

# Ministry of Commerce of the People's Republic of China

Phenol industry of the People's Republic of China applies for final review of anti-dumping measures applicable to imports of phenol originating in the United States, the European Union, South Korea, Japan and Thailand

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## Application for final review of phenol anti-dumping measures

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19 June 2004

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As the sole agent of the applicant who applied for the final review investigation of anti-dumping measures applicable to imports of phenol originating in the United States, the European Union, Korea, Japan and Thailand, we have fully reviewed the application for the final review investigation of this anti-dumping measure and its annexes, and signed the application for the final review investigation of this anti-dumping measure on behalf of the applicant. Based on the information and information we currently have at our disposal, we confirm that the contents of the application for the final review of this anti-dumping measure and the accompanying evidence are true and complete.

In accordance with the relevant provisions of the Anti-Dumping Regulations of the People's Republic of China, this application for final review of anti-dumping measures is hereby officially filed.

Applicant's Plenipotentiary Agent 事务所 (盖章) Beijing Boheng



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# Before

## The Speech

### I. Basic situation of the original case

#### 1) Submitting an application

On February 2, 2018, China Petroleum & Gas Co., Ltd. Jilin Petrochemical Branch, Changchun Chemical (Jiangsu) Limited Company, Xisa Chemical (Shanghai) Co., Ltd., Shanghai Sinopec Mitsui Chemical Co., Ltd., China Blue Star Harbin Petrochemical Company Limited, China Blue Star Harbin Petrochemical Company Limited and Huizhou Zhenxin Chemical Co., Ltd. as an applicant, China Petrochemical Share Co., Ltd., Beijing Yanshan Branch, China Petrochemical Stock Co., Ltd., Beijing Yanshan Branch, China Petrochemical Shanghai Takaqiao Petrochemical Co., Ltd., Lihuayi Weiwei Chemical Co., Ltd. applications for anti-dumping investigations for imported phenols originating in the United States, the European Union, South Korea, Japan and Thailand.

#### 2) Initiation of investigation

On March 26, 2018, the Ministry of Commerce issued a notice of the case, deciding to launch an anti-dumping investigation of imported phenol originating in the United States, the European Union, South Korea, Japan and Thailand. The dumping investigation period in this case was from October 1, 2016 to September 30, 2017, and the industrial damage investigation period from January 1, 2014 to September 30, 2017.

#### 3) Preliminary decision

On May 27, 2019, the Ministry of Commerce issued a preliminary ruling announcement, initially determined that imported phenols originating in the United States, the European Union, South Korea, Japan and Thailand were dumped, the domestic phenol industry was substantially damaged, and there was a causal relationship between dumping and material damage. The announcement decided to implement temporary anti-dumping measures for the products under investigation from May 27, 2019.

#### 4) The Final Decision

On September 3, 2019, the Ministry of Commerce issued the announcement of the final ruling of the case (No. 37 of the year), finally determined that imported phenols originating in

the United States, the European Union, South Korea, Japan and Thailand were dumped, the domestic phenol industry was materially damaged, and there was a causal relationship between dumping and material damage. According to the final ruling, the Customs Tariff Commission of the State Council decided to impose anti-dumping duties on imports of phenol originating in the United States, the European Union, South Korea, Japan and Thailand from September 6, 2019, for a period of five years.

## II. Renamed review

On March 24, 2023, PTT Global Chemical Public Company Limited submitted an application to the Ministry of Commerce to inherit the application of PTT Phenol Company Limited in anti-dumping measures for imports of phenol originating in the United States, the European Union, South Korea, Japan and Thailand.

rights and obligations of phenol anti-dumping measures for the final review of the application for investigation.

On April 26, 2023, the Ministry of Commerce issued Announcement No. 15 of the year, deciding that from April 27, 2023, PTT Global Chemical Public Company Limited will inherit the 10.6% anti-dumping duty rate and other rights obligations applicable to phenol anti-dumping measures by PTT Phenol Company Limited. Phenols exported to China under the name PTT Phenol Company Limited apply the anti-dumping duty rate of 28.6% for "other Thai companies" in phenol anti-dumping measures.

### Product scope and anti-dumping duty rates applicable to anti-dumping measures

At present, the scope of anti-dumping measures and anti-dumping duty rates applied by China to imports of phenol originating in the United States, the European Union, South Korea, Japan and Thailand are as follows:

#### 1) Scope of products

In this case, anti-dumping duty products are classified in the Customs Import Duty Number of the People's Republic of China: The 29071110.

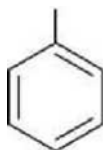
Name of product: Phenol (phenol)

The English name is: The Phenol

Chemical Molecular Types:  $C_6H_5OH$

Chemical Structure:

The OH



Physical and chemical properties: Phenol is usually colorless needle-like or white block crystals at normal temperature, soluble in alcohol, ether, chloroform, glycerol, carbon disulfide, at room temperature slightly soluble in water, almost insoluble in petroleum ether, strong corrosion, combustible.

Main uses: Phenol is an important organic chemical raw material, mainly used in the preparation of phenol aldehyde resin, bisphenol A, isocyanate, alkylol, salicylic acid

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and other industrial raw materials, can also be used as solvents, reagents and disinfectants, widely used in synthetic fibers, plastics, pharmaceuticals, pesticides, spices, dyes, coatings and oil refining industries.

### **Anti-dumping duty rate**

**(1) U.S.companies**

<b>A</b> Ingles American Company	287.2%
<b>A</b> U.S. Ranco Operating LLC	244.3%
<b>A</b> Other U.S. companies	287.2%

**(2)European companies** 30.4%**(3)Korean companies**

<b>A</b> JinhuP&BChemical Company	12.5%
<b>A</b> (L)LGChemistry	12.6%
<b>A</b> Other Korean Company	23.7%

**(4)Japanese companies**

<b>A</b> Mitsui Chemical Company	19.3%
<b>A</b> Other Japanese companies	27.0%

**(5)Thai companies**

<b>A</b> National Petroleum Global Chemical Corporation of Thailand	10.6%
<b>A</b> Other Thai Companies	28.6%

**Announcement of expiration of anti-dumping measures**

OnDecember28,2023, the Trade Relief Bureau of the Ministry of Commerce issued the Notice on the Expiration of Partial Anti-Dumping Measures in the Second Half of2024.According to the relevant provisions of the notice, anti-dumping measures applicable to imports of phenol originating in the United States, the European Union, South Korea, Japan and Thailand will expire onSeptember5,2024, and domestic industry or natural persons, legal persons or organizations representing the domestic industry may submit a written final review application to the investigating authority60days before the expiration date of the anti-dumping measure.

## V. Note on the British Question

On January 29, 2021, the Ministry of Commerce issued the Bulletin on the Handling of Trade Relief Cases in Europe and the UK after Brexit, which stipulates that the new trade relief investigation and review of the EU after December 31, 2020 will no longer make the UK as the EU.

The Member State handles.

In the final review application, given that the UK does not produce phenol, the applicant will no longer file anti-dumping measures against the UK for the final review investigation application. At the same time, the EU-related data in this application are also data from the 27 member states of the EU, excluding the UK.

## VI. Reasons and requests for final review

For the reasons and reasons set out in this application, the applicant considers that: If anti-dumping measures are terminated, the dumping of phenol imports originating in the United States, the European Union, Korea, Japan and Thailand may continue or recur in China; If anti-dumping measures are terminated, the damage caused to domestic industries by imported phenols originating in the United States, the European Union, South Korea, Japan and Thailand is likely to continue or recur. At the same time, the applicant believes that it is in the public interest of the People's Republic of China to continue to take anti-dumping measures.

Therefore, in order to safeguard the legitimate rights and interests of the domestic phenol industry, in accordance with the Anti-Dumping Regulations of the People's Republic of China (hereinafter referred to as the "anti-dumping regulations") and other relevant provisions, the applicant requested the Ministry of Commerce to conduct a final review of the anti-dumping measures applicable to imports of phenol originating in the United States, the European Union, South Korea, Japan and Thailand and Thailand, and other relevant provisions, and to continue to impose anti-dumping tax rates on products originating in the United States, the European Union, South Korea, Japan and Thailand and China as defined in Announcement No. 37, 2023 No. 15, 2023.



## Part I. The body of the application

### I. Stakeholder-related information and information

#### (1) Applicants, support application enterprises and other similar products in China

##### **Review of the applicant's relevant information**

The applicants for the final review of the anti-dumping measures are China Petrochemical Co., Ltd., Beijing Yanshan Branch, China Petrochemical Shanghai Takaqiao Petrochemical Co., Ltd., Shanghai Sinopec Mitsui Chemical Co., Ltd., Seiyu Chemical Co., Ltd., Huizhou Zhongxin Chemical Co., Ltd., Lihuayi Weiyuan Chemical Co., Ltd., China Bluestar Harbin Petrochemical Limited, Heilongjiang Chemical Co., Ltd., Heilongjiang Province, and Shenghong Refining Chemical Co., Ltd., related information as follows:

##### (1) The Name Call it: Beijing Yanshan Branch of China Petrochemical Co., Ltd.

The Land The site: Yanshan Gang Road No.1 Beijing

The Postal Service The code: 102599

The Responsible Lee Gang (film)

Contact person in the case: To the left.

The Contact The phone: 010 - 69337900

##### (2) Name of Call it: China Petrochemical Shanghai Takaqiao Petrochemical Co., Ltd.

The Land The site: New Jinqiao Road 27, China (Shanghai) Pilot Free Trade Zone Building 2nd Floor

The Postal Service The code: 200120

Legal Representatives: King Jing Yi

Contact person in the case: Chen Yi 's

The Contact The phone: 021-58711001

##### (3) The Name Call it: Shanghai Sinopec Mitsui Chemical Co., Ltd.

The Land The site: 51 Tianhua Road, Shanghai Chemical Industrial Zone

The Postal Service The code: 201507

Legal Representatives: King Jing Yi

Contact person in the case: Sun Wan Qing

The Contact The phone: 021-57033010

4)Name Call it: Suiyou Chemical (Yangzhou) Co., Ltd.

