

【machine translation】

Annex

**Ministry of Commerce on imported photographic paper originating from
the European Union, the United States and Japan
Disclosure of the basic facts on which the final review decision on anti-dumping
measures applied**

On March 22, 2023, the Ministry of Commerce of the People's Republic of China (hereinafter referred to as the inspection organ) issued Announcement No. 10 of 2023, decided to conduct a final review investigation of the anti-dumping measures applicable to imported photo paper originating in the European Union, the United States and Japan from March 23, 2023.

The investigating authorities have investigated the possibility that the dumping of imported photo paper originating in the EU, the United States and Japan will continue or recur, if the anti-dumping measures are terminated, as well as the possibility of continued or recurring damage caused by the Chinese photo paper industry.

I. Previous anti-dumping measures

On March 22, 2012, the investigating authority issued Announcement No. 10 of 2012, decided to impose anti-dumping duties on imported paper originating in the European Union, the United States and Japan from March 23, 2012, for a period of five years. The EU corporate tax rate is 17.5% - 19.4%, the U.S. corporate tax rate is 16.2% - 28.8%, and the Japanese corporate tax rate is 28.8%.

On June 29, 2016, the investigating authority issued Announcement No. 25 of 2016, decided to adjust the photo paper anti-dumping duty tax rate applicable to Fujifilm Manufacturing (Europe) Limited to 23.5% from now onwards, and the anti-dumping duty rate applied by Fujifilm Manufacturing (U.S.) limited companies was adjusted to 23.6%.

On March 22, 2018, the investigating authority issued Announcement No. 29 of 2018 and decided to continue to impose anti-dumping duties on imported paper originating in the European Union, the United States and Japan for a period of 5 years in accordance with Announcement No. 10 of 2012 and 25 of 2016 from March 23, 2018.

On January 29, 2021, the investigating authority issued Announcement No. 3 of 2021. According to the announcement, after the end of the Brexit transition period on December 31, 2020, the trade relief measures already applied to the EU and the United

Kingdom will continue to apply to the EU and the United Kingdom, with the actual deadline unchanged;The new trade remedy investigation and review of the EU after that date will no longer treat the UK as a member of the EU.The applicant has not filed an application for end-of-term review of the anti-dumping measures applicable to imported photo paper originating in the United Kingdom.From23March 2023, anti-dumping measures applicable to imported paper originating in the UK are terminated.

II. Investigation procedures

(1) Initiation and notification.

1- Initiation of the case.

OnJanuary3,2023, the investigating organ received the application for the final review of anti-dumping measures submitted by Lekai Film Co., Ltd. (hereinafter referred to as Lekai Company) on behalf of China's photo paper industry.The applicant argues that if the anti-dumping measures are terminated, the dumping of imported photo paper originating in the European Union, the United States and Japan may continue or recur, the damage caused to the Chinese industry may continue or recur, request the investigating authority to conduct a final review of imported paper originating in the EU, the United States and Japan, and maintain anti-dumping measures on imported paper originating in the EU, the United States and Japan.The applicant has not filed an application for end-of-term review of the anti-dumping measures applicable to imported photo paper originating in the UK.

The investigating body examined the claims of the applicant's qualifications and application and related supporting materials and found that the applicant and the application complied with the provisions of Articles 11, 13, 14, 15, 17 and 48 of the Anti-Dumping Regulations.

According to the results of the review, the investigating machine issued an announcement onMarch22,2023, and decided to conduct a final review of the anti-dumping measures applicable to imported photo paper originating in the European Union, the United States and Japan fromMarch23, 2023.The dumping investigation period for this review is fromOctober1,2021toSeptember30,2022, and the industrial damage investigation period is from January1,2018toSeptember30,2022.

Notice of filing.

OnMarch15,2023, the investigating authority notified the European Union delegations to China and Mongu (hereinafter referred to as the EU Mission to China), the US Embassy in China and Japan's embassy in China have officially received the

application for a final review of the investigation submitted by the Chinese paper industry. On March 22, 2023, the investigating body issued a filing notice, providing public texts of filing announcements and applications to the EU Mission to China, the U.S. Embassy in China and the Japanese Embassy in China. On the same day, the investigating organ notified the applicant and related enterprises in the case of the filing of the case.

3) Public information.

In the filing announcement, the investigating organ informs stakeholders that they can download the website of the Ministry of Commerce's Trade Relief Investigation Bureau sub-site or access the public text of this anti-dumping review investigation information at the end of the anti-dumping period.

On the day of the filing of the case, the investigating organ through the Trade Relief Open Information Review Room of the Ministry of Commerce disclosed the public text of the application submitted by the applicant in this case, and posted the electronic version on the website of the Ministry of Commerce.

(2) Registration to participate in the survey.

