TO THE COMMISSION OF THE EUROPEAN UNION

COMPLAINT

In accordance with Article 5 of Regulation (EU) No. 2016/1036 of 8 June 2016 on protection against dumped imports from countries not members of the European Union

Submitted on behalf of the

European Welded Steel Mesh Producers Association

Requesting the initiation of an anti-dumping investigation concerning imports of welded steel mesh originating in the People's Republic of China and Türkiye

OPEN VERSION

17 April 2026

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1. EXECUTIVE SUMMARY

1. The European Welded Steel Mesh Producers Association ("**EWSMPA**"), acting on behalf of European Union ("**EU**") producers of welded steel mesh, requests the European Commission ("**Commissio**n") to initiate an anti-dumping ("**AD**") proceeding pursuant to Article 5 of the Basic Regulation[1] against imports of welded steel mesh from China and Türkiye. The investigation period ("**IP**") used in this Complaint covers the period Q4 2024 – Q3 2025. The injury parameters have been analyzed on the basis of the data provided by the main EU welded steel mesh producers (the "***Complainants***" or the "***Complaining industry***") for the period running from calendar years 2022 to Q3 2025.[2]

2. This Complaint shows that cumulative imports into the EU of welded steel mesh from China and Türkiye at dumped prices have increased between 2022 and the IP. At the current rate of market penetration by Chinese and Turkish dumped imports of welded steel mesh, the EU industry is unable to fairly compete within the EU.

3. Evidence presented in this Complaint shows that:

- **There are significant imports at heavily dumped prices from China and Türkiye**: the market share of Turkish and Chinese imports significantly increased by 26% during the period considered. These imports were made at prices that undercut and undersold EU producers' prices, *i.e.*, the undercutting margins found are 12% for China and 26% for Türkiye and the underselling margins found are 18% for China and 41% for Türkiye. The dumping margin found on Chinese imports during the IP ranged between 26% and 72%. With respect to Türkiye, the estimated dumping margin during the IP ranged between 44% and 51%. All dumping and injury margins for both China and Turkey are clearly significant.

- **The EU Industry is suffering material injury, and at the very least, from a threat of material injury**: the increased volumes of dumped imports of welded steel mesh from China and Türkiye at rapidly decreasing prices have caused material injury, by severely impacting the sales volumes, production volumes and profitability of the EU welded steel mesh industry. The situation of the Complainants worsened significantly in Q3 2025 with negative profitability.

- **The causal link between dumped imports and material injury is clear**: dumped imports of welded steel mesh from China and Türkiye have caused material injury, and at the very least, a threat of material injury, to the Complaining industry. The increased imports from China and Türkiye coincided with the industry's decrease in profitability. There is no break in that causal link by other factors.

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1 Regulation (EU) No. 2016/1036 of the European Parliament and of the Council of 8 June 2016 on protection against dumped imports from countries not members of the European Union, OJ 2016 L176/21.

2 For the reliable assessment of the injury parameters, reference will also be made to data from 2021, which provides a more accurate and undistorted factual basis for the analysis. As we will explain in the present complaint, 2022 often constitutes an atypical and non-representative period owing to the exceptional economic circumstances in the aftermath of the COVID-19 pandemic.

- ***The imposition of AD measures is in the Union's interest***: the imposition of AD measures would restore fair conditions of competition within the EU.

4. The injury suffered by the EU industry which is rapidly worsening will reach dramatic proportions in the short term with additional liquidations and bankruptcies[3] unless measures are imposed by the Commission to offset the injurious effect of the dumped imports originating in China and Türkiye. The EU industry, therefore, requests the Commission to initiate this proceeding, to investigate without delay the potentially irreparable damage that is currently being caused by imports of welded steel mesh from China and Türkiye, and to impose an adequate level of measures to restore fair competition on the EU market.

2. THE COMPLAINANTS

5. This Complaint is submitted by the EWSMPA on behalf of the following members active in the production of welded steel mesh in the EU, acting as Complainants:[4]

- Ferro Bulloni
- Forlam
- Moreda Riviere Trefileria
- Picot
- Kaufmann & Lindgens
- Metallurgica Frigerio
- Van Merksteijn
- Neckardraht Produktionsgesellschaft mbH
- Becker-Prünte GmbH

6. The EWSMPA, as well as the Complaining EU producers, are fully committed to cooperating with the Commission throughout its investigation.

7. **Annex 2.2 [Open]** contains the list of the Complainants and supporting EU producers. A list of other known producers is provided in **Annex 2.3 [Open]**. The Complainants account for 45% of the EU production of welded steel mesh in the IP. The producers supporting the Complaint account for an additional 6% of the EU production of welded steel mesh in the IP. The calculation of the support for the Complaint is enclosed in **Annex 2.4 [Open]**.

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[3] One of the complaining producers, Forlam was declared bankrupt and entered into "*redressement judiciaire*" on 2 September 2025.

[4] The Power of Attorney is enclosed in **Annex 2.1 [Open].**

3. OTHER INTERESTED PARTIES

8. A list of known main Chinese and Turkish exporting producers is included in **Annex 3.1 [Open]**. A list of known EU importers/users is included in **Annex 3.2 [Open]**.

4. INVESTIGATION PERIOD AND PERIOD CONSIDERED

9. The investigation period used in this Complaint to assess dumping covers the period Q4 2024 – Q3 2025. The period under consideration to assess injury runs from 2022 to the IP.

5. THE PRODUCT CONCERNED AND THE LIKE PRODUCT

5.1 Name of the product and classification

10. The product subject to the complaint is defined as follows:

> *Grill, mesh, netting and fencing, welded at the intersection, of plain wire; non plated, or plated or coated with zinc or other coating; whether presented in rolls or not; whether galvanized or not, falling within CN codes 7314.20.90,[5] 7314.31.00,[6] and 7314.39.00[7]*

11. This product is most commonly referred to as "welded steel mesh" (the "**product concerned**"). See **Figures 5.1 and 5.2** for a visual representation of the product concerned.

Figures 5.1 and 5.2: Illustrations of welded steel mesh

5.2 General description and characteristics of the product concerned

12. The product concerned is made of plain steel wires that are welded together, consisting of grids of various shapes and sizes. The wire (thread) density (i.e., the space between each individual thread), the mesh pattern, and the diameter of the wire vary depending on the intended application of the product (see **Figure 5.3**). The diameter of the wire typically ranges from 0.5 mm

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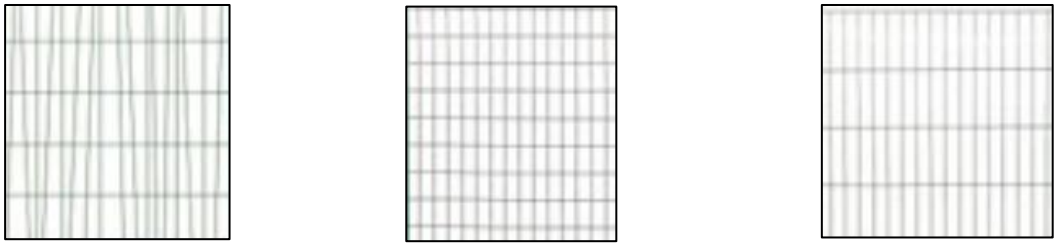
5 This CN code covers welded steel mesh which is not ribbed and which has a cross-sectional dimension of 3 mm or more and a mesh size of 100 cm^2 or more.

6 CN code 7314 31 00 covers welded steel mesh which does not have a maximum cross-sectional dimension of 3 mm or more and does not have a mesh size of 100 cm^2 or more, and which is plated or coated with zinc.

7 CN code 7314 39 00 covers welded steel mesh which does not have a maximum cross-sectional dimension of 3 mm or more and does not have a mesh size of 100 cm^2 or more, and which is not plated or coated with zinc.

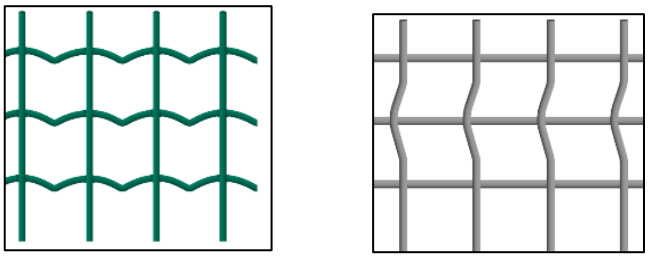
to 10 mm, and the size of the mesh can vary greatly from small (e.g., 6 mm x 6 mm) for precision applications to larger sizes (e.g., 100 mm x 200 mm) for general purposes.

Figure 5.3: Illustrations of mesh pattern variations



13. Some welded steel mesh contains indentations or patterns (see **Figure 5.4**) serving either an aesthetic or a functional purpose. Decorative patterns are often used in fencing and architectural applications to enhance visual appeal. Indentations and patterns can also serve a functional purpose, as they can be used to increase the bonding area with materials like plaster in construction applications, enhancing structural integrity. These patterns are exclusively due to the bending or twisting of the wires, without the need to add any accessories or elements.

Figure 5.4: Illustrations of bended and twisted welded steel mesh

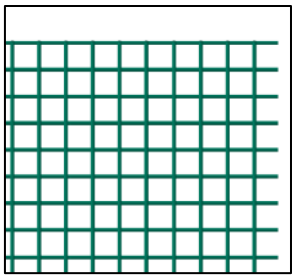


14. The product concerned can be galvanized or not. The galvanization process (see more on the galvanization process below) consists of adding a coating of zinc to the steel wires, which gives the wire mesh a shiny silver-like appearance (see **Figure 5.5**). In general, galvanized mesh is preferred for outdoor use, corrosive environments, long-term projects, and where aesthetics and longevity are important, while non-galvanized mesh is more suitable for indoor use, temporary applications, cost-sensitive projects, and when other coatings provide adequate protection.

Figure 5.5: Illustration of a bundle of galvanized steel wire

15. The product concerned can be coated, with epoxy or with PVC for example (see more on the coating process below), or not coated. The coating process is generally applied to welded steel mesh, which is used outdoors, as the coating provides additional protection against the elements and adds an aesthetic coloring element (see **Figure 5.6**).

Figure 5.6: Illustration of welded steel mesh with green coating



16. The product concerned may be packaged in sheets or in rolls (**see Figure 5.7** and **Figure 5.8**). The choice of packaging depends on the diameter of the wires, as well as on shipping and storing choices. Flat sheets are often used for thicker wires that do not easily bend and are stacked for transport. Rolls are typically used for lighter, more flexible wire mesh. They are easier to handle and transport, especially for larger quantities.

Figures 5.7 and 5.8: Illustrations of welded steel mesh packaged in sheets and in rolls

5.3 Exclusions from the product scope

17. The product concerned is not made from steel sections or tubes (see **Figure 5.9**)[8] and does not contain framing, posts, or other accessories such as hinges, locks, or decorative elements (see **Figure 5.10**).[9] However, any anti-dumping measure imposed on the product concerned should also apply when it is sold with accessories. Applying duties to product as part

[8] Fencing products made from steel sections or tubes are not classified under the three CN codes above, as they are made of steel sections or tubes and not of wire, and are not welded at the intersection. These fall under CN code 7308.90. As explained in the HS Explanatory Notes, this code covers assembled fencing.

[9] Fencing products containing framing, posts or other accessories such as hinges, locks, or decorative elements are classified under CN heading 7308.90, as this heading covers complete or incomplete metal structures. As explained in the HS Explanatory Notes, this heading covers assembled fencing. The Explanatory Notes also explain that the structures referred to in this CN heading sometimes incorporate products of other headings such as panels of woven wire of heading 73.14.

of another product has accepted by the Commission, including in *Steel Track Shoes*[10] and in Wind Towers.[11]

18. The product concerned is not make from wires which are not held by knots, rivets, or other equipment (see Figures **5.11** and **5.12**).[12]

19.

Figure 5.9: Illustrations of welded steel mesh made with steel bars (excluded from the product scope)

Figure 5.10: Illustrations of welded steel mesh with accessories (only the fencing panel is included in the product scope, not the accessories)

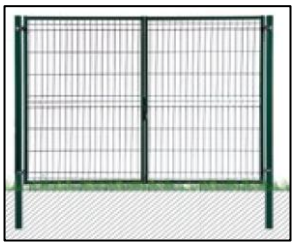
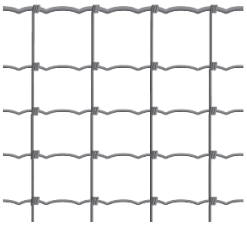


Figure 5.11: Illustration of a wire netting mesh held with knots (excluded from the product scope)

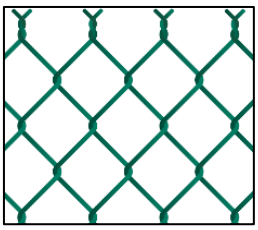


10 Commission Implementing Regulation (EU) 2025/780 of 16 April 2025 imposing a provisional anti-dumping duty on imports of steel track shoes originating in the People's Republic of China, Article 1(1) and recitals 33 and 132

11 Commission Implementing Regulation (EU) 2021/2239 of 15 December 2021 imposing a definitive anti-dumping duty on imports of certain utility scale steel wind towers originating in the People's Republic of China, recital 469 and Article 2(1)

12 Fencing products made from steel sections or tubes, products contain framing, posts or other accessories such as hinges, locks, or decorative elements, as well as wires held by knots, rivets, or other equipment, are not classified under the three CN codes at issue.

Figure 5.12: Illustration of a chain-link woven wire netting (excluded from the product scope)



20. Also excluded from the product scope, are specific types of welded steel mesh used for heavy-duty construction.[13] In the construction and building industry, welded steel mesh is frequently used to reinforce concrete in various structures, such as walls, and columns, or in the production of precast concrete products such as beams, panels, and barriers. In these types of welded steel mesh, however, the wire rod (or even rebar) is much thicker than the wire rod used in the production of the product concerned, and this reinforcing wire is ribbed.

21. For example, continuous highchairs are a special type of steel mesh used mainly for construction purposes as a spacer in concrete structures (see **Figure 5.13**). They are excluded from the product scope due to differences in terms of (i) construction (*i.e.*, they are a tri-dimensional object, whereas the product concerned is a linear, bi-dimensional product, presented mainly in sheets or rolls); (ii) applications (*i.e.*, they are used primarily to elevate concrete decks, whereas the product concerned is mainly used in fencing or flooring work); (iii) and costs (*i.e.*, they cost more to produce than the product concerned).[14]

Figure 5.13: Illustration of a model of continuous highchair (excluded from the product scope)

22. Steel wire mesh cable trays are also excluded from the product scope (see **Figure 5.14**).[15] This product is a type of bent steel mesh used primarily for telecommunication and optic fibre

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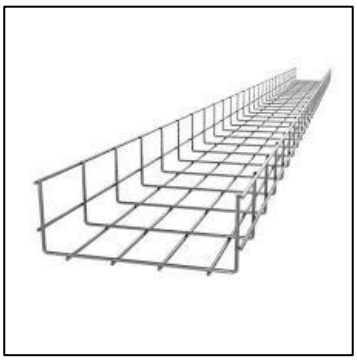
13 Welded steel mesh used for heavy-duty construction is not classified under the three CN codes at issue, but under CN code 7314 20 10 for example, which covers welded steel mesh with a maximum cross-sectional diameter of 3mm or more and having a mesh size of 100cm^2 or more, made of ribbed wire.

14 Continuous highchairs do not fall within the three CN codes concerned because these three codes cover “grill, netting, and fencing”. Continuous highchairs do not constitute grill, netting, or fencing. Continuous highchairs can be classified under CN codes 7326.20 or 7308.90, for example.

15 Steel wire mesh cable trays are not classified under the three CN codes at issue.

applications. They are usually built in an open rectangle shape, with large sides bent at approximately 90 degrees, and contain wires which are generally slimmer in width. This product also differs from the product concerned in terms of cost structure, as the bending of large parts of its surface makes it more expensive to produce and more costly to store.

Figure 5.14: Illustration of steel wire mesh cable tray (excluded from the product scope)



5.4 Uses of the product concerned

23. Welded steel mesh, as defined under the three CN codes mentioned above, is a versatile and widely used material in various industries. It is used as an input product for many applications, including fencing, agriculture, and light construction work, as described in further detail in the following paragraphs.

24. Welded steel mesh is mainly used in fencing and security applications. More specifically, it is commonly used for fencing around residential properties (see **Figure 5.15**), commercial properties (such as sports fields for example), events (see **Figure 5.16**) industrial properties (such as factories or warehouses for example), public infrastructure (such as schools, prisons, roads, ports, airports (see **Figure 5.17**), railways (see **Figure 5.18**), military areas, parks, playgrounds or landmarks for example), as it offers a robust and secure barrier that is difficult to breach. In high-security areas, for instance, welded steel mesh is used to create secure enclosures and barriers due to its strength and resistance to cutting and tampering. These applications will mainly rely on galvanized and coated welded steel mesh to protect the threads from the rigorous outdoor elements.

Figure 5.15: Illustrations of welded steel mesh used for fencing (residential)

Figure 5.16: Illustration of welded steel mesh used for fencing (mobile fence)

Figure 5.17: Illustration of welded steel mesh used for fencing (airport)

Figure 5.18: Illustration of welded steel mesh used for fencing (railway)

25. The product concerned is also used in the agricultural sector where it is used, for example, to create protective barriers around crops to prevent damage from animals and pests. It can also be used as support for climbing plants and crops, such as in vineyards or for vertical gardening. Furthermore, the product concerned is frequently used for constructing animal pens and enclosures (see **Figure 5.19**), as well as aviaries (see **Figure 5.20**).

Figure 5.19: Illustration of welded steel mesh used for animal enclosure

Figure 5.20: Illustration of welded steel mesh used for aviary

26. In an industrial context, welded steel mesh is used to create protective guards around machinery to prevent accidental contact and ensure worker safety (see **Figure 5.21**). It is also used to construct partitions within warehouses, factories, and storage areas, allowing for clear visibility while securing different sections (see **Figure 5.22**). Furthermore, welded steel mesh is used for making grills and covers for ventilation systems, allowing airflow while preventing debris and pests from entering.

Figure 5.21: Illustration of welded steel mesh used as protective guard around machinery

Figure 5.22: Illustration of welded steel mesh used as partition within warehouses, factories, storage areas

27. In the context of transportation and storage solutions, welded steel mesh is used in the construction of racking systems and shelves, particularly in industrial and warehouse settings (see **Figure 5.23**). It is also used to create rigid pallet containers and baskets for transporting goods (see **Figure 5.24**).

Figure 5.23: Illustration of welded steel mesh used for racking systems/shelves

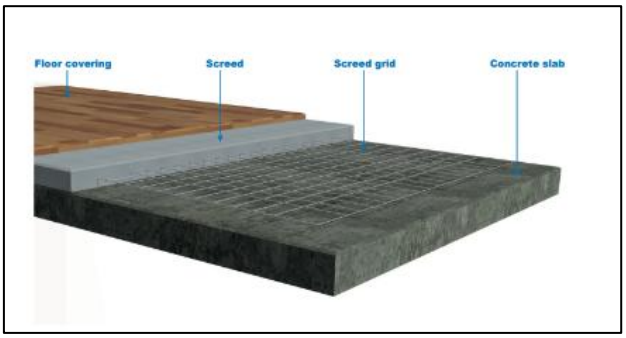
Figure 5.24: Illustration of welded steel mesh used for pallet container

28. Welded steel mesh is also commonly used in the construction of balustrades and railings for stairs, balconies, and terraces (see **Figure 5.25**).

Figure 5.25: Illustration of welded steel mesh used for balustrade

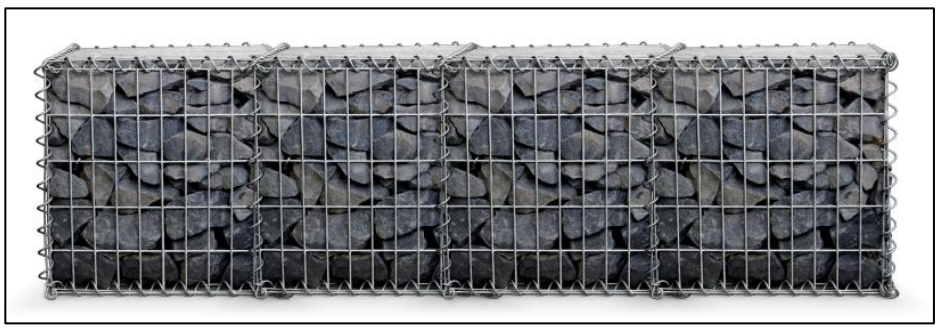
29. As mentioned above, specific types of heavy-duty construction steel mesh, which are used to reinforce concrete or in the production of precast concrete products, are excluded from the product scope. The product concerned, which is made of thinner wire rod, can, however, be used in certain “lighter” construction applications. It can be used, for example, as reinforcement when laying screed (see **Figure 5.26**) or for laying sealed floor coverings and wall tiles. The product concerned can also be used, for instance, for interior or exterior plastering and for facade insulation systems.

Figure 5.26: Illustration of welded steel mesh used as reinforcement when laying screed



30. The product concerned can also be used in the production of gabions (see **Figure 5.27**). These are typically used for erosion control, retaining walls, river and canal stabilization, coastal protection, noise barriers, as well as various landscaping and architectural applications.

Figure 5.27: Illustration of welded steel mesh used for gabion



5.5 Production processes

31. The production process of the product concerned is based on the following main steps: (i) wire drawing; (ii) the shaping of the wires, including straightening, bending and/or twisting; (iii) the welding of the wires; (iv) the galvanization process; and (v) the coating process. Steps 4 and 5 are optional, and step 4 (galvanization) can occur before or after step 3 (welding) and step 2 (shaping) depending on the production methods.