The LandThe site: 8Central Avenue, Yangzhou Chemical Industrial Park

The Postal Service The code: 211900

Legal Sun Jian Soldier  
Representatives: Li Guo-yuan  
The The 0514-83227309  
Contact phone:  
(5)Name Call  
of it: Huizhou Zhongxin Chemical Co., Ltd.  
The The Binhai 11stRoad6in Huizhou Daya Bay Petrochemical  
The The 516082  
Legal Guo Shunde, Jr.  
Contact Huang Lin Jie  
The The 0752-3096935  
Contact phone:  
Call  
(6)Name it: Lihuayev Chemical Co., Ltd.  
The The 208Lijin Road, Lijin County, Shandong Province  
The The 257400  
Legal Wei Yu Dong  
Contact Official Quarter (film)  
The The 0546-5888187  
Contact phone:  
Call  
(7)Name it: China Bluestar Harbin Petrochemical Co., Ltd.  
The The 21high-tech industrial development zones in Harbin  
The The 150000  
Legal Yang Lin (film)  
Contact Cao Ming Ming  
The The 0451-82460347

(8)Name: Longjiang Chemical Co., Heilongjiang Province

The Site: Daqing High-tech District Service Outsourcing ParkA-6, Heilongjiang Province

The postal code: 163514

Legal Representatives: Liu Lei Wei

Contact person in the case: Jiang Bo (film)

Contact the phone: 0459-6719028

(9)Name: Shenghong Refining (Lianyungang) Co., Ltd.

The Site: Lianyungang, Xu Weixin District Petrochemical Road59

The postal code: 222000

Legal Representatives: The White Horse

Contact person in the case: Choi Maung (film)

Contact the phone: 0518-81393821

(See annex I:"Applicant's Business License and Letter of Authorization")

**(2) Agent commissioned by the applicant**

For the purpose of applying for the final period review investigation of anti-dumping measures, the applicant authorizes Beijing Boheng Law Firm to act as his full agent to represent the application and investigation work of the final period review of anti-dumping measures, and the specific representation authority is set out in the authorization letter of attorney. (See annex I:"Applicant's Business License and Letter of Authorization")

According to the applicant's commission, Beijing Boheng Law Firm assigned the firm's lawyers Guo Dongping and Lanxiong Lawyers to jointly handle all matters relating to the case entrusted by the applicant.(See annex II:"Lawyer Appointment Book and Attorney's Certificate of Practice")

The applicant's Plenipotentiary Agent at the end of the period of anti-dumping measures:

Beijing Boheng Law Firm

Guo Dongping Lawyer      The Lawyer's Certificate of  
Practice:11101200310402136

Blue Hung Lawyers      The Lawyer's Certificate of Practice:11101200310817778

The Site:23Huang Temple Street, West Side District, Beijing City,1205, North  
GuangBuilding

The Postal Code:100120

The Telecommunications:010 - 82230591/2/3/4

The fax:010 - 82230598

Thee-mail:Please contact us at gdp@bohenglaw.com

The Web Site:Please contact us at www.bohenglaw.com

**3.Informationto support the applicant company**

The support application for the final review of the anti-dumping measures is Zhongsha (Tianjin) Petrochemical Co., Ltd., Tai Chemical (Ningbo) Co., Ltd. and Zhejiang Petrochemical

Co., Ltd., its relevant information is as follows:

(1)The NameCall it:Zhongsha (Tianjin) Petrochemical Co., Ltd.

The LandThe site: North of Red Flag Road in Nanport Industrial Zone, Tianjin Economic and Technological Development Zone

The Postal Service The code: 300280

Legal Representatives: Sami,Alosami by Sami Alosemi

Contact person in the case: Yuan Yi

TheContactThe phone: 022-63809141

(2)Name: Taihua Industrial (Ningbo) Co., Ltd.

The Site: Petrochemical Zone of Ningbo Economic and Technological Development Zone (Xiapu)

The postal code: 315204

Legal Representatives: Hong Fuyuan

Contact person in the case: Feng Qian Won

TheContactThe phone: 0574-86028930

(3)The NameCall it:Zhejiang Petrochemical Co., Ltd.

The LandThe site: 555Aungshan Road, Zhoushan City Dinghai District, Zhejiang Province

The Postal Service The code: 316000

Legal Representatives: Lee Hye-won

Contact person in the case: Feng Gui Li (film)

Contact the phone: 0580-8263983

(See Annex III:"Supporting the Business License and Letter of Support of the Company")

#### **4, other known domestic manufacturers of similar products**

According to the applicant's understanding, the domestic similar products production enterprises known at present, in addition to the above applicants and support enterprises, include but are not limited to the following enterprises:

(1)Company name:Jilin Petrochemical Branch of China Oil & Gas Co., Ltd.

The Site:9Longtan Avenue in Longtan District, Jilin City

Contact the phone:0432-63017100

(2)Company name: Changchun Chemical (Jiangsu) Co., Ltd.

The Site: Changshu Economic Development Zone of Jiangsu Province

Contact the phone: 0512-52648000-262

- (3)Company name: Xisa Chemical (Shanghai) Co., Ltd.  
The Site: Shanghai Chemical Industry ZoneNo.159  
Contact the phone: 021-57037102
- (4)Company name:Zhonghai Shell Petrochemical Co., Ltd.  
The Site: Dayawan Petrochemical Industrial Zone, Huizhou, Guangdong Province  
Contact the phone: 0752-3688608
- (5)Company name:Wanhua Chemical Group Co., Ltd.  
The Site:17Tianshan Road, Yantai City Economic and Technological Development Zone, Shandong Province  
Contact the phone:0538-3388000
- (6)Company name:Jiangsu Ruiheng New Materials Technology Co., Ltd.  
The Site:No.28petrochemical in Xu Weixin District, Lianyungang, Jiangsu Province  
Contact the phone:0518-80628688
- (7)Company name:Guangxi Huayi New Materials Co., Ltd.  
The Site:East Avenue and Southport Avenue in Chinnan District, Chinzhou  
Contact the phone:0777-5380000
- (8)Company name:Qingdao Bay Chemical Co., Ltd.  
The Site:66 Feng Road, Poli Town, Huangdao District, Qingdao  
Contact the phone:0532-67716767
- (9)Company name:Hengli Petrochemical (Dalian) New Materials Technology Co., Ltd.  
The Site:298Song Road, Changxing Island Economic District of Dalian, Liaoning Province  
Contact the phone: 0411-66522222

5, before the filing of the application, the output of similar products of the applicant and support enterprise accounted for the proportion of the total production of similar products in the country

Number of units:Thousands of tons						
Project/period	The Year2020	The2021	2022	2023	2023 1Quarterl	The year2024
Applicant's total	132.37	162.45	155.05	185.96	47.92	60.66

Support the	48.04	94.32	107.65	113.66	28.53	27.73
Applicant and Supporting Applicant	180.41	256.77	262.70	299.63	The 76.45	88.38
Total domestic	245.00	328.00	348.87	422.00	107.53	138.22
The total output of the applicant and	74%	78%	75%	71%	71%	64%

Note to:(1) The total domestic production data of similar products can be found in Annex IV:Description of global consumption of phenol production

(2) The output data of the applicant's similar products can be found in Annex XI:"Applicant's financial data and statements", to support production data on similar products of the enterprise, please see Annex III.

The above data show:During the firstquarterof2020 to2024, the total production of similar products by applicants and supporting the applicant enterprises accounted for more than50% of the total production of similar products in China,in accordance with the provisions of the Anti-Dumping Regulations of the People's Republic of China relating to the applicant's subject qualifications.

(2) Introduction of the domestic phenol industry

Phenol is usually colorless needle-like or white block crystals at normal temperature, dissolved in alcohol, ether, chloroform, glycerol, disulfide carbon, at room temperature slightly soluble in water, almost insoluble in petroleum ether, strong corrosion, combustible.Phenol is an important organic chemical raw material, mainly used in the preparation of phenol aldehyde resin, bisphenolA, hiselactamide, alkylol, salicylic acid and other industrial raw materials, can also be used as solvents, reagents and disinfectants, widely used in synthetic fibers, plastics, pharmaceuticals, pesticides, spices, dyes, coatings and oil refining industries.

At present, the main downstream consumer market of domestic phenol is concentrated in the two areas of bisphenolAand phenol aldehyde resin, the combined cost of the two accounts for more than90% (of which bisphenolAis more than60%).BisphenolAis the most important raw material for polycarbonate and epoxy resin. Polycarbonate is one of the five engineering plastics, is the fastest growing variety of materials in the five general engineering plastics, is connecting upstream petrochemical industry and downstream consumer electronics, electronic engineering, large aircraft, high-speed rail, defense military, aerospace, automotive parts manufacturing, home appliances, LEDlighting, building plates, durable consumer goods, optical lenses, optical lenses, disc bases and special protection and medical equipment, plays a very important role in the construction of the national economy.Epoxy resin as a basic material,

its production and application level directly affects the level and use life cycle of all walks of life, in coatings, composite materials, adhesives, electronic appliances and other applications, involving national security fields such as national defense, military industry, aerospace and energy, involving road bridges, dams, high-speed rail and automobiles and other basic construction projects, but also involve household appliances and other daily living areas.

China's phenol industry began in the 1950s, and early production enterprises mainly used the sulfonation method and coal tar essential method to produce phenol. Due to the small scale, high cost and serious pollution disadvantages, these two production processes are gradually replaced by the isopropylphenyl method. At the end of the 1970s, Sinopec Yanshan Petrochemical Company first introduced 60 million tons/year of isopropylphenyl method production device, Shanghai Takaqiao built 2.4 million tons/year isopropylphenyl method device to expand the production capacity of phenol. By the 1990s, due to the rapid development of downstream industry bisphenol A, phenol resin and so on, China's mainland phenol enterprises have adopted the isopropylphenyl method to expand the scale of phenol production, making the whole of China's large phenol industry on a new step.