Within the prescribed period, Lekai Corporation, Guangxi Superstar Technology Co., Ltd. (to be referred to as Guangxi Superstar Company) and the EU delegation to China registered to participate in the final review investigation and submitted relevant materials in the "Reference Format of Registration to Participation in the Investigation".

(3) Issuance of questionnaires and receipt of answers.

On April 25, 2023, the investigating authority issued to the relevant stakeholders in the case the end of the anti-dumping measures to review the foreign exporter or manufacturer questionnaire, the domestic producer questionnaire and the domestic importer questionnaire, requiring the respondent enterprises to submit accurate and complete responses within the specified time. An electronic version of the questionnaire will be issued by the investigating authority on the website of the Ministry of Commerce, and any interested party may consult and download the questionnaire in this case on the website of the Ministry of Commerce. On the same day, the investigating authorities also issued questionnaire notifications and questionnaires to various stakeholders registered to participate in the survey through the Trade Relief Investigation Information Platform (<https://etrb.mofcom.gov.cn>).

At the deadline for submission of the questionnaire, Lekai Corporation and Guangxi Superstar submitted questionnaires to the survey machine.

(4) Receiving comments from stakeholders.

On April 10, 2023, the Commission submitted to the investigating body the final review of anti-dumping measures applicable to Chinese countries on imported photo paper originating from the EU.

Comments on the case.

On September 26, 2023, Guangxi Superstar submitted to the investigating authority comments on the application of anti-dumping measures to import paper originating in the European Union, the United States and Japan.

On January 2, 2024, Lekai Company submitted to the investigating organ the Opinion of the Applicant in the Applicant's Opinion on the Referee of the Relevant Interests of the Anti-Dumping Period.

Meeting with relevant stakeholders.

On November 6, 2023, the investigating authority should meet with representatives of Guangxi Superstar Company to hear their opinions on the case; On November 15, Guangxi Superstar Company submitted written submissions to the investigating authority.

(6) Field verification.

In order to understand the situation of the domestic industry and verify the completeness, authenticity and accuracy of the domestic industry submissions, according to the provisions of the 20th article of the Anti-Dumping Regulations, from November 8 to 9, 2023, the investigation authorities conducted a field verification of Lekai Company. After the on-site verification, Lekai submitted additional materials after the field inspection to the investigating organ.

(7) Public information.

In accordance with the provisions of Article 23 of the Anti-Dumping Regulations, all public materials in this case received and produced during the investigation have been published in the "Trade Rescue Investigation Information Platform" (<https://etrb.mofcom.gov.cn>) and promptly sent to the Ministry of Commerce's Trade Relief Public Information Access Room. Each interested party may search, read, extract and copy the relevant public information.

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Review of product scope

The scope of the product at the end of the anti-dumping period is the product to which the anti-dumping measures apply and is consistent with the product range announced in the Ministry of Commerce Announcement No. 10 of 2012, Proclamation No. 25 of 2016 and Announcement No. 29 of 2018.

Potential for continued or recurrence of dumping

On March 22, 2023, the investigating body launched the final review investigation. On the same day, the investigating organ notified the EU delegation to China, the United States Embassy in China, the Embassy of Japan and related enterprises, and posted the filing announcement on the website of the Ministry of Commerce, any interested party can consult the filing notice of the case on the website of the Ministry of Commerce. After the filing of the case, the investigating organ gives each interested party 20 days to register to participate in the investigation period, giving each interested party a reasonable time to know the relevant circumstances of the filing. The investigative authorities post the questionnaire on the website of the Ministry of Commerce, and any interested party can consult and download the questionnaire on the website of the Ministry of Commerce.

Within the specified time frame, EU, U.S. and Japanese producers, exporters, etc. were not registered to participate in the survey, did not submit questionnaires or comments, and did not cooperate with the investigation. The investigating authority notifies the stakeholders to the maximum extent possible, and to the best of its ability to remind all stakeholders of the consequences of non-cooperation with the investigation, therefore, in accordance with the provisions of Article 21 of the Anti-Dumping Regulations, the investigating machine decides to decide on the possibility of continued or recurrence of the dumping of the products under investigation in the EU, the United States and Japan on the basis of the best information available.

The investigating authorities examined the relevant data and evidence submitted by the applicant, and analyzed and verified them by comparing customs statistics, field verification, etc. Upon investigation, the investigating authority determined that the information submitted by the applicant was the best letter available.

Based on this best information, import paper originating in the European Union, the United States and Japan will be analyzed for the possibility of continued or recurrence of dumping by China.

The European Union.