5.5.1 Wire drawing

32. Wire drawing is the initial step where raw steel rods are converted into thin wires (which have a round section, and a tolerance respecting norm EN 10218-2) suitable for making welded steel mesh. The steel rods are pulled through a series of progressively smaller dies using a wire drawing machine. Each die reduces the diameter of the rod, converting it into a thin wire (see **Figure 5.28**).

Figure 5.28: Illustration of wire drawing process

33. The raw steel wires can be made of different steel grades, depending on the intended end-use of the mesh. This includes varying steel grades and varying carbon content, which influences the strength and flexibility of the wires. Depending on the steel grade and desired properties, the drawn wires might undergo annealing, a heat treatment process that reduces hardness and increases ductility.

34. Some steel wires may already be pre-galvanized to enhance corrosion resistance before further processing (see more on galvanization below).

5.5.2 Shaping

35. Shaping is usually the next step in the manufacturing process of welded steel mesh, although this can also be done after the welding process, and consists in giving the raw steel wires their desired size and shape. This step includes straightening, cutting, and possibly bending and twisting. More specifically:

- *Straightening*: At this stage of the process, the raw steel wires are fed into a straightening machine, which uses a series of rollers to straighten the wires. This process ensures uniformity and removes any bends or kinks.

- *Cutting*: Once straightened, the wires are cut to the desired diameter and required length by automated cutters.

- *Bending and twisting*: If the final mesh design requires bent or twisted wires, specialized machinery is used to bend and twist the wires to the desired angles and shapes. This is crucial for producing meshes with unique structural properties or aesthetic designs.

5.5.3 Welding

36. The welding process consists of fusing the intersection of the steel wires, thereby creating a solid mesh structure (see **Figure 5.29**). This is a critical step that determines the strength and integrity of the welded steel mesh.

37. More specifically, welded steel mesh is produced through an operation called “spot-welding”. In this process, the pre-cut wires are arranged in a grid pattern and fed into a welding machine which fuses the intersections of the wires. This involves passing an electric current through the intersecting wires, causing them to heat up to their melting point. This heat causes the wires to fuse together at the contact points, creating a strong bond.

38. The welding machine is calibrated to adjust the distance between the wires and the welding intensity based on the mesh specifications. This allows for the production of meshes with varying wire intervals and strengths.

Figure 5.29: Illustration of welding process

5.5.4 Galvanization (optional)

39. Galvanization adds a layer of zinc to the steel wires, providing protection against rust and corrosion (see **Figure 5.5** above for an illustration of galvanized welded steel mesh). This production step is optional, as certain types of steel wires do not require protection against water corrosion.

40. Galvanization can be done in different ways, including by the process of “hot-dip galvanization”, whereby the steel wires or the welded steel mesh are immersed in a bath of molten zinc. The zinc bonds with the steel, forming a protective layer that is highly resistant to corrosion. Hot-dip galvanization provides a thick, durable coating that offers long-term protection, making it suitable for outdoor applications.

41. Another galvanization method is “electro-galvanization”, whereby the steel wires or welded steel mesh are placed in a saline/zinc solution. An electric current is passed through the solution, causing zinc to deposit onto the steel surface. Electro-galvanization provides a thinner, more uniform coating compared to hot-dip galvanization. It is often used for indoor applications where extreme corrosion resistance is not required.

42. Although galvanization is often done after welding the mesh, the Complainants understand that some EU manufacturers either galvanize steel wires before welding or buy pre-galvanized steel wires and weld them afterwards.

5.5.5 Coating[16]

43. The coating process involves applying an additional protective and aesthetic layer to the welded steel mesh (see **Figure 5.6** above for an illustration of welded steel mesh with green coating). This step enhances the durability and visual appeal of the mesh.

44. At this step of the production process, a thermoplastic powder coating, usually made of epoxy and sometimes of PVC or polyester (offering different levels of protection and aesthetic qualities), is sprayed onto the surface of the welded steel mesh. The coated mesh is then heated, causing the epoxy to adhere firmly to the steel wires. The heat fuses the coating to the metal, creating a durable, protective layer. Epoxy coating provides resistance to environmental factors such as moisture and chemicals, improving the durability of the product. It also adds an aesthetic element, as epoxy can be supplied in various colors to match specific design requirements.

45. The type of coating and its thickness can be customized based on the application needs, whether for industrial, residential, or commercial use.

5.6 Like product

46. Article 1(4) of the Basic Regulation provides that “[f]*or the purposes of this Regulation, ‘like product’ means a product which is identical, that is to say, alike in all respects, to the product under consideration, or, in the absence of such a product, another product which, although not alike in all respects, has characteristics closely resembling those of the product under consideration*”.

47. Welded steel mesh manufactured in China and Türkiye and exported from China or Türkiye to the EU, and welded steel mesh manufactured by the EU producers and sold in the EU have the same basic physical, chemical, and technical characteristics and uses, and they are produced using the same production process. Consequently, both imported welded steel mesh and EU-produced welded steel mesh can be considered as like products within the meaning of Article 1(4) of the Basic Regulation.

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16 According to its market intelligence, the Complainants understand that there is only one minor EU producer (Betafence, which is not part of the complaining EU industry) that purchases galvanized panels (out of galvanized wire) from China and coat them in the EU.

6. THE SUBJECT COUNTRIES: CHINA AND TÜRKIYE

6.1 China

6.1.1 China's steel industry

6.1.1.1 Overcapacity, government support and focus on exports

48. China is a leading producer of steel and steel products worldwide. Its steel industry is primarily driven by State-owned enterprises ("**SOEs**"), which dominate production and are able to maintain operations despite widespread overcapacity. Although the domestic Chinese market for steel products suffers from a demand shortage, Chinese steel producers continue operating despite not being economically viable, supported by substantial government subsidies (including direct financial support, tax exemptions, and reduced energy costs), earning them the label of "zombie companies".[17]

49. This situation compels these companies to seek international markets for their excess production, often selling at below-cost due to the financial backing they receive. In 2023, for example, exports of steel products from China increased by around 36% compared to 2022 (to 90.3 million tons), while the average price per ton dropped by around 33% (to around USD 937 or 860 EUR) in the same time period.[18] This upward trend in exports was further strengthened into the IP, as China's global steel exports surged to a record 114.8 million tons in 2024, compared to 92.3 million in 2023 marking a 24% increase from 2023.[19] During the IP, this soaring trend was confirmed, as export statistics from January to June 2025 report that Chinese steel enterprises increased their steel exports by 9.2% compared to the same period in 2024.[20]

50. The increase in exports of steel products has prompted investigations by the trade authorities of several countries to determine whether these exports occured at dumped prices. In this context, for example, the US Department of Commerce recently concluded investigations into the imports of temporary steel fencing from China under the anti-dumping and countervailing duty statute, revealing that these imports have been both dumped and subsidized.[21]

6.1.1.2 EU response

51. Consequently, most upstream steel products originating in China have already been found by the Commission to be in breach of EU trade rules on dumping and subsidies and have thus been subjected to anti-dumping and countervailing duties. This is the case, for instance, of certain

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17 **Annex 6.1 [Open]**, Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China for the Purposes of Trade Defence Investigations, Directorate-General for Trade, 2024, pp. 402-414; **Annex 6.2 [Open]**, CRS Report on China's Economic Rise: History, Trends, Challenges, and Implications for the United States, 2006-2019, pp.24-25; **Annex 6.3 [Open]**, Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China for the Purposes of Trade Defence Investigations, Directorate-General for Trade, 2017, pp.360 -374.

18 **Annex 6.4 [Open]**, China's steel overcapacity foments dumping concerns, FDI Intelligence, 2024, page 2.

19 **Annex 6.5 [Open],** China Steel Exports Report - US Trade Department, 2025, page 2.

20 **Annex 6.6 [Open]**, China increased steel exports by 9.2% y/y in 1H2025, GMK Center, 2025, page 1.

21 International Trade Administration, A-570-198 (US Department of Commerce); International Trade Administration, C-570-199 (US Department of Commerce).

iron or steel tubes and pipe fittings,[22] certain hot rolled stainless steel sheets and coils,[23] certain stainless steel tubes and pipe butt-welding fittings,[24] and certain hot-rolled flat products of iron, non-alloy or other alloy steel.[25] This is also the case for wire rod, the main input material used to manufacture the product concerned, on which an antidumping duty was imposed in 2009 and then extended in 2015 and 2021.[26] Since most upstream steel products originating in China have already been subjected to anti-dumping and countervailing duties, which limit their entry into the EU, China increased its focus on the export of semi-finished and finished steel products. In 2023, average monthly exports of semi-finished and finished steel products from China were 36.2% higher than in 2022.[27] This is not just a temporary or exceptional trend since, according to forecasts for 2025, the growing pattern in exports of finished and semi-finished steel products is expected to continue.[28]

52. However, as elaborated upon in **Section 7.1.1** below, the downstream steel sector in China is also subject to significant distortions which are, in large part, a reflection of the distortions that exist in the upstream steel sector, as upstream steel products are used as the main inputs for the production of finished and semi-finished products. Indeed, the Commission already found in this regard the fact that certain upstream products, such as hot rolled steel and cold rolled steel (which are necessary for the production of downstream products), are subsidized, which results in artificially low prices of final downstream products.[29]

53. As a consequence of these distortions and the significant increase in exports of finished and semi-finished steel products from China, there has been a surge in EU trade defence investigations concerning downstream finished and semi-finished steel products from China. For

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22 Commission Implementing Regulation (EU) 2022/95 of 24 January 2022 imposing a definitive anti-dumping duty on imports of certain tube and pipe fittings, of iron or steel, originating in the People's Republic of China, as extended to imports of certain tube and pipe fittings, of iron or steel consigned from Taiwan, Indonesia, Sri Lanka and the Philippines, whether declared as originating in these countries or not, following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council.

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

24 Commission Implementing Regulation (EU) 2023/809 of 13 April 2023 imposing a definitive anti-dumping duty on imports of certain stainless steel tube and pipe butt-welding fittings, whether or not finished, originating in the People's Republic of China and Taiwan following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council.

25 Commission Implementing Regulation (EU) 2023/1123 of 7 June 2023 imposing a definitive countervailing duty on imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel originating in People's Republic of China following an expiry review pursuant to Article 18 of Regulation (EU) 2016/1037 of the European Parliament and of the Council.

26 Commission Implementing Regulation (EU) 2021/1805 of 12 October 2021 imposing a definitive anti-dumping duty on imports of wire rod originating in the People's Republic of China following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council.

27 **Annex 6.7 [Open]**, Risks to the steel market from a slowdown in China's economy, GMK Center, 2024, page 1.

28 **Annex 6.8 [Open]**, China's steel market in 2024, Export growth and domestic consumption decline, GMK Center, 2025, page 2.

29 Council Implementing Regulation (EU) No 215/2013 of 11 March 2013 imposing a countervailing duty on imports of certain organic coated steel products originating in the People's Republic of China, paras. 80 and 97.

example, iron or steel fasteners,[30] certain organic coated steel products,[31] steel bulb flats,[32] and steel track shoes[33] are already subject to AD duties.

54. As explained in further detail below, welded steel mesh is also a downstream steel product of wire rod which, as a consequence of the fact that most upstream steel products originating in China have already been subjected to anti-dumping and countervailing duties, is exported to the EU in increasing quantities, and the production of which is impacted by the significant distortions that exist in China's downstream steel sector.

6.1.2 China's welded steel mesh industry

6.1.2.1 Decreasing domestic demand for welded steel mesh in China and focus on exports

55. The increasing trend in exports of welded steel mesh from China is in line with the current state of the Chinese economy, which has lately been characterized by a weakening domestic demand. As it has been widely reported, the unfavorable internal economic circumstances have forced Chinese steel producers, in general, to increasingly rely on exports in foreign markets.[34] In this context, evidence available shows that the internal demand for welded steel mesh in China has declined significantly in sectors which are typically the largest consumers of welded steel mesh, such as the construction and real estate industries, public infrastructure, and the meat and dairy industries.[35]

56. Since the product concerned is used for, *inter alia*, fencing and light construction work, the crisis affecting the Chinese construction and real estate markets negatively affected the domestic demand for welded steel mesh in China. As the real estate and construction sectors used to be among the most important contributors to China's GDP, Chinese producers of welded steel mesh had to significantly increase their production capacities during the past decade in order to meet the exponential increase in market demand for welded steel mesh to be used in products such as fences, balustrades, railings for stairs, balconies or terraces, for reinforcement for laying screed or for laying sealed floor coverings and wall tiles, as well as for interior or exterior plastering and

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30 Commission Implementing Regulation (EU) 2022/191 of 16 February 2022 imposing a definitive anti-dumping duty on imports of certain iron or steel fasteners originating in the People's Republic of China.

31 Commission Implementing Regulation (EU) 2019/687 of 2 May 2019 imposing a definitive anti-dumping duty on imports of certain organic coated steel products originating in the People's Republic of China following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council.

32 Commission Implementing Regulation (EU) 2024/209 of 10 January 2024 imposing a definitive anti-dumping duty and definitively collecting the provisional duty imposed on imports of steel bulb flats originating in the People's Republic of China and Türkiye.

33 Commission Implementing Regulation (EU) 2025/2081 of 17 October 2025 imposing a definitive anti-dumping duty and definitively collecting the provisional duty imposed on imports of steel track shoes originating in the People's Republic of China.

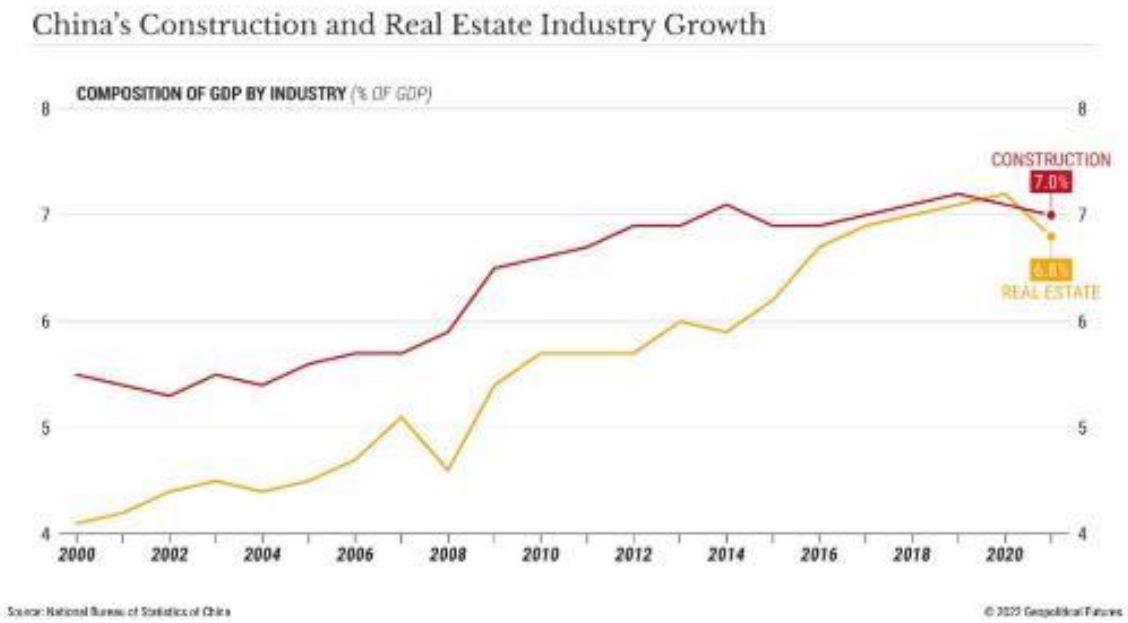
34 **Annex 6.8 [Open],** China's steel market in 2024, Export growth and domestic consumption decline, GMK Center, 2025, page 2.

35 **Annex 6.9 [Open],** Real Estate Is China's Biggest Economic Vulnerability, Geopolitical Futures, 2022, pp.1-3; **Annex 6.10 [Open],** Understanding China's Real Estate Crisis, The Global Treasurer, 2024, pp.1-5**; Annex 6.11 [Open]**, China's Slowing Economy Hurts Its Appetite for Meat, Bloomberg, 2023, pp.1-3; and **Annex 6.12 [Open]**, How Far Is China's Slowdown Spreading? Ask a Dairy Farmer 6,000 Miles Away, The Wall Street Journal, 2024, pp 1-5.

for facade insulation systems for example (see more on the different uses of welded steel mesh in **Section 5.4** above).[36]

57. As illustrated in **Graph 6.1** below, however, the Chinese construction and real estate markets experienced a significant decline as of 2021, following the collapse of the Evergrande Group (the second biggest player on China's property market) and the liquidation of Country Garden (China's largest property developer). Since then, many other Chinese real estate developers have defaulted, leading to the cessation of several construction projects. Specifically, in 2022, there was a 10% decline in real estate investment in China, with investments in residential properties dropping by 9.5%.[37] This declining trend continued in recent years, as investments in real estate registered a decrease of 10.6% in 2024, while investment in residential buildings plummeted by 10.5% that same year.[38] Consequently, the demand for welded steel mesh for use in the construction and real estate industry in China also drastically dropped.

Graph 6.1: China's construction and real estate industry growth



58. Furthermore, China's infrastructure spending has also rapidly decreased, as a recent central government directive was issued to China's 12 debt-ridden provinces and municipalities to downsize or halt some state-funded projects. While infrastructure construction, a robust driver of welded steel mesh consumption, already started slowing in some of these debt-ridden regions

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36 **Annex 6.9 [Open]**, Real Estate Is China's Biggest Economic Vulnerability, Geopolitical Futures, pp.1-3; **Annex 6.10 [Open]**, Understanding China's Real Estate Crisis, The Global Treasurer, pp.1-5.

37 **Annex 6.13 [Open]**, 'National Real Estate Development and Sales in 2022'. National Bureau of Statistics of China, 2023, page 1; **Annex 6.14 [Open]**, 'China's 2022 property investment falls for first time since 1999'. Reuters, 2023, page 1; **Annex 6.9 [Open]**, Real Estate Is China's Biggest Economic Vulnerability, Geopolitical Futures, 2022, pp.1-3.**Annex 6.15 [Open]**, 'Enough is enough': With $300 billion in debt, court says it's time to liquidate China's Evergrande, EuroNews, 2024, pp. 1-6; **Annex 6.10**, Understanding China's Real Estate Crisis, The Global Treasurer, 2024, pp.1-5.

38 **Annex 6.16 [Open]**, Investment in Real Estate Development in 2024, National Bureau of Statistics of China, 2025, page 1.

as of 2023, according to this new directive, these provinces will now be prohibited from launching any new projects in sectors such as transport (including expressways, airports and urban railways), municipal facilities, industrial zones, town renovation and new infrastructure.[39] More generally, while China has, in the past, relied considerably upon infrastructure projects to generate growth by continually building roads, railways and airports, leading the Chinese Government to massively increase infrastructure spending for many years, this policy has proven to be unsustainable. Indeed, this led the government to approve projects that were unnecessary, leading to China's "ghost cities" for example, where infrastructure and urban development drastically outpaced demand. As a consequence of this, we are now witnessing a sudden and drastic decline in infrastructure development across China.[40] Moreover, the Chinese government started to maintain a stringent debt control policy, thus limiting financing for new infrastructure projects and thereby further dampening domestic demand for welded steel mesh.[41]

59. As explained in **Section 5.4** above, as one of the main uses of welded steel mesh is for fencing for public infrastructure (such as schools, prisons, roads, ports, airports and railways), this decrease in infrastructure spending further exacerbates the decreasing domestic demand for welded steel mesh in China.

60. Another sector which is an important user of welded steel mesh in China is the agricultural sector, where welded steel mesh is mainly used for constructing animal pens and enclosures (see **Section 5.4** above). The significant increase in incomes and living standards over the last four decades in China initially led to an increase in demand for meat and dairy in the country, and an increase in investments in these sectors which, in turn, increased the need for constructing welded steel mesh-based animal pens and enclosures. While domestic production of meat and dairy was on the rise, the demand for meat and dairy products has drastically decreased amid the recent economic slowdown in China.[42] This directly and significantly lowers the domestic demand for welded steel mesh in China.

61. Consequently, Chinese producers of welded steel mesh had to increase their production capacities during the past decade to meet the increasing demand of the real estate and construction sectors, as well as to meet the demand for large infrastructure projects and the increased meat and dairy production in the country. However, as domestic demand in all these sectors, which are crucial for welded steel mesh producers, is now quickly declining, Chinese producers have no other option but to increasingly focus on exports to disperse their excess production. As explained in further detail below (see **Section 8.1**), China's excess production of welded steel mesh has already been redirected to export markets, especially to the EU over the

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39 **Annex 6.17 [Open]**, China orders indebted local governments to halt some infrastructure projects-sources, Reuters, 2024, pp. 1-4.

40 **Annex 6.18 [Open]**, China's Infrastructure and Construction Problem, Alliance for Innovation and Infrastructure, 2024, pp.1-3.

41 **Annex 6.8 [Open]**, China's steel market in 2024, Export growth and domestic consumption decline, GMK Center, 2025, page 2.

42 **Annex 6.12 [Open]**, How Far Is China's Slowdown Spreading? Ask a Dairy Farmer 6,000 Miles Away, The Wall Street Journal, 2024, pp 1-5; and **Annex 6.11 [Open]**, China's Slowing Economy Hurts Its Appetite for Meat, Bloomberg, 2023, pp.1-3; **Annex 6.19 [Open]**, China's milk production declines as consumer tastes shift, Dairy Business Middle East & Africa, 2025, pages 3-4; **Annex 6.20 [Open]**, Dairy and Products Semi-Annual USDA Report, 2025.

last few years, as EU import volumes of welded steel mesh originating in China increased by 34% between 2022 and the IP, *i.e.*, from 49,614 tons in 2022 to 66,631 tons in the IP.