However, just as China's mainland phenol industry gradually develops, phenol manufacturers in Japan, South Korea, Taiwan and the United States in order to suppress the mainland phenol industry and seize market share, have adopted unfair competitive means of low-cost dumping, and caused substantial damage to the mainland phenol industry in China. To this end, on June 18, 2002, four applicant companies such as China Petrochemical Co., Ltd. Shanghai Takaqiao Branch, officially submitted an application for anti-dumping investigation of imported phenol originating in Japan, South Korea, the United States and Taiwan on behalf of the Chinese mainland phenol industry to the former Ministry of Economic and Trade. On August 1, 2002, the former Ministry of Foreign Economy and Trade issued an announcement. On February 1, 2004, the Ministry of Commerce issued the final ruling of the case, levied anti-dumping duties on imports of phenol originating in Japan, South Korea, the United States and Taiwan from February 1, 2004, for a period of 5 years.

Subsequently, in view of the above anti-dumping measures will expire on February 1, 2009, November 26, 2008, China Petrochemical Co., Ltd. Shanghai Takaqiao Branch, China Petrochemical Co., Ltd., Beijing Yanshan Branch, Blue Star Chemical New Materials Co., Ltd., Harbin Branch on behalf of China mainland phenol industry submitted a final review



application to the Ministry of Commerce. On the application for final review of mainland China industry, the Ministry of Commerce issued a notice on January 31, 2009, and issued a final review ruling announcement on January 30, 2010, decided to continue to implement five years of anti-dumping measures on imports of phenol originating in Japan, South Korea, the United States and Taiwan from January 31, 2010.

Since the implementation of anti-dumping measures, the demand for phenol in mainland China has been growing rapidly, from 65.34 million tons in 2004 to 99.70 million tons in 2008. From 2014 to 2016, the demand for phenol in mainland China was 189.75 million tons, 223.51 million tons, and 241.16 million tons, 2015 and 2016 compared with the previous year by 17.79% and 7.9% respectively. From January to September 2017, the demand for phenol in mainland China was 204.60 million tons, a significant increase of 19% compared with the same period last year.

Under the constraints of anti-dumping measures, the above-mentioned countries (regions) have been curbed to a certain extent, creating a healthier, orderly and stable market for the phenol industry in mainland China. China's mainland phenol production enterprises fully benefit from this hard-won opportunity, in line with the development of market demand, successively through new construction or expansion to increase phenol production capacity, expand the scale of phenol production, the total production of phenol in mainland China increased from 37.37 million tons in 2004 to 63.17 million tons in 2008, 2016 further increased to 222 million tons. The improvement of supply capacity of mainland China's phenol industry has provided good raw material support for the development of downstream industries.

However, China's anti-dumping measures on imports of phenol originating in Japan, South Korea, the United States and Taiwan expired in January 2015. In the face of huge market size and continuous rapid growth of the Chinese market, since 2016, the United States, South Korea, Japan phenol manufacturers have again increased exports to China, the EU and Thailand phenol manufacturers have also stepped up the pace of grabbing the Chinese market, causing a new round of impact and damage to the domestic industry.

To this end, on February 2, 2018, China Petroleum & Gas Co., Ltd. Jilin Petrochemical Branch, Changchun Chemical (Jiangsu) Co., Ltd., Xisa Chemical (Shanghai) Co., Ltd., Shanghai Sinopec Mitsu Chemical Co., Ltd., China Blue Star Harbin Petrochemical Co., Ltd. and Huizhou

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On January 30, 2015, the Ministry of Commerce issued Announcement No. 5 of the year, effective January 31, 2015, the anti-dumping measures applicable to imports of phenol originating in Japan, South Korea, the United States and Taiwan were terminated.

Zhenxin Chemical Co., Ltd. as applicants, China Petrochemical Co., Ltd., Beijing Yanshan Branch, China Petrochemical Company Limited, China Petrochemical Shanghai Takaoqiao Petrochemical Co., Ltd., Ltd., Ltd. filed an application for an anti-dumping investigation into imports of phenol originating in the United States, the European Union, South Korea, Japan and Thailand. On March 26, 2018, the Ministry of Commerce issued a notice on the filing of the case, on September 3, 2019, the Ministry of Commerce issued the final ruling announcement of the case (No. 37 of the year), determined that imported phenols originating in the United States, the European Union, South Korea, Japan and Thailand were dumped, the domestic phenol industry suffered substantial damage, and there was a causal relationship between dumping and material damage. According to the final ruling, the Customs Tariff Commission of the State Council decided to impose an anti-dumping duty on imports of phenol originating in the United States, the European Union, South Korea, Japan and Thailand from September 6, 2019, for a period of five years.

During the implementation of anti-dumping measures, under the combined role of anti-dumping measures and demand continued substantial growth, the domestic industry's production capacity, production, start-up rate, domestic sales, domestic price, domestic sales, number of employment, per capita wage and labor productivity indicators showed an overall growth trend, pre-tax profits, investment returns from 2020 to 2022. The domestic phenol industry has achieved a certain recovery and development.

However, the production and operation of domestic industries remains unstable and fragile: (1) Since 2020, the period-end inventory of similar products in the domestic industry has shown a significant growth trend; (2) Since 2023, the domestic price of similar products in the domestic industry has shown a significant downward trend, in the first quarter of 2023 and 2024 compared with the same period of the previous year, respectively, 23.53% and 4.01%; (3) Pre-tax profits and investment returns on similar products in the domestic industry have continued to deteriorate since 2023. There was a large loss in 2023, the return on investment was valued, and the loss in the first quarter of 2024 expanded significantly, and the return on investment further decreased; (4) The net cash flow of operating activities fluctuates large and very unstable; (5) The domestic phenol industry is a technology-capital-intensive industry, its installation construction has the characteristics of large investment capital, slow investment recovery, and a number of new enterprises in recent years, domestic industries for the construction and expansion of phenol devices invested in huge funds have not been effectively recycled, and are facing great pressure of depreciation and amortization.

Moreover, the evidence shows that the United States, the European Union, South Korea, Japan and Thailand phenol manufacturers have a large and significantly increased excess capacity and idle capacity, foreign exports are an important channel for application survey countries (regions) digesting excess capacity of phenol, and China's market is an important source of application for survey countries (region) phenol or potential future export market, has great appeal. If the end of anti-dumping measures, in order to digest its large and increased excess capacity and idle capacity of phenol, the applicant country (local area) may continue or again use dumping means to China a large number of export applications for survey products, its import price is likely to decline in one step and reduce the price of similar products in the domestic industry. In the case of a sharp decline in the price of imported products and the substantial increase in quantity, in order to maintain a certain market share, the domestic industry will have to follow the application for survey products to significantly reduce the price.

In the above context, if anti-dumping measures are eliminated, the output, start rate, internal sales and market share of similar products in the domestic industry may continue to decline, inventories may continue to increase significantly, domestic prices are likely due to increased competition and further decline, resulting in the domestic industry sales income, pre-tax profits, investment yields further sharply, losses further intensified, net cash outflows are further expanded, the number of jobs, per capita wages, labor productivity decline. In recent years, the huge amount of money invested by the domestic industry will not be able to be effectively recycled, or even put to waste.

On the basis of the foregoing and other relevant reasons described below in the application, the applicant considers that: If anti-dumping measures are terminated, the dumping of imported phenol originating in the United States, the European Union, South Korea, Japan and Thailand may continue or recur, and the damage caused by imports of phenol in the country (region) may continue or recur.

Therefore, in order to safeguard the legitimate rights and interests of the domestic phenol industry, the applicant, on behalf of the domestic phenol industry, requested the Ministry of Commerce for the final review of the anti-dumping measures applicable to imports of phenols originating in the United States, the European Union, South Korea, Japan and Thailand, and the anti-dumping duty rate of the State Council, to continue to impose anti-dumping duties on phenols originating in the United States, the European Union, South Korea, Japan and Thailand to China in accordance with Ministry of

CommerceAnnouncementNo.37of2019, 2023 No.15of2023.

## Known producers, exporters and importers who apply for survey products

On the basis of reasonably available information and information, the applicant provides the following known list of manufacturers, exporters and importers of the products applying for investigation:

### 1- Producers

#### 1.1 United States of America

- (1) Company name:Shell Chemical LP (Shell Chemical Company)  
Company address:150N. Diary Ashford Road, Houston TX 77079, USA+1855-697- 4355  
fax:+1 (225) 201-6218  
The Web Site:Please contact us at <http://www.shell.us/about-us.html>
- (2) Company name:INEOS Americas LLC  
Company address:7770 Rangeline Road, Theodore, Alabama, AL 36582  
The United States  
Contact the phone:+1251-443-3000  
The Mail BoxPlease contact us at [aromaticsinfo.americas@ineos.com](mailto:aromaticsinfo.americas@ineos.com)  
The Web Site:Please contact us at <https://www.ineos.com>
- (3) Company name:Olin Corporation (Olin Corporation)  
Company address:190 Carondelet Plaza, Suite 1530, Clayton, MO  
63105 - 3443  
Contact the phone:+1314-480-1400  
The Mail BoxPlease contact us at [Corporatemediaproductqueries@olin.com](mailto:Corporatemediaproductqueries@olin.com)  
The Web Site:Please contact us at <http://www.olin.com>
- (4) Company name:Blue Cube Operations LLC (Lanco Operating LLC) Company address:190  
Carondelet Plaza, Suite 1530, Clayton, Missouri  
63105  
Contact the phone:+1314-480-1417  
  
It's a telegraph. That's true:+1314-480-1489  
TheNetwork The site:Please contact us at <http://www.olin.com>

(5) Company name: Kolmar Americas Inc.