1 Status of dumping investigations.

In Proclamation No.10 of 2012 and Proclamation No.29 of 2018, the investigating authorities determined that imported photographic paper originating in the EU was dumped. During the implementation of the measures, the investigating authority reviewed the anti-dumping measures applicable to imported photo paper originating in Fujifilm Manufacturing (Europe) Limited. Following the review, the dumping margin of imported paper originating in the EU ranged from 19.4% to 23.5%.

In this review of the dumping investigation, the applicant asserts that the export price is calculated on the basis of the price of imported photo paper from the EU, calculated the normal value in the form of cost plus reasonable costs and profits, after adjusting the factors affecting price comparability, the dumping of paper originating in the EU during the period of the dumping investigation. After review, the investigating authority decided to accept its claim, after considering factors affecting price comparability, found that there was dumping of photo paper originating in the EU during the review of the dumping investigation period to China.

2 The dependence of EU paper on the international market.

(1) Production capacity, production and spare capacity.

Production capacity in the EU market from 2018 to 2022 is 200 million square meters; From 2018 to 2022, its output was 1.54 billion square meters, 141 million square meters, 160 billion square meters, 110 million square meters and 1.59 million square meters, respectively. Its spare capacity (capacity reduction) is 0.46 billion square meters, 0.59 billion square meters, 0.94 million square meters, 0.9 billion square meters and 0.41 million square meters, respectively. The data show that the production capacity of the EU photo paper remains stable, the output is generally lowered first after rising, idle capacity decline trend, capacity idle situation is serious.

(2) Market demand within the EU.

From 2018 to 2022, the demand for phase paper in the EU market was 0.86 billion square meters, 0.77 billion square meters, 0.69 million square meters, 0.63 billion square meters and 0.68 million square meters, overcapacity (capacity reduction of demand within the EU) during the same period was 1.14 million square meters, 1.23 billion square

meters, 1.31 million square meters, 1.37 million square meters, and 1.32 million square meters, respectively, with excess capacity accounting for 57%, 62%, 66%, 69% and 66%, respectively. The data show that the demand for paper in the EU market continues to decline, and the digestive capacity of the EU photo paper production capacity is obviously insufficient.

(3) Exports of EU photo paper.

From 2018 to 2022, EU photo paper exports were 0.78 billion square meters, 0.74 billion square meters, 0.46 million square meters, 0.49 million square meters and 0.93 billion square meters, accounting for 51%, 52%, 43%, 45% and 58% respectively. Data show that since 2018, the EU production of photographic paper needs to be digested by export, foreign exports are still an important seller of EU photo paper, and the proportion of exports in total production shows an upward trend.

The above evidence shows that during the implementation of anti-dumping measures, there is a large production capacity of EU paper, production capacity idle situation is serious, the EU market for the production capacity of the phase paper production capacity is insufficient, the EU paper on the international market is more dependent.

The competition of products in the European Union in the Chinese market.

According to customs statistics of the People's Republic of China, from 2018 to 2022,

China's imports of photo paper from the EU are 2million squaremeters, 93 million square meters,39 million square meters, 80million square metersand 4.4 million square meters,accountingfor 2.54%,1.26%, 0.85%, and4.73% respectively. This shows that the volume of EU photo paper exports to China has risen first, and the overall upward trend is on the rise, and the growth trend is obvious in2022.

China is one of the major consumer markets for global paper.From2018 to2022, China's domestic market accounted for22 percent, 19%, 19%, 20%, and15%of total global demand, respectively,indicating thattheChinese marketremains one of the most important photo paper consumer markets in the world.For EU photo paper producers, the Chinese market is very attractive and is an important target market.In the Chinese photo paper market, there is no material difference between imported products, imported products and domestic similar products, the city competition is fierce, price is one of the main means of market competition.If anti-dumping measures are eliminated, in order to gain market share in China and digest excess capacity in the EU, EU photo paper may continue to be dumped to China.

The above evidence shows that the EU photo paper production capacity is large, the market demand in the EU is clearly insufficient, there is a large amount of excess capacity, the EU photo paper on foreign market dependence is stronger, and China's photo paper market has a strong attractiveness, has always been the EU outbound important target market.In the case of the implementation of anti-dumping measures, the number of EU exports of photo paper to China shows a trend of rising first and overall rise.During the dumping investigation period, there was still dumping of EU photo paper exports to China.In the Chinese photo paper market, products from different sources are fiercely competitive.Therefore, if anti-dumping measures are terminated, EU paper is likely to continue to flood the Chinese market by dumping.

V. Domestic industry similar products and domestic industries

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(1) The identification of similar products in the domestic industry.