62. Chinese producers of welded steel mesh themselves also confirm their almost exclusive focus on exports. For instance, the Anping county has become a cluster for wire mesh and wire mesh products production. In this context, during the 2023 China Anping International Wire Mesh Fair, it was stated that the Anping wire mesh industry was able to achieve remarkable results in foreign trade thanks to the measures adopted to boost production in the county.[43] Similarly, several other Chinese producers of welded steel mesh are essentially oriented exclusively toward exports, such as XinWei Metal Wire Mesh Co. for example, which confirms on its website that it exports 90% of its production to foreign markets.[44]

6.1.2.2 Decreasing prices of Chinese welded steel mesh

63. Furthermore, Chinese welded steel mesh is exported at increasingly low prices. As illustrated by **Table 6.1** below,[45] the average price of welded steel mesh imported from China into the EU drastically dropped by 36% between 2022 (2,073 EUR/ton) and the IP (1,333 EUR/ton).

Table 6.1: Annual average price of welded steel mesh from China (EUR/ton)

	2022	2023	2024	IP (Q4 2024 – Q3 2025
Average price Chinese producers (EUR/ton)	2,073	1,330	1,407	1,333
Index	*100*	*64*	*68*	*64*

64. This drastic decrease in prices is a result of Chinese overcapacity and the massive government subsidies provided by the Chinese government to companies active in the steel industry (which include producers of both upstream steel products and downstream steel products, such as welded steel mesh).

6.1.3 China's welded steel mesh industry: conclusion

65. In conclusion, the Chinese welded steel mesh industry has faced a decrease in domestic demand across key sectors like construction, real estate and infrastructure. These factors have compelled Chinese producers to pivot sharply towards exporting their surplus production, notably towards the EU. The industry's increased export orientation is further facilitated by aggressive pricing strategies, underpinned by substantial government subsidies.

66. The fact that downstream products, such as the product concerned, are not covered by the Commission's proposal on 'the negative trade-related effects of global overcapacity on the

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43 **Annex 6.21 [Open]**, Promotion event for 2023 China Anping International Wire Mesh Fair held in Beijing, People's Daily Online, 2023, pp.1-4.
44 **Annex 6.22 [Open],** Extract website XinWei Metal Wire Mesh Co., Ltd.
45 See **Annex 8.1 [Open]**, EU import statistics, Eurostat extraction.

Union steel market'[46] or the Carbon Border Adjustment Mechanism (CBAM), will only incentivize Chinese exporting producers to increase their exports of the product concerned into the EU.

6.2 Türkiye

6.2.1 Türkiye's steel industry

6.2.1.1 Overcapacity, government support and focus on exports

67. Türkiye, the second country concerned by this Complaint, is a leading producer of steel and steel products worldwide. With a steel production capacity of approximately 60 million tons per year, it is one of the largest producers of steel globally.[47] Turkish steel production has been on the rise, and forecasts for 2025 suggest that it continues to increase. This, paired with a decrease in domestic consumption, demonstrates a shift towards an export orientation, and it shows that Turkish producers are increasingly willing to make use of their spare capacity.[48]

68. The growth in Türkiye's steel production has been facilitated by several factors, including investments in expanding capacity. The Turkish government has actively supported the steel industry as part of its broader industrial policy, aiming to enhance the country's export capabilities, including through tax incentives and various other means, allowing them to expand their production capabilities significantly.[49]

69. Between January and April 2024, Türkiye increased its steel exports by 49.4% compared to the same period in 2023, reaching 4.2 million tons.[50] Europe is a main export destination for Turkish steel, accounting for 31% of Türkiye's total steel exports in 2023.[51] This trend is reflective of Türkiye's strategic orientation toward the EU market, leveraging geographical proximity. Over the past decade, the share of Turkish steel exports to the EU has doubled, rising from an average of 16% in 2010-2016 to 25% for the period 2017-2020, and reaching 30% in 2020-2023.[52] Moreover, in 2024, Turkish steelmakers increased their total exports of steel products to Europe by 27.6% compared to 2023.[53]

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46 See Proposal for a Regulation of the European Parliament and of the Council addressing the negative trade-related effects of global overcapacity on the Union steel market, 7 October 2025, COM (2025) 726 final.

47 **Annex 6.23 [Open],** Turkey increased steel production by 13.8% year to year in August, GMK Center, 2024.

48 **Annex 6.24 [Open]**, Turkey's steel industry plans to increase utilization to 70% in 2025, GMK Center, 2024; **Annex 6.25 [Open]**, Turkey Steel Sector Report: Production, Trade and Decarbonization Process, SEFIA, 2022, page 2; **Annex 6.26 [Open]**, Turkey increased steel production by 14.9% year to year in January to July, GMK Center, 2024; **Annex 6.27 [Open]**, Turkey's production capacity of 60 million tons largely remains idle, Turkish Steel Association, 2025; **Annex 6.23 [Open]**, Turkey increased steel production by 13.8% year to year in August.

49 **Annex 6.28 [Open],** Türkiye's 11th Development Plan (2019-2023), The Grand National Assembly of Turkey, 2019, pp. 61-66 and **Annex 6.29 [Open]**, Türkiye's 12th Development Plan (2014-2028), The Grand National Assembly of Turkey, 2023, pp.116-117.

50 **Annex 6.30 [Open]**, Turkish Steel- Statistics, Steel Export Association, 2023.

51 **Annex 6.30 [Open]**, Turkish Steel- Statistics, Steel Export Association, 2023; **Annex 6.31 [Open]**, Higher EU demand supports Turkey's steel output, exports: trade body, Eurometal, 2024, pp. 1-2.

52 **Annex 6.25 [Open]**, Turkey Steel Sector Report: Production, Trade and Decarbonization Process, SEFIA, 2022, page 2; **Annex 6.32 [Open],** Turkish Steel- Statistics, Steel Export Association, 2024

53 **Annex 6.33 [Open]**, European demand drives Türkiye's steel export in 2024, International Steel Statistics Bureau (ISSB), 2025, page 1.

6.2.1.2 EU response

70. As a result of increasing exports of Turkish steel to the EU at low prices, the Commission has already found several upstream steel products originating in Türkiye to be in breach of EU trade rules. It has thus imposed trade defence measures on, for example, corrosion resistant steels,[54] hot-rolled flat products of iron[55] and certain tube and pipe fittings of iron or steel originating in Türkiye.[56]

71. Since many upstream steel products originating in Türkiye have already been subjected to anti-dumping duties, which limit their entry into the EU, a number of Turkish exporting producers have increased its focus on the export of more downstream steel products, such as welded steel mesh for example, which have not yet been targeted as extensively by EU trade defence measures. Exports of finished steel products from Türkiye to the EU have surged by a remarkable 99% in the first seven month of 2024 compared to 2023.[57] This shift toward exporting more downstream steel products is evidenced by the Commission's recent imposition of AD duties on steel bulb flats imports from Türkiye[58] for example, highlighting the ongoing adaptation of Turkish exporters to maintain their presence in the European market.

6.2.2 Türkiye's welded steel mesh industry

6.2.2.1 Decreasing demand for welded steel mesh in Türkiye and focus on exports

72. In recent years, Türkiye has faced significant restraints in its domestic demand for steel and steel products, including welded steel mesh. In general, domestic consumption of steel in Türkiye decreased by 1.8% in January-October 2024 compared to the same period in 2014.[59] This decrease has been primarily driven by severe inflation (see **Graph 8.2** below for inflation rates in Türkiye over the last few years)[60] and the devaluation of the Turkish lira (see **Graph 6.1** below).[61] The inflationary pressures eroded the purchasing power within the domestic market, thereby reducing demand for construction materials and other steel products.

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54 Commission Implementing Regulation (EU) 2022/1935 of 11 August 2022 imposing a definitive anti-dumping duty on imports of certain corrosion resistant steels originating in Russia and Turkey.

55 Commission Implementing Regulation (EU) 2021/1100 of 5 July 2021 imposing a definitive anti-dumping duty and definitively collecting the provisional duty imposed on imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel originating in Turkey.

56 Council Implementing Regulation (EU) No 78/2013 imposing a definitive anti-dumping duty and collecting definitely the provisional duty imposed on imports of certain tube and pipe fittings of iron or steel originating in Russia and Turkey.

57 **Annex 6.34 [Open]**, Economic and steel market outlook 2024-2025 fourth quarter, Economic Committee of the European Steel Association (EUROFER), 2024, page 11.

58 Commission Implementing Regulation (EU) 2024/209 of 10 January 2024 imposing a definitive anti-dumping duty and definitely collecting the provisional duty imposed on imports of steel bulb flats originating in the People's Republic of China and Türkiye.

59 **Annex 6.35 [Open]**, Steel consumption in Turkey decreased by 1.8% year to year in January-October, GMK Center 2024, page 1.

60 See **Annex 8.3**, IMF **[Open]**, inflation rate Türkiye and China, extracted from https://www.imf.org/external/datamapper/PCPIPCH@WEO/CHN/TUR.

61 ECB, Evolution of TRY versus EUR, available at: https://www.ecb.europa.eu/stats/policy_and_exchange_rates/euro_reference_exchange_rates/html/eurofxref-graph-try.en.html

Graph 6.1: Evolution of TRY versus EUR

73. The already limited domestic demand was further negatively affected by the fact that the Turkish Government increased VAT from 18% to 20%, which increased domestic prices for steel products.[62] The Turkish production of steel and steel products has thus constantly outweighed the domestic demand in Türkiye.

74. Consequently, as is the case for other parts of the Turkish steel industry, (see paragraph 68 above), Turkish welded steel mesh producers have no other option but to focus on exports as their primary outlet for excess production. Many producers have reoriented their business models to cater primarily, or even exclusively, to foreign markets. For example, Özyaşar Tel, a major Turkish welded steel mesh producer, reports that it exports to approximately 70 different countries and its website is mostly dedicated to its export activities.[63] Similarly, Te-Fence, another significant producer which has a daily production capacity of 15,000 m2 of flexible fence and 9,000 m2 of rigid panel fence, is also mainly dedicated to exports and describes itself as a "leading global exporter". According to figures provided by Te-Fence itself, the largest part of its exports, *i.e.*, 68%, concerns panel fence systems.[64]

6.2.2.2 Decreasing prices of Turkish welded steel mesh

75. The focus on exports has also been accompanied by a significant decrease in the prices of Turkish welded steel mesh in international markets. As illustrated by **Table 6.2** below,[65] the average price of Turkish welded steel mesh imported into the EU dropped by 20% between 2022 (1,402 EUR/ton) and the IP (1,112 EUR/ton). This decrease was so pronounced that Turkish welded steel mesh prices even fell below the price of Chinese welded steel mesh during the IP (the average price of Chinese welded steel mesh was 1,333 EUR/ton during the IP, as reflected in **Table 6.1** above).

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62 **Annex 6.36 [Open]**, Türkiye has increased the VAT on steel products to 20 percent, GMK Center, 2023, page 1.
63 **Annex 6.37 [Open],** Website Ozyasar Tel, page 2.
64 **Annex 6.38 [Open],** Website Te-Fence, page 2.
65 **Annex 8.1 [Open]**, EU import statistics, Eurostat extraction.

Table 6.2: Annual average price of welded steel mesh from Türkiye (EUR/ton)

	2022	2023	2024	IP (Q4 2024 – Q3 2025)
Average price Turkish producers (EUR/ton)	1,402	1,246	1,153	1,112
Index	*100*	*89*	*82*	*79*

6.2.3 Türkiye's welded steel mesh industry: conclusion

76. The Turkish welded steel mesh industry has had to increasingly lean on export markets due to overcapacity[66] and significant internal economic challenges, such as inflation and a weakened currency, compounded by policy changes like VAT increases. This dynamic has fostered a substantial increase in Turkish steel exports to the EU.

77. The fact that downstream products, such as the product concerned, are not covered by the Commission's proposal on 'the negative trade-related effects of global overcapacity on the Union steel market'[67] or the Carbon Border Adjustment Mechanism (CBAM), will only incentivize Turkish exporting producers to increase their exports of the product concerned into the EU.

7. DUMPING

7.1 China

78. There is no doubt that imports into the EU of welded steel mesh originating in China are being dumped on the EU market.

7.1.1 The existence of significant distortions in China

79. The fact that China does not operate under normal market economy conditions is a well-known fact. In its Staff Working Document of 2017 on "*Significant distortions in the economy of the People's Republic of China for the purpose of trade defence investigations*", the Commission found that "[t]*he overall picture that emerges concerning the framework in which economic activity takes place in China is one where the State continues to exert a decisive influence on the allocation of resources and on their prices*" and that "*the allocation and pricing of the various factors of production is influenced by the State in a very significant manner*".[68] In the 2024 revision of this 2017 Staff Working Document, the Commission provides further evidence with respect to the fact that "*the State continues to exert a decisive influence on the allocation of resources and*

66 *Ibid.*

67 See Proposal for a Regulation of the European Parliament and of the Council addressing the negative trade-related effects of global overcapacity on the Union steel market, 7 October 2025, COM (2025) 726 final.

68 **Annex 7.1 [Open]**, Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China for the Purposes of Trade Defence Investigations, Directorate-General for Trade, 2017, p. 3.

on their prices".[69] As both Staff Working Documents show, the Commission maintains its position that China does not operate under normal market economy conditions.

80. Article 2(7)(a) of the Basic Regulation lays down the methodology according to which the normal value is determined for imports from non-market economy countries. In such countries, including China, market conditions, and in particular costs and prices, are not driven by market forces of supply and demand. Instead, they are distorted by the intervention of the State in the economy. Consequently, such costs and prices are not reliable for the purpose of determining normal value.

81. Article 2(6a)(a) of the Basic Regulation allows for the construction of the normal value to be based on the costs of production and sales of an appropriate representative country when significant distortions exist in the exporting country. Article 2(6a)(b) defines significant distortions as "*those distortions which occur when reported prices or costs, including the costs of raw materials and energy, are not the result of free market forces because they are affected by substantial government intervention*". The existence of significant distortions should be assessed based on the following elements, each of which will be reviewed in turn:

- The State interferes with respect to prices and costs (**Section A**);
- The market in question is served to a significant extent by enterprises which operate under the ownership, control, policy supervision or guidance of the authorities of the exporting country (**Section B**);
- Public policies or measures discriminate in favour of domestic suppliers or otherwise influence free market forces (**Section C**);
- The lack and discriminatory application or inadequate enforcement of bankruptcy, corporate or property laws (**Section D**);
- The distortion of wage costs (**Section E**); and
- Access to finance granted by institutions which implement public policy objectives or are otherwise not acting independently from the State (**Section F**).

7.1.1.1 Significant distortions affecting domestic prices and costs in China

82. In past investigations, the Commission has provided substantial evidence of the fact that there are significant distortions affecting the domestic prices and costs in China.[70] In particular, the Commission has found that (i) the Chinese economic system is based on the concept of a socialist market economy, the core principle of which is the "*socialist public ownership of the*

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69 **Annex 7.2 [Open]**, Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China for the Purposes of Trade Defence Investigations, Directorate-General for Trade, 2024, p. 3.

70 Commission Implementing Regulation (EU) 2020/492 of 1 April 2020 imposing definitive anti-dumping duties on imports of certain woven and/or stitched glass fibre fabrics originating in the People's Republic of China and Egypt, OJ 2020 L108/1, paras. 109-115.

means of production, namely, ownership by the whole people and collective ownership by the working people"; (ii) the socialist market economy is developed under the leadership of the Chinese Communist Party ("**CCP**") and the structures of the Chinese State and those of the CCP are intertwined at every level; and (iii) the Chinese State engages in an interventionist economic policy in the pursuance of goals which coincide with the political agenda set by the CCP rather than reflecting the prevailing economic conditions in a free market. According to the Commission, "*this system does not prioritise and often does not result in market-based resource allocations*".[71]

83. These significant distortions are unlikely to disappear in the near future, as they are also deeply entrenched within Chinese laws and regulations. Indeed, in its 2024 Staff Working Document, the Commission highlights the fact that the concept of a socialist market economy is legally embedded in "*the preamble of the Constitution, further provisions in the Constitution, the CCP Constitution, as well as various other legal acts and documents*".[72]

84. With respect to the steel sector, in recent investigations, the Commission found significant distortions within the meaning of Article 2(6a)(b) of the Basic Regulation, *i.e.*, distortions of the effective allocation of resources in line with the free market principles.[73] The Commission concluded that in the steel sector, a substantial degree of ownership by the Chinese government persists, and the Chinese government is in a position to interfere with prices and costs.

85. It follows that the Chinese market is governed by systemic distortions within the meaning of Article 2(6a)(b) of the Basic Regulation. These distortions result from the significant intervention of the Chinese government, that does not allow the market to operate under free market forces, and these distortions apply to the Chinese economy as a whole, including the steel sector and, naturally, the market of the product concerned which is a downstream steel product.

7.1.1.2 The market is served to a significant extent by enterprises which operate under the ownership, control, policy supervision or guidance of Chinese authorities

86. In China, companies which operate under the ownership, control, policy supervision or guidance by the State represent an essential part of the economy. The Chinese government and the CCP actively formulate and oversee the implementation of general economic policies by

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71 **Annex 7.2 [Open]**, Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China for the Purposes of Trade Defence Investigations, Directorate-General for Trade, 2024, p. 30.

72 **Annex 7.2 [Open]**, Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China for the Purposes of Trade Defence Investigations, Directorate-General for Trade, 2024, p. 29.

73 For example, Commission Implementing Regulation (EU) 2022/191 of 16 February 2022 imposing a definitive anti-dumping duty on imports of certain iron or steel fasteners originating in the People's Republic of China, OJ 2022 L36/1; Commission Implementing Regulation (EU) 2021/2239 of 15 December 2021 imposing a definitive anti-dumping duty on imports of certain utility scale steel wind towers originating in the People's Republic of China, OJ 2021, L450/59; Commission Implementing Regulation (EU) 2021/635 of 16 April 2021 imposing a definitive anti-dumping duty on imports of certain welded pipes and tubes of iron or non-alloyed steel originating in Belarus, the People's Republic of China and Russia following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council, OJ 2021, L132/45; and Commission Implementing Regulation (EU) 2020/508 of 7 April 2020 imposing a provisional anti-dumping duty on imports of certain hot rolled stainless steel sheets and coils originating in Indonesia, the People's Republic of China and Taiwan, OJ 2020, L110/3.

companies and also participate in operational decision making of companies, in particular SOEs.[74] The Commission has previously noted in this regard that the CCP "[injects] *itself directly into the corporate structure and the managerial decision-making of individual business operators, state-owned* […] *and private* […] *alike*", such that the CCP controls the country's economy.[75]

87. In particular, China considers the steel industry as belonging to the "*bedrock of the real economy*" and deems it a "*fundamental pillar industry of the national economy*".[76] The Chinese government is therefore deeply present in the steel sector and directly dictates the competitive landscape of that sector to achieve strategic economic goals. It intends to consolidate the Chinese steel sector into fewer but larger steelmakers and world-class conglomerates capable of competing globally.[77]

88. Moreover, the Chinese steel market is rife with SOEs, especially large SOEs that the Chinese government uses as vehicles to implement its policies. As explained by the Commission, "*SOEs are the most important players in the Chinese steel market and a considerable part of the steel industrial structure, often receiving important preferential treatment from the State*".[78] In the investigation into heavy plates, the Commission confirmed that the Chinese steel sector is subject to "*a substantial degree of ownership by the* [Government of China]".[79] The SOEs' predominance in the market is so considerable that private producers have no choice but aligning their prices and strategies to those of the SOEs. As explained by the Commission in the anti-subsidy investigation into organic coated steel, "*SOEs are predominant in the* [hot-rolled steel ("**HRS**")] *market in China. This predominance of SOEs in the HRS market is so considerable that the private producers have no choice but to align their prices with the SOEs*".[80] The SOEs concerned include large conglomerates such as China Baowu Group, Ansteel Group, and Shougang Group. These companies are among the top 10 of world's largest steel producers.

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74 Commission Implementing Regulation (EU) 2020/492 of 1 April 2020 imposing definitive anti-dumping duties on imports of certain woven and/or stitched glass fibre fabrics originating in the People's Republic of China and Egypt, OJ 2020 L108/1, paras. 116-117.

75 **Annex 7.2 [Open]**, Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China for the Purposes of Trade Defence Investigations, Directorate-General for Trade, 2024, p. 55.

76 **Annex 7.2 [Open],** Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China for the Purposes of Trade Defence Investigations, Directorate-General for Trade, 2024, pp. 465 and 399**; Annex 7.3,** Introduction of the 2023 Work plan on the stable growth of the steel industry, State Council, 2021, page 1.

77 **Annex 7.2 [Open]**, Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China for the Purposes of Trade Defence Investigations, Directorate-General for Trade, 2024, page 400.

78 **Annex 7.2 [Open]**, Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China for the Purposes of Trade Defence Investigations, Directorate-General for Trade, 2024, p. 387.

79 Commission Implementing Regulation (EU) 2023/968 of 16 May 2023 imposing a definitive anti-dumping duty on imports of certain heavy plate of non-alloy or other alloy steel originating in the PRC following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council, OJ 2023 L133/214.

80 Council Implementing Regulation (EU) No 215/2013 of 11 March 2013 imposing a countervailing duty on imports of certain organic coated steel products originating in the People's Republic of China, OJ 2013, L73/16, recital 77 (emphasis added).

89. Given the high level of government intervention in the steel sector in general, even privately owned producers are prevented from operating under normal market conditions, as both public and privately owned enterprises in the welded steel mesh sector are subject to policy supervision.