Company address: 20 West King Street, Port Jervis, NY 12771

ThePost The box: Please contact us at [press@kolmar-americas.com](mailto:press@kolmar-americas.com)

Contact the phone: +1845-856-5311

TheNetwork The site: Please contact us at <http://www.kolmar.com>

(6) Company name: Sunoco Inc. (Solar Oil Company)

Company address: P.O. Box 541 Newtown Square, PA 19073+1800-786-6261 web

address: Please contact us at <http://www.sunoco.com>

(7) Company name: Georgia Gulf Corporation

Company address: 1729 Dow Street Valdosta, Georgia, USA 31601+1229-244-0000

The fax: +1229-245-1664

The Web Site Please contact us at <http://www.georgiagulfsulfur.com/>

(8) Company name: Mount Vernon Chemicals' LLC

Company address: 2001 Willow Springs Lane, Burlington, NC 27215 USA+1336-226-1161 / +1

800-374-3827 That's true: +1800-374-3827

TheNetwork The site: Please contact us at <https://mvchemicals.com>

(9) Company name: Address of Saudi Basic Industries Corporation: 2500 City West Boulevard,  
#100, Houston, TX 77042+1713-430-2301

It's a telegraph. That's true: +1713-532-4994

TheNetwork The site: Please contact us at <https://www.sabich.com>

## 1.2 The European Union

(1) Company name: INEOS EUROPE AG (INEOS European Company)

Company address: Avenue des Uttins 3, 1180 Rolle, Vaud2, Switzerland+41 21 627 70 40

The fax: +41 21 627 70 45

The Web Site: Please contact us at <https://www.ineos.com>

(2) Company name: Versalis S.p.A.

Company address: Piazza Boldrini, 1-20097 San Donato Milanese (MI)

Contact the phone: +39 02-520-1

ThePost The box: Please contact us at [info@versalis.eni.com](mailto:info@versalis.eni.com)

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<sup>2</sup>INES has phenol production facilities in Belgium and Germany, respectively, INES phenol Belgian Public Limited and INES phenol Co., Ltd.

TheNetwork The site:Please contact us at <https://www.versalis.eni.com>

(3)Company name:Cepsa Quimica S.A

Company address:Cepsa Tower, Paseo de la Castellana, 259 A, 28046, Madrid, Spain

Contact the phone:+34 91-337-60-00

ThePost The box:Please contact us at [atencionweb@cepsa.com](mailto:atencionweb@cepsa.com)

TheNetwork The site:Please contact us at <https://www.cepsa.com/es>

(4)Company name:DOMO Caproleuna GmbH (Dowmer Limited)

Company address:Am Haupttor, Bau 3101,06237 Leuna, Germany

Contact the phone:+49 3461-43-2200

It's a telegraph. That's true:+49 3461-43-2220

TheNetwork The site:Please contact us at <https://www.domochemicals.com/>

(5) Name ofcompany:Borealis AG

Company address:Wagramer Strasse 17-19, 1220 Vienna, Austria

Contact the phone:+43 (0) 1 22 400 300

It's a telegraph. That's true:+43 (0) 1 22 400 333

TheNetwork The site:Please contact us at <https://www.borealisgroup.com/>

(6) Name ofcompany:The Novapex

Company address:Chemin de la Sauvegarde, 21 Ecully Parc, CS 33167,69134 ECULLY Cedex

Contact the phone:+33(0)4 26 99 18 00

ThePost The box:Please contact us at [info@novapex.ca](mailto:info@novapex.ca)

TheNetwork The site:Please contact us at <https://www.novapex.fr>

### 1.3 Republic of Korea

(1)Company name:LG Chem, Ltd.

Company address:128, Yeoui-daero, Yeongdeungpo-gu, Seoul, Korea 07336+82 2-3773-3873

The fax:+82 2-3773-7005

TheWeb Site: Please contact us at<http://www.lgchem.com>

(2)Company name:Kumho P&B ChemICALS, Inc. (Kinhup&BChemical Company)

Company address:8th FLOOR, SIGNATURE TOWERS (EAST WING), 100 Cheungeon-Ro,  
Jung-Gu, SEOUL, Korea

Contact the phone:+82 2-6961-1114

It's a telegraph. That's true:+82-2-6961-3490

TheNetwork The site:Please contact us at <http://www.kpb.co.kr>

(3)Company name:Lotte Chemical Corporation (LOTTE Chemical Corporation)  
Company address:14F-16F, Lotte World Tower, 300 Olympic-ro, Songpa-gu, Seoul+82-2-829-4114  
It's a telegraph. That's true:+82-2-829-4114  
TheNetwork The site: Please contact us at<https://www.lottechem.com/en>

#### 1.4 Category: Japan

(1)Company name:Mitsui Chemicals, Inc.  
Company address:Tokyo Midtown Yaesu, Yaesu Central Tower, 2-2-1 Yaesu, Chuo-ku  
Tokyo 104-0028, Japan  
Contact the phone:+81 3-6253-2100  
It's a telegraph. That's true:+81-3-3231-1171  
TheNetwork The site:Please contact us at <https://www.mitsuichem.com>

(2)Company name:Address ofMitsubishi Chemical Corporation:1-1, Marunouchi 1-Chome,  
Chiyoda-ku, Tokyo 100-8251, Japan+81 3-6748-7300  
It's a telegraph. That's true:+81 3-6748-7300  
TheNetwork The site:Please contact us at <https://www.m-chemical.co.jp>

#### 1.5 State of Thailand

Company name:PTT Global Chemical PublicCompany Limited  
The Site:555/1 Energy Complex, Building A, 18th Floor, Vibhavadi Rangsit Road,  
Chatuchak, Bangkok  
Contact the phone:+66(0) 2265-8400  
It's a telegraph. That's true:+66(0) 2265-8500  
TheNetwork The site:Please contact us at <https://www.pttgcgroup.com/en/home>

#### 2The exporter

According to the applicant's knowledge, the major producers themselves are engaged in export business, i.e. exporters.

#### 3The importer

Information about the applicant's known importer is as follows:

(1)Company name:Shanghai Tiang Chemical Co., Ltd.

The Site:Shanghai Nan Road, Pudong New District, Shanghai2157Restored  
Vanke Dynamic Center  
TheB-Level 9  
Contact the phone:021-50179788

(2)Company name:Zhejiang Yokoshuang Pluo Import and Export Co., Ltd.  
The Site:Dongyang Huangshuang Industrial Zone, Zhejiang Province  
Contact the phone:0579-86586113

(3)Company name: Dongfeng Chemical (Shanghai) Co., Ltd.  
The Site: Room507,1090Century Avenue, Pudong New District, Shanghai  
Contact:021-58360888

(4)Company name:Nantong Chemical Light Industry Co., Ltd.  
The Site: 28 Golden Tree SilverFlower Building, Nantong City,15-18  
Contact the phone:0513-85118658

(5)Company name: Jiangsu Xiaomi Chemical Trading Company Limited  
The Site:7208Room2Binjiang West Road, Jiangyin, Jiangsu Province  
Contact the phone:0510 - 81602806

(6)Company name: Shanghai Tiang Chemical Co., Ltd.  
The Site:Room117,38British Road, Pilot Free Trade Zone, China  
(Shanghai)  
Contact the phone:021-50179788

A complete description of the application for survey products,  
domestic similar products and the comparison of the two



(1) The specific description of the application for survey products and the scope of the investigation of the applicant's application

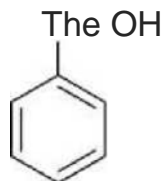
The scope of the application for investigation products is the product applicable to the original anti-dumping measures, and the specific description is the same as the product under investigation in the original anti-dumping investigation case, as follows:

Name of product: Phenol (phenol)

The English name is: The Phenol

Chemical Molecular Types:  $C_6H_5OH$

Chemical Structure:



Physical and chemical properties: Phenol is usually colorless needle-like or white block crystals at normal temperature, soluble in alcohol, ether, chloroform, glycerol, carbon disulfide, at room temperature slightly soluble in water, almost insoluble in petroleum ether, strong corrosion, combustible.

Main uses: Phenol is an important organic chemical raw material, mainly used in the preparation of phenol aldehyde resin, bisphenol A, hiselactamide, alkylol, salicylic acid and other industrial raw materials, can also be used as solvents, reagents and disinfectants, widely used in synthetic fibers, plastics, pharmaceuticals, pesticides, spices, dyes, coatings and oil refining industries.

The products applying for investigation are classified in the Customs Import Tax Number of the People's Republic of China: The 29071110.

Import tariff rates: From 2020 to 2024, imports of phenols in the United States, the European Union, Japan and South Korea will be subject to the MFN rate of 5.5%, while Thailand's imports of phenols are subject to the agreement rate of 0%.

VAT rate: 13%.

(See Annex V: "The Customs Import and Export Tax of the People's Republic of China, 2020-2024 Edition")

**(2) Comparison of application for survey products and similar domestic products**

According to the original case, imported phenols originating in the United States, the European Union, Japan, South Korea and Thailand are the same as those produced by domestic enterprises in basic materialization characteristics, raw materials and production processes, product use, sales channels, customer groups, etc., have similarities and substitution, belong to similar products. During the implementation of anti-dumping measures, imports of phenols originating in the United States, the European Union, Japan, South Korea and Thailand and the production of phenols from domestic enterprises did not materially change. The applicant believes that the phenol produced by domestic enterprises and the products of this application survey belong to similar products. The same or similarity of phenol produced by domestic enterprises and the application for survey products includes, but is not limited to, the following aspects:

**The physical and chemical characteristics of the application for investigation products are the same or similar to similar products in the domestic industry**

Application for investigation products and domestic industry production of phenol has the same chemical molecular formula and chemical structure, at normal temperature is usually colorless needle-like or white block crystals, soluble in alcohol, ether, chloroform, glycerol, carbon disulfide, at room temperature slightly soluble in water, almost insoluble in petroleum ether, strong corrosion, flammable. Application for survey products and phenol products produced by domestic industries are of comparable quality and can be replaced with each other.

