where appropriate for the effective application of this Regulation, the Commission shall produce, make public and regularly update a report describing the market circumstances referred to in point (b) in that country or sector’*.
- (50) Pursuant to this provision, the Commission issued a country report concerning China (*‘the Report’*)<sup>(8)</sup>, which contains evidence of the existence of substantial government intervention at many levels of the economy, including specific distortions in many key factors of production (such as land, energy, capital, raw materials and labour) as well as selected sectors, such as chemicals.
- (51) Interested parties were invited to rebut, comment or supplement the evidence contained in the investigation file at the time of initiation. The Report concerning China was placed in the investigation file at the initiation stage. The complaint also contained some relevant evidence complementing the Report.
- (52) The complainant relied on the evidence contained in the Report<sup>(9)</sup>. Moreover, the complainant referred to the numerous preferential policies and plans of the GOC that provide support to domestic Chinese PET Spunbond producers, provide ample evidence that the Chinese PET Spunbond industry is subject to significant distortions and not operating under normal market conditions<sup>(10)</sup>.
- (53) Moreover, the complaint recalled the following elements resulting in significant distortions.
- (54) First, the market in question is served to a significant extent by enterprises that operate under the ownership, control, or policy supervision or guidance of the authorities of the exporting country. In particular, the complaint claimed that several PET Spunbond producers have close ties with the GOC, regional or local governments, either directly or via associations<sup>(11)</sup>. As an example, the complaint mentioned that PET Spunbond producer Langfang

<sup>(8)</sup> Commission Staff Working Document on Significant Distortions in the Economy of the People’s Republic of China for the purposes of Trade Defence Investigations, 10 April 2024, SWD (2024) 91 final.

<sup>(9)</sup> Page 12-13 of the complaint.

<sup>(10)</sup> Page 13 of the complaint.

<sup>(11)</sup> Page 13 of the complaint.

Chinatex Nonwovens is part of the state-owned conglomerate Chinatex Corporation (part of the COFCO Group) where the Chinatex Party Committee stands on the same level as the Board of Directors and provided and Annex with information as evidence of the claim <sup>(12)</sup>.

- (55) Furthermore, the complaint also mentioned that the GOC keeps close links with Chinese PET Spunbond producers via representative industry associations such as the China Nonwovens and Industrial Textiles Association ('CNITA'), the China Nonwovens Technical Association in Shanghai ('CNTA Shanghai'), the China National Building Waterproof Association ('CWA' or 'CNBWA') and the China Building Materials Federation ('CBMF') <sup>(13)</sup>. Consequently, even private companies in the PET Spunbond industry are subject to policy supervision and guidance.
- (56) Second, the state presence in PET Spunbond companies also allows the authorities to interfere with prices and/or costs. The complaint noted that the costs of most, if not all, factors of Chinese PET Spunbond production are distorted, including raw materials, electricity, land, and labour costs <sup>(14)</sup>.
- (57) Moreover, the complainant explained that several raw materials to produce PET Spunbond, including PET, yarns and starch, are subject to significant distortions themselves as confirmed by the Commission in the recent cases PET and GFY <sup>(15)</sup>. The complaint also claimed that China also distorts the prices of corn starch and rice starch used to produce the binder of the PET Spunbond, through stockpiling practices <sup>(16)</sup>.
- (58) The complaint also pointed at the cost of energy in China and claimed that the GOC intervenes significantly and systematically in the Chinese power market and that the National Development and Reform Commission ('NDRC') regulates the Chinese domestic prices of electricity and gas <sup>(17)</sup>.
- (59) Furthermore, the complaint argued that the costs of machinery are also distorted as several State policies bring down the cost of equipment and machinery for encouraged industries such as textiles, nonwovens and PET Spunbond industries <sup>(18)</sup>. The complaint also contained evidence that distortions exist also in land and wage costs <sup>(19)</sup>.
- (60) In essence, the complaint noted that due to the policy interventions in all factors for PET Spunbond production, Chinese costs and prices are not driven by market forces. As such, the GOC exerts significant influence over price-setting and the development of the PET Spunbond industry.
- (61) Third, the complaint explained that GOC pursues public policies or measures discriminating in favour of domestic suppliers or otherwise influencing free market forces. The complaint argued that the direction of the Chinese economy is to a significant degree determined by an elaborate system of planning, which sets out priorities and prescribes the goals on which the central and local governments must focus. The Chinese textiles and non-woven fabrics sectors are subject to a number of policies. This confirms the continued importance which the GOC attributes to the PET Spunbond, including the intention to intervene in the sector to shape it in line with government policies.

---

<sup>(12)</sup> Page 13-14 of the complaint and Annex 16.

<sup>(13)</sup> Page 14 of the complaint.

<sup>(14)</sup> Page 17 of the complaint.

<sup>(15)</sup> See Commission Implementing Regulation (EU) 2024/1040 of 27 March 2024 imposing a definitive anti-dumping duty on imports of certain polyethylene terephthalate originating in People's Republic of China (OJ L, 2024/1040, 2.4.2024, ELI: [http://data.europa.eu/eli/reg\\_impl/2024/1040/oj](http://data.europa.eu/eli/reg_impl/2024/1040/oj)); and Commission Implementing Regulation (EU) 2025/501 of 18 March 2025 imposing a definitive anti-dumping duty and definitively collecting the provisional duty imposed on imports of glass fibre yarns originating in the People's Republic of China (OJ L, 2025/501, 19.3.2025, ELI: [http://data.europa.eu/eli/reg\\_impl/2025/501/oj](http://data.europa.eu/eli/reg_impl/2025/501/oj)).

<sup>(16)</sup> Page 17 of the complaint and China Report, pages 346 and 351.

<sup>(17)</sup> Page 17 of the complaint and China Report page 266.

<sup>(18)</sup> Page 18 of the complaint.

<sup>(19)</sup> Page 18 of the complaint.

- (62) In that regard, the complaint mentioned several examples. For instance, in the 14th 5-Year Plan, the PET Spunbond sector is a supported industry benefiting from intelligent manufacturing support projects in the Textile sector as well as the Light Industry and Building Materials sectors<sup>(20)</sup>. The textile and light industry sectors are also promoted in the Made in China 2025 initiative and the 14th 5-Year Intelligent Manufacturing Plan<sup>(21)</sup>. The Catalogue Encouraged Industries foresees support in the Textile industry for improving non-woven production technologies. The Guiding Catalogue for Industry Structural Adjustment also lists new technologies for non-woven processes and polyester recycling to produce non-woven materials in the encouraged category, making them eligible for State support in the form of fiscal, tax, land, and credit assistance<sup>(22)</sup>.
- (63) Fourth, the complaint submitted that PET Spunbond producers have access to finance granted by institutions which implement public policy objectives or otherwise are not acting independently from the State<sup>(23)</sup>. The complaint noted that the Chinese financial system is characterised by the strong position of state-owned banks, that take into consideration criteria other than the economic viability of a project when granting access to financing. The complaint also referred in this regard to the Commission's China Report and argued that just like non-financial SOEs, Chinese banks regularly implement public policies designed by the state<sup>(24)</sup>.
- (64) In conclusion, the complainant argued that significant distortions pursuant to Article 2(6a) of the basic Regulation are present in the PET Spunbond sector.
- (65) The Commission examined whether it was appropriate or not to use domestic prices and costs in China, due to the existence of significant distortions within the meaning of point (b) of Article 2(6a) of the basic Regulation. The Commission did so based on the evidence available on the file. The evidence on the file included the evidence contained in the Report, which relies on publicly available sources.
- (66) That analysis covered the examination of the substantial government interventions in China's economy in general, but also the specific market situation in the relevant sector including the product concerned. The Commission further supplemented these evidentiary elements with its own research on the various criteria relevant to confirm the existence of significant distortions in China.

### 3.2.2. Significant distortions affecting the domestic prices and costs in China

- (67) The Chinese economic system is based on the concept of a 'socialist market economy'. That concept is enshrined in the Chinese Constitution and determines the economic governance of China. The core principle is the '*socialist public ownership of the means of production, namely, ownership by the whole people and collective ownership by the working people*'<sup>(25)</sup>.
- (68) The state-owned economy is the '*leading force in the national economy*' and the state has the mandate to ensure its '*consolidation and growth*'<sup>(26)</sup>. Indeed, compared to the 13th FYP, SASAC confirmed that total assets of central enterprises grew by 44,6 % during the 14th FYP, '*effectively driving the integrated development of upstream and downstream enterprises in the industrial chain and providing strong support for the successful achievement of the main goals and tasks of my country's economic and social development*'<sup>(27)</sup>.
- (69) Consequently, the overall setup of the Chinese economy not only allows for substantial government interventions into the economy, but such interventions are expressly mandated. The notion of supremacy of public ownership over the private one permeates the entire legal system and is emphasized as a general principle in all central pieces of legislation.

<sup>(20)</sup> Page 16 of the complaint and its Annex 22- General 14th 5-Year Plan, page 15 and China Report, pages 320-321.

<sup>(21)</sup> Page 16 of the complaint and its Annex 24- Intelligent Manufacturing Plan, page 16.

<sup>(22)</sup> Page 16 of the complaint and its Annex 26- Guiding Catalogue for Industry Structural Adjustment, pages 49-50.

<sup>(23)</sup> Page 19 of the complaint.

<sup>(24)</sup> Page 19 of the complaint and China Report, page 149 et seq.

<sup>(25)</sup> Report – Chapter 2, p. 7.

<sup>(26)</sup> Report – Chapter 2, p. 7-8.

<sup>(27)</sup> See at: <http://finance.people.com.cn/h1/2026/0128/c1004-40654753.html> (accessed on 5 March 2026).

- (70) The Chinese property law is a prime example: it refers to the primary stage of socialism and entrusts the state with upholding the basic economic system under which the public ownership plays a dominant role. Other forms of ownership are tolerated, with the law permitting them to develop side by side with the state ownership <sup>(28)</sup>.
- (71) In addition, under Chinese law, the socialist market economy is developed under the leadership of the CCP. The structures of the Chinese state and of the CCP are intertwined at every level (legal, institutional, personal), forming a superstructure in which the roles of CCP and the state are indistinguishable.
- (72) Following an amendment of the Chinese Constitution in March 2018, the leading role of the CCP was given an even greater prominence by being reaffirmed in the text of Article 1 of the Constitution.
- (73) Following the already existing first sentence of the provision: '*[t]he socialist system is the basic system of the People's Republic of China*' a new second sentence was inserted which reads: '*[t]he defining feature of socialism with Chinese characteristics is the leadership of the Communist Party of China.*' <sup>(29)</sup>. This illustrates the unquestioned and ever growing control of the CCP over the economic system of China.
- (74) This leadership and control are inherent to the Chinese system and goes well beyond the situation customary in other countries where the governments exercise general macroeconomic control within the boundaries of which free market forces are at play.
- (75) The Chinese state engages in an interventionist economic policy in pursuance of goals, which coincide with the political agenda set by the CCP rather than reflecting the prevailing economic conditions in a free market <sup>(30)</sup>. The interventionist economic tools deployed by the Chinese authorities are manifold, including the system of industrial planning, the financial system, as well as the level of the regulatory environment.
- (76) First, on the level of overall administrative control, the direction of the Chinese economy is governed by a complex system of industrial planning which affects all economic activities within the country. The totality of these plans covers a comprehensive and complex matrix of sectors and crosscutting policies and is present on all levels of government.
- (77) Plans at provincial level are detailed while national plans set broader targets. Plans also specify the means in order to support the relevant industries/sectors as well as the timeframes in which the objectives need to be achieved. Some plans still contain explicit output targets.
- (78) Under the plans, individual industrial sectors and/or projects are being singled out as (positive or negative) priorities in line with the government priorities and specific development goals are attributed to them (industrial upgrade, international expansion, etc.).
- (79) The economic operators, private and state-owned alike, must effectively adjust their business activities according to the realities imposed by the planning system. This is not only because of the binding nature of the plans, but also because the relevant Chinese authorities at all levels of government adhere to the system of plans and use their vested powers, accordingly, thereby inducing the economic operators to comply with the priorities set out in the plans <sup>(31)</sup>.
- (80) Second, on the level of allocation of financial resources, the financial system of China is dominated by the state-owned commercial and policy banks. Those banks, when setting up and implementing their lending policy need to align themselves with the government's industrial policy objectives rather than primarily assessing the economic merits of a given project <sup>(32)</sup>.

<sup>(28)</sup> Report – Chapter 2, p. 10, 18.

<sup>(29)</sup> Available at: [http://www.npc.gov.cn/zgrdw/englishnpc/Constitution/node\\_2825.htm](http://www.npc.gov.cn/zgrdw/englishnpc/Constitution/node_2825.htm) (accessed on 8 April 2024).

<sup>(30)</sup> Report – Chapter 2, p. 29-30.

<sup>(31)</sup> Report – Chapter 4, p. 57, 92.

<sup>(32)</sup> Report – Chapter 6, p. 149-150.

- (81) The same applies to the other components of the Chinese financial system, such as the stock markets, bond markets, private equity markets etc. Also, these parts of the financial sector are institutionally and operationally set up in a manner not geared towards maximizing the efficient functioning of the financial markets but towards ensuring control and allowing intervention by the state and the CCP <sup>(33)</sup>.
- (82) Third, on the level of regulatory environment, the interventions by the state into the economy take several forms. For instance, the public procurement rules are regularly used in pursuit of policy goals other than economic efficiency, thereby undermining market-based principles in the area. The applicable legislation specifically provides that public procurement shall be conducted to facilitate the achievement of goals designed by state policies. However, the nature of these goals remains undefined, thereby leaving broad margin of appreciation to the decision-making bodies <sup>(34)</sup>.
- (83) Similarly, in the area of investment, the GOC maintains significant control and influence over destination and magnitude of both state and private investment. Investment screening as well as various incentives, restrictions, and prohibitions related to investment are used by authorities as an important tool for supporting industrial policy goals, such as maintaining state control over key sectors or bolstering domestic industry <sup>(35)</sup>.
- (84) In sum, the Chinese economic model is based on certain basic axioms, which provide for and encourage manifold government interventions. Such substantial government interventions are at odds with the free play of market forces, resulting in distorting the effective allocation of resources in line with market principles <sup>(36)</sup>.
- 3.2.2.1. Significant distortions according to Article 2(6a)(b), first indent of the basic Regulation: the market in question being served to a significant extent by enterprises which operate under the ownership, control or policy supervision or guidance of the authorities of the exporting country.
- (85) In China, enterprises operating under the ownership, control and/or policy supervision or guidance by the state represent an essential part of the economy.
- (86) The sector of the product concerned is mainly served by private companies, such as Tiandingfeng Non-wovens Co., Ltd <sup>(37)</sup>. and Changde Tiandingfeng Non-wovens Co. <sup>(38)</sup>, Ltd., both wholly-owned by Tiandingfeng Holdings Co. Ltd which is in turn wholly-owned by Beijing Oriental Yuhong Waterproof Technology Co. Ltd. <sup>(39)</sup>, Hubei Bushi Non-Woven Co., Ltd <sup>(40)</sup>, Jiangyin Huasicheng Nonwovens Co., Ltd <sup>(41)</sup> held by Jiangsu Huahong Industrial Group Co. Ltd, or Hebei Qianjin Non-Woven Group Co. Ltd <sup>(42)</sup>. Still, in the upstream sectors, the degree of state ownership remains significant, with a number of PET producers being fully or partially state-owned, such as Zhuhai China Resources Chemical Innovative Materials Co., Ltd (100 % owned by China Resources Group, a Central State owned enterprise ('SOE') <sup>(43)</sup>) or Sinopec, a producer of PTA - a key input to produce PET - and ultimately 100 % owned by SASAC <sup>(44)</sup>.

<sup>(33)</sup> Report – Chapter 6, p. 153 -171.

<sup>(34)</sup> Report – Chapter 7, p. 204-205.

<sup>(35)</sup> Report – Chapter 8, p. 207-208, 242-243.

<sup>(36)</sup> Report – Chapter 2, p. 19-24, Chapter 4, p. 69, p. 99-100, Chapter 5, p. 130-131.

<sup>(37)</sup> See at: <https://www.tdf.com.cn/About.html> (accessed on 11 March 2026).

<sup>(38)</sup> Ibid.