7.1.1.3 Public policies or measures discriminate in favour of domestic suppliers or otherwise influence free market forces

90. The central and local Chinese governments set out the priorities and prescribe the goals of the Chinese economy. Relevant plans exist at all levels of government and cover virtually all economic sectors. The objectives set by the planning instruments are binding in nature and the authorities at each administrative level monitor the implementation of the plans by the corresponding lower level of government. 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.[81]

91. Importantly, "*Made in China 2025*" introduces a road map to support the Chinese manufacturing sector in all industries. The steel sector is anything but an exception to such intervention by the Chinese government, and steel products are subject to significant incentives and subsidies. As a downstream steel product, welded steel mesh also benefits from such support measures. Similarly, industries in which welded steel mesh is used are typically important industries which are supported by the Chinese government. For example, "*Made in China 2025*" identifies the development of aerospace and rail transport as key areas.[82] In addition, various machinery equipment industries are regarded as important industries supported by the Chinese government.[83]

92. Incentives and subsidies, such as "*Made in China 2025*" for example, which influence free-market forces, have not gone unnoticed by the Commission. For instance, it was established in previous cases[84] that the steel sector benefits from preferential lending, which constitutes subsidies. According to the Commission, such intervention in the financial system of the steel industry results in market conditions being severely affected at all levels. The Chinese steel industry is also greatly affected by specific subsidy funds from the Chinese government aimed at

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81 Commission Implementing Regulation (EU) 2020/492 of 1 April 2020 imposing definitive anti-dumping duties on imports of certain woven and/or stitched glass fibre fabrics originating in the People's Republic of China and Egypt, OJ 2020 L108/1, para. 123; **Annex 7.2 [Open]**, Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China for the Purposes of Trade Defence Investigations, Directorate-General for Trade, 2024, Chapter 4: Planning System, pp. 57-100.

82 **Annex 7.4 [Open]**, "Made in China 2025", Circular of the State Council, 19 May 2015 (AI translation), pp. 57-58.

83 **Annex 7.4 [Open]**, 'Made in China 2025", Circular of the State Council, 19 May 2015 (AI translation), pp. 59-60.

84 In the hot-rolled flat products investigation, the Commission concluded that "*the GOC has exercised meaningful control over the conduct of the five cooperating state-owned banks with respect to their lending policies and assessment of risk, where they provided loans to the steel industry*", thus having a direct influence on the way loans, credits and access to finance in general is provided to steel producers. See Commission Implementing Regulation (EU) 2017/969 of 8 June 2017 imposing definitive countervailing duties on imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel originating in the People's Republic of China and amending Commission Implementing Regulation (EU) 2017/649 imposing a definitive anti-dumping duty on imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel originating in the People's Republic of China, OJ L 146, 9.6.2017, pp. 17–128, recitals 128 and 146.

reorganising the steel sector through mergers and restructuring, as well as through the alleviation of taxes and costs. The Commission confirmed those findings: "[t]*he overarching control of the government prevents free market forces from prevailing in the steel sector in China*."[85]

93. The effects of such public intervention by the Chinese government are manifestly interfering with free-market forces, since this resulted in significant overcapacity in China. As the Commission rightly points out, "[t]*he problem of overcapacity is arguably the clearest illustration of the implications of the government's policies and the distortions resulting therefrom. Overcapacity built up by China over years triggered a surge of low-priced Chinese exports causing a depression of steel prices globally and having a negative impact on, inter alia, the financial situation of steel producers worldwide*". Indeed, "[s]*ince decades, the Chinese steel sector has been characterised by massive overcapacity, a fact acknowledged in various official planning documents. The Chinese authorities have unsuccessfully tried to solve this problem*". In fact, "*the objective of the Chinese authorities is to create a more concentrated and stronger steel industry with leading enterprises even better able to compete internationally*". While, in a normal competitive situation, overcapacity would be reabsorbed through business cycles of the market, due to the policies of the Chinese government and its penetrating presence in the market, there were no market adjustments. Notably, Chinese authorities themselves have officially recognized the growing problem of overcapacity.[86]

94. This overcapacity led to a surge in exports which destabilized the global steel market. Additionally, "*the reported steelmaking capacity's increase combined with the slowly recovering end-user demand for steel in China has continued to squeeze steel profit margins but with mills still showing no signs of cutting back on production*". These findings have been recognized not only by the Commission but also by other international organizations. As the Commission recalls: "[a]*ccording to the* [Organisation for the Economic Cooperation and Development, hereinafter referred to as "**OECD**"], *Chinese steel companies are also investing substantially in capacity projects overseas, which indicates that China is exporting its overcapacity*". Furthermore, "[t]*he excess capacity problem has never been solved, but the crisis is currently escalating, with the steelmaking capacity forecast to increase to 2 500 mmt by the end of 2023. The OECD document is clear: China is contributing to the expansion. At the same time, there is a clear risk of a serious downturn in Chinese steel demand because of the real estate decline. In these circumstances, Chinese steel companies continue to invest massively overseas. This negative perspective for steel demand and the increasing relocation of Chinese steel capacity to other regions creates a worrying outlook for the coming years*".[87]

95. It is in the above context that "*numerous trade defence investigations in various jurisdictions have confirmed that Chinese steel producers benefit from a wide array of State*

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85 **Annex 7.2 [Open]**, Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China for the Purposes of Trade Defence Investigations, Directorate-General for Trade, 2024, p. 416 (emphasis added).

86 **Annex 7.2 [Open]**, Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China for the Purposes of Trade Defence Investigations, Directorate-General for Trade, 2024, pp. 411-412.

87 **Annex 7.2 [Open]**, Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China for the Purposes of Trade Defence Investigations, Directorate-General for Trade, 2024, p. 409 (emphasis added).

support measures and other market distortive practices such as export restrictions affecting raw materials and inputs".[88] To take the example of the EU, the Commission found in the hot-rolled flat products investigation that "*in so far as the steel industry is concerned, all financial institutions (including private financial institutions) operating in China under the supervision of the CBRC have been entrusted or directed by the State to pursue governmental policies and provide loans at preferential rates to the steel industry*", and that "*the credits received were a constant feature of Chinese industrial policy to support its steel industry*".[89] In addition, in the investigation concerning organic coated steel products for example, the Commission found that, because of the Chinese government's interference in the raw materials sector, raw material costs were heavily distorted and did not result from free market forces.[90] In a recent set of determinations, the US International Trade Administration found injurious situations to arise from both subsidisation and dumping of the Chinese steel fencing industry.[91] Similarly, the Mexican Ministry of Economy made a positive final determination in the sunset review of antidumping duties on galvanized steel wire mesh originating from China.[92] In Australia, the Anti-dumping Commission is currently following the example of other investigative authorities and is investigating allegations of dumped welded steel mesh sheets from *inter alia* China.[93] Similar investigations have featured in other jurisdictions. In the UK, for example, the Chinese excavator market was considered to be heavily distorted and subsidized. Anti-dumping[94] and anti-subsidy measures[95] were imposed on that product in May 2025 by the UK Trade Remedies Authority. Similarly, the Australian Anti-dumping Commission investigated Chinese policies regarding hot rod coils and proposed continuing anti-dumping measures.[96]

96. The central and local Chinese governments are also sensitive to the role that the steel sector plays in the development of other important sectors and continue to study how their intervention in the steel sector may make other sectors more competitive. To illustrate, in

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88 **Annex 7.2 [Open]**, Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China for the Purposes of Trade Defence Investigations, Directorate-General for Trade, 2024, pp. 416 (emphasis added).

89 Commission Implementing Regulation (EU) 2017/969 of 8 June 2017 imposing definitive countervailing duties on imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel originating in the People's Republic of China and amending Commission Implementing Regulation (EU) 2017/649 imposing a definitive anti-dumping duty on imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel originating in the People's Republic of China, OJ 2017 L146/17, paras. 146 and 476 (emphasis added).

90 Commission Implementing Regulation (EU) 2019/687 of 2 May 2019 imposing a definitive anti-dumping duty on imports of certain organic coated steel products originating in the People's Republic of China following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council, OJ 2019 L116/5, paras. 39, 64 to 67.

91 International Trade Administration, A-570-198 (US Department of Commerce); International Trade Administration, C-570-199 (US Department of Commerce).

92 Annex 7.4a_Mexico extends antidumping duties on Chinese galvanized steel wire mesh, Mysteel 2026.

93 Anti-Dumping Commission, 'Investigation 692 – Certain welded steel mesh sheets from China, Malaysia' (Australian Government, Department of Industry, Science and Resources).

94 **Annex 7.5 [Open]**, Final Determination Investigation No. AD0047, Dumping investigation into certain excavators imported into the United Kingdom originating from the People's Republic of China.

95 **Annex 7.6 [Open]**, Final Determination, Investigation No. AS0046, Subsidy investigation into certain excavators imported into the United Kingdom originating from the People's Republic of China.

96 Various submissions have referred to the Chinese government's policies and practices affecting market forces in the production of steel rods – and with as possible final product welded steel mesh. The Anti-dumping Commission's statement of essential facts is available in **Annex 7.7 [Open]**, Statement of Essential Facts No. 675, Inquiry into the continuation of anti-dumping measures on rod in coil exported to Australia from the People's Republic of China, 2025.

response to a request from China,[97] Asian Development Bank consultants have put forward policy proposals to reform the steel sector in Yunnan Province.[98] That report encourages "[i]*ron and steel enterprises* […] *to actively expand the downstream steel industry market and strengthen near-terminal cooperation with downstream construction, building material, automobile, and equipment manufacturing enterprises to enhance their overall competitive advantage in the industry chain*".[99] That industry chain involves various applications of steel products such as welded steel mesh. In particular, those enterprises are encouraged to "*establish and improve processing and distribution centers to provide builders with processing and distribution services for terminal products such as brackets and welded* [steel] *mesh*."[100] With a view of making other domestic sectors more competitive, the Chinese government has been reforming its steel sector through increased public intervention and is expected to affect the free-market forces relevant to the production of other products, including welded steel mesh.

97. In sum, the Commission and other trade remedy authorities have already made evident – and continue to make evident – that the steel industry benefits from the Chinese government's consistent intervention, starting at the sector's roots, *i.e.*, the steelmaking raw materials market, resulting in an industry permeated by unfair and artificial advantages originating from distorted market forces. As a result, Chinese public intervention appears to favour the domestic production of steel products such as welded steel mesh.

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

98. The Commission's findings in previous trade defence investigations reveal that bankruptcy, corporate, and property laws are inadequately enforced or discriminatorily applied in various sectors, from glass fibres and optical fibres to certain steel products.[101]

99. To illustrate, in the investigation into glass fibre fabrics, the Commission concluded that Chinese bankruptcy and property laws do not work properly and that they apply in a discriminatory manner, thereby generating distortions when maintaining insolvent firms afloat and when allocating land use rights in China.[102] In subsequent investigations, that conclusion was also applicable to other sectors, such as optical fibre cables. In its investigation into such cables, the

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97 As a Developing Member Country within the Asian Development Bank system, China has requested technical assistance as a Sovereign Project. See **Annex 7.8 [Open]**, People's Republic of China: Research for Demonstration of Carbon Capture, Utilization, and Storage Technologies in Industrial Sectors of Yunnan Province: Project Data Sheet, Asian Development Bank, 2021; as well as **Annex 7.9 [Open]**, Technical Assistance Disbursement Handbook, Asian Development Bank, 2020.

98 **Annex 7.10 [Open]**, "People's Republic of China: Research for Demonstration of Carbon Capture, Utilization, and Storage Technologies in Industrial Sectors of Yunnan Province, Task 1: Policy Study for Achieving Carbon Peaking and Carbon Neutrality in Yunnan Province", Asian Development Bank, 2023 (hereinafter the "**ADB PRC Yunnan Policy Study**").

99 **Annex 7.10 [Open]**, ADB PRC Yunnan Policy Study, p. 80.

100 *Ibid*.

101 **Annex 7.2 [Open]**, Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China for the Purposes of Trade Defence Investigations, Directorate-General for Trade, 2024, section 9.7, in particular, p. 260.

102 Commission Implementing Regulation (EU) 2020/492 of 1 April 2020 imposing definitive anti-dumping duties on imports of certain woven and/or stitched glass fibre fabrics originating in the People's Republic of China and Egypt, OJ 2020 L108/1, paras. 139-141.

Commission noted that (i) the Chinese bankruptcy system is under-enforced to safeguard creditors and debtors' lawful rights and interests; (ii) the Chinese property system is especially lacking in terms of land-use rights; and (iii) the lack of enforcement of the relevant laws continues to keep insolvent firms afloat.[103] Later investigations would lead to the same conclusions. For example, the Commission continued to find that "*most of the sampled companies obtained their* [land-use rights] *through allocation by local authorities and not through a bidding procedure*."[104] It cannot be denied that such allocation is the clearest example of State intervention.

100. Most importantly, the steel sector reveals similar practices. As the Commission recalled in its investigation into hot-rolled flat steel products, the Urban Land Evaluation system obliges public authorities to consider industrial policy when setting the price of industrial land.[105] In that investigation, it noted that none of the sampled exporting producers had even gone through "*bidding or a similar public offering process for any of its land use rights, not even for the land use rights obtained recently*" and that "[l]*and use rights held by the sampled companies from before the year 2000 were usually allocated to the company free of charge*".[106] Other authorities investigating the Chinese steel industry have also found distortions with respect to land-use rights. To illustrate, the Canada Border Services Agency found that China engaged in preferential supply of land with respect to certain stainless-steel sinks[107] and recalled that such land-use programs are able to offset costs for industrial companies.[108]

101. The investigations mentioned above demonstrate that markets across various sectors in China are distorted and show that a systemic lack of adequate enforcement of bankruptcy, corporate and property laws appear to be part of the very fabric of Chinese industry.

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103 Commission Implementing Regulation (EU) 2021/2011 of 17 November 2021 imposing a definitive anti-dumping duty on imports of optical fibre cables originating in the People's Republic of China, OJ 2021 L410/51, paras. 122-124.

104 Commission Implementing Regulation (EU) 2022/72 of 18 January 2022 imposing definitive countervailing duties on imports of optical fibre cables originating in the PRC and amending Implementing Regulation (EU) 2021/2011 imposing a definitive anti-dumping duty on imports of optical fibre cables originating in the PRC, OJ 2022 L12/34, para. 539.

105 Commission Implementing Regulation (EU) 2017/969 of 8 June 2017 imposing definitive countervailing duties on imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel originating in the People's Republic of China and amending Commission Implementing Regulation (EU) 2017/649 imposing a definitive anti-dumping duty on imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel originating in the People's Republic of China, OJ 2017 L146/17, para. 286.

106 Commission Implementing Regulation (EU) 2017/969 of 8 June 2017 imposing definitive countervailing duties on imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel originating in the People's Republic of China and amending Commission Implementing Regulation (EU) 2017/649 imposing a definitive anti-dumping duty on imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel originating in the People's Republic of China, OJ 2017 L146/17, para. 286.

107 **Annex 7.11 [Open]**, Statement of Reasons Concerning the making of final determinations with respect to the dumping and subsidizing of certain stainless-steel sinks originating in or exported from the PRC. Decision in case number AD/1392 and CV/129, Canada Border Services Agency, 2012.

108 **Annex 7.11 [Open]**, Statement of Reasons Concerning the making of final determinations with respect to the dumping and subsidizing of certain stainless-steel sinks originating in or exported from the PRC. Decision in case number AD/1392 and CV/129, Canada Border Services Agency, 2012, Section VII.

7.1.1.5 Distorted wage costs

102. The Commission has also previously found that a system of market-based wages cannot fully develop in China as workers and employers are impeded in their rights to collective organization. Internationally, China is not a member of the International Labour Organization and, nationally, there is a single active union organization, but it lacks independence from the State authorities.[109]

103. Moreover, the Commission has also determined that 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. This typically results in workers who are not in possession of the local residence registration finding themselves in a vulnerable employment position and receiving a lower income compared to holders of the residence registration.[110]

104. Both of those findings lead to the distortion of wage costs in China. There is no reason to consider that those general considerations do not equally apply to the Chinese companies producing welded steel mesh.

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

105. As previously found by the Commission, the corporate credit system in China, and thus access to capital for corporate actors, is affected by significant distortions resulting from the continuing pervasive role of the State in capital markets. This is evidenced by the fact that (i) the Chinese financial system is characterized by the strong position of State-owned banks which, when granting access to finance, take into consideration criteria other than the economic viability of a project;[111] (ii) borrowing costs have been kept artificially low to stimulate investment growth;[112]

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109 Commission Implementing Regulation (EU) 2020/492 of 1 April 2020 imposing definitive anti-dumping duties on imports of certain woven and/or stitched glass fibre fabrics originating in the People's Republic of China and Egypt, OJ 2020 L108/1, para. 143.

110 Commission Implementing Regulation (EU) 2020/492 of 1 April 2020 imposing definitive anti-dumping duties on imports of certain woven and/or stitched glass fibre fabrics originating in the People's Republic of China and Egypt, OJ 2020 L108/1, para. 143; **Annex 7.2**, Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China for the Purposes of Trade Defence Investigations, Directorate-General for Trade, 2024, pp. 370-373.

111 Commission Implementing Regulation (EU) 2020/492 of 1 April 2020 imposing definitive anti-dumping duties on imports of certain woven and/or stitched glass fibre fabrics originating in the People's Republic of China and Egypt, OJ 2020 L108/1, para. 147; Commission Implementing Regulation (EU) 2021/2011 of 17 November 2021 imposing a definitive anti-dumping duty on imports of optical fibre cables originating in the People's Republic of China, OJ 2021 L410/51, para. 129; **Annex 7.2**, Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China for the Purposes of Trade Defence Investigations, Directorate-General for Trade, 2024, pp. 137-149.

112 Commission Implementing Regulation (EU) 2020/492 of 1 April 2020 imposing definitive anti-dumping duties on imports of certain woven and/or stitched glass fibre fabrics originating in the People's Republic of China and Egypt, OJ 2020 L108/1, para. 151; Commission Implementing Regulation (EU) 2021/2011 of 17 November 2021 imposing a definitive anti-dumping duty on imports of optical fibre cables originating in the People's Republic of China, OJ 2021 L410/51, para. 134.

and (iii) Chinese credit institutions have been granting artificially low interest rates in a large number of cases.[113]

106. Additionally, the Chinese government has awarded or granted asset-related or project-related government subsidies to be spent for the industrial revitalization, technological development and construction projects relating to the steel sector.

7.1.1.7 Conclusion on the existence of market distortions

107. In light of the above, there is *prima facie* evidence of significant distortions in China in general and in the Chinese welded steel mesh industry in particular. As a result, it is appropriate to calculate the normal value exclusively on the basis of costs of production and sales reflecting undistorted prices or benchmarks in an appropriate representative country, in accordance with Article 2(6a)(a) of the Basic Regulation.

7.1.2 Türkiye is an appropriate representative country

108. Pursuant to Article 2(6a) of the Basic Regulation, the sources the Commission may use when constructing the normal value "*include corresponding costs of production and sale in an appropriate representative country with a similar level of economic development as the exporting country, provided the relevant data are readily available*."

109. As a result, the representative country should be chosen based on the following two key criteria (i) the country has a similar level of economic development to the targeted country; and (ii) the relevant data is readily available in that country. In addition to these criteria, when choosing the representative country, the Commission should also consider the production volumes of the product under investigation in that country.[114]

110. The Complainants submit that Türkiye fulfils all three parameters and is thus an appropriate representative country because: (i) according to the data published by the World Bank, Türkiye and China have a similar level of economic development, as both countries are classified as upper-middle income countries;[115] (ii) Türkiye has production of the product concerned and is a competitive market as shown by the high number of Turkish producers and the significant imports from third countries; and (iii) the relevant data is readily available in Türkiye.

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113 Commission Implementing Regulation (EU) 2020/492 of 1 April 2020 imposing definitive anti-dumping duties on imports of certain woven and/or stitched glass fibre fabrics originating in the People's Republic of China and Egypt, OJ 2020 L108/1, para. 152; Commission Implementing Regulation (EU) 2021/2011 of 17 November 2021 imposing a definitive anti-dumping duty on imports of optical fibre cables originating in the People's Republic of China, OJ 2021 L410/51, para. 135.

114 See *e.g.*, Commission Implementing Regulation (EU) 2020/1534, para. 112; Commission Implementing Regulation (EU) 2020/1428, para. 159; Commission Implementing Regulation (EU) 2020/1336, para. 175; Commission Implementing Regulation (EU) 2019/1693, para. 114; Commission Implementing Regulation (EU) 2019/1662, para. 101; Commission Implementing Regulation (EU) 2019/915, para. 113; Commission Implementing Regulation (EU) 2019/687, para. 94.

115 See https://datatopics.worldbank.org/world-development-indicators/the-world-by-income-and-region.html.

7.1.2.1 Türkiye has a similar level of economic development as China

111. It is the Commission's standard practice to establish the level of economic development of the representative country based on the World Bank's database.[116] The World Bank regularly assigns the world's economies to four income groups: (i) low income; (ii) lower-middle income; (iii) upper-middle income; (iv) and high income. The classifications are updated each year on July 1 and are based on the Gross National Income ("**GNI**") per capita of the previous year.[117]

112. According to 2024 calculations carried out by the World Bank, both Türkiye and China are classified as upper middle-income countries,[118] and, therefore, have a similar level of economic development.

7.1.2.2 There is significant production of welded steel mesh as well as a competitive market in Türkiye

113. There is a significant production of the product concerned in Türkiye, which is evidenced by the number of producers in this country. Among the top four producers are Kosedag,[119] DH Demirhan,[120] Ozyasar[121] and Usakligil.[122] There are dozens of other producers in the country, including for example, Demma Celik Sanayi AS, Ersoylar Metal, Murel Iron and Steel, Karel Tel, Aslanbas Nail Wire and Steel Wire Mesh Co., and many others.