**Application to investigate the same or similarity of the main raw materials and production processes used by similar products in the domestic industry**

Applications for investigation products and domestic industry production of the main raw materials of phenol are benzene and propylene, are all using the isopropene method, the main production process includes benzene and propylene through hydrocarbonization reaction to produce isopropene, and then oxidized to produce hydrogen isopropylphenyl peroxide, and then decomposed by sulfuric acid as a catalyst to generate phenol and acetone.

**Application for investigation of the same or similar use of products in domestic industry**

Applications for survey products and domestic industry production of phenols are basically the same use, all produce phenolic resin, bisphenol A, helactamide, alkylol, salicylic acid and other industrial raw materials, can also be used as solvents, reagents and disinfectants, widely used in synthetic fibers, plastics, pharmaceuticals, pesticides, spices, dyes, coatings and refining industries.

**Application to investigate the same or similarity of sales channels and customer groups of similar products in China**

Applications for survey products and domestic industry production of phenol are mainly sold in China through direct sales and distributors. Application for survey products and domestic industry production of phenol sales area is basically the same, the main sales area in East and South China, etc., the two domestic customer groups are basically the same, some downstream users both purchase or use application survey products, but also purchase or use phenol produced by domestic industry. Therefore, the application for investigation products and phenol produced by domestic industry has obvious competition and substitution.

**5 The Conclusions**

In summary, the application for investigation products and domestic production of phenol chemical molecular formula, structural formula is exactly the same, the basic physical and chemical characteristics of the same, the main raw materials, production process, product use, sales channels and customer groups are basically the same or similar, there is competition and substitution between the same kind of products.

**Third, the basic situation of applying for investigation of exports of products to China****(1) Export of products investigated to China during the original anti-dumping investigation**

According to the final ruling of the original trial: In 2014, 2015, 2016, January-September 2016 and January-September 2017 (during the original trial damage survey period), the number of products surveyed was 167,072 tons, 132,777 tons, 167,184 tons, 101,684 tons and 101,684 tons, respectively. Among them, 2015 was down 20.53 percent from 2014, up 25.91% in 2016 compared to

2015, and the year-on-year increase of 165.10% at the end of the survey period in January-September 2017, and significantly exceeded other annual peaks.

During the original trial damage survey period, the domestic apparent consumption of phenol was 1,897,509 tons, 2,235,061 tons, 2,411,578 tons, and 1,719,305 tons respectively. 2015 grew 17.79% over 2014, 7.90% in 2016 compared to 2015, and 19.00% in January-September 2017.

During the original trial damage survey period, the number of imported products under investigation accounted for 8.80%, 5.94%, 6.93%, 5.91% and 13.17% respectively. There was a downward trend in 2014-2016, but at the end of the survey period, January-September 2017 increased significantly from the same period last year and significantly exceeded the highest market share in other years of the damage survey period.

According to the final ruling of the original trial: During the original trial damage investigation, the import price of the products under investigation was 9585.67 yuan/tonne, 6238.30 yuan/ton, 5841.35 yuan/tonne, 5708.72 yuan/tonne and 5708.72 yuan/tonne respectively. Among them, 2015 was down 34.92% from 2014, 6.36% in 2016 compared to 2015, 11.72% year-on-year increase in January-September 2017, and a cumulative decline of 33.46% in the period of damage investigation.

## (II) Application to investigate the export of products to China during the implementation of anti-dumping measures

The amount of imports, the amount of imports and the import price of the application for survey products

Table on imports of phenol

The unit: Tons of tons; The United States dollar; United States dollars/tonnes

During the	Country (region)	Number of	Amount of imports	Prices of	Proportion of
The Year 2020	Total imports from	709,920	490,430,946	691	100.00%
	Republic of Korea	90,648	60,717,205	670	12.77%
	United States of	17,238	9,186,609	533	2.43%
	State of Thailand	130,267	85,064,854	653	18.35%
	Category: Japan	36,113	25,325,551	701	5.09%
	The European Union	7,565	4,762,407	630	1.0656%
	<b>Total of five</b>	<b>281,830</b>	<b>185,056,626</b>	<b>657</b>	<b>39.70%</b>
The 2021	Total imports from	522,324	567,236,464	1,086	100.00%

	Republic of Korea	57,131	62,029,026	1,086	10.94%
	United	0.16	24,579	152,665	0.00%
	State of Thailand	99,921	107,197,952	1,073	19.13%
	Category:	30,527	30,056,345	985	5.84%
	The European Union	2.13	225,834	105,926	0.0004%
	<b>Total of five</b>	<b>187,581</b>	<b>199,533,736</b>	<b>1,064</b>	<b>35.91%</b>
2022	Total imports from	409,257	525,052,583	1,283	100.00%
	Republic of	44,666	59,727,576	1,337	10.91%
	United	0.17	30,116	176,117	0.00%
	State of	70,167	85,524,200	1,219	17.14%
	Category:	41,275	58,747,789	1,423	10.09%
	The European	3.14	428,460	136,539	0.0008%
	<b>Total of five</b>	<b>156,111</b>	<b>204,458,141</b>	<b>1,310</b>	<b>38.14%</b>
2023	Total imports from	366,899	353,562,516	964	100.00%
	Republic of	7,676	8,288,298	1,080	2.09%
	United	0.24	56,045	233,521	0.00%
	State of	24,728	22,998,884	930	6.74%
	Category: Japan	52,552	54,407,762	1,035	14.32%
	The European	2.34	302,402	129,176	0.0006%
	<b>Total of five</b>	<b>84,959</b>	<b>86,053,391</b>	<b>1,013</b>	<b>23.16%</b>
2023 1Quarterly	Total imports from	106,882	106,805,198	999	100.00%
	Republic of Korea	2,088	2,455,715	1,176	1.95%
	United	0.10	24,236	235,301	0.00%
	State of Thailand	14,883	13,820,015	929	13.92%
	Category: Japan	15,684	16,850,205	1,074	14.67%
	The European	The 0.64	65,681	103,272	0.0006%
	<b>Total of five</b>	<b>32,655</b>	<b>33,215,852</b>	<b>1,017</b>	<b>30.55%</b>
The year2024 1Quarterly	Total imports from	64,156	56,592,622	882	100.00%
	Republic of	0	0	I'm the one.	0.00%
	United	The 0.01	4,169	595,571	0.00%
	State of	0	0	I'm the one.	0.00%
	Category:	12,750	11,874,961	931	19.87%
	The European	The 0.65	67,457	104,423	0.001%
	<b>Total of five</b>	<b>12,751</b>	<b>11,946,587</b>	<b>937</b>	<b>19.88%</b>

Note to:(1) Sources of data on the quantity and amount of imports in the table above can be found in Annex VI:"Statistic of China's phenol Import and Export Data"; (2) Import price = amount of imports/quantity of imports.

## Application for investigation of changes in the import volume of products

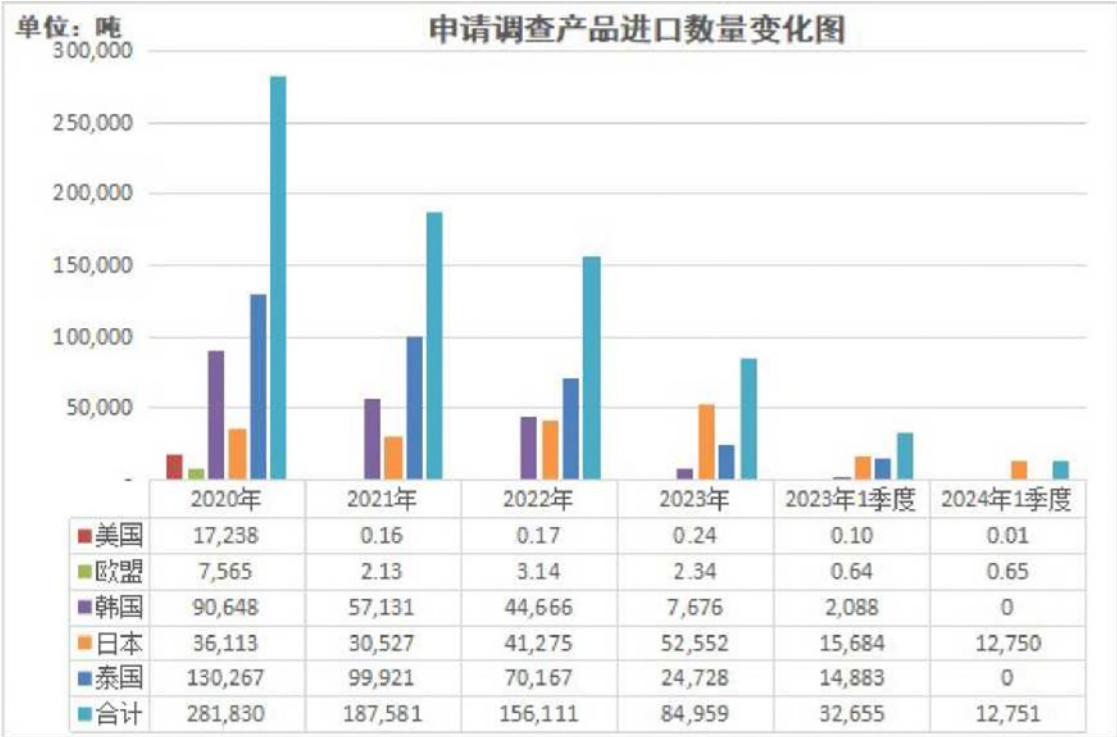
### 2.1 Application to investigate changes in absolute imports of products

Application for survey product import statistics

The unit:Tons of tons

Country (region)	The Period Project	The Year2020	The2021	2022	2023	2023 1Quarter	The year2024 1Quarter
Republic of Korea	Number of	90,648	57,131	44,666	7,676	2,088	0
	Magnitude	I'm the	-36.98%	-21.82%	- 82.81%	I'm the one.	-100.00%
United States of America	Number of	17,238	0.16	0.17	0.24	0.10	The 0.01
	Magnitude	I'm the	-100.00%	6.21%	40.35%	I'm the one.	93.20%
State of Thailand	Number of	130,267	99,921	70,167	24,728	14,883	0
	Magnitude	I'm the	23.29%	29.78%	-64.76%	I'm the one.	-100.00%
Category: Japan	Number of	36,113	30,527	41,275	52,552	15,684	12,750
	Magnitude	I'm the	-15.47%	35.21%	27.32%	I'm the one.	-18.71%
The European Union	Number of	7,565	2.13	3.14	2.34	The 0.64	The 0.65
	Magnitude	I'm the	99.97%	47.19%	-25.40%	I'm the one.	1.57%
Total of five countries (regions)	Number of	281,830	187,581	156,111	84,959	32,655	12,751
	Magnitude	I'm the	-33.44%	-16.78%	-45.58%	I'm the one.	60.95%

Note to:For data sources, see annex VI.