<sup>(39)</sup> See Beijing Oriental Yuhong Waterproof Technology Co. Ltd.'s half-year report, p.192, available at: [http://file.finance.sina.com.cn/211.154.219.97:9494/MRGG/CNSESZ\\_STOCK/2025/2025-8/2025-08-01/11273891.PDF](http://file.finance.sina.com.cn/211.154.219.97:9494/MRGG/CNSESZ_STOCK/2025/2025-8/2025-08-01/11273891.PDF), (accessed on 11 March 2026).

<sup>(40)</sup> See at : <http://www.hbbsfzbb.com/about/?95.html> (accessed on 11 March 2026).

<sup>(41)</sup> See at : <http://huahong-group.com/?list/10.html> (accessed on 11 March 2026).

<sup>(42)</sup> See at: [https://www.cnita.org.cn/hyfw/hydw/201709/t20170920\\_4316933.html](https://www.cnita.org.cn/hyfw/hydw/201709/t20170920_4316933.html) (accessed on 11 March 2026).

<sup>(43)</sup> See at: [http://file.finance.sina.com.cn/211.154.219.97:9494/MRGG/CNSESZ\\_STOCK/2023/2023-4/2023-04-25/9052858.PDF](http://file.finance.sina.com.cn/211.154.219.97:9494/MRGG/CNSESZ_STOCK/2023/2023-4/2023-04-25/9052858.PDF) (Accessed on 11 March 2026).

<sup>(44)</sup> See at: <http://en.sasac.gov.cn/> (accessed on 11 March 2026).

- (87) However, CCP interventions into operational decision making have become the norm not only in SOEs, but also in private companies<sup>(45)</sup>, with CCP claiming leadership over virtually every aspect of the country's economy. Indeed, the State's influence by means of CCP structures within companies effectively results in economic operators being under the government's control and policy supervision, given how far the State and Party structures have grown together in China. Moreover, the whole sector of the product concerned is subject to several government policies. To start with, PET, one of the main inputs of PET Spunbond is included in the advanced petrochemical materials and advanced light industry materials covered by the Made in China 2025 Roadmap<sup>(46)</sup>.
- (88) Furthermore, the PET industry is listed amongst the industries to be encouraged in the 2024 Edition of the Guiding Catalogue for industry structural adjustment which signals the authorities' intentions to create a regulatory environment conducive to the sector's development and which also potentially paves the way to the industry's access to finance<sup>(47)</sup>. At the same time, PET producers with smaller production capacities are also listed amongst the restricted industries showing the Chinese authorities intend to influence the PET industry layout: '*[c]onventional polyester (PET) continuous polymerization production with a single line capacity of less than 200 000 tons/year*'.
- (89) Moreover, the 14th FYP on raw materials<sup>(48)</sup> directly addresses the petrochemical sector by stating that '*[i]n sectors including petrochemicals and chemicals, steel, non-ferrous metals, and building materials, we shall foster a number of industry chain pioneer enterprises exerting leadership on the ecosystem and characterized by core competitiveness, (...). The guiding role of leading enterprises in chemical and building materials sectors shall be leveraged to promote corporate reform and restructuring*'.
- (90) Government control and policy supervision can be also observed at the level of the relevant industry associations<sup>(49)</sup>.
- (91) For instance, the China Petrochemical and Chemical Industry Federation ('CPCIF') the sectoral industry association. According to Art. 3 of CPCIF's Articles of Association, the organisation '*accepts the professional guidance, supervision and management by the entities in charge of registration and management, by entities in charge of Party building, as well as by the relevant administrative departments in charge of industry management*'<sup>(50)</sup>. Sinopec is a member of CPCIF<sup>(51)</sup>.
- (92) Additionally, the China Non-woven and Industry Textile Association<sup>(52)</sup> ('CNITA') is also relevant for the product concerned. Article 3 of CNITA's Articles of Association stipulates that '*[the] association adheres to the overall leadership of the Communist Party of China, establishes Party organizations, carries out Party activities*', and '*accepts the business guidance and supervision of the registration and management authority, the Party building leadership authority, and relevant industry management departments*'<sup>(53)</sup>. Tiandingfeng Holdings Co. Ltd<sup>(54)</sup> and Hebei Qianjin Non-Woven Group<sup>(55)</sup> are members of CNITA.
- (93) Consequently, privately owned producers in the sector of the product concerned are prevented from operating under market conditions. Indeed, both public and privately owned enterprises in the sector are subject to policy supervision and guidance.

<sup>(45)</sup> Art. 33 of the CCP Constitution, Article 19 of the Chinese Company Law. See Report – Chapter 3, p. 47-50.

<sup>(46)</sup> See, p. 145 and 147 of the Made in China 2025 Roadmap available at: <https://www.cae.cn/cae/html/files/2015-10/29/20151029105822561730637.pdf> (accessed on 11 March 2026).

<sup>(47)</sup> See, p. 45 and 48 of the 2024 Guiding Catalogue for industry structural adjustment available at: [https://www.ndrc.gov.cn/xxgk/zcfb/fzggwl/202312/t20231229\\_1362999.html](https://www.ndrc.gov.cn/xxgk/zcfb/fzggwl/202312/t20231229_1362999.html) (accessed on 11 March 2026).

<sup>(48)</sup> 14th FYP on raw materials, Sections IV.2 and VIII.1. Available at : [https://www.miit.gov.cn/zwgk/zcwj/wjfb/tz/art/2021/art\\_2960538d19e34c66a5eb8d01b74cbb20.html](https://www.miit.gov.cn/zwgk/zcwj/wjfb/tz/art/2021/art_2960538d19e34c66a5eb8d01b74cbb20.html) (accessed on 11 March 2026).

<sup>(49)</sup> Report – Chapter 2, p. 24-27.

<sup>(50)</sup> See at: <http://www.cpcif.org.cn/detail/40288043661e27fb01661e386a3f0001?e=1> (accessed on 11 March 2026).

<sup>(51)</sup> See at: <http://www.cpcif.org.cn/list/40288043661dc14701661ddbe0980010> (accessed on 11 March 2026).

<sup>(52)</sup> See at: <https://www.cnita.org.cn/> (accessed on 11 March 2026).

<sup>(53)</sup> See at: <https://www.cnita.org.cn/xhzc/xhzc/> (accessed on 11 March 2026).

<sup>(54)</sup> See at: [https://www.cnita.org.cn/hyfw/hydw/index\\_20.html](https://www.cnita.org.cn/hyfw/hydw/index_20.html) (accessed on 11 March 2026).

<sup>(55)</sup> See at: [https://www.cnita.org.cn/hyfw/hydw/201709/t20170920\\_4316933.html](https://www.cnita.org.cn/hyfw/hydw/201709/t20170920_4316933.html) (accessed on 11 March 2026).

3.2.2.2. Significant distortions according to Article 2(6a)(b), second indent of the basic Regulation: State presence in firms allowing the state to interfere with respect to prices or costs

- (94) The GOC is in position to interfere with prices and costs through state presence in firms. Indeed, CCP cells in enterprises, state-owned and private alike, represent an important channel through which the state can interfere with business decisions.
- (95) According to China's company law, a CCP organisation is to be established in every company (with at least three CCP members as specified in the CCP Constitution <sup>(56)</sup>) and the company shall provide the necessary conditions for the activities of the Party organisation.
- (96) In the past, this requirement appeared not to have always been followed or strictly enforced. However, since at least 2016 the CCP has been reinforcing its claims to control business decisions in companies as a matter of political principle <sup>(57)</sup>, including exercising pressure on private companies to put 'patriotism' first and to follow Party discipline <sup>(58)</sup>.
- (97) Already in 2017, it was reported that party cells existed in 70 % of some 1,86 million privately owned companies, with growing pressure for the CCP organisations to have a final say over the business decisions within their respective companies <sup>(59)</sup>. These rules are of general application throughout the Chinese economy, across all sectors, including to the producers of the product concerned and the suppliers of their inputs.
- (98) In addition, on 15 September 2020 a document titled General Office of CCP Central Committee's Guidelines on stepping up the United Front work in the private sector for the new era (*the Guidelines*) <sup>(60)</sup> was released, which further expanded the role of the Party committees in private enterprises.
- (99) Section II.4 of the Guidelines states: '[w]e must raise the Party's overall capacity to lead private-sector United Front work and effectively step up the work in this area'; and section III.6 states: '[w]e must further step up Party building in private enterprises and enable the Party cells to play their role effectively as a fortress and enable Party members to play their parts as vanguards and pioneers'. The Guidelines thus emphasise and seek to increase the role of the CCP in companies and other private sector entities <sup>(61)</sup>.
- (100) The investigation confirmed that overlaps between managerial positions and CCP membership / Party functions exist also in the PET Spunbond sector.
- (101) To provide an example, two Vice-Presidents <sup>(62)</sup> of Beijing Oriental Yuhong Waterproof Technology Co. Ltd are also members of the CCP <sup>(63)</sup>.

<sup>(56)</sup> Report – Chapter 3, p. 40.

<sup>(57)</sup> See for example: Blanchette, J. – Xi's Gamble: *The Race to Consolidate Power and Stave off Disaster*; Foreign Affairs, vol. 100, no. 4, July/August 2021, pp. 10-19.

<sup>(58)</sup> Report – Chapter 3, p. 41.

<sup>(59)</sup> Available at: <https://www.reuters.com/article/us-china-congress-companies-idUSKCN1B40JU>.

<sup>(60)</sup> General Office of CCP Central Committee's Guidelines on stepping up the United Front work in the private sector for the new era: [www.gov.cn/zhengce/2020-09/15/content\\_5543685.htm](http://www.gov.cn/zhengce/2020-09/15/content_5543685.htm) (accessed on ...).

<sup>(61)</sup> Financial Times (2020) - Chinese Communist Party asserts greater control over private enterprise: <https://on.ft.com/3mYxP4j> (accessed on ...).

<sup>(62)</sup> See at: <https://www.yuhong.com.cn/about/Team/Executive/2019/0614/210.html> (accessed on 12 March 2026).

<sup>(63)</sup> See Beijing Oriental Yuhong Waterproof Technology CO. Ltd.'s annual report 2016, p. 86, available at: [http://file.finance.sina.com.cn/211.154.219.97:9494/MRGG/CNSESZ\\_STOCK/2017/2017-4/2017-04-21/3265799.PDF](http://file.finance.sina.com.cn/211.154.219.97:9494/MRGG/CNSESZ_STOCK/2017/2017-4/2017-04-21/3265799.PDF) (accessed on 12 March 2026).

- (102) Furthermore, Changde Tiandingfeng Non-wovens Co. Ltd. set up a Party Branch in 2021 and *'adheres to the Party building leadership to guide the company's development (64).'* For instance, *'9 party members played a leading role in production, business operations and technological innovation'*. Also, *'as regards industry upgrading, the Party organization coordinates to promote the coordinated development of the upstream and downstream industry chain (65).'*
- (103) Changde Tiandingfeng Non-wovens Co. Ltd's Party Branch was commended by the Changde Municipal Party Committee as an *'advanced grassroots Party organization (66).'*
- (104) The CCP's interference into the business decisions is apparent also in the upstream industry as transpires from the available corporate filings. The 2022 annual report of the Sinopec Group, a producer of inputs to produce PET, points out that *'[t]he company continuously improves the quality of party building work, boosting the spirit of the employees, strengthening discipline inspection and supervision work, helping the board of directors to effectively implement various decisions and arrangements, and promoting the high-quality development of the company'*. (67). Moreover, Sinopec Group's chairman of the board of directors is the secretary of the Party committee and several members of the board serve as deputy secretaries of the Party committee (68). Sinopec Group stated that it intends to *'focus on the company's new mission and new tasks on the new journey, carry forward the party's self-revolutionary spirit, strengthen the party's leadership and party building in an all-round and integrated manner, and systematically promote comprehensive and strict party governance, so as to provide a strong guarantee for writing a new chapter of China's modern petrochemical industry'* (69).
- (105) The state's presence and intervention in the financial markets as well as in the provision of raw materials and inputs further have an additional distorting effect on the market (70). Thus, the state presence in firms, in the PET Spunbond and other sectors (such as the financial and input sectors) allows the GOC to interfere with respect to prices and costs.

3.2.2.3. Significant distortions according to Article 2(6a)(b), third indent of the basic Regulation: public policies or measures discriminating in favour of domestic suppliers or otherwise influencing free market forces

- (106) The direction of the Chinese economy is to a significant degree determined by an elaborate system of planning which sets out priorities and prescribes the goals the central, provincial and local governments must focus on. Relevant plans exist at all levels of government and cover virtually all economic sectors. The objectives set by the planning instruments are of a binding nature and the authorities at each administrative level monitor the implementation of the plans by the corresponding lower level of government.
- (107) Overall, the system of planning in China results in resources being driven to sectors designated as strategic or otherwise politically important by the government, rather than being allocated in line with market forces (71).
- (108) The Chinese authorities have enacted a number of policies guiding the functioning of the sector of the product concerned.
- (109) The PET industry is mentioned in the Made In China 2025 Roadmap (72) as a sector to be further developed, either as an advanced petrochemical material and also as an advanced light industry material.

(64) See at: <https://finance.sina.com.cn/jjxw/2025-11-28/doc-infyyany9813180.shtml?from=ggmp> (accessed on 12 March 2026).

(65) Ibid.

(66) See at: [https://www.changde.gov.cn/cdzx/cdyw/content\\_78161700](https://www.changde.gov.cn/cdzx/cdyw/content_78161700) (accessed on 13 March 2026).

(67) See at: <http://www.sinopec.com/u/cms/gfyw/202411/27092756kosx.pdf>, p. 26 (accessed on 12 March 2025).

(68) See at: <http://www.sinopecgroup.com/group/gsglc/index.shtml> (accessed on 12 March 2026).

(69) See at: <http://www.sinopecgroup.com/group/000/000/041/41878.shtml> (accessed on 12 March 2026).

(70) Report – Chapter 14, Sections 14.1 to 14.3.

(71) Report – Chapter 4, p. 56-57, 99-100.

(72) See at : <https://www.cae.cn/cae/html/files/2015-10/29/20151029105822561730637.pdf>, p. 145 and 147 (accessed on 12 March 2026).

- (110) The 14th FYP on Economic and Social Development and 2035 Perspectives <sup>(73)</sup> aims to ‘upgrade traditional industries, promote the optimization and structural adjustment of raw material industries such as petrochemicals, steel, nonferrous metals, and building materials, expand the supply of high-quality products in sectors such as light industry and textiles, speed up the transformation and upgrading of enterprises in key industries such as the chemical industry and papermaking, and improve the green manufacturing system.’ <sup>(74)</sup>.
- (111) According to the 14th FYP on the Raw Materials Industry <sup>(75)</sup>, ‘The layout plan for the petrochemical industry will be put in place and new xylene and ethylene projects other than those laid down in the plan shall be strictly prohibited. [...] [China] will focus on the subfields or key products with solid industrial foundations, prominent comparative advantages, and leading technologies, with a view to giving full play to the guiding role of leading enterprises in the industrial chain, [...] and developing a batch of industrial clusters in petrochemicals, [...] green building materials, and new materials.’ <sup>(76)</sup>.
- (112) Additionally, the Guiding Opinion on Promoting the High Quality Development of the Petrochemical and Chemical Industry <sup>(77)</sup> requires to ‘strengthen sectoral policies and scientifically regulate the scale of the industry: [...] enhance the supply capacity of high-end polymers, specialty chemicals and other products; [...] as well as to ‘[i]mprove supporting policies: strengthen the coordination of fiscal, financial, regional, investment, import and export, energy, ecological, environmental, price and other policies with industrial policies. Give full play to the role of the national industry-finance cooperation platform [...]’.
- (113) On the provincial level, the Shandong 14th FYP on the development of chemical industry <sup>(78)</sup> calls on the local authorities to ‘[i]ncrease the technological transformation of existing enterprises, improve energy and resource utilization efficiency, and enhance the core competitiveness of enterprises. Establish a mechanism for enterprises to withdraw from parks, resolutely eliminate obsolete production capacity, strictly control restricted production capacity, and implement differentiated policies and measures for the allocation of resource factors such as land, electricity, and water to force enterprises to transform and develop’. It also calls to ‘[i]ncrease financial support. Strengthen fiscal policy incentives, coordinate and involve special funds, support chemical companies in accelerating technological transformation, intelligent transformation, industrial transfers, relocation into parks, elimination of obsolete equipment, etc., and implement tax exemptions applicable to imports of major technical equipment, VAT refunds, research and development policies such as additional deduction of expenses and insurance compensation for the first set of technical equipment. Actively guide various financial institutions and social capital to invest in the chemical industry, leverage the advantages of policy finance, development finance and commercial finance, and increase financial support for key areas of chemical technology’. Tiandingfeng Non-wovens Co. <sup>(79)</sup>, Ltd is located in Shandong.
- (114) Furthermore, the Hunan 14th FYP on the development of strategic and emerging industries <sup>(80)</sup> also seeks to develop new chemical materials: ‘develop new synthetic rubbers, speciality resins, high-performance engineering plastics and other polymer materials.’ Changde Tiandingfeng Non-wovens Co. Ltd is located in Hunan, more precisely in Changde Municipality’s West Dongting Industry Development Zone which issued an implementation plan for five improvements 2022-2025 <sup>(81)</sup> seeking to ‘strengthen leading industries, expand emerging industries and cultivate future industries [...]and] on the basis of large-scale projects such as Tiandingfeng, [to] attract a number of upstream and

<sup>(73)</sup> See at: [https://www.gov.cn/xinwen/2021-03/13/content\\_5592681.htm](https://www.gov.cn/xinwen/2021-03/13/content_5592681.htm) (accessed on 12 March 2026).