114. Türkiye is also a net exporter of the product concerned, with exports to all countries totaling around 80,000 tons during the IP, whereas imports reached only about 7,000 tons during the same period.[123]

7.1.2.3 Relevant data is readily available in Türkiye

115. Most of the relevant data in Türkiye is readily available and publicly accessible from the websites of the relevant official authorities of Türkiye. As listed in **Section 7.1.3** below in detail, the official sources in Türkiye provide for the necessary values for establishing the undistorted costs or benchmarks for the purposes of constructing the normal value.

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116 See *e.g.*, Commission Implementing Regulation (EU) 2020/1336, para. 175; Commission Implementing Regulation (EU) 2020/1080, para. 94; Commission Implementing Regulation (EU) 2020/909, para. 116; Commission Implementing Regulation (EU) 2019/1693, paras 114 and 116; Commission Implementing Regulation (EU) 2019/1662, para. 101; Commission Implementing Regulation (EU) 2019/1379, paras 129 and 131; Commission Implementing Regulation (EU) 2019/1259, paras 107 and 110.

117 The classifications are updated and published on the World Bank's official website in the section dedicated to the World Development Indicators, available at: https://datatopics.worldbank.org/world-development-indicators/the-world-by-income-and-region.html.

118 See World Bank website, available at: https://data.worldbank.org/country/XT.

119 See https://www.kosedag.com.tr/en.

120 See https://demirhan.com.tr.

121 See https://www.ozyasar.com.tr/.

122 See https://www.usakligiltelcit.com/# .

123 **Annex 7.12 [Open],** GTA Statistics (Türkiye exports). It should be noted that the relevant import-export data for Türkiye is reported only 6-digit level (731420, "*Grill, Netting And Fencing Of Iron Or Steel Wire, Welded At The Intersection, Maximum Cross-Section Of 3 Mm Or More And Mesh Size Of 100 Cm2 Or More*") and thus may include products other than the product under investigation. However, it is the Complainants' understanding that the majority of products imported-exported under HS code 73 14 20 refer to the product concerned and the data is therefore illustrative of the overall trade balance of Türkiye in this product category.

7.1.2.4 No other country is suitable to serve as a benchmark

116. According to the World Bank, China is classified as an upper-middle income country. Among other countries in the same category, the Complainants have identified production of welded steel mesh in the following countries: Albania, Algeria, Armenia, Azerbaijan, Belarus, China, Cuba, Fiji, Georgia, Indonesia, Iran, Iraq, Jamaica, Kazakhstan, Kosovo, Malaysia, Mexico, North Macedonia, Serbia, St Vincent and the Grenadines, Thailand, Türkiye and Ukraine.

117. Of these, the Complainants excluded countries that are not members of the World Trade Organization (*i.e.*, Azerbaijan and Iran). The Complainants subsequently disregarded those countries where production levels are not comparable to those observed in China, where the number of identified producers of welded steel mesh is limited or where information on benchmarks is not readily available (*i.e.*, Albania, Algeria, Armenia, Belarus, Cuba, Fiji, Georgia, Indonesia, Iraq, Jamaica, Kazakhstan, Kosovo, Malaysia, Mexico, North Macedonia, Serbia, St Vincent and the Grenadines, Thailand, Ukraine). Consequently, Türkiye emerges as the only remaining appropriate choice for a representative country. As outlined above, Türkiye's welded steel mesh industry is comparatively large and competitive, and it is supported by a sizable domestic production capacity and a strong steel sector. Consequently, Türkiye is best suited to serve as the appropriate representative country.

7.1.3 Constructed normal value

118. The Complainants established that the welded steel mesh industry in China, including its production and sales costs, is heavily distorted. This section explains in greater detail the methodology followed to establish the appropriate constructed normal value ("**CNV**") for the product concerned.

119. *As a first step*, the Complainants confirm that the production processes for welded steel mesh are largely identical or very similar globally, and that, therefore, there are no significant differences between the production processes in China, Türkiye or the EU. In all cases, the production in these countries starts from wire drawing and shaping, followed by welding and finishing with galvanizing or coating, as explained in greater detail in **Section 5.5** above. The Complainants also established, based on discussions with customers and observations in the distribution network, that the most common welded steel mesh types produced and imported into the EU from China are galvanized mesh (commodity product) as well as PVC-coated mesh (premium product). These two types of welded steel mesh have therefore been identified as being the most representative for the purposes of the determination of the constructed normal value.

120. *As a second step*, the Complainants established the types of inputs and costs (raw materials, energy, labour, overheads, etc.) required to produce welded steel mesh, based on information obtained from [SENSITIVE] Complainants active in manufacturing the main types of product concerned (i.e., galvanized and PVC-coated welded steel mesh) and which together represent [40-60]% of total production of all Complainants during the IP.[124]

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[124] **Annex 8.17 [Open]**, Production, production capacity and utilization of capacity. [SENSITIVE]

121. *As a third step*, the Complainants obtained information on the production flow and the consumption of inputs per unit produced (kg/ton), and valued such inputs based on the costs and prices identified in the representative country, *i.e.*, Türkiye. The consumption of inputs is based on the production data of the Complaining industry, namely, two Complainants, as explained in the preceding paragraph.[125] It should be noted that, as far as consumption of utilities and labour are concerned, the production of PVC-coated welded steel mesh generally requires close to double the amount of utilities and labour as compared to production of galvanized (commodity) product type. This is because the production of PVC-coated product type consists, essentially, of two stages: *first*, the production of standard galvanized product type and, *second*, its subsequent coating with PVC polymers which is a distinct and independent production process.

122. The following subsections explain in detail the sources and methodologies used to construct the normal value for China.

7.1.3.1 Cost of manufacturing

123. The main costs of manufacturing and sale are (i) raw materials (wire rod, zinc, various types of chemicals, powder, PVC coating, etc.); (ii) electricity, natural gas and water; (iii) labour; (iv) overheads; and (v) packaging; as well as (vi) SG&A; and (vii) profit.

124. Public prices and cost information is available in Türkiye for: (i) raw materials; (ii) energy and water; (iii) labour; (vi) SG&A; and (vii) profit. No public price/cost information is available in Türkiye, however, for manufacturing overheads and packaging. An average percentage (of direct costs) for these cost elements was based on the Complainants' own cost of production.

(a) Raw materials

125. The prices of the main raw materials (*i.e.*, wire rod, zinc, various types of chemicals, powder, PVC coating, etc.) are based on Turkish import statistics (as derived from GTA) for the relevant HS codes (excluding China and other non-WTO members whose imports were excluded from the statistics). A customs duty, where applicable, was added to the import value depending on the country of origin of the imports.[126]

125 **Annex 7.13 [Open],** Dumping Calculation – China, tabs "FoP-Galvanized" and "FoP-PVC coated".

126 **Annex 7.13 [Open],** Dumping calculation - China. The applicable customs duties are available at: https://www.tariff-tr.com/.

(b) Energy

126. The costs of energy (electricity and natural gas) as well as water are established based on publicly available prices for industrial users in Türkiye. The data was obtained from the publicly available database of the Energy Market Regulatory Authority ("**EMRA**") for electricity, from the Turkish Statistical Institute ("**TUIK**") for natural gas, and from the Investment Guide (*Cost of doing business*) of the Presidency of the Republic of Türkiye for water.

127. The average unit prices for industrial users in Türkiye during the IP were as follows: (i) **0.10 EUR/kWh** for electricity;[127] (ii) **0.76 EUR/m3** for natural gas;[128] and (iii) **2.00 EUR/m3** for water.[129]

(c) Labour costs

128. The costs of labour related to manufacturing are established based on publicly available data on average wages in Türkiye in the sector concerned, obtained from the Turkish Statistical Institute ("**TUIK**").

129. The latest available Turkstat data on labour cost to employer covers 2022.[130] Hence, an adjustment to account for inflation is necessary to reflect the labour cost during the IP. The labour costs reported in Turkstat for 2022 were therefore duly adjusted using the *Labour Cost Index* published by TUIK[131] to account for the effect of the inflation on labour costs since 2022. First, the monthly average labour cost for the Turkish manufacturing sector in 2022, for the economic activity "*C25 - Manufacture of fabricated metal products, except machinery and equipment*" according to the NACE Rev.2 classification was established, *i.e.*, **11.024 TRY** monthly or **58.33 TRY** per hour. This average labour cost was then adjusted for size (adjustment for average labour costs for companies having more than 1,000 employees) according to the index published by TUIK, resulting in average hourly labour cost of **90.21 TRY**. It was then adjusted for inflation using the Labour Cost Index resulting in **488.95 TRY** per hour, or **11.72 EUR** using the average exchange rate for the IP (1 EUR = 41.74 TRY), based on the average exchange rate estimated using the official exchange rates of the Turkish Central Bank.[132]

130. This is a conservative estimation of the labour cost, since it is based on the average monthly wage in Türkiye for the entire industry ("*C25 - Manufacture of fabricated metal products, except machinery and equipment*"). This figure does not accurately reflect the fact that both 'blue-collar' personnel and other employees generally have significantly higher wages in this high value-added industry sector.

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127 **Annex 7.14 [Open],** Turkey as representative country, document 7.14 a) "Electricity".
128 **Annex 7.14 [Open],** Turkey as representative country, document 7.14 b) "Natural Gas".
129 **Annex 7.14 [Open],** Turkey as representative country, document 7.14 c) "Water".
130 Türkiye İstatistik Kurumu, İşgücü Maliyeti İstatistikleri, 2022, Tablo-3 Ekonomik faaliyete göre aylık ortalama işgücü maliyeti ve bileşenleri(*Turkish Statistical Institute, Labour Cost Statistics, 2022, Table – 3 Monthly average labour cost and components by economic activity),* published on 28 March 2024, accessible at: <https://data.tuik.gov.tr/Bulten/Index?p=Isgucu-Maliyeti-Istatistikleri-2022-49571 >. See also document *Türkiye-Monthly Average Labour Cost and Components* in *Annex 17 – Constructed Normal Values*.
131 See https://data.tuik.gov.tr/Bulten/Index?p=Labour-Cost-Statistics-2022-49571.
132 **Annex 7.14 [Open],** Turkey as representative country, document 7.14 d) "Labour".

(d) Indirect costs and packing costs

131. No publicly available information could be obtained for indirect costs and packing costs of the Turkish producers. Therefore, the indirect costs were established as a percentage of total direct costs. They are based on information of the Complainants and include: (i) manufacturing overheads; (ii) indirect labour; (iii) depreciation; and (iv) other (maintenance and repairs, production-related transport costs, rent/lease, R&D, buildings, other indirect overheads, etc.). The average percentage of indirect costs is [5-10%]%, which is conservative. The packing costs were estimated at [3-8]% of the direct costs.

7.1.3.2 Cost of sale and profit

(a) SG&A

132. The Complainants could not locate readily available financial statements of individual Turkish producers of the product concerned which were profitable during the period of investigation of the Complaint. As a result, the SG&A costs were established based on Turkish government's data of the average operating expenses and operating profit of the companies published by the Central Bank of Türkiye on the financial results in 2024 of Turkish producers operating in NACE 25-9 segment ("Manufacture of other fabricated metal products").[133] The SG&A rate was calculated at 17.2% of the cost of goods sold.

(b) Profit

133. The profit rate was first established based on the same financial data of the Turkish government identified in the paragraph above. The average pre-tax profit as a percentage of cost of goods sold was calculated at the level of 5%.

7.1.3.3 CNV for China

134. The resulting CNVs during the IP for China based on methodology and data as explained above are therefore **[1,300 – 1,500] EUR/ton** for **galvanized welded steel mesh** and **[1,800 – 2,000] EUR/ton** for **PVC coated welded steel mesh.** For comparison with the average export price based on Eurostat, as explained in **Section 7.1.4.2** below, an average of the two CNVs was also computed, resulting in **[1,400-1,600] EUR/ton**.

7.1.4 Export price

135. According to Article 2(8) of the Basic Regulation, the export price by default is the price actually paid or payable for the product when sold for export from the exporting country to the EU. The export price for welded steel mesh originating in China in the present Complaint has been calculated based on Eurostat, for the following three CN codes: 7314.20.90, 7314.31.00, and

[133] Source: https://www3.tcmb.gov.tr/sektor/#/en/C/259/manufacture-of-other-fabricated-metal-products. The latest available figures refer to 2024.

7314.39.00, as well as based on individual price quotations of the Chinese producers that the Complainants managed to obtain.

7.1.4.1 Export price based on price quotations

136. The Complainants managed to obtain several price quotations offered by the Chinese exporters during the investigation period of the IP, both for galvanized welded steel mesh as well as for PVC-coated welded steel mesh. The price quotations were additionally converted (from USD to EUR, from pieces to tons and from CIF terms to EXW terms, where applicable). The resulting average export prices based on price quotations are as follows:

- Galvanized welded steel mesh: **[800 – 1,000] EUR/ton** (CIF) and **[600-800] EUR/ton** (EXW);

- PVC-coated welded steel mesh: **[1,600-1,800] EUR/ton** (CIF) and **[1,000-1,200] EUR/ton** (EXW).

7.1.4.2 Export price based on Eurostat

137. During the IP, the average import price from China was **1.332,72 EUR/ton** on CIF terms. This CIF price was additionally adjusted to EXW level by deducting an average transportation-related cost between China and the EU in the amount of [100-200] EUR/ton, resulting in an EXW price of **[1,100-1,300] EUR/ton**.

7.1.5 Dumping margin

138. The dumping margin was determined by calculating the difference between the constructed normal value (net ex-factory) and the export price (net ex-factory), expressed as a percentage of the CIF export price, according to the following formula:

$$\frac{Normal\ value\ (EXW) - Export\ price\ (EXW)}{Export\ price\ (CIF)}\ x\ 100$$

139. The comparison between the export price and the constructed normal value was made at the same level of trade and in respect of sales made, as closely as possible, at the same time, and considering other differences which affect price comparability.

140. Using the available data on constructed normal value and export prices as explained above, the Complainants determined the following dumping margin for imports from China:

Export price based on spot offers

Table 6.3 – Welded wire mesh - PVC coated

CHINA CNV (€/ton)	[1,800 – 2,000] €
CHINA EXW export price (€/ton)	[1,000-1,200] €
CHINA CIF export price (€/ton)	[1,600-1,800] €

Dumping amount (€/ton)	[600-800] €
Dumping margin (%)	42%

Table 6.4 – Welded wire mesh - Galvanized

CHINA CNV (€/ton)	[1,300 – 1,500] €
CHINA EXW export price (€/ton)	[1,000-1,200] €
CHINA CIF export price (€/ton)	[1,600-1,800] €
Dumping amount (€/ton)	[600-800] €
Dumping margin (%)	72%

Export price based on EUROSTAT

Table 6.5 – Welded wire mesh - Galvanized and PVC coated

CHINA CNV (€/ton)	[1,400-1,600] €
CHINA EXW export price (€/ton)	[1,100-1,300] €
CHINA CIF export price (€/ton)	1.332,72 €
Dumping amount (€/ton)	[200-400] €
Dumping margin (%)	26%

141. The estimated dumping margins ranging between 26% and 72% are significantly above the *de minimis* level.

7.1.6 Non-application of the lesser duty rule

142. As explained below, the present case meets all the conditions for the Commission not to apply the Lesser Duty Rule ("***LDR***") and to instead set the duty at the rate of the dumping margin.

7.1.6.1 Legal framework: Existence of price distortions applicable to Chinese wire rod

143. Article 7(2b) of the Basic Regulation provides that the Commission may impose anti-dumping duties at the level of the dumping margin in line with Article 7(2a), even when the injury margin is lower, if it finds that this would serve the Union interest. More specifically, that article states:

> *When examining whether a duty lower than the margin of dumping would be sufficient to remove injury, the Commission shall take into account whether there are distortions on raw materials with regard to the product concerned.*

For the purposes of this paragraph, distortions on raw materials consist of the following measures: dual pricing schemes, export taxes, export surtax, export quota, export prohibition, fiscal tax on exports, licensing requirements, minimum export price, value added tax (VAT) refund reduction or withdrawal, restriction on customs clearance point for exporters, qualified exporters list, domestic market obligation, captive mining if the price of a raw material is significantly lower as compared to prices in the representative international markets.

[…]

For the purpose of this Regulation, a single raw material, whether unprocessed or processed, including energy, for which a distortion is found, must account for not less than 17 % of the cost of production of the product concerned. For the purpose of this calculation, an undistorted price of the raw material as established in representative international markets shall be used.

144. The non-application of the lesser duty rule under Article 7(2a) of the Basic Regulation requires a two-fold analysis. *First*, one must demonstrate the existence of at least one price-distorting measure – an exhaustive list of which is provided for in the aforementioned provision – applicable to a raw material which makes up at least 17% of the cost of production of the product concerned. *Second*, one must demonstrate the existence of price-distorting effects by engaging in a price comparison. Where the price of the raw material concerned is found to be significantly lower in China than international benchmarks, the presence of a price distortion is established, in view of which the Commission should apply Article 7(2b) of the Basic Regulation.

145. In line with these criteria, the Complainants submit evidence that (1) China has imposed export restrictions on *wire rod*, which is the main raw material used in the production of welded steel mesh and which makes up at least 17% of the cost of production, and (2) the Chinese domestic price of wire rod is substantially below its pricing per international benchmarks. The supporting analysis is set out in the following subsections.

7.1.6.2 Export VAT Rebate Withdrawals

146. Article 7(2a) of the Basic Regulation states that a measure in the form of a "*value added tax (VAT) refund reduction or withdrawal"* constitutes a distortion on raw materials. This finding was confirmed by the Commission in the *electrolytic chromium coated steel* case.[134]

147. As part of China's longstanding efforts to facilitate industrial exports, the country has traditionally provided value-added tax (VAT) rebates on exported goods, including steel products. When such a rebate is lower than the VAT payable, exporters have less incentive to sell abroad, resulting in a greater quantity of that product remaining in the domestic market. This increased domestic availability inevitably exerts downward pressure on local prices, establishing pricing distortions on the domestic market. The official website of the Chinese State Taxation

[134] Commission Implementing Regulation (EU) 2022/802 of 20 May 2022 imposing a provisional anti-dumping duty on imports of electrolytic chromium coated steel products originating in the People's Republic of China and Brazil, OJ 2022 L 143/11, recitals 237-243.

Administration demonstrates that, while the applicable VAT rate for wire rod falling under HS 72139100 is set at 13%, none of the export VAT is refunded.[135] Further confirmation is found in the 2024 edition of the PRC Import and Export Tariff Guidebook (the latest version available), which also explicitly records a 13% VAT rate and a 0% export refund for wire rod.[136] A copy of the applicable VAT rate information from the Tariff Guidebook is provided in **Annex 7.16**.

148. This confirms that exporters are no longer able to claim back VAT on these products under the current policy. These policy adjustments reflect the Chinese government's plan to guide upgrades in the Chinese steel sector and to better align domestic resource allocation with national strategic objectives, as detailed in **Section 7.1.a**. Wire rod is the main raw material used in the production of welded steel mesh. As established by the Complainants in the EU market, it makes up [35-45]% of the cost of production for galvanized welded steel mesh that has been coated with a layer of PVC, and [50-60]% of the cost of production for galvanized welded steel mesh that has not been coated with PVC.[137] Accordingly, the GOC's application of a price-distorting measure relates to a raw material that makes up at least [10-20]% of the cost of production, as established in a representative market where distortions are not present.

7.1.6.3 Prices of wire rod in China are significantly lower than those in representative markets

149. As a result of this price-distorting measure explained above, Chinese wire rod is priced significantly lower than in other markets in the world. To demonstrate this, the Complainants have conducted a price comparison between, on the one hand, Chinese domestic prices of wire rod and, on the other hand, GTA import statistics of wire rod for Türkiye (that is, the representative country) as well as for China (for the sake of completeness).

150. According to market intelligence obtained from China Steel Market – a publicly accessible database on the prices of steel in China – the average domestic wire rod price in China was 0,45 EUR/kg during the IP.[138]

151. For Turkish imports, the international benchmark price was 0,66 EUR/kg – significantly higher than the average Chinese domestic wire rod price. When reporting Turkish imports of the product concerned, the imports from certain countries were disregarded on account of their origin – notably Azerbaijan (on account of its non-WTO membership), China (on account of its significant distortions), Russia (on account of its being subject to far-reaching economic sanctions), and 'unidentified countries' (on account of the impossibility to exclude potentially unsuitable import origins like the aforementioned, as well as the impossibility of determining applicable customs duties). In fact, Turkish import statistics from across all import origins clearly demonstrate that Chinese domestic prices of wire rod are significantly cheaper than their foreign counterparts, regardless of import origin. This fact is clearly demonstrated in the below table, which shows that

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135 **Annex 7.15 [Open]**, State Taxation Administration (China), 'Export VAT Rebate Rate Query' available at https://hd.chinatax.gov.cn/nszx2023/cktslcx2023.html

136 See **Annex 7.16**, Import and Export Tariff of the People's Republic of China and Declaration Guidebook, Beijing: China Commerce and Trade Press, 2024, at pp. 512-517, Annex 17 – Raw materials distortions (Article 7(2a) of the Basic Regulation).