In Proclamation No.10of2012and No.29of2018, the investigating authorities determined that imported photo paper originating in the European Union, the United States and Japan is the same as those produced in China.In this review investigation, no interested parties put forward different opinions on this issue, and there is no evidence that imported photo paper originating in the European Union, the United States and Japan and China's domestic production of photo paper in terms of physical characteristics and chemical performance, production process, product use, sales channels and customer

groups have undergone significant changes, therefore, according to the provisions of Article 12 of the Anti-Dumping Regulations, the investigating authority found that China's domestically produced paper and the products under investigation are of the same kind.

(2) Determination of domestic industry.

According to the provisions of Article 11 of the Anti-Dumping Regulations, the domestic industry refers to all producers of similar products in China, or the producers whose total output accounts for the main part of the total production of the same products in the country.

In this case, Lekai submitted a questionnaire for Chinese producers. The inspection organs reviewed and verified the company's output, believing that its output accounted for the main part of the country's total output. According to Article 11 of the Anti-Dumping Regulations, the investigating machine determined that Lekai Company constituted the Chinese paper industry at the end of the anti-dumping period review investigation, and its data could represent the domestic industry situation. No stakeholder has expressed divergent views on this point.

Possibility of continued or recurrence of damage

According to the provisions of Article 51 of the Anti-Dumping Regulations, China's domestic industrial damage continues or recurs in the event of termination of the original anti-dumping measures by the investigating authority. The possibility has been reviewed.

(1) The state of the domestic industry.

In accordance with Articles 7 and 8 of the Anti-Dumping Regulations, the investigation authorities conducted an investigation into the relevant economic factors and indicators of China's domestic photo paper industry during the period of the investigation of damage. The relevant data is derived from an answer from a company of Lekai Company, involving business trade secrets, according to the company's application, the investigation authorities decided to treat the relevant data confidentially, using a range to disclose some economic factors and indicators of China's domestic industry, the actual value may be located at any level in the published range of the investigation authorities. Details of the specific data are provided in the schedule.

1 ... The demand.

In 2018, 2019, 2020, 2021 and 2022, the demand for Chinese paper was 97 million square meters, 76 million square meters, 48 million square meters, 50 million square meters and 28 million square meters, respectively. During the damage survey period,

China's demand for photo paper generally showed a downward trend.

2 ...Production capacity.

In 2018, 2019, 2020, 2020 and 2021, the production capacity of similar products in the domestic industry was 8000-14000 million square meters, and from January to September 2022, the production capacity of similar products in the domestic industry was 6000-10500 million square meters, the same as the same period last year. During the injury investigation period, the production capacity of similar products in the domestic industry remained unchanged.

3 ...Production.

In 2018, 2019, 2020 and 2021, the output of similar products in the domestic industry was 6920 - 8548 million square meters, 6013-7428 million square meters, and 12 million square meters, respectively.

3405 - 4206 million square meters, 3864- 4773 million square meters, a cumulative decrease of 44.16 %. Production in 1-September 2022 was 2936-3627 million square meters, an increase of 5.89% compared to the same period last year. During the injury investigation period, the output of similar products in the domestic industry generally showed a downward trend.

4 .Sales volume.

In 2018, 2019, 2020 and 2021, sales of similar products in the domestic industry were 5203-6428 million square meters, 4464 to 5514 million square meters, 2837-3504 million square meters, 2843-352 million square meters, a cumulative decrease of 45.37%. Sales in January-September 2022 were 1919-237 million square meters, down 12.47% from the same period last year. During the injury investigation period, sales of similar products in the domestic industry generally showed a downward trend.

5 ...Market share.

In 2018, 2019, 2020 and 2021, the share of similar domestic products in China's photo paper market was 54%- 66 %, 59% - 73%, 60% - 73%, 57%- 70%, with a cumulative increase of 3.84 percentage points. The share in January-September 2022 was 68%-85%, an increase of 9.01 percentage points compared to the same period last year. During the injury investigation period, the share of similar products in the domestic industry accounted for China's photo paper market overall upward trend.

6 ...Sales revenue.

In 2018, 2019, 2020, 2020 and 2021, sales revenue of similar products in the domestic industry was 5.80-71.7 billion yuan, 5.13-634 million yuan, 3.27-404

million yuan, 3.30-407 million yuan, a cumulative decrease of 43.21%. 2022 1-September sales revenue of similar products in the domestic industry of 2.25 -278 million yuan, compared with the top 13

A decrease of 11.10% over the same period of the year. During the injury investigation period, sales revenue of similar products in the domestic industry generally showed a downward trend.

7 The sale price.

In 2018, 2019, 2020 and 2021, the weighted average sales price of similar products in the domestic industry was 9.48 - 11.71 yuan /square meters, 9.77 - 12.07 yuan / square meters, 9.80 - 12.11 yuan/square meters, 9.86- 12.18 yuan /square meters, a cumulative increase of 3.95%. Prices in January-September 2022 were 9.95-12.29 yuan/sqm, up 1.56% from the same period last year. During the injury investigation period, the weighted average selling price of similar products in the domestic industry generally showed an upward trend.