<sup>(74)</sup> Ibid Section III.8.

<sup>(75)</sup> See at: [https://www.gov.cn/zhengce/zhengceku/2021-12/29/content\\_5665166.htm](https://www.gov.cn/zhengce/zhengceku/2021-12/29/content_5665166.htm) (accessed on 12 March 2026).

<sup>(76)</sup> Ibid. See Section IV.2.

<sup>(77)</sup> See at: [https://www.miit.gov.cn/zwgk/zcwj/wjfb/yj/art/2022/art\\_4ef438217a4548cb98c2d7f4f091d72e.html](https://www.miit.gov.cn/zwgk/zcwj/wjfb/yj/art/2022/art_4ef438217a4548cb98c2d7f4f091d72e.html) (accessed on 13 March 2026).

<sup>(78)</sup> See at: <http://gxt.shandong.gov.cn/module/download/downloadfile.jsp?classid=0&filename=17e54531cb74483596b5cca1a40ec8d8.pdf> (accessed on 12 March 2026).

<sup>(79)</sup> See at: <https://www.tdf.com.cn/search.html?keywords=%E5%B1%B1%E4%B8%9C&appId=all> (accessed on 13 March 2026).

<sup>(80)</sup> See at: [http://www.hunan.gov.cn/xxgk/wjk/szfbgt/202108/t20210825\\_20396613.html](http://www.hunan.gov.cn/xxgk/wjk/szfbgt/202108/t20210825_20396613.html) (accessed on 13 March 2026).

<sup>(81)</sup> See at: <https://xdt.changde.gov.cn/zwgk/public/6617380/8364528.html> (accessed on 13 March 2026).

*downstream industries to form an industrial chain'. To this end, the West Dongting authorities 'helped Changde Tiandingfeng Non-woven Co. Ltd. Successfully apply for the provincial advanced manufacturing highland construction special fund project, the provincial digital industry high-quality development special fund project and the provincial intelligent manufacturing benchmark enterprise, etc., to help enterprises obtain policy and financial support.'* <sup>(82)</sup>.

- (115) In addition, the Hubei 14th FYP on the high-quality development of the new materials industry <sup>(83)</sup> seeks to focus on engineering plastics and *'improve the industry's technological level for high-performance engineering plastics such as polyoxymethylene, PET / PBT resin, [...]*.
- (116) Through these and other means, the GOC therefore directs and controls virtually every aspect in the development and functioning of the sector, as well as the upstream inputs.
- (117) In sum, the GOC has measures in place to induce operators to comply with the public policy objectives concerning the sector. Such measures impede market forces from operating freely.

3.2.2.4. Significant distortions according to Article 2(6a)(b), fourth indent of the basic Regulation: the lack, discriminatory application or inadequate enforcement of bankruptcy, corporate or property laws

- (118) According to the information on file, the Chinese bankruptcy system delivers inadequately on its own main objectives such as to fairly settle claims and debts and to safeguard the lawful rights and interests of creditors and debtors. This appears to be rooted in the fact that while the Chinese bankruptcy law formally rests on principles that are similar to those applied in corresponding laws in countries other than China, the Chinese system is characterised by systematic under-enforcement.
- (119) The number of bankruptcies remains notoriously low in relation to the size of the country's economy, not least because the insolvency proceedings suffer from a number of shortcomings which effectively function as a disincentive for bankruptcy filings. Moreover, the role of the state in the insolvency proceedings remains strong and active, often having direct influence on the outcome of the proceedings <sup>(84)</sup>.
- (120) In addition, the shortcomings of the system of property rights are particularly obvious in relation to ownership of land and land-use rights in China <sup>(85)</sup>. All land is owned by the state (collectively owned rural land and State-owned urban land) and its allocation remains solely dependent on the state. There are legal provisions that aim at allocating land use rights in a transparent manner and at market prices, for instance by introducing bidding procedures. However, these provisions are regularly not respected, with certain buyers obtaining their land for free or below market rates <sup>(86)</sup>. Moreover, authorities often pursue specific political goals including the implementation of the economic plans when allocating land <sup>(87)</sup>.
- (121) Much like other sectors in the Chinese economy, the producers of the product concerned are subject to the ordinary rules on Chinese bankruptcy, corporate, and property laws. That has the effect that these companies, too, are subject to the top-down distortions arising from the discriminatory application or inadequate enforcement of bankruptcy and property laws. Those considerations, on the basis of the evidence available, appear to be fully applicable also in the PET Spunbond sector. The present investigation revealed nothing that would call those findings into question.

<sup>(82)</sup> See at: [https://www.changde.gov.cn/cdxx/qxdt/content\\_1085558](https://www.changde.gov.cn/cdxx/qxdt/content_1085558) (accessed on 13 March 2026).

<sup>(83)</sup> See at: [https://jxt.hubei.gov.cn/fbjd/xxgkml/jhgh/202203/t20220325\\_4056642.shtml](https://jxt.hubei.gov.cn/fbjd/xxgkml/jhgh/202203/t20220325_4056642.shtml) (accessed on 13 March 2026).

<sup>(84)</sup> Report – Chapter 6, p. 171-179.

<sup>(85)</sup> Report – Chapter 9, p. 260-261.

<sup>(86)</sup> Report – Chapter 9, p. 257-260.

<sup>(87)</sup> Report – Chapter 9, p. 252-254.

(122) In light of the above, the Commission concluded that there was discriminatory application or inadequate enforcement of bankruptcy and property laws in the sector of the product concerned.

3.2.2.5. Significant distortions according to Article 2(6a)(b), fifth indent of the basic Regulation: wage costs being distorted

(123) A system of market-based wages cannot fully develop in China as workers and employers are impeded in their rights to collective organisation. China has not ratified a number of essential conventions of the International Labour Organisation, in particular those on freedom of association and on collective bargaining <sup>(88)</sup>.

(124) Under national law, only one trade union organisation is active. However, this organisation lacks independence from the state authorities and its engagement in collective bargaining and protection of workers' rights remains rudimentary <sup>(89)</sup>. Moreover, the mobility of the Chinese workforce is restricted by the household registration system, which limits access to the full range of social security and other benefits to local residents of a given administrative area.

(125) This typically results in workers who are not in possession of the local residence registration finding themselves in a vulnerable employment position and receiving lower income than the holders of the residence registration <sup>(90)</sup>. Those findings lead to the distortion of wage costs in China.

(126) No evidence was submitted to the effect that the PET Spunbond sector would not be subject to the Chinese labour law system described. The sector is thus affected by the distortions of wage costs both directly (when making the product concerned or the main raw material for its production) as well as indirectly (when having access to capital or inputs from companies subject to the same labour system in China).

3.2.2.6. Significant distortions according to Article 2(6a)(b), sixth indent of the basic Regulation: access to finance granted by institutions which implement public policy objectives or otherwise not acting independently of the state

(127) Access to capital for corporate actors in China is subject to various distortions.

(128) First, the Chinese financial system is characterised by the strong position of state-owned banks <sup>(91)</sup>, which, when granting access to finance, take into consideration criteria other than the economic viability of a project. Similar to non-financial SOEs, the banks remain connected to the state not only through ownership but also via personal relations (the top executives of large state-owned financial institutions are ultimately appointed by the CCP) <sup>(92)</sup> and they regularly implement public policies designed by the GOC.

(129) In doing so, the banks comply with an explicit legal obligation to conduct their business in accordance with the needs of the national economic and social development and under the guidance of the industrial policies of the state <sup>(93)</sup>. While it is acknowledged that various legal provisions refer to the need to respect normal banking behaviour and prudential rules such as the need to examine the creditworthiness of the borrower, the overwhelming evidence, including findings made in trade defence investigations, suggests that these provisions play only a secondary role in the application of the various legal instruments.

(130) Recent developments further illustrate the extent of government influence over financial institutions in China. In March 2025, the Government of China (GOC) announced an issuance of CNY 500 billion in treasury bonds to provide substantial financial support to major banks, including the Bank of China, China Construction Bank, Bank of Communications, and Postal Savings Bank of China. This intervention was aimed at stabilising these institutions amidst declining profitability and record low net interest margins, highlighting the proactive measures taken by the state to maintain economic stability <sup>(94)</sup>.

<sup>(88)</sup> Report – Chapter 13, p. 360-361, 364-370.

<sup>(89)</sup> Report – Chapter 13, p. 366.

<sup>(90)</sup> Report – Chapter 13, p. 370-373.

<sup>(91)</sup> Report – Chapter 6, p. 137-140.

<sup>(92)</sup> Report – Chapter 6, p. 146-149.

<sup>(93)</sup> Report – Chapter 6, p. 149.

<sup>(94)</sup> GOC Ad hoc Support to Banks, Official announcement, Ministry of Finance, China, 29 March 2025 [https://www.mof.gov.cn/zhengwuxinxi/caizhengxinwen/202503/t20250329\\_3961036.htm](https://www.mof.gov.cn/zhengwuxinxi/caizhengxinwen/202503/t20250329_3961036.htm) (accessed on 12 March 2026).

- (131) Also, the GOC has clarified that even private commercial banking decisions must be overseen by the CCP and remain in line with national policies. One of the state's three overarching goals in relation to banking governance is now to strengthen the Party's leadership in the banking and insurance sector, including in relation to operational and management issues <sup>(95)</sup>. Also, the performance evaluation criteria of commercial banks have now to, notably, take into account how entities 'serve the national development objectives and the real economy', and in particular how they 'serve strategic and emerging industries'. <sup>(96)</sup>.
- (132) Furthermore, on the level of allocation of financial resources, with Several Measures to Further Promote the Development of Private Investment <sup>(97)</sup>, the GOC seeks to 'increase central budget resources to support qualified private investment projects and to actively play a guiding and leading role'. The GOC also intends to 'make good use of new policy financial instruments [and] support a number of qualified private investment projects in important industries and key areas' <sup>(98)</sup>.
- (133) Additionally, bond and credit ratings are often distorted for a variety of reasons including the fact that the risk assessment is influenced by the firm's strategic importance to the GOC and the strength of any implicit guarantee by the government <sup>(99)</sup>. This is compounded by additional existing rules, which direct finances into sectors designated by the government as encouraged or otherwise important <sup>(100)</sup>. This results in a bias in favour of lending to SOEs, large well-connected private firms and firms in key industrial sectors, which implies that the availability and cost of capital is not equal for all players on the market.
- (134) Second, borrowing costs have been kept artificially low to stimulate investment growth. This has led to the excessive use of capital investment with ever lower returns on investment. This is illustrated by the growth in corporate leverage in the state sector despite a sharp fall in profitability, which suggests that the mechanisms at work in the banking system do not follow normal commercial responses.
- (135) Thirdly, although nominal interest rate liberalization was achieved in October 2015, price signals are still not the result of free market forces but are influenced by government-induced distortions. The share of lending at or below the benchmark rate still represented at least one-third of all lending as of the end of 2018 <sup>(101)</sup>. Official media in China have recently reported that the CCP called for 'guiding the loan market interest rate downwards' <sup>(102)</sup>. Artificially low interest rates result in under-pricing, and consequently, the excessive utilization of capital.
- (136) Overall credit growth in the China indicates a worsening efficiency of capital allocation without any signs of credit tightening that would be expected in an undistorted market environment. As a result, non-performing loans have increased rapidly, with the GOC a number of times opting to either avoid defaults, thus creating so called 'zombie' companies, or to transfer the ownership of the debt (e.g. via mergers or debt-to-equity swaps), without necessarily removing the overall debt problem or addressing its root causes.

<sup>(95)</sup> See official policy document of the China Banking and Insurance Regulatory Commission of 28 August 2020: Three-year action plan for improving corporate governance of the banking and insurance sectors (2020-2022): <http://www.cbirc.gov.cn/cn/view/pages/ItemDetail.html?docId=925393&itemId=928> (accessed on 8 April 2024). The Plan instructs to 'further implement the spirit embodied in General Secretary Xi Jinping's keynote speech on advancing the reform of corporate governance of the financial sector'. Moreover, the Plan's section II aims at promoting the organic integration of the Party's leadership into corporate governance: 'we shall make the integration of the Party's leadership into corporate governance more systematic, standardised and procedure-based [...] Major operational and management issues must have been discussed by the Party Committee before being decided upon by the Board of Directors or the senior management'.

<sup>(96)</sup> See CBIRC's *Notice on the Commercial banks performance evaluation method*, issued on 15 December 2020: [http://jrs.mof.gov.cn/gongzuotongzhi/202101/t20210104\\_3638904.htm](http://jrs.mof.gov.cn/gongzuotongzhi/202101/t20210104_3638904.htm).

<sup>(97)</sup> See at: [https://www.gov.cn/zhengce/content/202511/content\\_7047643.htm](https://www.gov.cn/zhengce/content/202511/content_7047643.htm) (accessed on 12 December 2025).

<sup>(98)</sup> *Ibid*, Section 11.

<sup>(99)</sup> Report – Chapter 6, p. 157-158.

<sup>(100)</sup> Report – Chapter 6, p. 150-152, 156-160, 165-171.

<sup>(101)</sup> OECD (2019), OECD Economic Surveys: China 2019, OECD Publishing, Paris. p. 29, available at: [https://doi.org/10.1787/eco\\_surveys-chn-2019-en](https://doi.org/10.1787/eco_surveys-chn-2019-en).

<sup>(102)</sup> [http://www.mof.gov.cn/zhengwuxinxi/caizhengxinwen/202006/t20200618\\_3534446.htm](http://www.mof.gov.cn/zhengwuxinxi/caizhengxinwen/202006/t20200618_3534446.htm) (accessed on 13 March 2026).

- (137) In essence, despite the steps that have been taken to liberalize the market, the corporate credit system in China is affected by significant distortions resulting from the continuing pervasive role of the state in the capital markets. Therefore, the substantial government intervention in the financial system leads to the market conditions being severely affected at all levels.
- (138) No evidence was submitted in the present investigation demonstrating that the sector of the product concerned is not affected by the government intervention in the financial system in the sense of Article 2(6a)(b), sixth indent of the basic Regulation. Therefore, the substantial government intervention in the financial system leads to the market conditions being severely affected at all levels.

### 3.2.3. *Systemic nature of the distortions described*

- (139) The Commission noted that the distortions described in the updated Report are characteristic for the Chinese economy. The evidence available shows that the facts and features of the Chinese system as described above as well as in Part I of the updated Report apply throughout the country and across the sectors of the economy. The same holds true for the description of the factors of production as set out above and in Part II of the updated Report.
- (140) The Commission recalls that in order to produce the product concerned, certain inputs are needed. When the producers of the product concerned purchase/contract these inputs, the prices they pay (and which are recorded as their costs) are clearly exposed to the same systemic distortions mentioned before. For instance, suppliers of inputs employ labour that is subject to the distortions. They may borrow money that is subject to the distortions on the financial sector/capital allocation. In addition, they are subject to the planning system that applies across all levels of government and sectors. These distortions were described in detail above, in particular in recitals 67 to 138. The Commission pointed out that the regulatory setup underpinning those distortions is generally applicable, PET Spunbond producers being subject to those rules as any other economic operator in China. The distortions have therefore a direct bearing on the cost structure of the product concerned.
- (141) As a consequence, not only the domestic sales prices of the product concerned are not appropriate for use within the meaning of Article 2(6a)(a) of the basic Regulation, but all the input costs (including raw materials, energy, land, financing, labour, etc.) are also affected because their price formation is affected by substantial government intervention, as described in Parts I and II of the updated Report.
- (142) Indeed, the government interventions described in relation to the allocation of capital, land, labour, energy and raw materials are present throughout China. This means, for instance, that an input that in itself was produced in China by combining a range of factors of production is exposed to significant distortions. The same applies for the input to the input and so forth.
- (143) No evidence or argument to the contrary has been adduced by the GOC or the exporting producers in the present investigation.