137 **Annex 7.13 [Open]**, Dumping calculation – China

138 **Annex 7.17a [Open]**, Price Comparison of Wire Rod (Türkiye); **Annex 7.17b [Open]**, Price Comparison of Wire Rod (China)

the price difference between the international benchmark price of wire rod and the price on the Chinese domestic market was on average 131%.[139]

[139] **Annex 7.17a [Open],** Price Comparison of Wire Rod (Türkiye)

Table 6.6. – Price Comparison between Chinese Domestic Wire Rod and Turkish Imports of Wire Rod (HS 7213 91 00)

Benchmark country	International Benchmark Price	Chinese Domestic Price	Price Difference
Kazakhstan	€ 0.64	€ 0.45	129%
Korea, South	€ 0.68	€ 0.45	134%
United Kingdom	€ 0.77	€ 0.45	141%
Malaysia	€ 0.51	€ 0.45	111%
Germany	€ 0.83	€ 0.45	145%
Algeria	€ 0.72	€ 0.45	137%
Egypt	€ 0.55	€ 0.45	118%
Iran	€ 0.59	€ 0.45	123%
Japan	€ 1.09	€ 0.45	159%
Spain	€ 0.69	€ 0.45	135%
Italy	€ 0.75	€ 0.45	140%
Switzerland	€ 0.88	€ 0.45	149%
Austria	€ 1.05	€ 0.45	157%
United States	€ 1.15	€ 0.45	161%
Romania	€ 1.44	€ 0.45	169%
United Arab Emirates	€ 1.95	€ 0.45	177%
Canada	€ 2.86	€ 0.45	184%
India	€ 5.20	€ 0.45	191%
Grand Total	**€ 0.66**	**€ 0.45**	**131%**

Source: ***Annex 7.17a*** *– Price Comparison of Wire Rod (Türkiye)*

152. For Chinese imports, the international benchmark price was 0,89 EUR/kg during the IP – almost double the Chinese domestic price. In fact, Chinese import statistics from across all import origins clearly demonstrate that Chinese domestic prices of wire rod are significantly cheaper than their foreign counterparts, regardless of import origin. This fact is clearly demonstrated in the following table, which shows that the price difference between the international benchmark price of wire rod and the price on the Chinese domestic market was on average 145%

Table 6.7 – Price Comparison between Chinese Domestic Wire Rod and Chinese Imports of Wire Rod (HS 7213 91 00)

Benchmark Country	Benchmark Price	Chinese Domestic Price	Price difference
Japan	€ 0.87	€ 0.45	148.13%
Taiwan	€ 0.73	€ 0.45	138.33%
South Korea	€ 0.81	€ 0.45	144.02%
Germany	€ 1.08	€ 0.45	158.06%
Philippines	€ 0.55	€ 0.45	117.70%
France	€ 0.86	€ 0.45	147.76%
United States	€ 0.61	€ 0.45	125.65%
Netherlands	€ 0.70	€ 0.45	135.62%
Vietnam	€ 1.14	€ 0.45	160.52%
Average	**€ 0.82**	**€ 0.45**	**144.72%**

Source: ***Annex 7.17b*** *– Price Comparison of Wire Rod (China)*

153. In view of the above, the Complainants have established, *firstly*, the existence of a price distorting measure (*i.e.*, 0% VAT rebate) applicable to wire rod, which accounts for 40% to 55% of the cost of production of welded steel mesh[140] and, *secondly*, that the prices of wire rod in China are significantly lower than those in representative markets.

7.1.6.4 Imposing measures at the dumping margin serves the Union interest

154. Exporting producers in China are able to leverage these distortions to increase their ability to sell at injurious prices on the EU market. Because of this, any duty lower than the margin of dumping is unlikely to sufficiently remedy the injury suffered by the Union Industry.

155. As demonstrated in **Section 6.1** above, the production capacity of the Chinese steel industry of welded steel mesh throughout the IP was well beyond the needs of the country's domestic consumption and amounted to several times the EU consumption. Production capacities are likely to further increase in the near future. This has resulted in a substantial price pressure from Chinese imports in the EU of the product concerned. If no actions are taken by the EU, this untenable situation will lead to (i) continued high levels of exports, (ii) low export prices, and (iii) the leveraging of existing market distortions by the Chinese producers if measures were imposed at the level of the injury margin.

156. For these reasons, it can be concluded that the imposition of measures at the level of the dumping margin is in the interest of the Union. This is confirmed by the elements presented below, highlighting that the imposition of measures is in the overall interest of the Union (**Section 10**).

[140] The domestic price offers were retrieved from the following online database: https://hakanpanelcit.com/panel-cit-fiyatlari/.

7.2 Türkiye

157. The Complainants submit that there is *prima facie* evidence that the product concerned is imported into the EU from Türkiye at dumped prices, and that the dumping margin exceeds the *de minimis* threshold.

7.2.1 Normal Value

158. The Complainants determined the normal value based on publicly available price offers for wire mesh on the domestic market in Türkiye.[141] Specifically, the Complainants collected price offers for wire panels of various sizes (heights) which are considered to be the most commonly traded and used types of wire mesh in Türkiye. The average domestic price, once converted from Turkish Lira to Euro, was established at **[1,400-1,600] € EUR/ton**.[142]

7.2.2 Export price

159. The export price of Turkish producers used for calculation of the dumping margin has been established based on the prices of imports from Türkiye as reported in Eurostat. During the IP, the average price was **1.112,31 EUR/ton** on CIF terms. This price was adjusted by deducting an average transport-related cost, resulting in an average EXW import price of **[800-1000] EUR/ton**.[143]

160. In addition to Eurostat, the Complainants obtained evidence of price quotations by several Turkish producers for sale in Germany. The price quotations are from March 2025 and June 2025 and are provided for panels of various sizes (heights) to ensure that a maximum spectre of types of the product concerned is covered. According to this information, the average export price during the IP was **[1,000-1,200] EUR/ton**, *i.e.*, very close to the CIF price obtained from Eurostat. This price was also adjusted for transport costs, resulting in an EXW price of **[1,000-1,200] EUR/ton**.[144]

7.2.3 Dumping margin

161. The dumping margin for Türkiye was established by calculating the difference between the normal value (net ex-factory) and the export price (net ex-factory) and expressed as a percentage of the CIF export price, using the same formula as explained in **Section 7.1.5** above. Respectively, the Complainants calculated the following dumping margins for Turkish exporting producers depending on the source of export price:

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141 The domestic price offers were retrieved from the following online database: https://hakanpanelcit.com/panel-cit-fiyatlari/.
142 **Annex 7.18 [Open],** Dumping calculation – Türkiye for more detail.
143 **Annex 7.18 [Open],** Dumping calculation – Türkiye for more detail.
144 **Annex 7.18 [Open],** Dumping calculation – Türkiye for more detail.

Table 6.7 – Export price based on EUROSTAT

Türkiye NV (€/ton)	[1,400-1,600] €
Türkiye EXW export price (€/ton)	[800-1,000] €
Türkiye CIF export price (€/ton)	1,112 €
Dumping amount (€/ton)	[300-500] €
Dumping margin (%)	44%

Table 6.8 – Export price based on price quotations (Germany)

Türkiye NV (€/ton)	[1,400-1,600] €
Türkiye EXW export price (€/ton)	[800-1,000] €
Türkiye CIF export price (€/ton)	[1,000-1,200] €
Dumping amount (€/ton)	[500-700] €
Dumping margin (%)	**51%**

162. The estimated dumping margins range between 44% and 51%, which is clearly above *de minimis* level.

8. THE ECONOMIC SITUATION OF THE EU INDUSTRY: MATERIAL INJURY

8.1 Cumulative assessment of the effects of imports from the countries concerned

163. Imports of welded steel mesh originating in China and Türkiye should be assessed cumulatively, in accordance with Article 3(4) of the Basic Regulation.

164. According to this provision, when imports of a product from more than one country are simultaneously subject to an AD investigation, the effects of these imports will be cumulatively assessed if the following conditions are fulfilled: "*(a) the margin of dumping established in relation to the imports from each country is more than de minimis as defined in Article 9(3) and the volume of imports from each country is not negligible; and (b) a cumulative assessment of the effects of the imports is appropriate in the light of the conditions of competition between imported products and the conditions of competition between the imported products and the like Union product*".

165. The margins of dumping established in relation to the imports from China and Türkiye are above the *de minimis* threshold set out in Article 9(3) of the Basic Regulation (see **Section 7** above). Moreover, the volume of imports of welded steel mesh from China and Türkiye is not negligible within the meaning of Article 5(7) of the Basic Regulation. As set out in **Section 8.2.3** below, during the IP, the market share of Chinese imports was 13%, and the market share of Turkish imports was 5%.

166. Furthermore, the conditions of competition between the dumped imports from China and Türkiye and the like product are similar. More specifically, the imported products compete with each other and with the welded steel mesh produced in the Union, they are sold through the same

sales channels and to similar categories of customers. Customers use the same welded steel mesh for the same purpose and differentiate only on the technical aspects of the product, not on the origins of the product.

167. Therefore, all the criteria set out in Article 3(4) of the Basic Regulation are met and imports from China and Türkiye must be examined cumulatively for the purposes of the injury determination.

8.2 Volume of dumped imports from China and Türkiye, Union consumption and market shares

8.2.1 Volume of dumped imports from China and Türkiye

8.2.1.1 Evolution of the volume of dumped imports from China and Türkiye

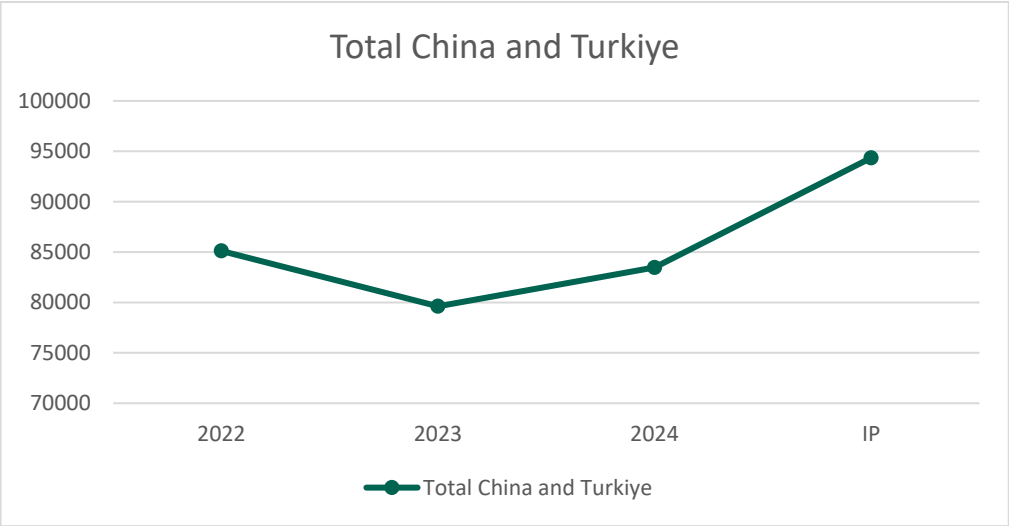
168. According to Eurostat statistics,[145] as illustrated by **Table 8.1** below, the annual volume of imports of welded steel mesh originating in China and Türkiye into the EU has increased by 11% between 2022 and the IP, *i.e.*, from 85,115 tons in 2022 to 94,348 tons in the IP. More specifically, as illustrated by **Graph 8.1** below, while import volumes first decreased in absolute terms by 6% between 2022 and 2023, *i.e.*, from 85,115 tons in 2022 to 79,616 tons in 2023, they then significantly increased by 19% between 2023 and the IP, *i.e.,* from 79,616 tons in 2023 to 94,348 tons in the IP.

Table 8.1: Annual volume of imports of welded steel mesh from China and Türkiye (in tons)

Quantity in tons	2022	2023	2024	IP (Q4 2024 – Q3 2025)
China and Türkiye	85,115	79,616	83,504	94,348
Index	100	94	98	111

[145] **Annex 8.1 [Open]**, EU import statistics, Eurostat extraction.

Graph 8.1: Annual volume of imports of welded steel mesh from China and Türkiye (in tons)



169. The volume of EU imports of the product concerned from Türkiye, which has been based on the figures reported by Eurostat for CN Codes 7314.20.90, 7314.31.00 and 7314.39.00, is likely understated and do not accurately reflect the actual import volumes of the product concerned in the EU from that country. The Complainants understand that Turkish exporting producers export the product concerned to the EU using – intentionally or not – incorrect CN codes, such as CN codes 7314.42.00, 7314.49.00, and even 7313.00.00.[146] According to the combined nomenclature, CN codes 7314.42.00 and 7314.49.00 cover "*other cloth, grill, netting and fencing*" which are not welded at the intersection, while CN code 7313.00.00 covers barbed wire.

170. The Complainants provide the following *prima facie* evidence that the Turkish producers are mis-declaring some of their exports of certain CN codes, including 7314.42.00, 7314.49.00, and even 7313.00.00, based on the most recent data compiled by the the Volza Grow Global data base:

- In the period 2024 to the June 2025 (**Annex 8.1(b)**), it appears that up to 17,400 tons of products have been imported into the EU from Türkiye under the CN Codes 7314.49.00 and 7313.00.00. While not all of these products are imported under the wrong CN Codes, we note that many of the entries in the column "HS Product Description" report fencing panels which are the product concerned, or report "Others" which is suspicious.
- In the period 2022-2023, (**Annex 8.1(c)**), it appears that up to 7,365 tons of products have been imported into the EU from Türkiye under the CN Codes 7313.00.00 and up to 35,983 tons under 7314.49.00. While not all of these products are imported under the

146 See **Annex 8.1(a**) [Open]. See the exchange of email between [*an*] importer and [*a Turkish exporting producer*] in which [*that Turkish producer*] states that they use the CN Code 7313 00 00 (normally used for barbed wires) to export the product concerned. See **Annex 8.1(b)** which provides for the most recently available period a detailed listing of EU imports of the product concerned from Türkiye in which the Turkish producers use the wrong CN codes 7314.49.00 and 7313.00.00 for fencing panels.

wrong CN Codes, we note that [*Turkish producer*] is exporting considerable volumes of double wire panels to Europe (3.304 tons) using the wrong CN code. Likewise, [Turkish producer] appears to have been exporting about 12.320 tons of welded double wire panels under the wrong CN code 731449 (which cover none welded products).

171. In light of this *prima facie* evidence of misdeclaration, the Complainants urge the Commission to investigate the Turkish producers and determine precisely the volumes of the product concerned which are entering the EU market under the wrong CN Codes.

8.2.1.2 Events temporarily affecting the evolution of dumped imports from China and Türkiye

172. Import volumes from China and Türkiye decreased in absolute terms by 6% between 2022 and 2023, *i.e.*, from 85,115 tons in 2022 to 79,616 tons in 2023. This decrease was caused by temporary events, and as soon as these temporary events had passed, import volumes of welded steel mesh from China and Türkiye immediately started following their increasing trend again. These imports increased by 19% between 2023 and the IP, *i.e.,* from 79,616 tons in 2023 to 94,348 tons in the IP.

173. The following sections provide further insight into the events that caused a temporary decrease in import volumes of welded steel mesh originating in China and Türkiye between 2022 and 2023.

(a) Union consumption

174. As explained in further detail in **Section 8.2.2** below, imports of welded steel mesh originating in China and Türkiye increased in absolute terms (+11%) and in relative terms (+20%) between 2022 and the IP despite the fact that EU consumption decreased by 12% over the same period. This is conclusive evidence of the significant market penetration of the imports originating in China and Türkiye, to the detriment of the EU industry.

Table 8.2: Volume of EU imports of welded steel mesh from China and Türkiye and EU consumption of welded steel mesh (in tons)

Quantity in tons	2022	2023	2024	IP (Q4 2024 – Q3 2025)
China and Türkiye	85,115	79,616	83,504	94,348
Index	*100*	*94*	*98*	*111*
EU Consumption of welded steel mesh	**585,202**	**476,520**	**503,267**	**516,128**
Index	*100*	*81*	*86*	*88*

175. In addition to this decrease in Union consumption, certain other events also temporarily affected the Turkish and Chinese welded steel mesh markets in 2023, including an earthquake and supply chain issues.

(b) Earthquake of February 2023 in Türkiye

176. The decrease of imports of welded steel mesh originating in Türkiye in 2023 is also, at least partly, due to the temporary supply chain issues that occurred in Türkiye after the earthquake of February 2023, which hit the region of Iskenderun. In the affected area, which had accounted for 11% of industrial production in Türkiye and which, under normal circumstances, contributes over 30% of Turkish steel production, manufacturing capacity immediately dropped, production fell by 8.2% in February 2023, and a steep drop in exports was observed in March and April 2023.[147]

177. The damage caused by the earthquake included the port of Iskenderun, a key port for steel imports and exports and for raw material deliveries, mostly of steel scrap, which is used to produce raw steel rods, the main raw material used in the production of welded steel mesh. This led to inbound and outbound cargoes, including those carrying steel products, having to be diverted. The earthquake also made certain critical infrastructure in the region unusable and led to power outages. Consequently, several steel mills in the vicinity of the area where the earthquake occurred halted their operations and declared *force majeure* on contracts with their customers, causing steel production in the entire country and exports of finished and semi-finished steel products to fall temporarily. This decrease in import volumes was further exacerbated by the fact that, for a short period of time after the earthquake occurred, domestic demand took priority over exports in order to prevent a significant increase in steel prices within the country.[148]

178. The effects caused by this earthquake were only of a temporary nature and Türkiye's manufacturing sector recovered rapidly after the earthquake, as it already showed significant signs of recovery in May 2023, including increased output, new orders and an increase in exports. As of September 2023, international companies had largely returned to normal.[149] As the situation further stabilised, welded steel mesh imports into the EU continued to follow their strongly increasing trend, as observed between 2020 and 2022 before the earthquake occurred.

179. This evolution is illustrated in **Table 8.3** below,[150] which shows that in Q1 2023, import volumes of welded steel mesh originating in Türkiye decreased to 5,868 tons (compared to 7,032 tons in Q4 2022, *i.e.*, a decrease of 24%). The subsequent rapid recovery in Q2 2023 is also illustrated in the table and the graph below, which show that EU imports of welded steel mesh originating in Türkiye increased from 5,868 tons in Q1 2023 to 9,267 tons in Q2 2023, *i.e.*, an increase of 58%. While this recovery slowed down slightly between Q2 2023 and Q4 2023, imports steadily increased again between Q4 2023 and Q3 2024, *i.e.*, from 4,447 tons in Q4 2023 to 6,893 tons in Q3 2024 (an increase of 55%). This upward trend is confirmed throughout the IP.

147 **Annex 8.2 [Open],** New Zealand Foreign Affairs and Trade, Türkiye: a global manufacturing hub, 2023, page 4.
148 **Annexes 8.4 and 8.5 [Open]**, Press releases earthquake Türkiye (1) and (2).
149 **Annex 8.2 [Open],** New Zealand Foreign Affairs and Trade, Türkiye: a global manufacturing hub, 2023 page 4.
150 **Annex 8.1 [Open]**, EU import statistics, Eurostat extraction.

Table 8.3: Quarterly volume of EU imports of welded steel mesh from Türkiye (in tons)

Quantity in tons	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
Türkiye	5,868	9,267	6,198	4,447	5,098	6,817	6,893	4,524	6,810	7,278	9,106

180. While reports state that production has returned to normal from September 2023 onwards,[151] the fact remains that the volume of EU imports of the product concerned from Türkiye in 2023 was particularly affected that year, and that Turkish producers have not fully reached their export levels of 2022. But as explained in **Annex 8.1(a)** and **Annex 8.1(b)**, this may be partly due to the fact that some Turkish producers are – intentionally or not – importing the product concerned using the wrong CN Code which has the effect of underestimating the volume of imports of the product concerned from Türkiye. Recent trade flow data, including for the period extending beyond the IP, demonstrate a clear increase in Turkish imports back to previous levels.

8.2.1.3 Impact of US tariffs

181. Welded steel mesh imports from China and Türkiye into the EU will increase even more strongly in the near future, as a result of the imposition of increased tariffs on welded steel mesh imports by the United States ("**US**").

182. On 10 February 2025, President Trump issued Proclamation 10896,[152] modifying the steel tariffs that he had originally imposed in 2018 under Section 232 of the Trade expansion Act of 1962. This Proclamation added more downstream steel products to the tariffs' coverage, including welded steel mesh, as it covers goods classified under HS codes 7314.20, 7314.31, and 7314.39. As a result of this Proclamation, which came into effect in March 2025,[153] an additional 25% duty was imposed on imports of welded steel mesh into the US (thus totaling 50% duty). On 9 April 2025, the US further increased the tariffs on Chinese goods to a total of 145%.[154] A 10% baseline tariff was imposed by the US on Turkish steel imports.[155] On 10 October 2025, the US further threatened to impose a 100% tariff on Chinese imports from 1 November 2025 onwards.[156]

183. While the tariff threats made by the US administration on top of the 50% duty may not have all materialized, there is no doubt that these threats had a chilling effect on the market and caused the Chinese and Turkish steel producers to redirect their exports to other countries, and

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151 **Annex 8.2 [Open],** New Zealand Foreign Affairs and Trade, Türkiye: a global manufacturing hub, 2023, page 4.

152 **Annex 8.6 [Open],** Proclamation 10896 of February 10, 2025.

153 **Annex 8.7 [Open],** Implementation of Duties on Steel Pursuant to Proclamation 10896 Adjusting Imports of Steel Into the United States.

154 **Annex 8.7 bis [Open],** Trump Has Added 145% Tariff to China, White House Clarifies, New York Times, 10 April 2025, available at https://www.nytimes.com/2025/04/10/business/economy/china-tariffs-145-percent.html.

155 'Regulating Imports With a Reciprocal Tariff to RECTIFY Trade Practices that Contribute to Large and Persistent Annual United States Goods Trade Deficits,' 89 FR 23412 (7 April 2025) https://www.federalregister.gov/documents/2025/04/07/2025-06063/regulating-imports-with-a-reciprocal-tariff-to-rectify-trade-practices-that-contribute-to-large-and

156 See Trump's 100% tariff threat sparks defiance from Beijing, Politico, 12 October 2025, available at https://www.politico.com/news/2025/10/12/china-defiance-trump-100-tariff-00605499

in particular the EU. As the Commission recognized,[157] "*exporters have a very strong interest in entering the Union market*" and that "[t]*he attractiveness in both prices and size makes the EU market a key target destination for production resulting from global overcapacity, which in turn results in increased import penetration into the EU market*".[158] This diversion of trade flows will most likely lead to a surge in imports of welded steel mesh from China and Türkiye into the EU in the very near future, compounding the already observable upward trend between 2024 and the IP.