8 Pre-tax profits.

In 2018, 2019 and 2020, pre-tax profits of similar products in domestic industries were 5,130-637 million yuan, 2387-2949 million yuan, and 172-213 million, respectively; A loss of 980 to 1210 million in 2021; Losses of 607 -75 million yuan from 1-September 2022, and the loss increased by 36% over the same period last year. During the injury investigation period, the overall pre-tax profit of similar products in the domestic industry showed a downward trend, and the latter part of the survey period shifted from profit to loss.

9 Rate of return on investment.

In 2018, 2019, and 2020, the domestic industry's similar product investment rate was 4.29% - 5.30%, 1.57%-1.94%, and 0.18 percent- 0.22%, respectively; Loss of 1.24% to 1.53% in 2021; Losses of 0.51% to 0.63% in January-September 2022, an increase of 0.08 percentage points compared to the same period last year. During the injury survey period, the return on investment of similar products in the domestic industry generally showed a downward trend, and the return on investment in the later part of the survey period turned negative.

10 The start-up rate.

In 2018, 2019, 2020 and 2021, the operating rate of similar products in the domestic industry was 70% - 86%, 61% - 75%, 34% - 42%, 39% - 48%, an accumulated decrease of 36.43 percentage points. In January - September 2022 it was 40% to 49%, an increase of 2.59 percentage points compared to the same period last year. During the injury survey period, the starting rate of similar products in the domestic industry has generally declined, and is at a low level.

11 Number of employed persons.

In 2018, 2019, 2020 and 2021, the number of people employed in similar products in the domestic industry was 1170 to 1,445, 1154 to 1426, 1103 to 1363, and 1061 to 1310, respectively. The number of employed in January - September 2022 was 1000 - 1236. During the injury survey period, the number of employment of similar products in the domestic industry has decreased year by year.

12 Productivity of labour.

In 2018, 2019, 2020 and 2021, the labor productivity of similar products in the domestic industry was 5.03 - 6.21 million square meters/person, 4.43 to 5.47 million square meters/person, 2.62 - 3.24 million square meters/person, 3.10 to 3.82 million square meters/person, respectively. Labour productivity in January - September 2022 was 2.49 to 3.08 million square meters per person. During the injury survey period, labor productivity of similar products in the domestic industry showed a downward trend and an overall decline.

13 The per capita wage.

In 2018, 2019, 2020 and 2021, the average wage of employed workers in similar products in the domestic industry was 6.25 - 7.72 million yuan/person, and 6.14 - 7.59 million yuan/person, 5.76 - 7.12 million yuan/person, 6.34 - 7.83 million yuan/person, an accumulated increase of 1.45%. The per capita wage in January - September 2022 was 4.60 to 5.69 million yuan/person, an increase of 2.29% compared to the same period last year. During the injury survey period, the average wages of employed workers of the same kind of products in the domestic industry were generally lowered and the overall trend rose slightly.

14 End-of-period stocks.

In 2018, 2019, 2020 and 2021, the final inventory of similar products in the domestic industry was 924 - 1141 million square meters, 720 - 889 million square

meters,448-554million square meters,and 518-640 million square meters,respectively.The end of theJanuary-Septemberperiod 2022 inventory was397 - 490million square meters.During the damage investigation period, the end-of-life inventory of similar products in the domestic industry showed a downward trend.

15 Net cash flows from operating activities.

In2018, 2019, 2020and2021,the net cash flow of similar products operating activities in the domestic industry was 1443-1782 million yuan,net outflow of 21906-27060millionyuan,net outflow of 9217-11386million yuan,net outflow of 1,625-2008.Net cash flow forJanuary -September2022 was 16105 -19895millionnet outflows.During the injury investigation period, the net cash flow of similar product operating activities in the domestic industry was first net inflow, then turned to net outflow, and overall, the net flow of cash from batting activities was unstable.

16 Funding capacity.

During the investigation period, there was no evidence that the domestic industry's similar product investment and financing capacity was affected by the importation of the products under investigation.

The investigation authorities conducted a survey of economic factors and indicators of domestic industry. Relevant data and evidentiary materials show that during the implementation of anti-dumping measures, domestic industry 16

A degree of recovery and development has been achieved, but not unstable, and there is a deterioration trend later in the survey period. During the damage investigation period, the total demand for China's photo paper market showed a downward trend, the production capacity of similar products in the domestic industry remained stable, in the case of the implementation of anti-dumping measures, the market share of similar products in the domestic industry showed an overall growth trend, the end of the inventory overall trend, the development of the domestic industry showed a certain accumulation of extreme state; In the same period, the number of products under investigation is still large, and there is dumping, in this case, the production, starting rate, domestic sales, domestic sales income, pre-tax profit, investment yield, net cash flow, employment and other indicators, except for individual years, showed an overall decline or worsening trend, and pre-tax profits have been net losses since 2021, and the investment yield has been negative. This shows that the operating conditions of similar products in the domestic industry continue to deteriorate, and the domestic industry is in a fragile state.