### 3.2.4. *Arguments from the interested parties*

- (144) It follows from recital 36 that no party questioned the use of Article 2(6a) of the basic Regulation per se, and that GOC did not cooperate in the investigation.

### 3.2.5. *Conclusion*

- (145) The analysis set out in this section, which includes an examination of all the available evidence relating to China's intervention in its economy in general as well as in the sector of the product concerned showed that prices and costs of the product concerned, including the costs of raw materials, energy and labour, are not the result of free market forces because they are affected by substantial government intervention within the meaning of Article 2(6a)(b) of the basic Regulation as shown by the actual or potential impact of one or more of the relevant elements listed therein.
- (146) On that basis, the Commission concluded that it is not appropriate to use domestic prices and costs to establish normal value in this case.

(147) Consequently, the Commission proceeded to construct the normal value exclusively on the basis of costs of production and sale reflecting undistorted prices or benchmarks, that is, in this case, on the basis of corresponding costs of production and sale in an appropriate representative country, in accordance with Article 2(6a)(a) of the basic Regulation, as described in the following section.

### 3.2.6. Representative country

#### 3.2.6.1. General remarks

(148) The choice of the representative country was based on the following criteria pursuant to Article 2(6a) of the basic Regulation:

- A level of economic development similar to the PRC. For this purpose, the Commission used countries with a gross national income per capita similar to the PRC on the basis of the database of the World Bank <sup>(103)</sup>;
- Production of the product under investigation in that country;
- Existence of relevant readily available data in the representative country;
- Where there is more than one possible representative country, preference was given, where appropriate, to the country with an adequate level of social and environmental protection.

(149) As explained in recital 39, the Commission issued two notes for the file on the sources for the determination of the normal value. These notes described the facts and evidence underlying the relevant criteria, and also addressed the comments received by the parties on these elements and on the relevant sources.

#### 3.2.6.2. A level of economic development similar to the PRC

(150) In the First Note, the Commission informed interested parties on the relevant sources it intended to use for the determination of the normal value and provided a list of all factors of production such as raw materials, labour and energy. It also identified possible representative countries.

(151) According to import statistics of raw materials, imports of the factors of production ('FOPs') necessary to produce PET Spunbond were found in Indonesia, Thailand and Türkiye, all of which met the criteria set out in 2(6a)(a), first indent of the basic Regulation. It is also considered likely that PET Spunbond is produced in those three countries.

(152) No comments were received concerning the countries identified in the First Note regarding the level of economic development. However, several parties commented upon the reliability of prices for certain FOPs in each of the countries, which are addressed in the following recitals.

(153) In the Second Note, the Commission informed interested parties of its intention to use Thailand as an appropriate representative country in the present case if the existence of significant distortions pursuant to Article 2(6a) of the basic Regulation would be confirmed.

##### 3.2.6.2.1. Thailand

(154) In response to the First Note, Changde Tiandingfeng Nonwovens Co Ltd and Tiandingfeng Nonwovens Co Ltd, (the latter two referred henceforth as the 'TDF Group') argued in favour of Türkiye compared to Thailand as a representative country because the PET chip imports in Türkiye would be more diversified, higher in volume, and mostly sourced from market-economy countries, and therefore more representative of undistorted market prices.

<sup>(103)</sup> World Bank Open Data – Upper Middle Income, <https://data.worldbank.org/income-level/upper-middle-income>.

- (155) Hubei Unibon nonwovens Co Ltd ('Unibon') argued that Thailand is not appropriate as a representative country as the PET chips imports into that country would be distorted because of the large portion of PET chip imports originating in China, with the average import price from other countries markedly higher than in the two other potential representative countries. Unibon claimed that those prices would indicate that Thailand's non-Chinese imports are largely special-grade or atypical PET chips and cannot therefore be considered a standard benchmark for PET chips used in the production of the product under investigation.
- (156) In the Second Note, the Commission noted that both in Thailand and Türkiye, a significant amount of the total PET chips imported originated in China. However, as explained in the First Note, the Commission considered that import prices of PET chips into Türkiye from non-Chinese origin appeared affected by the large volume of Chinese origin PET chips at distorted prices, whereas in Thailand this did not appear to be case.
- (157) In response to the Second Note, Unibon repeated its argument that Thailand is not a suitable representative country, submitting that PET chips should be the decisive factor in that assessment. It argued that Thailand is a net exporter of PET chips, whereas Indonesia shows a more balanced trade position, and therefore would constitute a more appropriate benchmark. Unibon further claimed that the Commission should consider not only the share of imports originating from China but also the absolute import volumes. Finally, it alleged that the significantly higher import prices of PET chips into Thailand compared to Indonesia and Türkiye indicate that the products imported into Thailand belong to a specific category and are therefore not representative.
- (158) The Commission noted that the comparatively higher import prices of PET chips into Thailand are likely attributable to the lower proportion of imports originating from China, resulting in a greater share of imports from other third countries at market-based prices. In this regard, the relative share of imports from the rest of the world as compared to China is a more relevant indicator of price reliability than absolute import volumes. Since the import volumes of PET chips into Thailand remain reasonably high, a diversified sourcing structure with limited exposure to potentially distorted imports constituted a more appropriate basis for establishing an undistorted benchmark.
- (159) The Commission noted that the investigation did not identify any specific trade restrictions or distortions for PET chips that would render Thailand unsuitable as a representative country. The mere fact that Thailand is a net exporter of PET chips did not demonstrate that its import prices are abnormal or inappropriate for benchmarking purposes. Rather the contrary, as imports compete with domestically produced PET chips.
- (160) Unibon further argued that the benchmark prices used should exclude insurance and import duties. In its view, PET chips sold on the domestic market do not incur such costs, and the majority of PET chips sold in Thailand are domestically manufactured and therefore do not bear insurance and import duty costs.
- (161) As regard the exclusion of insurance and import duties, the normal value was based on import statistics from GTA while the applicable import duties were established using MacMap. By definition, such import prices include, where applicable, import duties and related import costs. Their inclusion is therefore inherent to the methodology applied.
- (162) Further, in response to the Second Note, the complainants argued that the labour benchmark derived from the Bank of Thailand and included in Annex V to the Second Note was unreasonably low and did not accurately reflect actual labour costs in Thailand. It submitted that this figure is significantly below labour costs applied by the Commission in other upper-middle-income representative countries. The complainants requested the Commission to adjust the labour cost benchmark by using higher labour cost data for 'engineering positions' published by the Thailand Board of Investment, which it considered a more appropriate and representative source.
- (163) The Commission noted that the benchmark was not unusually low in view of the functions actually performed by the labour concerned in the production process. Moreover, the level of the benchmark was broadly comparable to labour cost data reported by other international statistical sources and therefore could not be regarded as unrepresentative or inappropriate for the purpose of constructing normal value. The claim was therefore rejected.

- (164) Due to the lack of reliable import data for lignite coal in Thailand as imports are exclusively from Laos, the Commission indicated in the Second Note that it intended to establish the benchmark for lignite coal, by using the prices of lignite coal for companies (industrial users) in Thailand published by the Energy Policy and Planning Office of the Ministry of Energy. The Commission used as benchmark the most recent data relating to 2024.
- (165) In response to the Second Note, Unibon argued that the benchmark price for lignite coal should be based on Thai customs import data under HS 2702 10 rather than on the domestic coal statistics. Unibon claimed that the domestic statistics fail to distinguish lignite from other coal types and only provide an average price for a broad coal category, despite significant differences in calorific value and other properties that result in substantial price disparities. Unibon further claimed that the Commission's consistent practice is to rely on publicly available customs data of the representative country for FOP valuation and alleged that there is no justification to depart from this approach in the present case, particularly given that Thailand maintains product-specific import statistics for lignite coal, records significant import volumes, and sources such imports from market economy countries, which, in its view, ensures that the prices are undistorted and representative.
- (166) The Commission noted that, while Thai customs data under HS code 2702 10 is available, the recorded imports originate almost exclusively in a single neighbouring country, namely Laos, and therefore could not be considered sufficiently representative of a competitive and diversified market. The high concentration of supply in one source country raised concerns as to the reliability of the import price as an appropriate benchmark. Moreover, given the specific physical characteristics of lignite, in particular its low calorific value and high moisture content, long-distance transportation is generally uneconomical<sup>(104)</sup>. As a result, import statistics are likely to reflect limited cross-border transactions driven by geographic proximity rather than prices formed under broader market conditions. In these circumstances, the Commission confirmed that the import data did not constitute the most suitable basis for the valuation of this factor of production.
- (167) Finally, the complainants claimed that the Thai import prices of corn starch appeared too low to reflect the prices of modified corn starch used in PET Spunbond production. In this context, they argued that this is likely due to the product mix covered by the relevant CN code, which includes both modified corn starch (used in PET Spunbond) and non-modified corn starch (not used in PET Spunbond). The Union producers therefore maintained that the Commission should make appropriate adjustments to account for this difference.
- (168) The Commission noted the claim by the Union producers concerning the use of modified corn starch in PET Spunbond production and the level of Thai import prices. However, the Union producers did not provide sufficient evidence to substantiate these claims. Accordingly, no adjustments to the Thai import prices of corn starch were made.

#### 3.2.6.2.2. Türkiye

- (169) In response to the First Note, the TDF Group argued that Türkiye's imports of key factors of production, in particular PET chips, are more representative and market-driven than those of Thailand. Chinese imports account for less than half of Türkiye's PET chip imports, and sourcing from a wide range of market-economy countries would indicate that prices reflect international market conditions. TDF Group argued that price levels alone do not demonstrate a distortion and that representative import volumes should be the decisive factor in the Commission's analysis, especially given that PET chips accounted for about 50 % of the total production cost of the product under investigation. It claimed that Türkiye's higher and more diversified non-Chinese import volumes therefore provided a more reliable benchmark. The company also argued that the absence of lignite imports should not disqualify Türkiye, as such gaps could be addressed by using data from other countries.
- (170) Unibon, to the contrary, argued that Türkiye is not as appropriate as representative country due to highly distorted raw material environment, macroeconomic instability affecting unit labour costs, energy costs and financial expenses ratios, and lack of appropriate financial data.

<sup>(104)</sup> <https://euracoal.eu/coal/why-is-there-no-lignite-market/>. Last consulted 10 April 2026.

- (171) In the Second Note, the Commission noted that both Thailand and Türkiye show similar import patterns, with significant PET chip imports originating from China. However, as explained in the First Note and also in recital 156 above, the Commission considered that import prices of PET chips into Türkiye from non-Chinese origin appear affected by the large volume of Chinese origin PET chips at distorted prices.
- (172) The Commission further analysed imports of the main raw material, PET chips, and examined the import data at a more granular level to identify the types of PET chips used in the production of PET Spunbond. However, unlike in Thailand and Indonesia, the Turkish tariff schedule does not distinguish between different 8-digit codes under HS 3907 69.
- (173) After publication of the First Note, the Commission also identified that Türkiye has safeguard measures in place that cover imports of PET chips classified under HS-code 3907 69 <sup>(105)</sup>. The measures have been in effect since 11 June 2020. The Commission found that these safeguard measures on PET chips distort the import prices of this key raw material, making Türkiye a less suitable option as a representative country.
- (174) In the First Note, the Commission noted that there were no imports of lignite coal into Türkiye. TDF Group argued that this should not preclude Türkiye from being selected as a representative country. TDF Group recalled that in previous cases where a representative country lacked import volumes of certain FOPs, it has addressed this issue by using import prices from another representative country to construct the normal value.
- (175) The Commission noted the comments by the TDF Group and agreed that in the absence of reliable import benchmark, undistorted international prices, costs, or benchmarks may be applied should Türkiye had been selected as the representative country.

#### 3.2.6.2.3. Indonesia

- (176) In response to the First Note, Unibon considered Indonesia to be the most appropriate representative country primarily claiming it has the most balanced and least distorted sourcing of the key factor of production, PET chips. It submitted that Indonesia's import pattern is evenly split between Chinese and non-Chinese sources, reducing the risk that 'rest-of-world' prices are indirectly influenced by Chinese pricing. As opposed to Indonesia, Thailand's PET chip imports would be heavily dominated by Chinese origin, while Türkiye's structure includes non-WTO imports that would raise additional distortion concerns. However, Unibon did not substantiate this claim or provide additional evidence to support it.
- (177) Unibon further claimed that the gaps in Indonesia's FOP data are limited and can be readily addressed, e.g. the absence of lignite coal imports reflects Indonesia's self-sufficiency as a major coal producer rather than a data deficiency, and benchmark coal prices are available from recognised domestic market publications, while glass fibre imports excluding China are of sufficient commercial scale.
- (178) In the Second Note, the Commission noted that the rest of the world imports of glass fibre into Indonesia only represent 3,28 % of the total glass fibre imports while the remaining 96,72 % are of Chinese origin. It is therefore clear that the glass fibre imports from the rest of the world are likely to have been influenced by imports from China. The claim by Unibon was therefore rejected.
- (179) The Commission noted the comments by Unibon and agreed that in the absence of reliable import benchmark undistorted international prices, costs, or benchmarks may be applied should Indonesia had been selected as the representative country.

<sup>(105)</sup> [https://docs.wto.org/dol2fe/Pages/FE\\_Search/FE\\_S\\_S006.aspx?DataSource=Cat&query=@Symbol=%22G/SG/N/6/TUR/27%22%20OR%20@Symbol=%22G/SG/N/6/TUR/27/\\*%22&Language=English&Context=ScriptedSearches&languageUIChanged=true](https://docs.wto.org/dol2fe/Pages/FE_Search/FE_S_S006.aspx?DataSource=Cat&query=@Symbol=%22G/SG/N/6/TUR/27%22%20OR%20@Symbol=%22G/SG/N/6/TUR/27/*%22&Language=English&Context=ScriptedSearches&languageUIChanged=true).

#### 3.2.6.2.4. Conclusion on the level of economic development similar to the PRC

(180) Taking the interested parties' arguments to the First Note and the Second Note into account, the Commission considered that Thailand was the most appropriate representative country that met the criteria of having a level of economic development similar to the PRC.

#### 3.2.6.3. Existence of relevant readily available data in the representative country

(181) The Commission investigated which financial data was readily available for the three countries identified in the First Note, i.e. Indonesia, Thailand and Türkiye.

(182) In the First Note, the Commission had identified readily available financial statements of three producers of the product under investigation in representative countries which showed a reasonable level of profitability for a period most recent to the investigation period.

(183) The exporting producers Unibon and the TDF Group both argued that Thailand was not appropriate as a representative country because the two Thai companies considered, Thai Unitika Spunbond Co., Ltd. and Narula Nonwoven Co. Ltd., did not provide reliable data.

(184) Unibon pointed out that Thai Unitika Spunbond showed extreme and irregular profitability, reflecting exceptional or non-operational items rather than normal industrial performance. Narula Nonwoven, in contrast, exhibited an extremely low profit margin. Unibon concluded that this stark contrast indicated that Thailand lacked stable and commercially reasonable financial data for PET Spunbond production, making any benchmark derived from these two companies highly distorted.

(185) Similarly, TDF Group also argued that the 2025 financial data of Thai Unitika Spunbond Co., Ltd. should be disregarded because it was not an appropriate basis for benchmarks. TDF Group considered that the extraordinary increase in total revenue, more than three times its revenue from Sales & Services and its cost of goods sold, reflected exceptional other income rather than normal operational performance.

(186) As an alternative, Unibon claimed that Indonesia provided reliable, product-specific financial data from an actual producer of PET Spunbond, PT Multi Spunindo Jaya Tbk, whose audited financial statements show commercially reasonable SG&A and profit levels consistent with normal industrial operations.

(187) TDF Group claimed that Türkiye had a broader and more representative industry base, with eight identified producers of PET Spunbond compared to only two in Thailand and one in Indonesia. TDF Group acknowledged that company-specific financial data for Turkish producers may be limited, and it suggested the Commission to use sectoral financial data instead.