As you can see from the above chart: Subject to anti-dumping measures, the total import volume of applications for survey products in the first quarter of 2020 to 2024 decreased from 28.18 million tons in 2020 to 8.5 million tons in 2023, a cumulative decline of nearly 70%. The total import volume in the first quarter of 2024 was 1.28 million tons, a further decrease of nearly 61% from the same period last year.

Sub-country (region) point of view, the number of phenol imports from the United States and the European Union in2020was1.72million tons and0.76 million tons, and the United States and the European Union basically stopped exporting phenol to China since2021.Imports of phenol from South Korea fell from 9.06million tons in2020to0.77million tons in2023.In the firstquarterof2024, Korean phenol temporarily stopped exports to China.Phenol from Japan increased from3.61million tons in2020to5.26million tons in2023, a cumulative increase of46% and a decrease of18.71%year-on-year in the firstquarterof 2024.Phenols from Thailand dropped from13.03million tons in2020to2.47million tons in2023.In the firstquarter of2024, Thai phenol temporarily stopped exports to China.

2.2 Application for survey of changes in the relative import volume of products

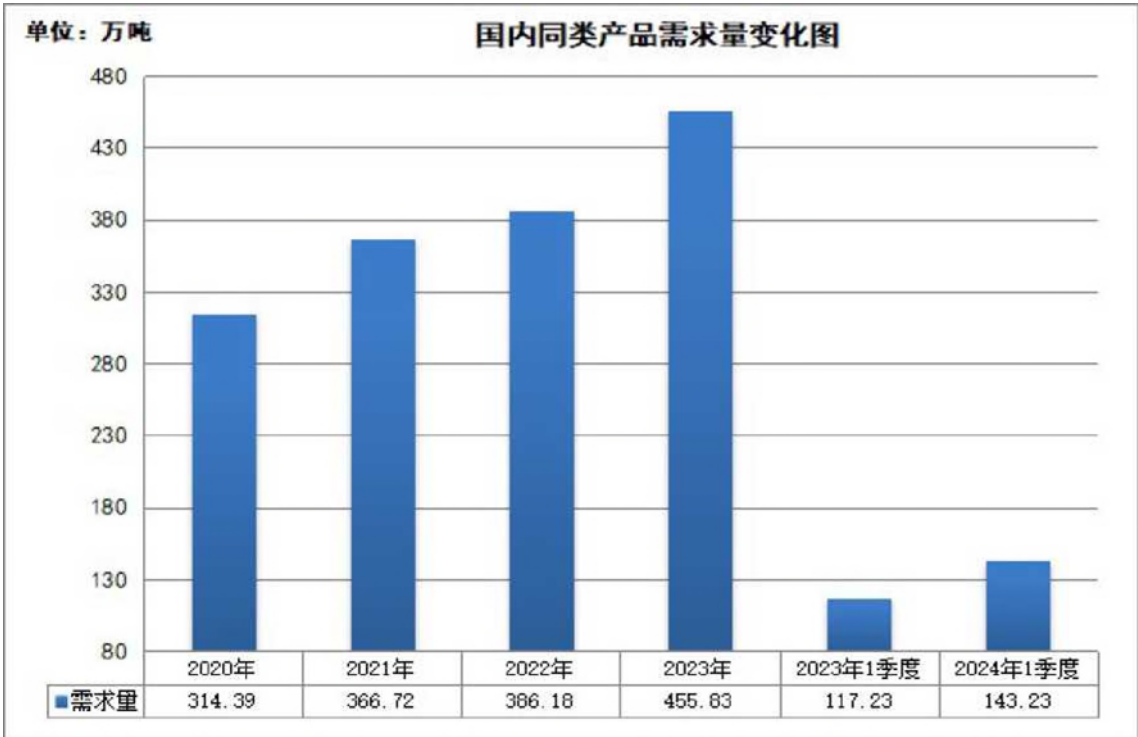
2.2.1 Demand for similar products in China

Changes in domestic demand for similar products

The unit:Thousands of tons

The Project	The Year2020	The2021	2022	2023	The 1st Quarterof2023	The 1st Quarter2024
The total production	245	328	348.87	422	107.53	138.22
Total amount of imports	70.99	52.23	40.93	36.69	10.69	6.42
Total export volume	Of 1.6	13.51	3.62	2.86	The 0.99	1.41
The apparent consumption	314.39	366.72	386.18	455.83	117.23	143.23
Magnitude of change	I'm the one.	16.64%	5.31%	18.04%	I'm the one.	22.18%

Note to:(1) The sources of total domestic production of similar products can be found in Annex IV, the total import volume and total export volume data source, see Annex VI;  
(2) apparent consumption = total output + total import volume - total export volume;  
(3) Applicants use apparent consumption as demand data.



Phenol is an important organic chemical raw material, mainly used in the preparation of phenol aldehyde resin, bisphenolA, hiselactamide, alkylol, salicylic acid and other industrial raw materials, can also be used as solvents, reagents and disinfectants, widely used in synthetic fibers, plastics, pharmaceuticals, pesticides, spices, dyes, coatings and oil refining industries.

As shown in the above chart, the demand for phenol in China continues to grow, from2020to2023, respectively, 314.39milliontons, 386.18 million tonsand455.83 million tons,2021to2023, respectively,up16.64%,5.31%, 18.04%.In the firstquarterof2024, the domestic demand for phenol was143.23million tons, a22.18%increase over the same period last year. Moreover, the domestic downstream bisphenol Aproduction capacity will continue to maintain a high growth rate in the future, and the demand for domestic phenol will also maintain a sustained growth trend. According to Zhuo Chuang statistics, in2024-2028, the compound growth rate of domestic phenol consumption is expected to be as high as8.43%.

2.2.2Application for survey of changes in China’s domestic market share

Application for survey products in China’s domestic market share

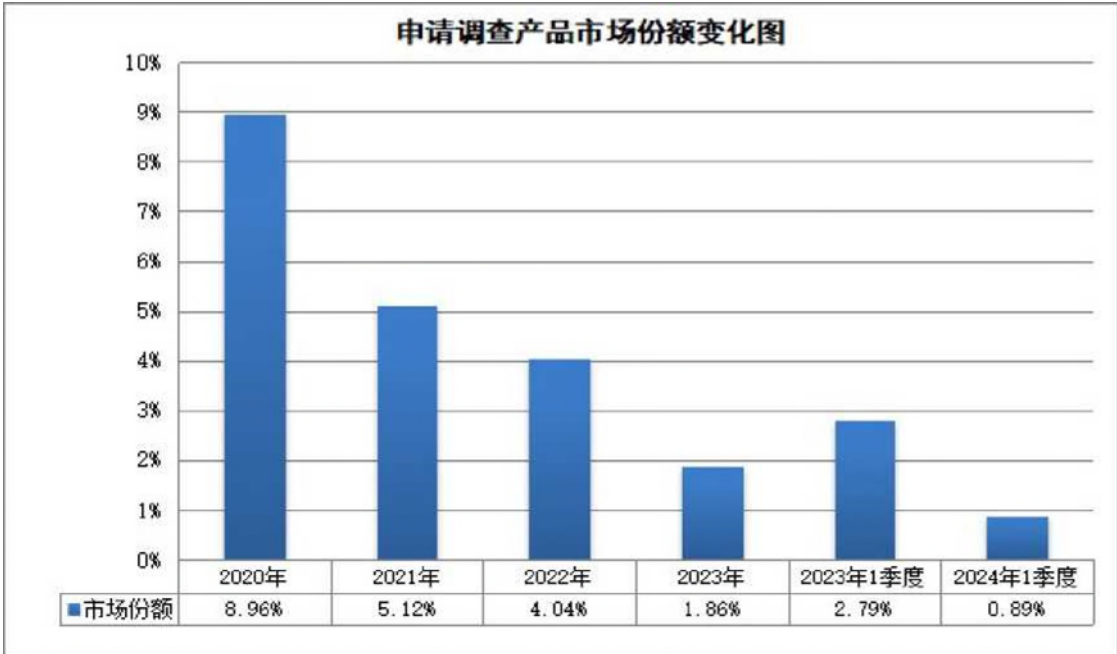
Number of  
units:Thousands of tons

The Project	The Year2020	The2021	2022	2023	2023 1Quarterly	The year2024
Total import volume of applications for survey	28.18	18.76	15.61	8.50	3.27	1.28



Domestic demand for similar	314.39	366.72	386.18	455.83	117.23	143.23
Application for market share	8.96%	5.12%	4.04%	1.86%	2.79%	0.89%
Percentage increase and	I'm the one.	- 3.85	- 1.07	- 2.18	I'm the one.	-1.90

Note to:The market share of the application survey product = the total number of imports of the application for survey products / domestic demand for similar products.



During the implementation of anti-dumping measures, China's market share of applications for survey products continued to decline.From2020 to2023 and the firstquarterof2024, China's market share was8.96%, 5.12%,4.04%,1.86% and0.89% respectively, with3.85percentage points, 1.07 percentage points, 2.18 percentage pointsand1.90 percentage points inthefirst quarterof 2024,respectively,comparedto the previous year.