(2) Possible impact of the products under investigation on the domestic industry.

In the Ministry of Commerce's Proclamation No. 10 of 2012 and No. 10 of 2018 it was determined that the conditions for competition between imported photographic paper originating in the EU, the United States and Japan, as well as between similar products produced in China's domestic industries, are essentially the same. In this review investigation, no stakeholder disagrees with this, and there is no evidence that the above competition conditions have changed significantly, so the investigating authorities consider the EU, the United States and Japan when assessing the quantity and prices of dumped imports in the EU, the United States and Japan.

1 The possibility of a significant increase in imports of the products under investigation.

According to the customs statistics of the People's Republic of China and the evidence submitted by the applicant, from 2018 to 2022, the number of products under investigation by China from the European Union, the United States and Japan, respectively, is 44 million square meters, 3,310 million square meters, 1,898 million square meters, 1,894 million square meters and 887 million square meters respectively. From 2018 to 2022, the number of re-exports of Chinese photo paper imports was 12.5 million square meters, 8.5 million square meters, 3.5 million square meters, 20.7 million square meters and 25 million square meters, respectively. After

deducting the number of exports, imported products accounted for 37.63%, 32.37%, 32.25%, 32.84% and 30.79%, respectively, showing a trend of rise and overall decline, but overall, the products under investigation still accounted for a larger share of the Chinese market, the damage survey period was maintained at more than 30%.

The European Union, the United States and Japan still have a lot of spare capacity and excess production capacity, and the excess capacity accounts for a high proportion of total capacity. Between 2018 and 2022, excess capacity in the EU accounted for 57%, 62%, 66%, 69% and 66% respectively. Over the same period, overcapacity in the United States accounted for 82%, 85%, 88%, 89% and 92% respectively. Japan's excess capacity as a proportion of total capacity is 86 percent, 86 percent, 91 percent, 92 percent, and 92 percent. Due to insufficient domestic demand, excess capacity must rely on the international market, and the products under investigation are more dependent on the international market. Evidence submitted by applicants shows that China's photo paper demand accounted for 22%, 19 percent, 19 percent, 20%, 20% and 15% respectively from 2018 to 2022; China is still one of the world's important photo paper consumer markets. It is very attractive to EU, U.S. and Japanese producers and exporters and is an important target market. In the case of anti-dumping measures, imports originating in the European Union, the United States and Japan are still heavily exported to China and occupy a high market share. The above-mentioned dumping findings show that the dumping of imported products originating in the European Union, the United States and Japan on the Chinese market is likely to continue or recur. Therefore, the termination of anti-dumping measures is likely to lead to a significant increase in the number of imports being inspected.

2 The possible impact of the products under investigation on prices of similar domestic products.

In its Announcement No. 10 of 2012, the investigating authority found that the price of imported products originating in the European Union, the United States and Japan had a significant depressive and suppressive effect on the domestic sales price of similar products.

In this survey, the domestic industry advocates that the products under investigation are basically the same or similar to the domestic similar products in terms of physical characteristics and chemical characteristics, product appearance and packaging methods, production process, raw materials and production equipment, product use, sales channels and market areas, customer groups and consumer evaluations,

etc. The two can be replaced with each other and have a competitive relationship. China's photo paper market is fully competitive, and the price is one of the main means of competition in the city. If anti-dumping measures are terminated, the price of the product under investigation may have a significant adverse impact on the prices of similar products in China.

The investigating authority believes that there is no evidence to show that the above conditions of the products under investigation and similar domestic products have changed substantially, and the products under investigation and similar domestic products can be replaced with each other and have a competitive relationship. During the injury investigation period in this case, that is, the implementation of anti-dumping measures, the EU, U.S. producers and exporters are still using dumping methods to export the products under investigation to the Chinese market, and occupy a larger market share, and there is a situation of increased dumping. Although the volume of Japanese photo paper exports to China remains low under the restrictions of anti-dumping measures, if the anti-dumping measures are eliminated, the dumping of Japanese photo paper against China may occur again.