(188) The Commission agreed with both the TDF Group and Unibon that the financial data relating to the Thai companies were not suitable. The financial data of Thai Unitika Spunbond Co., Ltd. and Narula Nonwoven Co., Ltd. were highly inconsistent and did not reflect normal industrial performances, with extreme fluctuations in profitability and revenue driven by exceptional items.

(189) The Commission noted TDF Group's comment on the use of sectoral data, however the sectoral data may include producers beyond those manufacturing PET Spunbond, such as textile producers with different product mixes or cost structures. Using such aggregated data risks misrepresenting the actual cost structure and profitability of the PET Spunbond segment.

(190) The Commission agreed with Unibon's claim that out of the PET Spunbond producers identified in the representative countries, PT Multi Spunindo Jaya Tbk (Indonesia) showed the most accurate SG&A and profit levels consistent with normal industrial operations.

(191) In its response to the Second Note, Unibon argued that combining FOP data from Thailand with financial ratios from Indonesia was inappropriate, as using two different representative countries in their views breaks the internal consistency of the normal value construction and leads to a distorted result. It contended that the Commission should instead rely on a single representative country for both FOP prices and financial data and submitted that Indonesia would be the more appropriate choice.

(192) In accordance with Article 2(6a)(a) of the basic Regulation, where the existence of significant distortions is confirmed, the Commission should construct the normal value using costs of production and sale reflecting undistorted prices and benchmarks. The sources the Commission may use include the corresponding costs of production and sale in an appropriate representative country, provided the relevant data are readily available. As explained in detail above, the Commission considered Thailand as an appropriate representative country which allowed it to rely on its costs and prices for all factors of production of the product under investigation. However, the Commission was unable to find readily available financial data from Thai PET Spunbond producers for the calculation of an undistorted and reasonable amount of SG&A expenses and profit. For this reason, the Commission considered it appropriate to establish an undistorted and reasonable amount SG&A expenses and profit on the basis of readily available financial data of a PET Spunbond producer in Indonesia.

#### 3.2.6.4. Level of social and environmental protection

(193) Having established that Thailand was the only available appropriate representative country, based on all of the above elements, there was no need to carry out an assessment of the level of social and environmental protection in accordance with the last sentence of Article 2(6a)(a) first indent of the basic Regulation.

#### 3.2.6.5. Conclusion

(194) In view of the above analysis, Thailand met the criteria laid down in Article 2(6a)(a), first indent of the basic Regulation to be considered as an appropriate representative country.

#### 3.2.7. Sources used to establish undistorted costs

(195) In the First Note, the Commission listed the factors of production such as raw materials, energy and labour used in the production of the product under investigation by the exporting producers and invited the interested parties to comment and propose publicly available information on undistorted values for each of the factors of production mentioned in that note.

(196) The Commission did not receive any objection to the list of factors of production in its the First Note.

(197) Subsequently, in the Second Note, the Commission stated that, to construct the normal value in accordance with Article 2(6a)(a) of the basic Regulation, it would use GTA (for import prices) and MacMap (for import duties) to establish the undistorted cost of most of the factors of production, notably the raw materials.

#### 3.2.7.1. Factors of production

(198) Considering all the information submitted by the interested parties and collected during the verification visits, the following factors of production and their sources have been identified in order to determine the normal value in accordance with Article 2(6a)(a) of the basic Regulation:

Table 1

Factor of Production	Commodity codes	Source of data the Commission intends to use	Value (CNY)	Unit of measurement*
<b>Raw Materials</b>				
PET chips (viscosity number lower than 78 ml/g)	3907 69 10	Global Trade Atlas (GTA) <sup>(106)</sup> / MacMap <sup>(107)</sup>	11,17	Kg

<sup>(106)</sup> <https://connect.spglobal.com/>

<sup>(107)</sup> <https://www.macmap.org/>

Factor of Production	Commodity codes	Source of data the Commission intends to use	Value (CNY)	Unit of measurement*
Corn starch	1108 12	Global Trade Atlas (GTA) / MacMap	5,38	Kg
Glass fibre	701919	Global Trade Atlas (GTA) / MacMap	17,15	Kg
Acrylic ester emulsion	3906 90 99	Global Trade Atlas (GTA) / MacMap	21,11	Kg
<b>Labour</b>				
Labour	[N/A]	Statistics published by the National Bank of Thailand <sup>(108)</sup>	15,83	Working hours
<b>Energy</b>				
Electricity	[N/A]	Metropolitan Electricity Authority of Thailand <sup>(109)</sup>	1,15	KwH
Natural gas	[N/A]	Energy Policy and Planning Office of the Ministry of Energy <sup>(110)</sup>	3,02	m <sup>3</sup>
Lignite Coal	[N/A]	Energy Policy and Planning Office of the Ministry of Energy	1,19	Kg
Semicoke	2704	Global Trade Atlas (GTA) / MacMap	3,72	Kg

(199) The Commission included a value for manufacturing overhead costs to cover costs not included in the factors of production referred to above. To establish this amount, the Commission calculated the ratio between the respective sampled exporting producers' indirect manufacturing costs in relation to their respective direct manufacturing costs (as listed in Table 1 above). This ratio was thereafter applied on the undistorted direct costs of manufacturing and added thereto.

#### 3.2.7.1.1. Raw materials

(200) To establish the undistorted price of raw materials as delivered at the gate of a representative country producer, the Commission used as a basis the weighted average import price to the representative country as reported in the GTA to which import duties and transport costs were added.

(201) An import price in the representative country was determined as a weighted average of unit prices of imports from all third countries excluding the PRC and countries which are not members of the WTO, listed in Annex 1 of Regulation (EU) 2015/755 of the European Parliament and the Council <sup>(111)</sup>.

(202) The Commission decided to exclude imports from the PRC into the representative country as it concluded in Section 3.2.1 that it is not appropriate to use domestic prices and costs in the PRC due to the existence of significant distortions in accordance with Article 2(6a)(b) of the basic Regulation.

<sup>(108)</sup> ([https://app.bot.or.th/BTWS\\_STAT/statistics/BOTWEBSTAT.aspx?reportID=636&language=ENG](https://app.bot.or.th/BTWS_STAT/statistics/BOTWEBSTAT.aspx?reportID=636&language=ENG))

<sup>(109)</sup> <https://www.mea.or.th/en/our-services/mea-service/e-service/electric-monthly-calculate/type4>.

<sup>(110)</sup> Ministry of Energy - Energy policy and planning office (Table 7.2-4) <https://www.eppo.go.th/index.php/en/en-energystatistics/energy-economy-static>.

<sup>(111)</sup> Regulation (EU) 2015/755 of the European Parliament and of the Council of 29 April 2015 on common rules for imports from certain third countries (OJ L 123, 19.5.2015, p. 33, ELI: <http://data.europa.eu/eli/reg/2015/755/oj>). Article 2(7) of the basic Regulation considers that domestic prices in those countries cannot be used for the purpose of determining normal value.in.

- (203) Given that there is no evidence showing that the same distortions do not equally affect products intended for export, the Commission considered that the same distortions affected export prices.
- (204) For a number of factors of production, the actual costs incurred by the sampled exporting producers represented a negligible share of total raw material costs in the investigation period. As the value used for these had no appreciable impact on the dumping margin calculations, regardless of the source used, the Commission decided to include those costs into consumables, as explained in recitals 221 and 222.
- (205) To determine the applicable import duties per goods code and country of origin, the Commission consulted MacMap. The import duties were added to the CIF value recorded in the Thai import statistics as available in the GTA database.
- (206) The Commission expressed the transport cost incurred by the sampled exporting producers for the supply of raw materials as a percentage of the actual cost of such raw materials and then applied the same percentage to the undistorted cost of the same raw materials in order to obtain the undistorted transport cost. The Commission considered that, in the context of this investigation, the ratio between the exporting producers' raw material and the reported transport costs could be reasonably used as an indication to estimate the undistorted transport costs of raw materials when delivered to the company's factory.

#### 3.2.7.1.1.1. PET Chips

- (207) PET chips are the main raw material in the production of PET Spunbond. In the First Note, the Commission had listed both the customs code for low-viscosity PET, i.e. HS code 3907 69, and the customs code for high-viscosity PET, HS code 3907 61. The Union producers provided comments on the First Note urging the Commission to carefully verify the exact raw material of each Chinese producer to ensure it uses the correct code for each producer. After the verification visits the Commission concluded that only low-viscosity PET, i.e. HS code 3907 69, was relevant in the production of PET Spunbond and removed the high-viscosity PET (HS 3907 61) from the list of raw materials.
- (208) In the Second Note, the Commission further analysed the import of the main raw material PET Chips and decided to examine the import data at a more granular level to identify the types of PET chips used in the production of PET Spunbond.
- (209) The Thai tariff schedules distinguish between the following commodity codes under HS 6-digit code 3907 69:
- 3907 69 10 – Granules and similar forms
  - 3907 69 90 – Other
- (210) The PET chips used in the production of PET Spunbond fall under commodity code 3907.69.10, whereas commodity code 3907.69.90 may include special-grade or otherwise atypical polyethylene terephthalate. Using GTA data, the Commission was able to identify imports to Thailand under commodity code 3907.69.10, providing more detailed information.
- (211) For Thailand, the total import quantity was 23 411 tonnes, of which 33 % originated from China. Since imports originated from multiple sources and the proportion of imports from China was relatively low, the Commission concluded that import prices for PET chips under commodity code 3907.69.10 into Thailand from the rest of the world are not likely to have been influenced by imports from China, hence making imports to Thailand a reliable benchmark.

#### 3.2.7.1.1.2. Binders (Corn starch and acrylic ester emulsion)

- (212) As already described in recital 26, PET Spunbond production requires using starch-based binders, chemical (polymer-based) binders, or mixed binders as coating material.

- (213) In response to the First Note, the complainants claimed that Chinese producers mainly use starch-based binders for PET Spunbond sold on the Chinese domestic market, while products sold on the EU market are made using all three types of binders. The Union producers therefore maintained that, to ensure a fair comparison in the dumping calculations, the Commission should establish separate normal values for PET Spunbond produced with each type of binder or make appropriate adjustments to a normal value based on starch-based binder production.
- (214) The Commission noted the comments made by the Union producers concerning the different types of binders used in the production of PET Spunbond and their potential impact on price comparability. The Commission assessed whether differences in binder types may warrant consideration and, where appropriate, whether any adjustments were justified on the basis of the information available on the file. The outcome of this assessment is set out in recital 220.
- (215) In response to the Second Note, the complainants argued that they disagreed with the prices used in the FOP Note for corn starch. The complainants submitted that the type of corn starch used in the production of PET Spunbond is modified corn starch, the price of which is approximately double that of ordinary corn starch. In support of this claim, the complainants provided price quotations comparing modified and ordinary corn starch and requested the Commission to apply a corresponding mark-up to the GTA-based prices in order to reflect the higher cost of modified corn starch.
- (216) In response to the complainants' argument, both exporting producers maintained, that for their own production, they use only ordinary corn starch. The exporting producers submitted that this is evidenced by the invoices collected during the verification of their raw material purchases, which refer to the type of corn starch purchased. Furthermore, TDF Group argued that, in China, modified corn starch is declared under a difference HS code 3505 10, and claims that its purchases under HS code 1108 12 concern ordinary corn starch rather than modified corn starch.
- (217) The Commission noted that the complainants had not provided conclusive evidence that PET Spunbond producers, including the Chinese exporting producers, use modified corn starch. The price quotations submitted merely showed that modified corn starch may be more expensive than ordinary corn starch, but did not demonstrate that the investigated exporting producers use such product. By contrast, the verified technical specifications and price levels indicated that the exporting producers use ordinary corn starch.
- (218) In response to the Second Note, TDF Group claimed that the acrylic ester emulsion it uses was incorrectly classified under HS code 3903 90, which covers polymers of styrene. TDF Group argued that although the product contains styrene, its main component is acrylic acid and it would therefore be more appropriately classified under HS code 3906 90, covering acrylic polymers in primary forms. The Commission accepted TDF Group's claim and revised the classification of the acrylic ester emulsion HS code.
- (219) In response to the Second Note, Unibon argued that material differences in binder types used in PET Spunbond production, namely starch-based, chemical acrylic-based, and mixed binders, lead to significant variations in production costs and market prices. The company argued that this must be duly reflected in the normal value construction. On this basis, Unibon requested the Commission to apply adjustments to account for binder-related cost differences.
- (220) The Commission rejected the claim. It noted that both Union and sampled Chinese PET Spunbond producers use a mixture of binders, all of which have similar uses and market prices. Therefore, a more detailed analysis distinguishing products by binder type, where there is no significant difference in use or price, would not have a significant effect on the normal value calculation.

## 3.2.7.1.1.3. Consumables

- (221) In the Second Note, the Commission informed parties that, due to the negligible weight of some of the raw materials in the total cost of production, some of the factors of production were considered consumables.
- (222) The Commission calculated the percentage of the consumables in the total cost of production and applied this percentage to the recalculated cost of production based on benchmarks.

## 3.2.7.1.1.2. Labour

- (223) Labour is a factor of production representing some 3 % of total cost of production. The Commission used the statistics published by the National Bank of Thailand <sup>(112)</sup> to determine the wages in Thailand using the detailed information on wages in the producing sector for the investigation period, for the economic activity according to NACE Rev.2 classification.

## 3.2.7.1.1.3. Electricity

- (224) The Commission used the quotation of the electricity price for business, industrial and state enterprises published by the Thailand Board of Investment <sup>(113)</sup> using the Time of use tariff (TOU tariff) - Large General Service, Voltage level below 22 Kv in order to calculate the benchmark for electricity. This tariff is unchanged since 2018 and is updated on a monthly basis using the instrument called Ft surcharge. Electricity charges billed for each month are therefore calculated as:
- an electricity base charge, according to the tariffs described above and which remained constant over the years,
  - an energy adjustment charge (Ft), which is periodically updated by the Thai Energy Regulatory Commission (ERC) and published by the Metropolitan Electricity Authority <sup>(114)</sup>
- (225) The Commission established a benchmark for electricity for each sampled exporting producer based on the respective peak and off-peak consumption. The resulting usage was allocated to the peak and off-peak rates.
- (226) In addition, the Commission included both the demand charge and the service charge in the electricity rate benchmark, to fully reflect the cost of electricity in the representative country. The service charge was expressed as a fixed amount per month, while the demand charge was established, in kW, based on the conservative calculation of the electricity demand. This was established by dividing the total peak consumed energy by the number of production hours. The weighted average rate for both peak and off-peak was established as a respective benchmark for each sampled exporting producer.
- (227) The Commission established that electricity prices in Thailand were quoted exclusive of VAT.

## 3.2.7.1.1.4. Natural Gas

- (228) The Commission used the prices of gas for companies (industrial users) in Thailand published by the Energy Policy and Planning Office of the Ministry of Energy <sup>(115)</sup>. The prices differed per consumption volume. The Commission used the corresponding prices from Table 7.2-4: Final Energy Consumption Per Capita. The Commission used as benchmark the most recent data relating to 2024.

<sup>(112)</sup> [https://app.bot.or.th/BTWS\\_STAT/statistics/BOTWEBSTAT.aspx?reportID=636&language=ENG](https://app.bot.or.th/BTWS_STAT/statistics/BOTWEBSTAT.aspx?reportID=636&language=ENG).

<sup>(113)</sup> [https://www.boi.go.th/index.php?page=utility\\_costs](https://www.boi.go.th/index.php?page=utility_costs).

<sup>(114)</sup> <https://www.meo.or.th/en/our-services/tariff-calculation/latestft>.

<sup>(115)</sup> Ministry of Energy - Energy policy and planning office (Table 7.2-4) <https://www.eppo.go.th/index.php/en/en-energystatistics/energy-economy-static>. Last consulted 29 January 2026.

## 3.2.7.1.5. Lignite Coal

(229) As mentioned in the Second Note, the Commission established the benchmark for lignite coal, by using the prices of lignite coal for companies (industrial users) in Thailand published by the Energy Policy and Planning Office of the Ministry of Energy. As noted above in recital 166, the Commission considered that imports of lignite coal from Laos into Thailand could not be considered a reliable and reasonable corresponding cost in the appropriate representative country pursuant to Article 2(6a)(a) of the basic Regulation. The Commission found the alternative benchmark published by the Energy Policy and Planning Office of the Ministry of Energy to be more reasonable in view of the following elements. First, the official Thai statistics are gathered by national authorities responsible for collecting and overseeing energy and economic information in Thailand<sup>(116)</sup>, and therefore provide comprehensive macro-level coverage of energy consumption in the country. Second, the value of 1,19 CNY/kg found in the Thai statistics was found to be in line with the prevalent price levels for lignite coal in Southeast Asia during the investigation period (i.e. in the range of 1.15-1.23 CNY/kg)<sup>(117)</sup>.