Applicationto investigate the changes in the import price of products

Application for investigation of changes in import prices of products

The unit:United States dollars/tonnes

Country (region)	The Period Project	The Year2020	The2021	2022	2023	The 1st Quarterof20	The year2024 1Quarterly
Republic of Korea	Prices of	669.82	1,085.74	1,337.21	1,079.76	1,176.36	I'm the
	Magnitude	I'm the	62.10%	23.16%	-19.25%	I'm the one.	I'm the one.
United States of America	Prices of	532.94	152,665	176,117	233,521	235,301	595,571
	Magnitude	I'm the	I'm the one.	I'm the	I'm the	I'm the	I'm the
State of Thailand	Prices of	653.01	1,072.83	1,218.87	930.06	928.61	I'm the
	Magnitude	I'm the	64.29%	13.61%	- 23.70%	I'm the one.	I'm the one.
Category:	Prices of	701.29	984.58	1,423.34	1,035.31	1,074.35	931.35

Japan	Magnitude	I'm the	40.40 per cent	44.56%	-27.26%	I'm the one.	-13.31%
The European Union	Prices of	629.52	105,926	136,539	129,176	103,272	104,423
	Magnitude	I'm the	I'm the one.	I'm the	I'm the	I'm the	I'm the
Five countries (regions)	Prices of	656.63	1,063.72	1,309.70	1,012.88	1,017.18	936.92
Average	Magnitude	I'm the	62.00 %	23.12%	-22.66%	I'm the	7.89%



As you can see from the above chart:During the implementation of the anti-dumping measures, the weighted average import prices for the productsapplied forthesurvey showed an upward trend, with the weighted average import prices of US\$656.63/tonne, US \$1063.72/tonne, US\$1309.70/tonne, US\$1012.88/tonne and US\$1012.88/tonne, up 62% in 2021 to 2023and2024in thefirst quarterof2024,respectively, up 62%,23.12%,down 22.66% and downby 7.89%, respectively, compared to the same period in theprevious year.

Possibility of continued or recurrence of dumping

(1) Dumping of imports of phenol originating in Korea, Japan and Thailand during the implementation of anti-dumping measures

According to preliminary evidence available to the applicant, phenols originating in Korea, Thailand and Japan continue to be dumped in China.Following, the applicant applied for the dumping investigation in this case fromApril,2023toMarch31,2024, preliminary estimates of the dumping margins of phenol originating in Korea, Thailand and Japan and exporting to China based on the information and data currently available.

Methodsfor calculating the margin of dumping

- (1) The applicant's application for dumping investigation period is from1April2023to31March2024.Limited to the information, the applicant is unable to know in detail the specific transaction price of phenols originating in Korea, Thailand and Japan during the above-mentioned period, and the weighted averageCIFprice calculated by the applicant based on the obtained China Customs import data is used as the basis for calculating their export prices.
- (2) Despite multiple investigations and efforts, due to trade secrets, the applicant was temporarily unable to understand the actual trading prices of phenols in South Korea, Thailand and Japan in their home markets.In accordance with Article 4, paragraph 2, of the Anti-Dumping Regulations:"Similar products of imported products, which are not sold in the normal course of trade in the domestic market of the exporting country (region), or the price and quantity of the same product cannot be compared fairly, at the comparable price of the same product exported to an appropriate third country (region) or by the production cost of the same product in the country of origin plus reasonable cost, profit is normal value", so the applicant temporarily structures the normal value of triphenol in the manner of cost plus reasonable costs and profits.
- (3) Based on the above-mentioned export price and normal value, the applicant makes appropriate adjustments and compares them at the level of the same trade ring to estimate the dumping margins of phenol originating in Korea, Thailand and Japan and exporting to China.

(4) The applicant retains further changes and claims for the calculation of export prices and normal values and dumping margins based on further information and information collection.

Theexport price of applying for survey products

2.1 Export prices prior to adjustment

The unit:Tons, United States dollars, United States dollars/tonnes

During the period	The country	Number of exports	Amount of Exports	Prices of exports
April-2023	Republic of Korea	5,589	5,832,583	1,043.68
March2024	State of Thailand	9,846	9,178,869	932.25

	Category: Japan	49,618	49,432,518	996.25
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Note to: (1) The data are presented in Annex VI;

(2) Export price = export value / quantity of exports.

## 2.2 Adjustment of Prices

According to the law, regarding price adjustment and price comparison, the applicant shall make appropriate adjustments to the normal value, export price in the sales articles, clauses, taxes, trade links, quantity, physical characteristics, etc. When comparing the normal value and export price, should be made as far as possible on the same trade link, the same time sales.

For the purpose of estimating the dumping margin, the applicant makes the following adjustments:

### 2.2.1 Appropriate Adjustment of Import Tariffs and Value Added Taxes

Since the applicant understands that the export price is a weighted average CIF price and does not include import duties, VAT, etc., this adjustment shall not apply.

### 2.2.2 Appropriate adjustments to terms of sale and trade links

As the applicant understands that the export price is a weighted average CIF export price, in order to compare with the normal value on the water level of the factory price, the above price should be deducted on the basis of the above price from Korea, Thailand and Japan from the factory to China costs, including international freight, international insurance premiums, port miscellaneous charges, domestic freight, domestic premiums, packaging fees, discounts, commissions, credit costs, warehousing, commercial inspection and other costs, etc.

In general, the cost of the above-mentioned links can be roughly divided into South Korea, Thailand and Japan's overseas costs to China and the domestic costs of Korea, Thailand and Japan.

Regarding offshore costs, according to the applicant's understanding, South Korea, Thailand and Japan export phenol to China mainly by sea, each 20-foot container container can transport about 17 tons of phenol, in order to adjust the shipping fees and

insurance premiums, the applicant provisionally obtained from Korea, Thailand and Japan to China's 20-foot container shipping fees and insurance rates adjusted as the basis for export prices. According to international practice, premiums are calculated based on 110% of the value of the CIF of the goods, and the premium is equal to the CIF x 110% x insurance rate. With respect to other costs, no deduction is applied in accordance with the principle of soundness. The prima facie evidence obtained by the applicant for maritime and insurance costs is as follows:

The unit: United States dollars, United States dollars/tonnes

The country	Shipping fees (20-foot containers)	Unit price for sea freight (17 tons per	Rate of insurance	Unit price of insurance premiums
Republic of Korea	150	8.82	0.35%	4.02
State of Thailand	550	32.35	0.35%	3.59
Category: Japan	300	17.65	0.25%	2.74

Note to: (1) The unit price of sea freight = sea freight / 17 tons; Unit price of premium = export price CIF \* 110% \* insurance rate; (2) Evidence relating to shipping fees and insurance rates can be found in Annex VII: Information note on seafares, insurance premiums and trade costs".

Regarding domestic link costs, the current applicant does not have reasonable channels to understand the specific costs, the applicant provisionally adjusts the export price of the CIF export price on the basis of the three countries' export trade (including preparation documents, customs clearance costs, domestic transportation costs, etc.) announced by the World Bank Group. According to the World Bank Group's report, the domestic cost of exporting 20-foot container containers by South Korea, Thailand and Japan is \$412, \$467 and \$675, respectively, and US\$2747, 31.13 and \$45 per ton of application for survey products (see Annex VII).

As a result, this adjustment is as follows:

The unit: United States dollars/tonnes

The country	Export Prior to Adjusted Prices (CIF)	Adjustment of terms of sale and trade links			Adjusted export prices for this item
		Minus the following: Unit price of	Minus the following: Unit price of	Minus the following: Internal costs	
Republic of Korea	1,043.68	8.82	4.02	27.47	1,003.37
State of Thailand	932.25	32.35	3.59	31.13	865.17
Category: Japan	996.25	17.65	2.74	45.00	930.87

### 2.2.3 Adjustments in other aspects such as sales volume and physical characteristics

Due to the representative and comparable quantities of phenol produced in Korea, Thailand

and Japan and exported to China, and are essentially the same in terms of physiological characteristics, this adjustment should not be considered for the time being.

2.3 Adjusted export prices

After the above adjustment, the adjusted export price is:

The unit:United States dollars/tonnes		
During the period	The country	Adjusted export prices
April-2023 March2024	Republic of Korea	1,003.37
	State of Thailand	865.17
	Category: Japan	930.87

Thenormal value of applying for survey products

3.1 The Normal Value of Structure

As mentioned above, due to trade secrets, the applicant is not able to obtain the actual trading price of phenol in the Korean, Thai and Japanese markets.Applicants structure the normal value of Korean, Thai and Japanese phenols in a cost plus reasonable cost and profit.

Due to trade secrets, applicants were unable to obtain actual production cost data for Korean, Thai and Japanese phenols.However, considering that benzene and propylene are the main raw materials for the production of phenol, the applicant provisionally estimates the production costs of Korea, Thailand and Japan based on knowledge of the mono-consumption of benzene and propylene, the cost of benzene and propylene as a proportion of production costs, and the proportion of phenol cost distribution.

According to the relevant evidence obtained by the applicant (see Annex IV), production oflton of phenol typically requires approximately0.85-0.87tons of benzene (applicant takes its average value of0.86)and0.48-0.50tons of propylene (applicant takes its average value of0.49) and benzene is about49%-51% (the applicant takes its average value of50%),and propylene accounts for about 25%-27% of production costs (the applicant takes its average value of26%).Since phenol and acetone are joint products, according to Annex IV, production of phenol accounts forabout67%-72% of the total cost of the entire device (phenol + acetone), and the applicant takes an average value of70%.

For the input price of the main raw materials benzene and propylene, the applicant takes the price of benzene and propylene Northeast Asia and Southeast Asia as the input price of benzene and propylene in South Korea and Japan and Thailand.