According to customs statistics of the People's Republic of China, in 2018, 2019, 2020, 2021 and 2022, the weighted average price of imported products originating in the European Union, the United States and Japan was \$0.94/square, \$0.95/m², \$0.98/m², \$0.96/m² and 1.07 USD/sqm, respectively. Weighted average import prices rose 2.13% from 2018 to 2021, and weighted average import prices rose 12.87% from the previous year in January-September 2022. In 2018, 2019, 2020, 2021 and 2022, the average price of RMB-weighted imports without anti-dumping duties was 7.30 yuan/square, 7.74 yuan /square metre, 8.00 yuan/square, 7.30 yuan/square, 7.30 yuan/square, and 8.33 yuan/square, respectively. The weighted average price trend of imported products is the same as the weighted average price trend of the products under investigation, which is up and down, and the overall upward trend.

In 2018, 2019, 2020, 2021 and January-September 2022, the weighted average selling price of similar products in the domestic industry was 9.48- 11.71 yuan/square metre, 9.77-\$12.07/m², 9.80-\$12.11/m², 9.86-\$12.18 and 9.80-\$12.10/m², respectively. Weighted average selling prices rose 3.95 percent from 2018 to 2021, and the average price in January-September 2022 was up 1.56% from the same period last year. All sales prices of similar products in the domestic industry have continued to rise.

The investigation authorities believe that the available evidence shows that the

price of dumped imported products and the price of similar products in the domestic industry is generally consistent with the trend of the price of similar products in the domestic industry, showing an upward trend, reflecting price linkage. China's paper market is a fully competitive market, there is no substantial difference between imported products and domestic industry similar products, price is one of the main means of competition in the Chinese market, price factor is the dumping of imported products and domestic industry similar products to compete for market share. As mentioned earlier, if anti-dumping measures are terminated, the dumping of imported photographic paper originating in the European Union, the United States and Japan may continue or recur against China. In the case of the implementation of anti-dumping measures, dumping imports still occupy more than 30% of the market share, if the anti-dumping measures are terminated, the EU, the United States and Japan producers, exporters in order to digest their excess capacity, seize the Chinese market share, may continue or reuse dumping means to China to export a large number of products under investigation. The products under investigation originating in the European Union, the United States and Japan are likely to still have a significant adverse impact on the prices of similar products in the country.

In summary, during the injury investigation period, the domestic industry has obtained a certain degree of recovery and development under the circumstances of the implementation of anti-dumping measures, but in a state of unstable production and operation, weak ability to resist risk, still vulnerable to the impact and influence of dumped imported products. If the anti-dumping measures are abolished, the number of dumped imported products is likely to increase significantly, and the dumping of imported products is likely to continue or re-dump, which will adversely affect the prices of similar products in the domestic industry, resulting in the profitability and financial situation of the domestic industry deteriorate, and the damage suffered by the domestic industry may continue or recur.

(3) Stakeholder comments.

The Commission submits comments on the following: First, the significant decline in the import of photo paper indicates that the measures are generally effective; Second, domestic industrial production and operation is facing certain difficulties, but there are some positive developments, and its negative changes should be analyzed according to the distorted impact of the new crown epidemic prevention measures, which cannot be attributed to imports; Third, the analysis of dumping should verify the existence of

dumping based on the confirmed information contained in the exporter's responses; Import prices from the EU are unlikely to fall, EU production costs will remain high, and there are many other export channels, future exports to China are unlikely to increase, such as the termination of anti-dumping measures EU exports are unlikely to cause damage. With regard to the above claims, the Commission did not submit evidence in support of its claim.

Guangxi Superstar submits comments advocating: First, changes in consumption patterns have led to the shrinking of the photo paper market, a sharp shrinking of global consumption, and a significant decline in production capacity and production; Second, in the case of continuous market irreversible contraction, anti-dumping duties to protect the domestic industry is limited, and it is not necessary to continue to implement anti-dumping measures; Third, the European Union, the United States and Japan large-scale closure of production capacity and Japanese production capacity is lower than the applicant's claim, China is not the main export market, there is no possibility of a substantial increase in imports after the end of anti-dumping measures; Fourth, the continued implementation of anti-dumping measures will have a monopoly situation, have a negative impact on environmental protection and are not conducive to foreign development and are not in the public interest. The company provided proof materials such as Fuji's notices and announcements and related news reports regarding the cessation of production in the United States.

Lekai Company submits comments advocating: First, the possibility of a significant increase in imports of products under investigation following the termination of anti-dumping measures should be analysed on the basis of a cumulative assessment; The European Union, the United States and Japan have huge and large increases in spare capacity and overcapacity, Fuji USA company although the production is discontinued but the production capacity still exists, the United States Reco Medical Company is still working for Kodak, Japan production capacity data provided by the third party; The products under investigation are highly dependent on overseas markets, and China is an important or potential export target market in the future, which has obvious advantages over other markets.