8.2.2 Union consumption

184. Unlike the primary steel market – dominated by large steel groups producing a limited range of products – the downstream steel market is composed mainly of small and medium-sized companies. These firms typically operate only within their own Member State and manufacture a wide variety of steel products. As a result, an EU producer based in France, for example, would not have market knowledge of Germany. Similarly, a producer of PVC-coated welded steel mesh would not necessarily be aware of the activities of EU producers manufacturing galvanized welded steel mesh.

185. In this case, the EU consumption[159] of the product concerned was calculated by adding (i) the EU industry's sales volumes to unrelated customers, based on data supplied by the Complainants and evaluation for the other EU producers,[160] and (ii) the total volume of imports.[161]

186. According to Eurostat data, the import volumes of welded steel mesh from China and Türkiye increased by 11% between 2022 and the IP, even though, at the same time, EU consumption decreased by 12%. See **Table 8.4** below.

187. At the same time, EU sales and imports from countries other than China and Türkiye have decreased since 2022. As EU consumption of welded steel mesh decreased by 12% between 2022 and the IP, EU sales decreased by 15% (from 461,482 tons in 2022 to 390,844 in the IP). Similarly, imports from countries other than China or Türkiye decreased by 20% between 2022 (38,605 tons) and the IP (30,936 tons).

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157 Commission Staff Working Document - *Accompanying the document* Proposal for a Regulation of the European Parliament and of the Council addressing the negative trade-related effects of global overcapacity on the Union steel market, SWD(2025) 780 final, page 16.
158 *Ibid.*
159 **Annex 8.8 [Open],** Union Consumption.
160 **Annex 8.9 [Open],** EU sales to unrelated customers.
161 **Annex 8.1 [Open]**, EU import statistics, Eurostat extraction.

Table 8.4: EU consumption of welded steel mesh (in tons)

	2022	2023	2024	IP (Q4 2024 – Q3 2025)
Total EU sales	461,482	366,486	387,368	390,844
Index	*100*	*79*	*84*	*85*
+ EU imports (China and Türkiye)	85,115	79,616	83,504	94,348
Index	*100*	*94*	*98*	*111*
+ EU imports (Other)	38,605	30,418	32,395	30,936
Index	*100*	*79*	*84*	*80*
EU Consumption of welded steel mesh	**585,202**	**476,520**	**503,267**	**516,128**
Index	***100***	***81***	***86***	***88***

8.2.3 Market shares

188. As illustrated by **Table 8.5** below,[162] the market share of Turkish and Chinese imports significantly increased by 26% during the period considered (from 15% in 2022 to 18% in the IP). This increase in market share was to the detriment of the Union industry, as the market share of EU producers decreased by 4% over the same period. This shift shows that Chinese and Turkish producers have increased their penetration into the EU market despite an overall contracting market consumption.

Table 8.5: Market shares of welded steel mesh in the EU (%)

	2022	2023	2024	IP (Q4 2024 – Q3 2025)
Market share of all EU producers	79%	77%	77%	76%
Index	*100*	*98*	*98*	*96*
Market share Turkish and Chinese imports	15%	17%	17%	18%
Index	*100*	*115*	*114*	*126*
Market share of third country imports	7%	6%	6%	6%
Index	*100*	*97*	*98*	*91*

189. Most notably, even when import volumes of welded steel mesh from China and Türkiye slightly decreased by 6% between 2022 and 2023 (see **Table 8.1** above), this decrease in import

[162] **Annex 8.10 [Open],** Market shares.

volumes nevertheless coincided with an increase in market share of Chinese and Turkish imports on the EU market, *i.e.*, from 14% in 2022 to 17% in 2023.

8.3 Prices of welded steel mesh: evolution, cost of production and price undercutting/underselling

190. During the period concerned, Chinese and Turkish welded steel mesh producers have not only been able to maintain high import volumes while consumption in the EU decreased and to increase their market share, but welded steel mesh from China and Türkiye was also imported into the EU at significantly decreasing prices which undercut the prices of EU producers, as explained below.

8.3.1 Evolution of welded steel mesh prices and cost of production

191. As illustrated in **Table 8.6 below**,[163] the average import price of welded steel mesh from China and Türkiye drastically dropped by 30% between 2022 and the IP, i.e. from 1,738 EUR/ton to 1,223 EUR/ton. During that same period, EU producers' sales prices only decreased by 13%, i.e. from 1,751 EUR/ton to 1,530 EUR/ton. Although average costs of production of the Complainants also decreased during that same period, such decrease did not fully compensate for the decrease in prices on a per ton basis (the average gross mark-up in 2022 was 57 EUR/ton. It decreased to 38 EUR/ton during the IP.

Table 8.6: Annual average price of the welded steel mesh sold on the EU market (EUR/ton)

	2022	2023	2024	IP (Q4 2024 – Q3 2025)
Average price China and Türkiye	1,793	1,303	1,336	1,268
Index	*100*	*73*	*75*	*71*
Average price Complainants	1,751	1,652	1,532	1,530
Index	*100*	*94*	*87*	*87*

Table 8.7: Average cost of production of the Complainants of the welded steel mesh sold on the EU market (EUR/ton)[164]

	2022	2023	2024	IP (Q4 2024 – Q3 2025)
Average unit cost of production, Complainants (EUR/ton)	1.694	1.653	1.477	1.492
Index	*100*	*98*	*87*	*88*

163 **Annex 8.1 [Open]**, EU import statistics, Eurostat extraction, and **Annex 8.11 [Open]**, Average prices EU producers.

164 See **Annex 8.14 [Open]**, Average wire rod prices (Germany)

192. While the decrease in the average selling price and, notably, the average cost of production can be partly explained partly by the decrease in the price of wire rod since 2022, which is the main input material used to manufacture the product concerned, it is mainly the price pressure applied by the imports of the product concerned from Turkish and Chinese producers that prevented EU industry to increase average prices in order to reach an adequate level of profitability. Indeed, during the period 2022-IP, the average import price from Türkiye and China decreased by 29% (see above **Table 8.6**), resulting in significant undercutting and underselling (see **Sections 8.3.2** and **8.3.3**).

Table 8.8: Average wire rod prices in Germany (EUR/ton)

	2022	2023	2024	IP (H2 2024-H1 2025)
Wire rod Germany (CRU) EUR/ton	1.180	888	823	798
Index	*100*	*75*	*70*	*68*

8.3.2 Price undercutting

193. For price undercutting calculations, the Complainants first established an average EU sales price of the Union industry based on prices of the Complainants during the IP, both for the product concerned as a whole and for the two main product categories, *i.e.*, galvanized and PVC-coated, with the average prices being **1.530 EUR/ton, 1.352 EUR/ton** and **1.866 EUR/ton,** respectively.[165] The Complainants then established an average landed price of Chinese and Turkish imports by adding post-importation costs to the CIF value of imports, likewise for product as a whole (based on Eurostat) and for the two main categories (based on price quotes and offers). These post-importation costs were estimated at 14,67 EUR/ton, resulting in an average landed ("free circulation") prices of **1.347 EUR/ton, 846 EUR/ton** and **1.691 EUR/ton** for imports from China, respectively, and **1.127 EUR/ton, 1.105 EUR/ton** and **1.049 EUR/ton** for imports from Türkiye, respectively.

8.3.2.1 China

194. Regardless of their entry point into the EU, imports from China have a significant depreciating effect on prices throughout the entire EU, either due to direct price competition or due to the general price-setting impact of these imports. As a result, the low import prices have caused an EU-wide downward price pressure.

195. An analysis of the overall data shows that imports from China significantly undercut EU prices during the IP, with the average undercutting margin during the IP reaching **12%** for the

165 **Annex 8.11 [Open]**, Average prices EU producers

product as a whole, **9%** for PVC-coated type and **37%** for galvanized type, which are all significantly above the *de minimis* level.[166]

8.3.2.2 Türkiye

196. Similarly to imports from China, imports from Türkiye have a significant depreciating impact on EU producers' pricing during the IP. An analysis of the overall pricing data shows that imports from Türkiye significantly undercut the EU prices during the IP, with an average undercutting margin of **26%** for the product as a whole, **44%** for PVC-coated type and **18%** for galvanized type, which are all significantly above the *de minimis* level.[167]

8.3.3 Price underselling

197. For price underselling calculations, the Complainants first established a target price using the average cost of production (cost of manufacturing plus reasonable SG&A expenses) during the IP of the Complainants, both for the product concerned as a whole and for the two main product categories, galvanized and PVC-coated, and further increased by a reasonable amount for target profit established in accordance with Article 7(2)(c) of the Basic Regulation. The Complainants used the **absolute minimum target profit** level provided for in the Basic Regulation, *i.e.*, **6%**.

198. Using the above methodology, the average non-injurious price of the Complainants during the IP was established at the level of **1.582** EUR/ton for product concerned as a whole, **1.444 EUR/ton** for galvanized type and **1.889 EUR/ton** for PVC-coated type [168]

199. The Complainants then established the average landed price of Chinese imports in the same manner as for the price undercutting calculations (*i.e.*, by adding post-importation costs to the CIF value of imports).

8.3.3.1 China

200. The comparison of the non-injurious price of the Union industry with the average landed price of Chinese imports resulted in an underselling margin of **18%** during the IP for the product concerned as a whole, **10%** for PVC-coated type and **41%** for galvanized type,[169] which are all significant and above *de minimis*.

8.3.3.2 Türkiye

201. The comparison the non-injurious price of the Union industry with the average landed price of Turkish imports resulted in an underselling margin of **41%** during the IP for the product

166 **Annex 8.15 [Open],** Undercutting and Underselling Calculations (China)
167 **Annex 8.16 [Open],** Undercutting and Underselling Calculations (Türkiye).
168 **Annex 8.15 (China) [Open]** and **Annex 8.16 (Turkey) [Open]**.
169 **Annex 8.15 [Open],** Undercutting and Underselling Calculations (China).

concerned as a whole, **44%** for PVC-coated type, and **23%** for galvanized type, which is significant and above *de minimis*.[170]

8.4 Sales volumes and profitability of the Complainants

202. The increasing import volumes of welded steel mesh from China and Türkiye at rapidly decreasing prices have severely impacted the sales volumes and the profitability of the EU welded steel mesh industry. As illustrated by **Table 8.8** below, the Complainants' sales volume has decreased by 15% over the period concerned, *i.e.*, from 205,840 tons in 2022 to 174,333 tons in the IP.

Table 8.9: Sales volume of the Complainants (tons)[171]

	2022	2023	2024	IP (Q4 2024 – Q3 2025)
Sales volume Complainants (tons)	205,840	163,468	172,782	174,333
Index	*100*	*79*	*84*	*85*

Table 8.10: Average profitability (%) and average profit (EUR/ton) of the Complainants

	2022	2023	2024	IP
Average profitability (%)	2.9%	0.6%	2.8%	1.2%
Average profit (EUR/ton)	51	10	43	19

203. The 2022 energy crisis created a shock to the Union industry, explaining in part the decline in profitability levels to industries across the EU between 2022 and 2023. As the volume of imports increased from 2024 onwards and the energy crisis resolved, the profitability of the Complainants remained in very low single digits during that period. Profitability decreased by 1.7 percentage points, or 58%, between 2022 and the IP. Profitability is markedly below the 6% profitability level that the Basic Regulation sets out as the minimum acceptable profitability threshold.

8.5 Production, production capacity and utilization of capacity of the Complainants

204. The fact that the high import volumes of welded steel mesh from China and Türkiye at rapidly decreasing prices caused severe injury to the EU industry is also confirmed by the evolution of the production volumes, the production capacity and the capacity utilization of the Complainants.

205. The EU industry has gone through many hardships since 2022 as a result of the dumped imports of the product concerned from China and Türkiye. EU production has decreased significantly between 2022 and the IP as a result of the bankruptcy of EU producers of the product

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170 **Annex 8.16 [Open],** Undercutting and Underselling Calculations (Türkiye).
171 **Annex 8.9 [Open]**, EU sales volume to unrelated customers.

concerned, such as Perimeter Protection, and the exit of the market of others, such as Kraus, Rosenthal, Brista, Mekon and Lippi Industries. The evolution of the total EU production over the period concerned was estimated based on the market intelligence of the complaining EU producers. For the purpose of this exercise, the complaining EU producers estimate that the production capacity of the EU industry decreased since 2022 by the same proportion as the decrease in the production capacity of the Complainants. The production capacity utilization of the EU industry has also been estimated to be in line with that of the Complainants. See **Table 8.10(a)** below.

Table 8.11(a): Production, production capacity and utilization of capacity of the EU industry

	2022	2023	2024	IP (Q3 2025 - Q2 2024)
Production (tons)	676,923	429,268	468,085	441,552
Index	*100*	*63*	*69*	*65*
Production capacity (tons)	1,199,002	1,045,258	1,018,496	890,897
Index	*100*	*101*	*103*	*100*
Capacity utilization (%)	56%	41%	46%	50%
Index	*100*	*73*	*81*	*88*

206. As illustrated in **Table 8.10(b)** below,[172] the production volumes of the Complainants decreased significantly by 13% over the course of the period considered, *i.e.*, from 225,268 tons in 2022 to only 196,951tons in the IP. Production capacity slightly increased by 3% between 2022 and 2024 as two producers optimized their production line. Over the period concerned (2022-IP), production capacity remained stable. Capacity utilization rates declined by 13% between 2022 (56%) and the IP (50%).

172 **Annex 8.17 [Open],** Production, Production of capacity and utilization of capacity.

Table 8.11(b): Production, production capacity and utilization of capacity of the Complainants

	2022	2023	2024	IP (Q3 2025 – Q2 2024)
Production (tons)	225,268	165,917	188,662	196,951
Index	*100*	*74*	*84*	*87*
Production capacity (tons)	399,006	404,005	410,505	397,377
Index	*100*	*101*	*103*	*100*
Capacity utilization (%)	56%	41%	46%	50%
Index	*100*	*73*	*81*	*88*

207. The EU industry requires a high production capacity utilization rate to be profitable, and the current level of capacity utilization at only 50% simply does not enable the Complainants to operate in a cost-efficient manner. For this reason, the Complainants, and the EU industry as a whole, will soon have no other alternative but to curtail and even cease the production of welded steel mesh, as it becomes increasingly impossible to remain competitive under the intolerable market conditions created by the surging volumes of dumped welded steel mesh imports from China and Türkiye.

8.6 Other injury indicators: Employment, investments and inventory of the Complainants

8.6.1 Employment

208. As illustrated in **Table 8.12** below,[173] as a result of their rapidly decreasing profitability, sales volumes, production volumes and capacity utilization rates, the Complainants have also had to significantly reduce their workforce by 17% between 2022 and the IP, *i.e.*, from 986 employees in 2022 to only 818 in the IP.[174]

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173 **Annex 8.18 [Open]**, Employment.

174 At the time of writing, we have been informed that one of the complaining producers, Forlam, has filed for bankruptcy in September 2025. Thus, the reduction in the workforce will be higher than reported in the IP of this complaint.

Table 8.12: Employees of the Complainants

	2022	2023	2024	IP (Q4 2024 – Q3 2025)
Employment of the Complaining Industry	986	884	678	818
Index	*100*	*90*	*69*	*83*

209. The Complainants do not have information on the level of employment for the whole EU industry of the product concerned. It is nevertheless undeniable that, since 2022, employment decreased faster than the employment of the Complainants considering the bankruptcy of EU producers of the product concerned, such as Perimeter Protection, and the exit of the market of others, such as Kraus, Rosenthal, Brista, Mekon and Lippi Industries. Hundreds of jobs have been lost due to the pressure of Chinese and Turkish imports of the product concerned.

8.6.2 Investments

210. As illustrated in **Table 8.13** below,[175] investments decreased significantly by 63% between 2022 and the IP as the ability of the Complainants to keep up this normal level of investments was severely hampered by their decreased sales volumes and profitability (see **Section 8.4**).

211. The Complainants' investments were at their highest in 2022. Investments have included the purchase of new machines and efforts to increase the automation of production lines, all in an attempt to increase efficiency. The Complainants also made investments in new machines to diversify the production to different types of welded steel mesh and to try to enter markets where there might be less unfair competition from Chinese and Turkish products. Additionally, recurring investments were made in the maintenance of machines and equipment, including cranes and forklifts, to ensure the safety of employees.

Table 8.13: Investments of the Complainants

	2022	2023	2024	IP (Q4 2024 – Q3 2025)
Investments (EUR)	16,279,932	6,844,370	9,093,381	5,956,335
Index	*100*	*42*	*56*	*37*

8.6.3 Inventory

212. As illustrated in **Table 8.14** below,[176] the level of inventories of the Complainants significantly decreased between 2022 and the IP, *i.e.*, by 63%. The Complainants have adapted their level of inventory in light of the decreasing EU consumption. Stocks decreased, as the Union

175 **Annex 8.19 [Open]**, Investments.
176 **Annex 8.20 [Open],** Inventory.

industry was compelled to reduce production in response to the severe dumping from Chinese and Turkish exporting producers.

Table 8.14: Inventory of the Complainants

	2022	2023	2024	IP (Q4 2024 – Q3 2025)
Inventory (kg)	85,509	62,364	59,052	31,869
Index	*100*	*73*	*69*	*37*

8.7 Conclusion on material injury

213. As demonstrated above, there is no doubt that the EU Industry has been materially injured by the cumulative effects of the dumped imports of welded steel mesh from China and Türkiye. The deterioration of the situation of the EU industry throughout the period considered was simultaneous and directly connected to a large influx of the Union market by significant volumes of imports from China and Türkiye, which undercut and undersold the Union industry and, in any event, exercised significant price depression on Union sales.

8.8 The economic situation of the EU industry: the threat of material injury

214. Article 3(9) of the basic AD Regulation sets forth the circumstances in which the Commission should impose measures based on the threat of injury, namely:

> *A determination of a threat of material injury shall be based on facts and not merely on an allegation, conjecture or remote possibility. The change in circumstances which would create a situation in which the dumping would cause injury must have been clearly foreseen and must be imminent.*
>
> *In making a determination regarding the existence of a threat of material injury, consideration should be given to factors such as:*
>
> > *(a) a significant rate of increase of dumped imports into the Union market indicating the likelihood of substantially increased imports;*
> >
> > *(b) whether there is sufficient freely disposable capacity on the part of the exporter or an imminent and substantial increase in such capacity indicating the likelihood of substantially increased dumped exports to the Union, account being taken of the availability of other export markets to absorb any additional exports;*
> >
> > *(c) whether imports are entering at prices that would, to a significant degree, depress prices or prevent price increases which otherwise would have occurred, and would probably increase demand for further imports;*
> >
> > *(d) inventories of the product being investigated.*

No one of the factors listed above by itself can necessarily give decisive guidance, but the totality of the factors considered shall be such as to lead to the conclusion that further dumped exports are imminent and that, unless protective action is taken, material injury will occur.

215. When considering each of the above four factors set out in Article 3(9) of the basic AD Regulation, it is clear that Chinese and Turkish manufacturers of welded steel mesh have been exporting the product concerned in the EU at dumped prices and that these exports have been made in quantities and at prices that are – at the very least – threatening to cause injury to the Complaining EU Industry.

8.8.1 Significant rate of increase of dumped imports into the Union

216. There is no doubt that the data supports the finding that there has been a significant rate of increase of Chinese and Turkish dumped imports of the product concerned into the Union. As explained in **Section** Error! Reference source not found. above, the volume of imports of the p roduct concerned originating in China and Türkiye increased in absolute terms by 17% between 2022 (85,115 MT) and the IP (99,921MT). Imports from China and Türkiye increased even when EU consumption was declining (-19%), resulting in an 18% market share increase over the period concerned.

217. More significantly, as seen in **Table 8.15**, import volumes in the fourth quarter of 2025 were 7% higher than the average quarterly import volumes during the entire period considered. This increase in the volume of imports shows the aggressive conduct of the Chinese and Turkish producers, thereby further threatening injury to the EU industry. A full quarterly overview of imports for the entire period considered, including Q4'25, is provided in **Annex 8.1**.

Table 8.15: Quarterly Average of Imports Compared to Q4'25

China and Türkiye	Quarterly Average during the period concerned (2022-IP)	Quarterly average during the IP	Q4'25
Imports in MT	21.656	23.587	23.279
Index	*100*	*109*	*107*

218. Due to the large excess of production capacity and inventories of Chinese and Turkish producers, there is no sign that the volume of imports to the EU of the product concerned will further decrease in the future.

8.8.2 Chinese and Turkish producers of the product concerned have significant overcapacities

219. As explained in **Section** Error! Reference source not found.**.1** above, China is by far the l argest steel manufacturer in the world and its significant overcapacity in steel manufacturing is well-documented. Moreover, the main input material used to manufacture the product concerned, namely wire rod, is subject to anti-dumping duties in the EU, which has led Chinese producers to go downstream, including by manufacturing the product concerned. This has shift caused a surge in imports into the EU.

220. As also explained in **Section 6.2**, Türkiye is one of the largest steel producers in the world with a production capacity of approximately 60 million tons per year, which is forecasted to further increase. Europe is a main export destination for Turkish steel, accounting for 31% of Türkiye's total steel exports in 2023.