## 3.2.7.1.6. Semicoke

(230) The Commission used import prices for semicoke under 2704 from the rest of the world to Thailand. The Commission explained that these import prices could be considered representative, as the volumes imported were substantial and originated in multiple undistorted sources. On this basis, the Commission considered that such data provided a sufficiently reliable benchmark for the determination of the normal value. No interested party raised objections to this approach.

## 3.2.7.1.7. Waste

(231) As mentioned in the Second Note, the Commission analysed the accounting practices of the sampled Chinese exporting producers pertaining to by-products and waste. As a result, the Commission adjusted the constructed cost of production in accordance with each companies' accounting practices pertaining to by-products and waste.

## 3.2.7.1.8. Manufacturing overhead costs, SG&amp;A and profit

(232) According to Article 2(6a)(a) of the basic Regulation, *'the constructed normal value shall include an undistorted and reasonable amount for administrative, selling and general costs ('SG&A') and for profits'*. In addition, a value for manufacturing overhead costs needs to be established to cover costs not included in the factors of production referred to above.

(233) For establishing an undistorted and reasonable amount for SG&A costs and profit, the Commission relied on the financial data for year 2024 for PT Multi Spunindo Jaya Tbk as extracted from Orbis.

(234) Manufacturing overheads are not separately identified in the available Profit and Loss account figures and are deemed to be included in the cost of goods sold. The manufacturing overheads incurred by the cooperating exporting producers are expressed as a share of the costs of manufacturing actually incurred by the exporting producers. This percentage was applied to the undistorted costs of manufacturing.

(235) In the Second Note, with regard to the exporting producers' respective costs for Research and Development, the Commission stated that those costs would be included in the manufacturing overheads, unless it was explicit from the published accounts of the producer in Indonesia that those costs were included in its SG&A.

(236) In response to the Second Note, the exporting producer TDF Group stated that it followed from Indonesian accounting standards that costs for Research & Development should be classified under SG&A. While the annual report of PT Multi Spunindo Jaya Tbk did not explicitly list costs of Research & Development, another company - PT Bakrie Telecom, which followed the same Indonesian accounting standards - had specified its costs for Research & Development under its SG&A.

<sup>(116)</sup>National Economic and Social Development Board (NESDB), Department of Provincial Administration (DOPA), Bank of Thailand (BOT), Energy Policy and Planning Office (EPPO), and Department of Alternative Energy Development and Efficiency (DEDE).

<sup>(117)</sup><https://www.imarcgroup.com/lignite-coal-price-trend>. Last consulted 10 April 2026.

- (237) The Commission accepted the claim by the TDF Group and did not add the costs for Research & Development to the Manufacturing Overheads.
- (238) In response to the Second Note, the exporting producer TDF Group argued that the Commission should not rely on Spunindo's 2024 consolidated financial statements to determine SG&A and profit, as those accounts include data from three subsidiaries whose activities are unrelated to the product under investigation and, in some cases, had not commenced commercial operations. In light of this, TDF Group submitted that only the standalone financial data of the parent company should be used to establish reasonable amounts for SG&A and profit when constructing normal value. The Commission accepted this claim and used the profit and SG&A of the parent company when constructing normal value.

### 3.2.8. Calculation

- (239) On the basis of the above, the Commission constructed the normal value per product type on an ex-works basis in accordance with Article 2(6a)(a) of the basic Regulation.
- (240) First, the Commission established the undistorted manufacturing costs. The Commission applied the undistorted unit costs to the actual consumption of the individual factors of production of the sampled exporting producers. These consumption rates were verified during the verification. The Commission multiplied the usage factors by the undistorted costs per unit observed in the representative country.
- (241) Then the Commission added manufacturing overheads to the undistorted cost of manufacturing to arrive at the undistorted costs of production.
- (242) To the costs of production established as described in the previous recital, the Commission applied SG&A and profit from the PET Spunbond producer in Indonesia referred to in recital 233.
- (243) SG&A expressed as a percentage of the Costs of Goods Sold ('COGS') and applied to the undistorted costs of production, amounted to 12,03 %. The profit expressed as a percentage of the COGS and applied to the undistorted costs of production, amounted to 11,14 %.
- (244) On that basis, the Commission constructed the normal value per product type on an ex-works basis in accordance with Article 2(6a)(a) of the basic Regulation.

### 3.3. Export price

- (245) The sampled exporting producers exported to the Union directly to independent customers.
- (246) The export price was the price actually paid or payable for the product concerned when sold for export to the Union, in accordance with Article 2(8) of the basic Regulation.

### 3.4. Comparison

- (247) Article 2(10) of the basic Regulation requires the Commission to make a fair comparison between the normal value and the export price at the same level of trade and to make allowances for differences in factors which affect prices and price comparability.
- (248) In the case at hand the Commission chose to compare the normal value and the export price of the sampled exporting producers at the *ex-works* level of trade. As further explained below, where appropriate, the export prices were adjusted in order to: (i) net them back to the *ex-works* level; and (ii) make allowances for differences in factors which were claimed, and demonstrated, to affect prices and price comparability.

#### 3.4.1. *Adjustments made to the normal value*

- (249) As explained in Section 3.2 above, the normal value was established at the *ex-works* level of trade by using costs of production together with amounts for SG&A and for profit, which were considered to be reasonable for that level of trade. Therefore, no adjustments were necessary to net the normal value back to the *ex-works* level.
- (250) The Commission found no reasons for making any allowances to the normal value, nor were such allowances claimed by any of the sampled exporting producers.

#### 3.4.2. *Adjustments made to the export price*

- (251) In order to net the export price back to the *ex-works* level of trade, adjustments were made on the account of: customs duty, other import charges, freight, insurance, handling loading and ancillary expenses.

### 3.5. **Dumping margins**

- (252) For the sampled exporting producers, the Commission compared the weighted average normal value of each type of the like product with the weighted average export price of the corresponding type of the product concerned, in accordance with Article 2(11) and (12) of the basic Regulation.
- (253) On this basis, the provisional weighted average dumping margins expressed as a percentage of the CIF Union frontier price, duty unpaid, are as follows

Company	Provisional dumping margin
— Hubei Unibon nonwovens Co Ltd	45,6 %
— Changde Tiandingfeng Nonwovens Co Ltd — Tiandingfeng Nonwovens Co Ltd	50,0 %

- (254) For the cooperating exporting producers outside the sample, the Commission calculated the weighted average dumping margin, in accordance with Article 9(6) of the basic Regulation. Therefore, that margin was established on the basis of the margins of the sampled exporting producers.
- (255) On this basis, the provisional dumping margin of the cooperating exporting producers outside the sample is 49,4 %.
- (256) For all other exporting producers in the PRC, the Commission established the dumping margin on the basis of the facts available, in accordance with Article 18 of the basic Regulation.
- (257) To this end, the Commission determined the level of cooperation of the exporting producers. The level of cooperation was calculated on the basis of the volume of exports of the cooperating exporting producers, sampled and non-sampled, to the Union expressed as proportion of the total imports from the PRC to the Union in the investigation period, that was established on the basis of 2024 import statistics from Eurostat for the CN codes listed in recital 24.
- (258) The level of cooperation in this case was high because the exports of the cooperating exporting producers constituted around 87 % of the total imports during the investigation period. On this basis, the Commission found it appropriate to establish the dumping margin for non-cooperating exporting producers at the level of the cooperating sampled individually examined company with the highest dumping margin.

(259) The provisional dumping margins, expressed as a percentage of the CIF Union frontier price, duty unpaid, are as follows:

Company	Provisional dumping margin
— Hubei Unibon nonwovens Co Ltd	45,6 %
— Changde Tiandingfeng Nonwovens Co Ltd — Tiandingfeng Nonwovens Co Ltd	50,0 %
Other cooperating companies	49,4 %
All other imports originating in country concerned	50,0 %

#### 4. INJURY

##### 4.1. Definition of the Union industry and Union production

(260) The like product was manufactured by three producers in the Union during the investigation period, two of which belong to the same group. They constitute the 'Union industry' within the meaning of Article 4(1) of the basic Regulation.

(261) The total Union production during the investigation period was established at around [52 000 - 63 600] tonnes. The Commission established the figure on the basis of all the available information concerning the Union industry, such as data contained in the questionnaire replies received from the Union producers. As indicated in recital 16, the cooperating Union producers represented 100 % of the total Union production of the like product.

(262) As the data relating to the injury assessment was derived from three Union producers, two of them belonging to the same group, the figures for the injury analysis are given in ranges for reasons of confidentiality. However, the indexes are based on actual data and not on the ranges.

##### 4.2. Union consumption

(263) The Commission established the Union consumption on the basis of: (a) data submitted by the Union producers and verified by the Commission concerning the Union industry's sales of the like product to unrelated customers in the Union; and (b) imports of the product under investigation from all third countries into the Union, based on data reported in Eurostat, verified data of the sampled Chinese exporting producers and data provided by the non-sampled exporting producers <sup>(118)</sup>.

(264) The approach to estimate imports and Union consumption was set out in a Note to the File on 4 March 2026 <sup>(119)</sup>. CCCT commented on the Commission's approach. CCCT fully acknowledged the practical challenges faced by the Commission in determining imports and consumption, but raised concerns about the reliability of figures due to the assumptions in the methodologies described in the Note. CCCT's three main concerns were (i) that the calculation of imports from China used a fixed ratio based on the investigation period data without evidence it was representative across the period considered; (ii) that the estimation of imports from other countries for 2024 and the investigation period were based on Eurostat statistics despite the Commission's findings that a significant part of the imports were not properly declared; and (iii) that the complicated price-range filtering methodology to estimate other countries' imports for 2022 and 2023 introduced uncertainty. CCCT therefore questioned the reliability of these figures and claimed that they may potentially impact the analysis of injury indicators and the assessment of the link between imports and the Union industry's economic situation.

(265) The Commission considered that, first, while CCCT questioned the approach, they provided no evidence to support their position or that the Commission's proposed methodology led to inaccurate or unreliable results, neither with regard to volumes, nor with regard to prices.

<sup>(118)</sup> t26.001265.

<sup>(119)</sup> t26.001265.

- (266) Second, the manifest discrepancies between the verified export data of the sampled exporting producers and the Eurostat data obliged the Commission to seek an alternative method to establish the import volumes of the product concerned into the Union. However, CCCT failed to provide an alternative approach or any additional data that would challenge or even amend the Commission's methodology, in particular regarding the share of the exports of the sampled exporting producers in the total exports in years prior to the investigation period. Regarding the share of the exporting producers, neither the sampled, nor the non-sampled exporting producers commented on the sampling note, nor on the Note to the File on the determination of imports.
- (267) Third, the use of allocation keys to determine third country imports is a common practice when the product under investigation is classified in CN codes also covering other goods that fall outside the scope of the investigation. Again, CCCT did not provide an alternative approach or any data regarding the ratio or prices of imports from other origins in relation to total imports into the Union.
- (268) Fourth, the Commission's findings on the Union market situation are in line with the evidence provided in the complaint, in particular in the consumption numbers set out in the market report of EDANA <sup>(120)</sup> which was part of the complaint <sup>(121)</sup>. This further supports the accuracy and appropriateness of the Commission's methodology.
- (269) In view of the above, the Commission rejected CCCT's comments.
- (270) Union consumption developed as follows:

Table 2

**Union consumption (tonnes)**

	2022	2023	2024	Investigation period
Total Union consumption	[58 000 - 71 000]	[51 700 - 63 200]	[72 500 - 88 700]	[66 700 - 81 600]
<i>Index</i>	100	89	125	115

Source: Union producers, exporting producers and Eurostat.

- (271) Consumption in the Union increased by 15 % during the period considered. A detailed analysis showed that the Union consumption decreased by 11 % from 2022 to 2023, followed by a significant increase in 2024. From 2024 to the investigation period, consumption decreased by 10 percentage points but remained at high levels, 15 % above the beginning of the period considered.
- (272) In the beginning of the period considered, the post-pandemic recovery supported the PET Spunbond consumption. Consumption decreased between 2022 and 2023, because of lower demand for bitumen membranes in the EU building and construction sector due to high interest rates, elevated energy prices, and geopolitical uncertainties. In 2024, Union consumption for PET Spunbond rebounded, reflecting the restocking of inventories by downstream bituminous membrane producers driven by increased demand for their product <sup>(122)</sup>. Between the 2024 and the investigation period, consumption remained at high levels.

### 4.3. Imports from the country concerned

#### 4.3.1. Volume and market share of the imports from the country concerned

- (273) The Commission established, as explained in detail in Section 4.2 above, the volume of imports of the product concerned into the Union on the basis of Eurostat data, on verified data of the sampled Chinese exporting producers and data provided by the non-sampled exporting producers. The market share of the imports was established by comparing the volume of imports with the Union consumption.

<sup>(120)</sup> Polyester Spunbond in Waterproofing Membranes EU27 Market Estimates.

<sup>(121)</sup> Annex 7 of the complaint.

<sup>(122)</sup> Annex 7 of the complaint.

(274) Imports into the Union from the country concerned developed as follows:

Table 3

**Import quantity (tonnes) and market share**

	2022	2023	2024	Investigation period
Volume of imports from the PRC (tonnes)	[3 400 - 4 200]	[7 100 - 8 700]	[20 800 - 25 400]	[17 600 - 21 500]
<i>Index</i>	100	210	611	517
Market share (%)	6	14	29	26
<i>Index</i>	100	235	488	452

Source: Exporting producers and Eurostat.

(275) Import volumes from the PRC increased by 417 % over the period considered, rising from [3 400 - 4 200] tonnes in 2022 to [17 600 - 21 500] tonnes in the investigation period. China's market share grew significantly, from 6 % in 2022 to 26 % in the investigation period, representing a 352 % increase.

4.3.2. *Prices of the imports from the country concerned: price undercutting and price suppression*

(276) The Commission established the prices of imports on the basis of data provided by the sampled exporting producers, which represented 72 % of Chinese cooperating exporting producers' imports to the Union in the investigation period. The prices of the imports were established in similar way as import volumes.

(277) The weighted average price of imports into the Union from PRC developed as follows:

Table 4

**Import prices (EUR/ tonne)**

	2022	2023	2024	Investigation period
Price of imports from the PRC	[2 300 - 2 800]	[1 400 - 1 750]	[1 500 - 1 850]	[1 700 - 2 100]
<i>Index</i>	100	62	66	79

Source: Exporting producers and Eurostat.

(278) Prices decreased significantly (-38 %) between 2022 and 2023. Subsequently, they increased in 2024 and the investigation period by 4 and 13 percentage points, respectively. Overall, they decreased by 21 % during the period considered from approximately 2 500 EUR/tonne in 2022 to approximately 2 000 EUR/tonne during the investigation period.

(279) The Commission determined the price undercutting during the investigation period by comparing the weighted average sales prices per product type of the Union producers charged to unrelated customers on the Union market, adjusted to an ex-works level, and the corresponding weighted average prices per product type of the imports from the sampled Chinese producers to the first independent customer on the Union market, established on a Cost, insurance, freight (CIF) basis, with appropriate adjustments, where appropriate, for customs duties and post-importation costs.

- (280) The price comparison was made on a type-by-type basis for transactions at the same level of trade, duly adjusted where necessary, and after deduction of rebates and discounts. The result of the comparison was expressed as a percentage of the sampled Union producers' theoretical turnover during the investigation period. It showed a weighted average undercutting margin of 26 % to 30 % for 100 % of the imported volumes of the sampled exporting producers.
- (281) In addition to price undercutting, there was also significant price depression within the meaning of Article 3(3) of the basic Regulation. Due to the significant price pressure caused by the low-priced dumped imports from the Chinese exporting producers, the Union industry reduced their average unit sales price in the Union by 21 % in the period considered, to a level far exceeding the decrease in costs (10 %) as set out in Table 8 below. The significant price depression is further confirmed by the price underselling found on the basis of the data provided by the sampled exporting producers.