And attraction;Second, there is no inevitable link between product prices and costs, the European Union's claim that high production costs infer that prices are unlikely to fall in the future does not hold true; Without considering anti-dumping duties, the import price of the products under investigation continues to be lower than the price of similar products in the domestic industry, such as the termination of anti-dumping measures, similar products in the domestic industry may continue or again be subject to lower or even reduced prices of the products under investigation;The new crown epidemic will cause a certain impact on the production and operation of similar products in the domestic industry, but after the abolition of anti-dumping measures, the number of products under investigation will be greatly increased, export prices are likely to fall sharply, and the domestic industry will be more vulnerable to shock and influence;Third, the purpose of anti-dumping measures is to adjust the price of dumped imported products to a level of fair competition, not to keep imported products out of the country, there is no monopoly problem;Anti-dumping measures have not caused a negative impact on the downstream and promoted the development of upstream and downstream industries;The implementation of anti-dumping measures has promoted the development of new products and the continuous innovation and upgrading of technology.Since the implementation of anti-dumping, the applicant has committed to the energy-saving emission reduction and green production of photographic paper production links and photo washing, with obvious results;Anti-dumping only restricts unfair trade practices, continued taxation does not affect the development of foreign capital, applicants are happy to see foreign-funded enterprises develop in China, develop fair competition or strengthen cooperation, and implement anti-dumping measures in line with the national industrial policy and public interest.The applicant provided relevant evidence.

The investigating body examined the Commission's claims and the main Zhang and evidence of Guangxi superstars and applicants.According to the investigating authority:

First, on the measures have been effective, the domestic industry has achieved positive development of the main Zhang.As mentioned earlier, although the market share of similar products from the domestic industry, the end of the period

Inventory in terms of domestic industry development has shown a certain positive state, but the domestic industry's output, start-up rate, domestic sales volume, domestic sales income, pre-tax profit, investment return and other indicators show an overall decline or worsening trend throughout the damage survey period.After the investigation, the

domestic industry was in a more fragile state during the damage investigation period, the resistance to risk is weak, and it is vulnerable to the impact and influence of relevant factors such as imported products. Therefore, the investigation organs believe that the development of the domestic industry has shown a certain positive state, and the conclusion that the material damage suffered by the domestic industry may continue or recur.

Second, the claim that the impact on the domestic industry should consider the new crown prevention measures and cannot be attributed to imports. First of all, the Commission did not provide evidence in support of the above claims; Secondly, as mentioned earlier, in this review, the investigating authorities have analysed the possibility of a significant increase in imports of the products under investigation and the possible impact on prices of similar products in the country. The investigating authority has conducted an analysis of the factors relevant to dumping and the likelihood of further or recurrence of the damage; After the latest, from 2020 to 2022, between January and September, the market share of the products investigated rose and fell, and the market share of similar products in the domestic industry fell first, and the trend of different directions of the market share showed that the epidemic and other factors could not negate the impact of the competition between the products and the same products in the domestic industry. In summary, the investigating organ believes that the above claims are not supported by evidence and cannot deny the possibility that dumping and damage will continue or recur.

Thirdly, with regard to changes in consumption patterns, the photo paper market has irreversibly contracted, in which case protection measures are no longer necessary. First of all, the damage survey period, the demand for similar products in the domestic industry shows a declining trend year by year, which cannot be equated with the same.

The paper market has irreversibly shrunk;Secondly, under the trend of declining demand year by year during the damage survey period, dumped imports are still competing with the same products of the domestic industry in the market, and the price is one of the main segments of competition in the Chinese market, and the competition between the two has not disappeared due to the decline in demand.Therefore, the investigating body did not consider the above claim to be valid.

Fourth, the claims regarding the production capacity of the United States and Japan.First, the applicant submitted photo paper production documents issued by third-party authorities in the United States and Japan, and the supporting documents submitted by Guangxi Giant did not negate the evidentiary material submitted by the applicant;Secondly, with regard to the discontinuation of Fuji USA, neither the company nor its affiliates have registered to participate in this end-of-term review investigation, nor did they submit the present case questionnaire, and the available evidentiary materials failed to prove the change in the company's photo paper production capacity;The available evidence does not prove that the U.S. photo paper production capacity has changed. In summary, the investigation authorities believe that according to the available evidence, there is a large amount of spare capacity and excess capacity in the United States and Japan.

Fifth, on other claims.First, the purpose of anti-dumping measures is to maintain foreign trade order and fair competition, rather than prohibiting imports or restricting the production and operation of foreign-owned enterprises in China.Secondly, there is no evidence to show that downstream production and operation has a serious negative impact on downstream production and operation due to the substantial increase in downstream procurement costs due to the implementation of anti-dumping measures.Finally, there is no evidence that the implementation of anti-dumping measures has a negative impact on environmental protection.In summary, the investigating authorities believe that there is no evidence that the measures applied are not in the public interest.