221. In both cases, the EU faces the imminent risk of being flooded by dumped imports of the product concerned from China and Türkiye because the product concerned is not covered by the Commission's proposal on '*the negative trade-related effects of global overcapacity on the Union steel market*'[177] or the Carbon Border Adjustment Mechanism (CBAM). Moreover, the shift in exporting producers' production to downstream industries may only be expected to exacerbate amidst increased US trade barriers and uncertainty surrounding US trade policy, increasing the likeliness that products would be redirected to comparative markets. This increased focus on downstream steel products and, particularly welded steel mesh, is evident. Recently, the US Department of Commerce concluded anti-dumping and anti-subsidy investigations into temporary steel fencing imports from China, determining that these imports are dumped and the products benefit from significant subsidies.[178] Similarly, the Australian Anti-dumping Commission initiated an anti-dumping investigation into imports of welded steel mesh sheets originating in China and Malaysia, relying on the same IP as the present Complaint.[179] These factors will only incentivize Chinese and Turkish exporting producers to increase their exports of the product concerned into the EU.

8.8.3 Chinese and Turkish imports are entering the EU at prices that, to a significant degree, depress prices or prevent price increases which otherwise would have occurred

222. As explained in **Section 8.3.1**, the average price of the product concerned from China and Türkiye decreased considerably (-26%) over the period concerned. The average price of imports was 20% lower in Q3'25 than the quarterly average of the entire period considered, or 12% lower than during the IP (see **Table 8.15** below).

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177 See Proposal for a Regulation of the European Parliament and of the Council addressing the negative trade-related effects of global overcapacity on the Union steel market, 7 October 2025, COM (2025) 726 final.

178 International Trade Administration, A-570-198 (US Department of Commerce); International Trade Administration, C-570-199 (US Department of Commerce).

179 Anti-Dumping Commission, 'Investigation 692 – Certain welded steel mesh sheets from China, Malaysia' (Australian Government, Department of Industry, Science and Resources).

Table 8.16: Quarterly Average Import price in Q4'25 compared to the IP

China and Türkiye	Quarterly Average during the period 2022 - IP	Quarterly average during the IP	Q4'25
Average Value (EUR/MT)	1.411	1.227	1.107
Index	*100*	*87*	*78*

223. As explained in Sections 8.3.2 and 8.3.3, Chinese and Turkish producers have carried out a very aggressive pricing strategy which significantly undercuts (12% and 26%, respectively) and undersells (18% and 41%, respectively) the EU industry of the product concerned. This pricing strategy caused the average prices of the EU Complaining Industry to substantially decrease by 13% over that same period.

224. Thus, there is no doubt that Chinese and Turkish imports are entering the EU at prices that, to a significant degree, depress prices or prevent price increases which otherwise would have occurred.

8.8.4 Chinese and Turkish producers have large inventories and overcapacity of the product concerned

225. Chinese and Turkish producers have accumulated a substantial welded steel mesh inventory, as evidenced by excess steel capacity and a weak (light) construction activity in the countries concerned. In Türkiye, a low demand in the steel sector paired with overcapacity and an increasing reliance on exports since 2023 are consistent with producers' increasing welded steel mesh inventories. Moreover, several notable Turkish producers of welded steel mesh are well-positioned, on account of their vertical integration, to siphon excess steel production into their downstream production of welded steel mesh, thereby softening the burden of increased steel inventories. Those producers who are known to be vertically integrated have been listed **in Annex 3.1.**

222. The above is illustrative of the increased inventories faced by Chinese and Turkish producers of welded steel mesh. In light of recent US determinations of Chinese dumping and subsidisation in the steel fencing industry, these inventories are only expected to increase in time to come, as competition on the export market intensifies and exporting producers become ever more likely to redirect their production to similar export markets, such as the EU.

8.8.5 The situation of the EU Complainant Industry significantly deteriorated in the second half of the IP

223. The economic situation of the Complaining industry has continued to deteriorate significantly over the period concerned, and particularly in the second half of the IP. This decrease in profitability is onset amidst continued increases in import volumes of welded steel mesh from China and Türkiye, which are increasingly being sold at lower prices. These increased import

volumes, against lower average values, have significantly affected profitability. This is shown below through a comparison of both halves of the IP:

- Import volumes from China and Türkiye increased by 11% (from 44,792 MT to 49,556 MT).
- Average import values from China and Türkiye decreased by 9% (from EUR 1,281 to EUR 1,172).
- Profitability decreased by 56% (from 1.72% 0.76%), which represents a 53% decrease in profits (from EUR 2,207,625 to EUR 1,047,486).

Table 8.17: Situation of the EU Complaining Industry in the first and second halves of the IP

	H1 of the IP	H2 of the IP	Variation
Import volume (in MT), CN+TR	44.792	49.556	+11%
Average import price (in EUR), CN+TR	€ 1.281	€ 1.172	(-9%)
Profit (in EUR)	2.207.625	1.047.486	(-53%)
Profitability (in %)	1,72%	0,76%	(-56%)

224. It is therefore clear that the situation of the Complaining EU Industry has taken a turn for the worse during the second half of the IP and that it will further deteriorate if no measures are taken.

9. CAUSATION

9.1 Imports of the product concerned from China and Türkiye increased at the expense of the EU industry

225. In the previous section, we have established that the EU Industry has suffered material injury during the period considered. The existence of a causal link between the imports of the product concerned from China and Türkiye and the injury suffered by the EU Industry is shown by the fact that the injury occurred at the same time as dumped imports from China and Türkiye flooded the EU market and Chinese and Turkish exporters significantly increased their market share at the expense of the EU industry.

226. As explained in **Section 8.2** above, the volume of imports of the product concerned from China and Türkiye increased in absolute terms by 17% and in relative terms by 6% during the period concerned.[180] The increase in market share of imports originating in China and Türkiye was at the expense of the EU industry. While imports concerned increased their market share in the EU by 3 percentage points, EU sales of the product concerned lost their market share by 3 percentage points.

227. Imports from Türkiye were accompanied by a high level of price undercutting (26%) and price underselling (41%), while imports from China also undercut (12%) and undersold (18%) the Complainants. These undercutting and underselling margins by imports from China and Türkiye

[180] **Annex 8.1 [Open]**, EU import statistics, Eurostat extraction; and **Table 8.1 [Open]** (Annual volume of EU imports of welded steel mesh from China and Türkiye (in tons)) above.

over an extended period of time, combined with a high level of imports and an increased market share, is the root cause of the injury suffered by the EU industry.

228. While early investments in automation and product diversification have contributed to a slight some amelioration of profitability (notably in 2024), profitability remains very low (just 1.2% during the IP). As illustrated in **Table 8.12** above, low profit levels are making it increasingly difficult to sustain further investments, reflecting the industry's struggle to remain resilient in the face of unfair competition.

229. Furthermore, as illustrated in **Table 9.1** below, the increase in the volume of imports of the product concerned from China and Türkiye also negatively affected other key injury indicators, such as production and capacity utilization.[181] This Table clearly illustrates the correlation in time between the 20% increase of market share of Turkish and Chinese imports between 2022 and the IP, and the simultaneous 15% decrease in the Complainants' sales volumes, the 13% decrease in the Complainants' production volumes and 11% decrease in their capacity utilization during the same period.

Table 9.1: Evolution of import volume, market share, sales volume, production, capacity utilization, and profitability

	2022	2023	2024	IP (Q4 2024 – Q3 2025)
Volume of Turkish and Chinese imports	100	94	98	111
Market share of Turkish and Chinese imports	100	115	114	126
Average import prices	100	95	91	87
Sales volume of Complainants	100	79	84	85
Production of Complainants	100	74	84	87
Capacity utilization Complainants	100	73	82	89
Profitability	100	20	98	42

9.2 Other potential causes of injury

230. As explained in further detail in the following sections, there are no other factors that could break the causal link between the imports of the product concerned from China and Türkiye and the material injury suffered by the Complaining EU industry.

9.2.1 Imports from third countries

231. As shown in **Table 9.2** and **Graph 9.1** below,[182] apart from China and Türkiye, the main sources of imports of the product concerned into the EU are from the United Kingdom ("***UK***"), Ukraine, Bosnia and Herzegovina, North Macedonia, Switzerland, Moldova, Serbia, and Albania.

181 **Annex 8.17 [Open]**, Production, production capacity and utilization of capacity.
182 **Annex 8.1 [Open]**, EU import statistics, Eurostat extraction.

However, none of the imports from these countries break the causal link between the injury suffered by the Complainants and the dumped imports from China and Türkiye. Indeed, as can be seen from **Table 9.2**, the cumulative volume of imports from China and Türkiye was significantly lower during the period considered than imports from the next most important importer, *i.e.*, the UK. Imports from China were approximately five times higher than imports from the UK during the IP and imports from Türkiye were approximately twice as high as imports from the UK during the IP. Moreover, during the IP, imports from China were approximately eleven times higher in volume than imports from the next largest importer of welded steel mesh after the UK, *i.e.*, Ukraine, and imports from Türkiye were approximately four times higher than imports from Ukraine during the IP. Moreover, the already low import volumes from countries other than China and Türkiye decreased by 3% overall during the IP.

Table 9.2: Volume of imports of welded steel mesh into the EU (tons)

	2022	2023	2024	IP (Q4 2024 – Q3 2025)
China	49,614	53,836	60,134	66,631
Türkiye	35,501	25,781	23,332	27,717
United Kingdom	13,281	12,346	14,549	13,505
Ukraine	4,843	5,285	5,59	6,337
Bosnia and Herzegovina	7,205	3,885	4,766	3,505
North Macedonia	1,079	1,671	2,111	1,787
Moldova	936	1,382	1,581	1,559
Switzerland	3,675	2,402	1,267	1,46
Serbia	480	163	82	690
Albania	388	541	533	482

232. Additionally, as illustrated by **Table 9.3** below, of these other countries which are exporting welded steel mesh to the EU, imports from Bosnia and Herzegovina, North Macedonia, Moldova, Switzerland, Serbia, and Albania were below the 1% *de minimis* threshold during the IP. They are therefore not a cause of injury pursuant to Article 5(7) of the Basic Regulation. As regards the UK (2.62%) and Ukraine (1.23%), while their market shares were slightly higher than the 1% *de minimis* threshold during the IP, they are very low compared to the market share of Turkish and Chinese imports during the IP and thus do not attenuate the causal link in the context of this injury analysis.

Table 9.3: Market shares of welded steel mesh in the EU (%)[183]

Market shares	IP (Q4 2024 - Q3 2025)
United Kingdom	2.62%
Ukraine	1.23%
Bosnia and Herzegovina	0.68%
North Macedonia	0.35%

183 **Annex 9.1 [Open]**, Imports from third countries.

Moldova	0.30%
Switzerland	0.28%
Serbia	0.13%
Albania	0.09%

233. Another reason why imports from third countries are not causing the injury suffered by the EU industry is the fact that, as set out in **Table 9.4** below, the price of imports of welded steel mesh originating in countries other than China and Türkiye remained quite steady during the period considered. While the price from other third countries decreased only slightly during the period considered (from 1,619 to 1,542 EUR/ton), the average price for imports from China and Türkiye decreased from 1,738 to 1,223 EUR/ton over that same period. This is a price decrease of 30% compared to a decrease of only 9% for other countries on average. Notably, the price of welded steel mesh originating in the UK (the second largest exporter of welded steel mesh into the EU after China and Türkiye, albeit with a very low market share of only 2.62% during the IP), was more than twice as high as Chinese and Turkish prices during the IP. The price of welded steel mesh originating in the UK (6.641 EUR/ton) was also significantly higher than average EU welded steel mesh prices during the IP (1,530 EUR/ton).

Table 9.4: Annual average price of welded steel mesh (EUR/ton)

Prices (EUR/ton)	IP (Q4 2024 – Q3 2025)
Average price all third countries	1,419
Average price UK	2,641
Average price China and Türkiye	1,223
Average price EU	1,530

234. Based on the above, it can be concluded that imports of welded steel mesh from countries other than China and Türkiye have not broken the causal link between imports from China and Türkiye and the material injury suffered by the EU industry.

9.2.2 Export performance

235. There is also no evidence that the export performance of the Complainants could in any way break the causal link. As shown in **Table 9.5** below,[184] the Complainant's exports have decreased over the course of the period considered but have remained stable from 2023 to the IP. This deceasing export performance is, however, not the cause of the injury suffered by the EU industry, since the volume of exports is very limited compared to the Complainants' EU sales (between 6% to 11% during the period considered). The Complainants' exports do, therefore, not have an appreciable impact on the financial performance of the Complainants that could explain the severe injury suffered by the Complainants. Notably, while the average EU export sales price increased in 2024, coinciding with a drop in export sales volume, this sales price decreased in

184 **Annex 9.2 [Open],** Export volume.

the year after. This shows that the EU export volume's growth trend is not coupled to the average export price.

Table 9.5: Exports of the Complainants

	2022	2023	2024	IP (Q4 2024 – Q3 2025)
EU Export Volume (tons)	21,730	10,402	10,758	10,294
Index	*100*	*48*	*50*	*47*
EU Export Value (EUR)	€ 19,214,166.15	€ 15,108,156.16	€ 11,231,855.90	€ 11,719,430.86
Index	*100*	*79*	*58*	*61*
Average EU Export Price (EUR/ton)	884	1,452	1,044	1,138
Index	*100*	*164*	*118*	*129*

9.2.3 Reduction in demand on the EU market

236. As evidenced in **Section 8.2.2** above, the consumption of welded steel mesh in the EU market decreased by 12% between 2022 and the IP. This took place while Chinese and Turkish imports increased their market share from 14% in 2022 to 17% during the IP and, simultaneously, the market share of EU producers decreased from 79% in 2022 to 76% during the IP, and EU sales decreased by 15% between 2022 and the IP.

237. The fact that Chinese and Turkish exporters not only kept their market share, but actually increased it, even in a situation where EU consumption decreased can only be explained by the fact that they were taking over part of the share of EU producers by way of their depressed prices.

238. The reduction of the demand in the EU market can therefore not be examined in isolation from the import trends of welded steel mesh from China and Türkiye at dumped prices, which is the relevant factor causing injury even if demand in the EU market decreased. In such circumstances, an overall reduction in demand on the EU market is yet additional evidence that proves that injury is being caused by Chinese and Turkish imports. Put in different terms, the reduction in demand is not *"a major cause of any injury suffered by the Union industry*", since there is a consistent pattern by which the Union industry's market share decreases while that of Chinese exporters increases.[185]

9.3 Conclusion on causation

239. Based on the above, there is no doubt that the material injury to the Complaining EU industry is caused by the dumped imports of the product concerned from China and Türkiye. There are no other factors that cause imminent injury which would have the effect of breaking the causal link. In any event, for the purpose of making an injury determination, it is sufficient to

[185] See Commission Decision of 27 June 2012 terminating the anti-dumping proceeding concerning imports of certain concentrated soy protein products originating in the People's Republic of China. OJ L 168, 28.6.2012, p. 38–54, recitals (147)-(160), and the cases cited therein.

demonstrate that the volume and/or price levels of the dumped imports are responsible for an impact on the Union industry that may be classified as material, even though there may be more significant causes of injury to the Union industry than dumping. WTO Panels clarified that there is no obligation to determine that dumped imports are the sole cause of injury.[186]

10. UNION INTEREST

240. The imposition of AD measures on imports of welded steel mesh from China and Türkiye is clearly in the Union interest.

241. EU producers of the product concerned have a strong interest in the restoration of fair competition on the EU market through the imposition of AD measures on imports of welded steel mesh from China and Türkiye. The imposition of AD measures would enable the EU industry to recover from the material injury caused by the dumped imports originating in China and Türkiye and improve profitability towards sustainable levels. At the same time, AD measures would not prevent unrelated importers and users from increasingly importing from third countries (including China and Türkiye) at fair prices.

242. If AD measures are not imposed on imports of the product concerned from China and Türkiye, Chinese and Turkish exporters will continue to dump their welded steel mesh on the EU market. While users may benefit from cheaper products in the short term, that strategy is near-sighted: the dumped imports from China and Türkiye would inevitably drive the EU producers out of the EU market, resulting in the loss for the industry users of valuable sources of supply.

243. It is also clear that there is no risk of shortages of the product concerned on the EU market in the event trade defence measures are imposed on EU imports from China and Türkiye. The EU industry is well equipped to meet the EU demand for the product concerned.[187]

244. Imports of welded steel mesh from countries other than China and Türkiye also remains an option for the EU users and importers, as the imposition of duties on imports from China and Türkiye will allow other exporters of welded steel mesh to increase their export volumes, which they have not been able to do until now due to the unfair competition by Chinese and Turkish imports.

245. Overall, the imposition of AD measures on imports of welded steel mesh from China and Türkiye would thus be in the Union interest.

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186 WTO Panel Report, *EC – Bed Linen (Article 21.5 – India)*, WT/DS141/RW, adopted on 24 April 2003, para. 6.231; WTO Panel Report, *China – Cellulose Pulp*, WT/DS483/R, adopted on 22 May 2017, para. 7.26.

187 See **Table 8.11** above; and Annex **8.17 [Open],** Production, production capacity and utilization of capacity.

11. CONCLUSION

246. The Complaint has clearly shown that:

- The Complainants have standing to initiate proceedings as they represent 45% of total EU production.
- The dumping ranging from 26% to 72% for China and from 44% to 51% for Türkiye, the price undercutting of 12% for China and 26% for Türkiye as well as price underselling of 18% for China and 41% for Türkiye in the IP are significant, which leaves no doubt that dumping and injury are sufficiently demonstrated.
- The Complainants are suffering material injury and, at the very least, from a threat of material injury. The market share of Turkish and Chinese imports significantly increased by 26% during the period considered at the expense of EU industry. Profitability of the EU industry decreased by 26% between 2022 and the IP and remained in the low single digits over that period. Profitability became negative in Q3 2025.
- Action is now urgently needed. China and Türkiye have significant overcapacity which is likely to be directed towards the EU if no measures are imposed.

247. For all the reasons explained above, the Complainants respectfully request the Commission to initiate an AD proceeding on imports of welded steel mesh originating in China and Türkiye without any delay and to impose AD measures as soon as possible in order to allow the restoration of fair competition on the EU market.

SCHEDULE OF ANNEXES

Annex number	Description
Annex 2.1	Powers of attorney
Annex 2.2	List of complaining and supporting EU producers
Annex 2.3	List of other known EU producers
Annex 2.4	Standing of the Complainants and supporting producers in H2 2024 - H1 2025 (the investigation period)
Annex 3.1	List of the main Chinese and Turkish exporting producers
Annex 3.2	List of known EU Importers / Users
Annex 6.1	Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China for the Purposes of Trade Defence Investigations, Directorate-General for Trade, 2024
Annex 6.2	China's Economic Rise: History, Trends, Challenges, and Implications for the United States
Annex 6.3	Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China for the Purposes of Trade Defence Investigations, Directorate-General for Trade, 2017
Annex 6.4	China's steel overcapacity foments dumping concerns, FDI Intelligence, 2024
Annex 6.5	China Steel Exports Report , US Trade Department, 2025
Annex 6.6	China increased steel exports by 9.2% y/y in 1H2025, GMK Center, 2025
Annex 6.7	Risks to the steel market from a slowdown in China's economy, GMK Center, 2024
Annex 6.8	China's steel market in 2024, Export growth and domestic consumption decline, GMK Center, 2025
Annex 6.9	Real Estate Is China's Biggest Economic Vulnerability, Geopolitical Futures, 2022
Annex 6.10	Understanding China's Real Estate Crisis, The Global Treasurer, 2024
Annex 6.11	China's Slowing Economy Hurts Its Appetite for Meat, Bloomberg, 2023
Annex 6.12	How Far Is China's Slowdown Spreading? Ask a Dairy Farmer 6,000 Miles Away, The Wall Street Journal, 2024
Annex 6.13	'National Real Estate Development and Sales in 2022' National Bureau of Statistics of China, 2023
Annex 6.14	China's 2022 property investment falls for first time since 1999, Reuters, 2023
Annex 6.15	Enough is enough' With $300 billion in debt, court says it's time to liquidate China's Evergrande, EuroNews
Annex 6.16	Investment in Real Estate Development in 2024, National Bureau of Statistics of China, 2025
Annex 6.17	China orders indebted local governments to halt some infrastructure projects, Reuters, 2024
Annex 6.18	China's Infrastructure and Construction Problem, Alliance for Innovation and Infrastructure, 2024
Annex 6.19	China's milk production declines as consumer tastes shift, Dairy Business Middle East & Africa, 2025
Annex 6.20	Dairy and Products Semi-Annual USDA Report, 2025
Annex 6.21	Promotion event for 2023 China Anping International Wire Mesh Fair held in Beijing, People's Daily Online, 2023
Annex 6.22	Extract website XingWei Metal Wire Mesh Co,. Ltd

Annex 6.23	Turkey increased steel production by 13.8% year to year in August, GMK Center, 2024
Annex 6.24	Turkey's steel industry plans to increase utilization to 70% in 2025, GMK Center, 2024
Annex 6.25	Turkey Steel Sector Report: Production, Trade and Decarbonization Process, SEFIA, 2022
Annex 6.26	Turkey increased steel production by 14.9% year to year in January to July, GMK Center, 2024
Annex 6.27	Turkey's production capacity of 60 million tons largely remains idle, Turkish Steel Association, 2025
Annex 6.28	Türkiye's 11th Development Plan (2019-2023), The Grand National Assembly of Turkey, 2019
Annex 6.29	Türkiye's 12th Development Plan (2014-2028), The Grand National Assembly of Turkey, 2023
Annex 6.30	Turkish Steel Statistics, Steel Export Association, 2023
Annex 6.31	Higher EU demand supports Turkey's steel output, exports: trade body, Eurometal, 2024.
Annex 6.32	Turkish Steel- Statistics, Steel Export Association, 2024
Annex 6.33	European demand drives Türkiye's steel export in 2024, International Steel Statistics Bureau (ISSB), 2025
Annex 6.34	Economic and steel market outlook 2024 – 2025 fourth quarter, Economic Committee of the European Steel Association
Annex 6.35	Steel consumption in Turkey decreased by 1.8% year to year in January-October, GMK Center 2024
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