#### 4.4. Economic situation of the Union industry

##### 4.4.1. General remarks

- (282) In accordance with Article 3(5) of the basic Regulation, the examination of the impact of the dumped imports on the Union industry included an evaluation of all economic indicators having a bearing on the state of the Union industry during the period considered.
- (283) For the injury determination, the Commission distinguished between macroeconomic and microeconomic injury indicators. The Commission evaluated both sets of indicators on the basis of the questionnaire replies of the known Union producers. As no other Union producers are known to the Commission, both sets of data were found to be representative of the economic situation of the Union industry. As explained in recital 262, the injury indicators are provided in ranges, as data relating to the injury assessment was derived from three Union producers, two of them belonging to the same group.

##### 4.4.2. Macroeconomic indicators

###### 4.4.2.1. Production, production capacity and capacity utilisation

- (284) The total Union production, production capacity and capacity utilisation developed over the period considered as follows:

Table 5

#### Production, production capacity and capacity utilisation

	2022	2023	2024	Investigation period
Production volume (tonnes)	[54 800 - 67 000]	[44 000 - 53 600]	[52 000 - 63 600]	[52 000 - 63 600]
<i>Index</i>	100	80	95	95
Production capacity (tonnes)	[70 000 - 85 000]	[64 400 - 78 200]	[64 400 - 78 200]	[64 400 - 78 200]
<i>Index</i>	100	92	92	92
Capacity utilisation (%)	78	68	81	81
<i>Index</i>	100	87	104	104

Source: Union producers.

- (285) During the period considered, the Union industry's production volume experienced a sharp reduction between 2022 and 2023, also due to the decline in Union consumption. In 2024 and the investigation period, despite the sharp increase in consumption (+25 % in 2024, +15 % in the investigation period, see Table 2) and due to the increasing presence of low priced imports from the PRC, the Union industry was unable to achieve the same production volumes, which resulted in a decrease of 5 % compared to 2022.
- (286) During the period considered, the Union industry's production capacity experienced an overall reduction of 8 %. The loss, of about 7 000 tonnes, was caused by the termination between 2022 and 2023 of a tolling agreement on behalf of one of the Union producers, due to the situation in the market and the increasing presence of low-priced imports. The existence of that tolling agreement was also the reason of the lower capacity utilisation in 2022, that in turn leads to an apparent 3 % increase of capacity utilisation between 2022 and the investigation period. In other words, the Union industry retained their capacity utilisation at sufficient levels, but only at the expense of their capacity.

#### 4.4.2.2. Sales quantity and market share

- (287) The Union industry's sales quantity and market share developed over the period considered as follows:

Table 6

#### Sales quantity and market share

	2022	2023	2024	Investigation period
Total Sales volume on the Union market (tonnes)	[50 000 - 60 000]	[39 000 - 46 500]	[46 000 - 55 000]	[45 000 - 54 000]
<i>Index</i>	100	78	92	90
Market share (%)	86	75	63	67
<i>Index</i>	100	97	74	78

Source: Union producers.

- (288) In the period considered, whereas the market expanded by 15 %, the total Union industry's sales volume declined by 10 %, due to the increasing unfair competition of low-priced Chinese imports.
- (289) As a result, the Union industry's market share declined sharply from 86 % in 2022 to 63 % in 2024, in line with the increasing presence of Chinese imports. Between 2024 and the investigation period, and despite the reduction in their sales, the Union industry regained 4 percentage points of market share, due to the decreased presence of Chinese imports.

#### 4.4.2.3. Growth

- (290) In the context of a significantly increasing Union consumption, the data indicate that the Union industry suffered significant losses in production, sales volume, and market share. Conversely, the market share of dumped imports from PRC increased by 352 %.

## 4.4.2.4. Employment and productivity

(291) Employment and productivity developed over the period considered as follows:

Table 7

**Employment and productivity**

	2022	2023	2024	Investigation period
Number of employees (FTE)	[335 - 410]	[330 - 400]	[335 - 405]	[330 - 400]
<i>Index</i>	100	98	99	98
Productivity (tonnes/FTE)	[150 - 180]	[120 - 150]	[145 - 175]	[145 - 175]
<i>Index</i>	100	82	96	96

Source: Union producers.

(292) The Union industry experienced a small decrease in employment of 2 % over the period considered, with the total number of employees declining by [5 - 10] during the investigation period.

(293) The productivity of the Union industry's workforce, measured in tonnes produced per employee per year, declined by 4 % closely following the trend in the decrease of production. The Union industry chose to retain their employees even in 2023, when production declined sharply due to a decline in consumption, mindful of the difficulty of replacing their skilled workforce.

## 4.4.2.5. Magnitude of the dumping margin and recovery from past dumping

(294) All dumping margins were significantly above the *de minimis* level. The impact of the magnitude of the actual margins of dumping on the Union industry was substantial, given the volume and prices of imports from the country concerned.

(295) This is the first anti-dumping investigation regarding the product concerned. Therefore, no data were available to assess the effects of possible past dumping.

## 4.4.3. Microeconomic indicators

## 4.4.3.1. Prices and factors affecting prices

(296) The weighted average unit sales prices of the sampled Union producers to unrelated customers in the Union developed over the period considered as follows:

Table 8

**Sales prices in the Union**

	2022	2023	2024	Investigation period
Average unit sales price in the Union on the total market (EUR/ tonne)	[3 300 - 4 000]	[2 900 - 3 600]	[2 600 - 3 200]	[2 600 - 3 200]
<i>Index</i>	100	90	79	79
Unit cost of production (EUR/ tonne)	[2 900 - 3 500]	[2 800 - 3 400]	[2 500 - 3 100]	[2 600 - 3 200]
<i>Index</i>	100	96	88	90

Source: Sampled Union producers.

- (297) The sales prices of the Union industry to unrelated parties on the Union market decreased by 21 % between 2022 and 2024 and remained almost stable between 2024 and the investigation period.
- (298) The unit cost of production of the sampled Union producers decreased by 12 % between 2022 and 2024 and then increased slightly between 2024 and the investigation period. Thus, the presence of much lower priced Chinese imports, caused significant price depression, forcing the Union industry to reduce its prices to levels far exceeding the decrease in cost of production.

#### 4.4.3.2. Labour costs

- (299) The average labour costs of the sampled Union producers developed over the period considered as follows:

Table 9

#### Average labour costs per employee

	2022	2023	2024	Investigation period
Average labour costs per employee (EUR)	70 800 - 86 500	70 800 - 86 500	74 200 - 90 700	79 300 - 97 000
<i>Index</i>	100	100	105	112

Source: Sampled Union producers.

- (300) The average labour costs per employee increased by 12 % over the period considered. While labour costs remained relatively stable between 2022 and 2023, they experienced an increase in 2024 and during the investigation period, primarily due to inflation and in line with the seniority of the employees.

#### 4.4.3.3. Inventories

- (301) Stock levels of the sampled Union producers developed over the period considered as follows:

Table 10

#### Stocks

	2022	2023	2024	Investigation period
Closing stock (tonnes)	4 000 - 4 500	3 700 - 4 200	4 300 - 4 800	6 300 - 7 000
<i>Index</i>	100	93	108	155
Closing stock as a percentage of production (%)	5,7	5,8	6,7	9,6
<i>Index</i>	100	101	118	169

Source: Union producers.

- (302) In absolute terms, the stocks of the sampled Union producers increased consistently and significantly, rising by 55 % over the period considered. When adjusted for production levels, the closing stock as a percentage of production rose by 69 % during the period considered.

- (303) This overall increase in stocks highlighted a significant imbalance between production and sales. The trend suggests that despite efforts to align production with demand, the accumulation of unsold inventory reflected serious challenges of the Union producers in accessing the market.

4.4.3.4. Profitability, cash flow, investments, return on investments and ability to raise capital

- (304) Profitability, cash flow, investments and return on investments of the sampled Union producers developed over the period considered as follows:

Table 11

**Profitability, cash flow, investments and return on investments**

	2022	2023	2024	Investigation period
Profitability of sales in the Union to unrelated customers (% of sales turnover)	15 - 16,5	7,5 - 8,7	1,5 - 2,5	- 0,5 - - 1,5
<i>Index</i>	100	51	12	- 5
Cash flow (million EUR)	36 - 44	16 - 20	6,1 - 7,5	- 2,5 - - 1,9
<i>Index</i>	100	46	17	- 6
Investments (million EUR)	1,8 - 2,3	2,2 - 2,6	1,0 - 1,2	1,8 - 2,1
<i>Index</i>	100	118	55	95
Return on investments (%)	81	33	8	- 6
<i>Index</i>	100	40	10	- 8

Source: Union producers.

- (305) The Commission established the profitability of the sampled Union producers by expressing the pre-tax net profit of the sales of the like product to unrelated customers in the Union as a percentage of the turnover of those sales. The profitability of the sampled Union producers declined rapidly and significantly over the period considered, falling from 15 % - 16,5 % profits in 2022 to losses of 0,5 % - 1,5 % during the investigation period.
- (306) The net cash flow is the ability of the Union producers to self-finance their activities. Over the period considered, net cash flow declined by 106 %, resulting in negative cash flows in the investigation period, mirroring the deterioration in financial performance.
- (307) The level of yearly investments fluctuated over the period, resulting in a 5 % decrease over the period considered. It notably increased between 2022 and 2023 by 18 %, to later decrease in the following period, and then showed again an increase in the investigation period. Based on the investment programme of Union producers, the investment continued despite severe competition, loss of market share and a financially difficult situation, since its largest part concerns expenditure for the maintenance / turnaround of existing facilities, especially environmental related, and was thus non-elastic.
- (308) The return on investments is the profit in percentage of the net book value of investments. It developed negatively over the period considered falling from 81 % in 2022 to minus 6 % in the investigation period. The negative development showed that, although investments have continued in order to maintain competitiveness, the returns on those investments fell substantially over the period considered

#### 4.5. Conclusion on injury

- (309) The Union industry performed well at the beginning of the period considered and enjoyed a high level of profitability, with also all other indicators at healthy levels.
- (310) Over the period considered, however, imports from China increased rapidly and significantly (+417 %), at prices which significantly undercut those of the Union industry. This allowed Chinese exporting producers that only accounted for 6 % of the Union market in 2022 to reach a market share of 26 % in the investigation period, a 352 % increase within two and a half years.
- (311) As a consequence, and despite a substantial increase of the Union consumption (+16 %) in the period considered, the economic situation of the Union industry deteriorated as shown by the negative trend in production (-8 %), sales (-10 %), an increase in stocks (+55 %) and a significant reduction of its market share (from 86 % to 67 %). Production capacity was reduced (-8 %) as the Union industry abandoned a tolling agreement in the face of reduced consumption and increased competition from unfair Chinese imports.
- (312) The increase of Chinese imports at low prices correlated with the sharp deterioration and negative levels in profitability, cash flow and return on investments, that demonstrate the difficulties faced by the Union industry.
- (313) Over the period considered, the sales prices of the Union industry decreased by 21 %, far exceeding the 10 % reduction in its costs, in its attempt to retain its market share on the Union market. Between 2024 and the investigation period, the 14 % increase of Chinese prices, resulted in a decrease in Chinese imports and thus eased the pressure and allowed the Union industry to retain prices at the same level and to regain some market share
- (314) On the basis of the above, the Commission concluded at this stage that the Union industry suffered material injury within the meaning of Article 3(5) of the basic Regulation.

### 5. CAUSATION

- (315) In accordance with Article 3(6) of the basic Regulation, the Commission examined whether the dumped imports from the country concerned caused material injury to the Union industry. In accordance with Article 3(7) of the basic Regulation, the Commission also examined whether other known factors could at the same time have injured the Union industry. The Commission ensured that any possible injury caused by factors other than the dumped imports from the country concerned was not attributed to the dumped imports. These factors are imports from third countries and the export performance of the Union industry.

#### 5.1. Effects of the dumped imports

- (316) The deterioration of the economic situation of the Union industry coincided with a significant and increasing market penetration of imports from China, which consistently undercut the Union industry's prices and resulted in price depression for the Union industry. The evolution of Chinese import volumes and prices, as reflected in Tables 3 and 4 above, depressed price levels of the Union industry, establishing a causal nexus between the two.
- (317) Imports from China increased by 417 % during the period considered, from [3 400 – 4 200] tonnes in 2022, representing a market share of 6 %, to [17 600 - 21 500] tonnes in the investigation period, representing a market share of 26 % in the investigation period. These increasing imports were made at prices lower than those of the Union industry. Similarly, the decline in market share and sales volume, which in turn resulted in a decrease in production output, had a detrimental effect on the industry's unit production costs due to reduced economies of scale.
- (318) In the investigation period, despite a slight increase in 2023 of sales and production due to the increase in demand, this deterioration was further accentuated when all injury indicators (in particular profitability, cash flow and return on investments) reached significant negative levels.

- (319) The combined loss of market share, production and price depression had a strong negative impact on the Union industry. Despite the 10 % decrease in production costs, faced with the price pressure exerted by the increasing volumes of Chinese dumped imports, the Union industry was precluded from setting prices and production volumes at sustainable levels, which resulted in a very strong drop in profitability from around 15 % to 16,5 % in 2022 to losses of around 0,5 % to 1,5 % in the investigation period, and the consequent deterioration of its financial indicators.
- (320) It was, therefore, provisionally concluded that dumped imports from China caused material injury to the Union industry.

## 5.2. Effects of other factors

### 5.2.1. Imports from third countries

- (321) The quantity of imports from other third countries developed over the period considered as follows:

Table 12

#### Imports from third countries

Country		2022	2023	2024	Investigation period
Türkiye	Quantity (tonnes)	[4 000 - 4 900]	[5 500 - 6 400]	[5 600 - 6 500]	[3 900 - 4 800]
Imports, all other countries except China and Türkiye	Quantity (tonnes)	[800 - 1 000]	[400 - 600]	[370 - 460]	[330 - 410]
Total of all third countries except the country concerned	Quantity (tonnes)	[4 800 - 5 900]	[5 900 - 7 000]	[5 900 - 7 000]	[4 230 - 5 210]
Total of all third countries except China	<i>Index</i>	100	123	122	87
Türkiye	Market share (%)	6,9	10,7	7,7	5,9
Imports, all other countries except China and Türkiye	Market share (%)	1,5	<1	<1	<1
Total of all third countries except China	Market share (%)	8,4	11,6	8,2	6,4
Total of all third countries except China	Market share <i>Index</i>	100	137	98	76
Türkiye	Average price (EUR/tonne)	2 853	2 821	2 650	2 665
Imports, all other countries except China and Türkiye	Average price (EUR/tonne)	5 059	5 370	6 692	7 311

Country		2022	2023	2024	Investigation period
Total of all third countries except China	Average price (EUR/tonne)	3 256	3 019	2 902	3 026
Total of all third countries except China	<i>Index</i>	100	93	89	93

Source: Eurostat and exporting producers.

- (322) Compared to China, other countries maintained a limited presence in the Union market and their imports into the Union and their total market share decreased by 13 % and 24 % respectively in the period considered. Türkiye was the only third country with volumes of imports above 5 % of market share. Imports from Türkiye were priced at the lower end of Union industry prices, and significantly higher than Chinese imports. Their volumes and share of the market remained largely stable, during the period under consideration, even showing a decreasing trend in the investigation period. Imports from other origins never exceeded 1,5 % of the market and were imported at high prices.
- (323) On that basis, the Commission provisionally concluded that the impact of imports from other countries did not attenuate the genuine and substantial causal link between dumped Chinese imports and the material injury suffered by Union producers.

#### 5.2.2. *Export performance of the Union industry*

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

Table 13

#### **Export performance of the sampled Union producers**

	2022	2023	2024	Investigation period
Export volume (tonnes)	5 000 - 5 800	4 200 - 5 000	4 100 - 4 900	3 800 - 4 600
<i>Index</i>	100	83	81	73
Average price (EUR/tonnes)	2 700 - 3 300	2 400 - 2 900	2 100 - 2 600	2 100 - 2 600
<i>Index</i>	100	83	73	75

Source: Union producers.

- (325) Union producers' export volumes fell by 27 % during the period considered and sales decreased by 25 %. The investigation established that the decline in the export performance of the Union producers can be explained by the pressure exerted by Chinese producers on third-country markets, which in turn caused a decrease in exports by Union producers. Indeed, as shown by data extracted from the Global Trade Atlas data, Chinese exports to the rest of the world are substantial in volume and at prices lower than those to the Union. Moreover, the export volume and value represented less than 10 % of total Union industry turnover. Therefore, the declining export performance of the Union industry might have contributed to injury but did not attenuate the genuine and substantial causal link between Chinese dumped imports and injury to the Union industry.

### 5.3. Conclusion on causation

- (326) In light of the above considerations, the Commission provisionally established a genuine and substantial causal link between the material injury suffered by the Union industry and the dumped imports from China. As a result of the significant increase of dumped imports from China, the Union industry was precluded from setting prices and production volumes at sustainable levels, which resulted in a strong deterioration of its economic situation.
- (327) The economic decline of the Union industry coincided with a sharp rise in low-priced dumped imports from China. These imports consistently undercut Union prices, exerting strong downward pressure on market prices. As a result, the Union industry was unable to increase prices, and in fact had to decrease prices well below the decrease in production costs. This led to falling sales, a reduced output, and a significant drop in profitability, cash flow and return on investment. The timing and scale of these developments establish a clear causal link between the dumped imports and the material injury suffered by the Union industry.
- (328) The Commission examined alternative factors that could have contributed to the injury suffered by the Union industry. These included imports from other third countries and the export performance of the Union industry. However, none of these were found to weaken the genuine and substantial causal link between dumped Chinese imports and the material injury suffered by the Union industry.
- (329) Based on the above, the Commission concluded at this stage that the dumped imports from the country concerned caused material injury to the Union industry and that the other factors, considered individually or collectively, did not attenuate the causal link between the dumped imports and the material injury.

### 6. LEVEL OF MEASURES

- (330) To determine the level of the measures, the Commission examined whether a duty lower than the margin of dumping would be sufficient to remove the injury caused by dumped imports to the Union industry.
- (331) The injury would be removed if the Union industry were able to obtain a target profit by selling at a target price in the sense of Articles 7(2c) and 7(2d) of the basic Regulation.
- (332) In accordance with Article 7(2c) of the basic Regulation, for the purpose of establishing the target profit, the Commission took into account the following factors: the level of profitability before the increase of imports from the country under investigation, the level of profitability needed to cover full costs and investments, research and development (R&D) and innovation, and the level of profitability to be expected under normal conditions of competition. Such profit margin should not be lower than 6 %.
- (333) As a first step, the Commission established a basic profit covering full costs under normal conditions of competition. The basic profit margin was set at 9,16 %, reflecting the weighted average historical profitability of the Union industry from 2015 to 2021, i.e. before the surge of Chinese imports in the Union market.
- (334) The Union industry provided evidence that its level of investments, R&D and innovation during the period considered would have been higher under normal conditions of competition. The Commission verified the companies' internal records related to investment plans, management decisions and financial statements and found the claims to be warranted. To reflect this in the target profit, the Commission calculated the difference between investments, R&D and innovation ('IRI') expenses under normal conditions of competition as provided by the Union industry and verified by the Commission with actual IRI expenses over the period considered. The IRI weighted margin was established at the level of 2,26 %. That percentage was added to the basic profit of 9,16 %, mentioned in recital 333, leading to a target profit of 11,42 %.
- (335) On this basis, the non-injurious price is between [2 900 and 3 320 EUR per tonne], resulting from applying the above-mentioned profit margin of 11,42 % to the cost of production during the investigation period of the sampled Union producers.

- (336) In accordance with article 7(2d) of the basic Regulation, as a final step, the Commission assessed the future costs resulting from Multilateral Environmental Agreements, and protocols thereunder, to which the Union is a party, and of ILO Conventions listed in Annex Ia that the Union industry will incur during the period of the application of the measure pursuant to Article 11(2). Based on the evidence available, the Commission established an additional cost ranging between 0 and 27 EUR per tonne for each of the sampled companies. This difference was added to the non-injurious price mentioned in recital 336.
- (337) On this basis, the Commission calculated a non-injurious price for the like product of the Union industry by applying the above-mentioned target profit margin to the cost of production of the sampled Union producers during the investigation period and then adding the adjustments under Article 7(2d) on a type-by-type basis.
- (338) The Commission then determined the underselling margin level on the basis of a comparison of the weighted average import price of the sampled exporting producers in China, as established for the price undercutting calculations, with the weighted average non-injurious price of the like product sold by the sampled Union producers on the Union market during the investigation period. Any difference resulting from this comparison was expressed as a percentage of the weighted average import CIF value.
- (339) The underselling margin for 'other cooperating companies' and for 'all other imports originating in country concerned' is defined in the same manner as the dumping margin for these companies and imports (see Section 3.5 above).

Company	Dumping margin (%)	Underselling margin (%)
— Hubei Unibon nonwovens Co Ltd	45,6	57,5
— Changde Tiandingfeng Nonwovens Co Ltd	50,0	50,0
— Tiandingfeng Nonwovens Co Ltd		
Other cooperating companies	49,4	51,0
All other imports originating in the People's Republic of China	50,0	57,5

## 7. UNION INTEREST

- (340) Having decided to apply Article 7(2) of the basic Regulation, the Commission examined whether it could clearly conclude that it was not in the Union interest to adopt measures in this case, despite the determination of injurious dumping, in accordance with Article 21 of the basic Regulation. The determination of the Union interest was based on an appreciation of all the various interests involved, including those of the Union industry, importers and users.

### 7.1. Interest of the Union industry

- (341) The Union industry comprises of the three complainants, two of which belong to the same group of companies. The three production sites are situated in Germany, France, and Italy, employing [330 - 400] workers directly.
- (342) Current levels of losses are unsustainable. The imposition of measures is expected to allow the Union industry to recover parts of the lost market share, and to set prices at levels that allow it to reach a sustainable level of profitability.
- (343) The absence of measures is likely to have a significant negative effect on the Union industry in terms of further price depression and a further reduction of sales, thus translating into further losses and likely closure of production facilities, dismissals and ultimately, the shutdown of entire businesses.
- (344) The Commission therefore concluded that the imposition of provisional measures is in the interest of the Union industry.

## 7.2. Interest of unrelated importers and traders, users or suppliers.

- (345) Two companies (Ventas Internationales S.A. and Silcart SPA) came forward in the investigation as unrelated importers, but did not submit responses to the importers questionnaire. Silcart S.P.A had registered to participate in the investigation as importer however after clarifications Silcart confirmed that it did not import and resell PET Spunbond but imported and used it which qualifies the said company as a user. The quantities of the imported product concerned were negligible (12 tonnes).
- (346) A single user sent their comments as interested party. W. Quandt GmbH & Co. KG voiced concerns (without submitting questionnaire reply) regarding their safety of supply because of the limited number of PET Spunbond suppliers in the EU, and quality problems they had encountered in the past with the complainants which led them, together with pricing considerations, to build their supply chain around Chinese imports.
- (347) The Polish manufacturing association representing the vast majority of producers of roofing and waterproofing solutions in Poland expressed support to the investigation and to the eventual imposition of measures, because maintaining a resilient and competitive EU supply chain for critical construction inputs is of strategic importance for their industry and for the broader European economy.
- (348) In the absence of data concerning the economic situation of importers and users, the likely effect of measures on importers and users was assessed on the basis of reasonable assumptions.
- (349) For importers, given their diverse portfolios as seen on their websites, and that Chinese imports will not be forbidden but will likely revert to lower volumes, the impact on their economic activity will likely be limited.
- (350) For users, PET Spunbond is integrated into bitumen membranes that are used mainly in the construction sector and especially in renovation projects. PET Spunbond is part of the cost picture when producing bitumen membranes, which in turn represent again only a part of the cost picture in renovation projects, which are mostly driven by labour costs. As such, any potential price increase of the product concerned resulting from the imposition of anti-dumping duties is unlikely to have a significant impact on the final cost of renovation projects, and therefore is unlikely to impact the costs and economic activities of users.
- (351) Regarding the concerns of W. Quandt GmbH & Co. KG, it should be noted that the measures if imposed will not prohibit imports and, therefore, will not compromise the security of supply of users. On the contrary, by reestablishing fair competition and ensuring a level playing field on the EU market, it will allow the Union industry to continue production and ensure the resilience of their supply chain. The Commission also found that PET Spunbond is imported from other third countries, such as Türkiye, which further supports the finding that the security of supply of users will not be compromised.
- (352) The continued existence of the Union industry will also support the viability of their suppliers who in their turn will support the EU economy and employment, as noted by several suppliers both of materials (PET, acrylic binder, starch) and services that have expressed their support to the complaint.
- (353) Finally, PET Spunbond is an important outlet for plastic recyclers in the Union and the continuation of the economic activities of the Union industry will support the activities of recyclers, several of which have declared support to the investigation and eventual imposition of measures. Thus, imposition of measures will also serve the goals of the green and circular economy of the Union.
- (354) In view of the above, the imposition of measures is not expected to harm users or importers and will be beneficiary to suppliers and in support of the Union's environmental policies. It is therefore concluded that the imposition of anti-dumping measures is not contrary to the interest of importers, users and suppliers.

### 7.3. Conclusion on Union interest

- (355) On the basis of the above, the Commission concluded that there were no compelling reasons that it was clearly not in the Union interest to impose measures on imports of product concerned originating in the People's Republic of China at this stage of the investigation.

## 8. PROVISIONAL ANTI-DUMPING MEASURES

- (356) On the basis of the conclusions reached by the Commission on dumping, injury, causation, level of measures and Union interest, provisional measures should be imposed to prevent further injury being caused to the Union industry by the dumped imports.
- (357) Provisional anti-dumping measures should be imposed on imports of PET Spunbond originating in the People's Republic of China, in accordance with the lesser duty rule in Article 7(2) of the basic Regulation. The Commission compared the underselling margins and the dumping margins (section 6 above). The amount of duties was set at the level of the lower of the dumping and underselling margins.
- (358) On the basis of the above, the provisional anti-dumping duty rates, expressed on the CIF Union border price, customs duty unpaid, should be as follows:

Company	Provisional anti-dumping duty (%)
— Hubei Unibon nonwovens Co Ltd	45,6
— Changde Tiandingfeng Nonwovens Co Ltd — Tiandingfeng Nonwovens Co Ltd	50,0
Other cooperating companies	49,4
All other imports originating in the People's Republic of China	50,0

- (359) 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 with respect to these companies. These duty rates are exclusively applicable to imports of the product concerned originating in the country concerned and produced by the named legal entities. Imports of the product concerned produced by any other company not specifically mentioned in the operative part of this regulation, including entities related to those specifically mentioned, should be subject to the duty rate applicable to 'all other imports originating in the People's Republic of China'. They should not be subject to any of the individual anti-dumping duty rates.
- (360) To minimise the risks of circumvention due to the difference in duty rates, special measures are needed to ensure the 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(3) of this regulation. Until such invoice is presented, imports should be subject to the anti-dumping duty applicable to 'all other imports originating in the People's Republic of China'.
- (361) 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(3) of this regulation, the customs authorities of Member States must 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 lower rate of duty is justified, in compliance with customs law.

- (362) Should the exports by one of the companies benefiting from lower individual duty rates increase significantly in volume 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 and provided the conditions are met, an anti-circumvention investigation may be initiated. 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.

#### 9. REGISTRATION

- (363) As mentioned in recital 3, the Commission made imports of the product concerned subject to registration. Registration took place with a view to possibly collecting duties retroactively under Article 10(4) of the basic Regulation.
- (364) In view of the findings at provisional stage, the registration of imports should be discontinued.
- (365) No decision on a possible retroactive application of anti-dumping measures has been taken at this stage of the proceeding.

#### 10. INFORMATION AT PROVISIONAL STAGE

- (366) In accordance with Article 19a of the basic Regulation, the Commission informed interested parties about the planned imposition of provisional duties. This information was also made available to the general public via DG TRADE's website. Interested parties were given three working days to provide comments on the accuracy of the calculations specifically disclosed to them. Comments were received from TDF, Unibon and Hebei Jinliu Chemical Fiber Co., Ltd.
- (367) TDF submitted that certain calculation files used for the determination of the dumping margin for TDF were not the final versions verified by the Commission. TDF therefore requested that the Commission base the calculation of the dumping margin and the underselling margin for TDF on the final verified versions of those files. The Commission accepted the claim and revised the calculations accordingly, using the data contained in the final verified versions of the relevant files.
- (368) Unibon argued that, in the benchmark for electricity for Unibon, the electricity consumption category applied had been classified incorrectly. Additionally, a non-sampled cooperating exporting producer, Hebei Jinliu Chemical Fiber Co., Ltd., argued that the dumping margin established for non-sampled cooperating exporting producers does not reflect its individual situation, as the company claimed not to be dumping when selling on the Union market.
- (369) The Commission noted that the claims by Unibon and Hebei Jinliu Chemical Fiber Co., Ltd., do not concern the accuracy of the calculations, but rather to the methodologies used by the Commission in the determination of their respective dumping margin. Those comments will therefore be considered, together with all other submissions, after the publication of provisional measures.

#### 11. FINAL PROVISIONS

- (370) In the interests of sound administration, the Commission will invite the interested parties to submit written comments and/or to request a hearing with the Commission and/or the Hearing Officer in trade proceedings within a fixed deadline.
- (371) The findings concerning the imposition of provisional duties are provisional and may be amended at the definitive stage of the investigation,

HAS ADOPTED THIS REGULATION:

#### Article 1

1. A provisional anti-dumping duty is imposed on imports of certain non-woven needle-punched sheets of polyester filaments, whether or not reinforced by glass fibres, weighing more than 70 g/m<sup>2</sup>, of a thickness exceeding 0,5 mm but not exceeding 1,8 mm, impregnated with one or more binders, containing less than 30 % of glass fibres by weight, not coated or covered, currently falling under CN codes ex 5603 13 90, 5603 14 20 and ex 5603 14 80 (TARIC codes 5603 13 90 70 and 5603 14 80 70) and originating in the People's Republic of China.

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

Company	Provisional anti-dumping duty	TARIC additional code
— Hubei Unibon nonwovens Co Ltd	45,6 %	88CB
— Changde Tiandingfeng Nonwovens Co Ltd — Tiandingfeng Nonwovens Co Ltd	50,0 %	88CC
Other cooperating companies	49,4 %	See Annex
All other imports originating in the People's Republic of China	50,0 %	8999

3. The application of the individual duty rates specified for the companies mentioned in paragraph 2 shall be conditional upon presentation to the Member States' customs authorities of a valid commercial invoice, on which shall appear a declaration dated and signed by an official of the entity issuing such invoice, identified by his/her name and function, drafted as follows: 'I, the undersigned, certify that the (volume in tonnes) of (product concerned) sold for export to the European Union covered by this invoice was manufactured by (company name and address) (TARIC additional code) in the People's Republic of China. I declare that the information provided in this invoice is complete and correct.' Until such invoice is presented, the duty applicable to all other imports originating in the People's Republic of China shall apply.

4. The release for free circulation in the Union of the product referred to in paragraph 1 shall be subject to the provision of a security deposit equivalent to the amount of the provisional duty.

5. Unless otherwise specified, the provisions in force concerning customs duties shall apply.

#### Article 2

1. Interested parties shall submit their written comments on this regulation to the Commission within 15 calendar days of the date of entry into force of this Regulation.

2. Interested parties wishing to request a hearing with the Commission shall do so within 5 calendar days of the date of entry into force of this Regulation.

3. Interested parties wishing to request a hearing with the Hearing Officer in trade proceedings are invited to do so within 5 calendar days of the date of entry into force of this Regulation. The Hearing Officer may examine requests submitted outside this time limit and may decide whether to accept to such requests if appropriate.

*Article 3*

1. Customs authorities are hereby directed to discontinue the registration of imports established in accordance with Article 1 of Implementing Regulation (EU) 2025/2409.
2. Data collected regarding products which entered the EU for consumption no more than 90 days before the date of the entry into force of this regulation shall be kept until the entry into force of possible definitive measures, or the termination of this proceeding.

*Article 4*

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

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

Done at Brussels, 12 May 2026.

*For the Commission*  
*The President*  
Ursula VON DER LEYEN

---

## ANNEX

People's Republic of China's cooperating exporting producers not sampled:

Country	Name	TARIC additional code
People's Republic of China	Hebei Jinliu Chemical Fiber Co., Ltd.	88CD
People's Republic of China	Hebei Saiketu Nonwovens Co., Ltd.	88CE
People's Republic of China	Hubei Bushi Nonwovens Co., Ltd.	88CF
People's Republic of China	Shouguang Fada Cloth Co., Ltd.	88CG
People's Republic of China	Jiangyin Huasicheng Nonwoven Co., Ltd.	88CH