Based on the above calculation method and preliminary raw material price data obtained, the applicant estimated the cost of production of products from Korea, Thailand and Japan as follows:

#### Estimation of production costs of applying for survey products

The Project	Republic of Korea	State of Thailand	Category: Japan
Cost of benzene input (USD/tonne)	914.84	890.75	914.84
Single consumption (tonnes/tonnes)	The 0.86	The 0.86	The 0.86
Benzene input costs (USD/tonnes)	786.76	766.05	786.76
Benzene costs as a percentage of production costs	50%	50%	50%
Propylene input cost (USD/tonne)	831.96	845.59	831.96
Single consumption (tonnes/tonnes)	The 0.49	The 0.49	The 0.49
Propylene input cost (USD/tonne)	407.66	414.34	407.66
Propylene costs as a proportion of production costs	26%	26%	26%
Total input cost of benzene and propylene (USD/tonne)	1,194.42	1,180.38	1,194.42
Structural cost (USD/tonne)	1,571.61	1,553.14	1,571.61
Phenol costs as a percentage of total cost	70% of	70% of	70% of
<b>Phenol production costs (USD/tonnes)</b>	<b>1,092.27</b>	<b>1,079.43</b>	<b>1,092.27</b>

Note to: (1) The input cost price source of benzene and propylene can be found in Annex VIII;

(2) benzene and propylene input cost = input cost \* single consumption;

(3) Structural cost = benzene and propylene combined input cost / (benzene cost ratio + propylene cost ratio);

(4) The production cost of phenol = structural cost \* phenol costs account for the proportion of total cost (70%).

## (2) Costs and profits

At present, there is no reasonable way for applicants to obtain reasonable fees and profits for Korean, Thai and Japanese phenols. Given that Korea Kinhu, Japan Mitsui, PTT Global are the main producers of phenols in Korea, Japan and Thailand, the applicant temporarily uses the gross profit margins of Korea, Japan Mitsui, PTT Global as the gross profit margins of South Korea, Japan and Thailand phenol (for relevant evidence, see Annex IX: "Gross Profit Evidence Materials"). At the same time, given that the gross margin already includes the related costs

of the product, the applicant uses the above gross profit margins to structure the normal value of the survey products in Korea, Thailand and Japan.

(3) Structural Prices

Based on the above production costs and gross margins, the applicant structure Korea, Thailand and Japan apply for the normal price value of the survey products as follows:

The unit:United States dollars/tonnes			
The country	Cost of production	Gross profit margin	The Normal Value of Structure
Republic of Korea	1,092.27	8.8%	1,197.70
State of Thailand	1,079.43	6.41%	1,153.35
Category: Japan	1,092.27	4.24%	1,140.57

Note to:Structural normal value = cost of production/(1-gross profit margin).For sources of gross margin data, see Annex IX.

3.2 Adjustment of Prices

According to the law, regarding price adjustment and price comparison, the applicant shall make appropriate adjustments to the normal value, export price in the sales articles, clauses, taxes, trade links, quantity, physical characteristics, etc. In the comparison of the normal value and export price, should be made as far as possible in the same trade link, sales at the same time, before leaving the factory level.

For the purpose of estimating the dumping margin, the applicant makes the following adjustments:

3.2.1 Adjustment of terms of sale and trade links

For the purpose of calculating the dumping margin, the applicant compares the export price on the basis of the factory price.

With regard to adjustments to the terms of sale and trade links, including domestic freight, domestic premiums, packaging fees, discounts, commissions, communications costs, warehousing and other expenses, the applicant currently does not have reasonable channels to understand the specific costs, the applicant refers to the above statistics of the World Bank Group of Korea, Thailand and Japan phenol27.47,USD31.13 and US\$45.



### 3.2.2 Adjustment of taxes

As the normal value of the applicant's estimated structure does not include VAT, this adjustment should not be taken into account.

### 3.2.3 Adjustments to other aspects such as physical characteristics

According to the applicant's preliminary understanding, the export of phenol by South Korea, Japan and Thailand to third countries is basically the same as the phenol export to China in terms of physical characteristics, so this adjustment should not be considered for the time being.

### 3.3 Normal Adjusted Value

The unit: United States dollars/tonnes

April 2023 to March 2024	Normal Adjusted Value
Republic of Korea	$1,197.70 - 27.47 = 1,170.23$
State of Thailand	$1,153.35 - 31.13 = 1,122.21$
Category: Japan	$1,140.57 - 45 = 1,095.57$

### 4) Estimated dumping margin

#### Dumping margins of phenol in South Korea, Thailand and Japan

The unit: United States dollars/tonnes

April 2023 to March 2024	Republic of Korea	State of Thailand	Category: Japan
Export Prices (CIF)	1,043.68	932.25	996.25
Export prices (adjusted)	1,003.37	865.17	930.87
Normal value (adjusted)	1,170.23	1,122.21	1,095.57
Absolute amount of dumping*	166.86	257.04	164.71
<b>Margin of dumping**</b>	<b>15.99%</b>	<b>27.57%</b>	<b>16.53%</b>

Note to: (1) Absolute dumping \* = normal value (adjusted) - export price (adjusted);

(2) Dumping margin\*\* = absolute dumping / export price (CIF).

### (2) Dumping of imports of phenol originating in the United States and the EU during the implementation of anti-dumping measures

As for the dumping of imported phenol in the United States and the EU since 2021, the United States, the EU have basically stopped exports of phenol to China,

betweenApril2023andMarch2024, the United States, EU exports of Chinese phenol were only0.14tons and2.35 tons, the export price was as high as 249,847 US dollars / ton and \$ 129,382 /ton, is ten times or even tens of times the normal price of phenol, this amount of extremely low export data to China is not representative.

In view of the above circumstances, in this application, the applicant does not discuss the question of whether the import of phenol in the United States and the EU has been dumped, but after analysing and demonstrating the possibility of continued or reoccurrence of dumping following:If anti-dumping measures are terminated, the dumping of phenols originating in the United States and the European Union in China is likely to continue or recur.

**(3) If anti-dumping measures are terminated, dumping may continue or recur.**

In the case of anti-dumping measures, South Korea, Japan and Thailand still dump their exports to China, while the United States and the European Union have temporarily withdrawn from the Chinese market. Once anti-dumping measures are terminated, the dumping behavior of the five countries (regions) is likely to continue or re-emerge, or even more serious.

As mentioned above, during the implementation of anti-dumping measures, there were still significant dumping practices in Korea, Japan and Thailand for exporting phenol to China. According to the applicant's preliminary estimates, fromApril2023toMarch2024, Korea, Japan and Thailand dumped phenol exports to China at15.99%, 16.53%and 27.57% respectively. The United States and the European Union have temporarily withdrawn from the Chinese market.

The foregoing shows that: In the case of anti-dumping measures, South Korea, Japan and Thailand still dumped phenol exports to China, while the United States and the European Union temporarily withdrew from the Chinese market. It is foreseeable that once anti-dumping measures are terminated, the dumping of phenol in China by the five countries (territorial regions) may continue or recur, or even more serious.

**China is very attractive to the application survey countries (regions) manufacturers, which may continue or again by dumping to seize the Chinese market.**

Global and relevant country (region) phenol demand distribution table

The unit: Thousands of tons

Country (region)	The Year2020	The2021	2022	2023	Expected
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United States of	185.8	191.2	195.9	188.9	190.9
Proportion of	<b>16.1%</b>	<b>15.3%</b>	<b>15.3%</b>	<b>15.0%</b>	<b>14.2%</b>
The European Union	209.9	225.8	232.3	174.2	178.6
Proportion of	<b>18.1%</b>	<b>18.0%</b>	<b>18.1%</b>	<b>13.9%</b>	<b>13.3%</b>
Region of the	23.9	26.0	24.5	24.5	24.7
Proportion of	<b>2.1%</b>	<b>2.1%</b>	<b>1.9%</b>	<b>1.9%</b>	<b>1.8%</b>
Category:	The 69.9	The 69.9	66.2	51.2	48.8
Proportion of	<b>6.0%</b>	<b>5.6%</b>	<b>5.2%</b>	<b>4.1%</b>	<b>3.6%</b>
Republic of Korea	110.1	106.4	111.6	114.5	114.0
Proportion of	<b>9.5%</b>	<b>8.5%</b>	<b>8.7%</b>	<b>9.1%</b>	<b>8.5%</b>
State of Thailand	39.5	42.1	41.2	36.2	34.0
Proportion of	<b>3.4%</b>	<b>3.4%</b>	<b>3.2%</b>	<b>2.9%</b>	<b>2.5%</b>
Category:	91.3	102.3	90.4	84.0	83.0
Proportion of	<b>7.9%</b>	<b>8.2%</b>	<b>7.1%</b>	<b>6.7%</b>	<b>6.2%</b>
Mainland China	314.4	366.7	386.2	455.8	540.0
Proportion of	<b>27.2%</b>	<b>29.3%</b>	<b>30.2%</b>	<b>36.3%</b>	<b>40.1%</b>
Category: India	34.0	42.1	43.9	46.8	41.8
Proportion of	<b>2.9%</b>	<b>3.4%</b>	<b>3.4%</b>	<b>3.7%</b>	<b>3.1%</b>
Other countries	The 78.2	80.4	88.2	81.2	90.1
Proportion of	<b>6.8%</b>	<b>6.4%</b>	<b>6.9%</b>	<b>6.5%</b>	<b>6.7%</b>
Total global	<b>1,157.0</b>	<b>1,253.0</b>	<b>1,280.2</b>	<b>1,257.2</b>	<b>1,345.8</b>
Proportion of	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Note to:For the source of the data in the table above, see annex IV:Description of global consumption of phenol production.The proportion of demand for countries (regions) needs to account for the proportion of global demand.

As can be seen from the above table data, global phenol demand is mainly distributed in the United States, the European Union, the Middle East, Japan, South Korea, Thailand, Taiwan, mainland China, India and other countries/regions.By country (region) look at:

Demand for phenol in the United States is basically stable, with an average annual growth rate of only0.7% from2020to2024,accounting for the overall decline in global demand, from16.1%in2020to the projected14.2%in2024,a cumulative decline of1.9percentage points.

The overall demand for phenol in the EU is expected to decline at an average annual rate of4% between2020and2024,accounting for the overall downward trend, from18.1%in2020to13.3% projected in2024,a cumulative decline of4.9 percentage points.

Demand for phenol in the Middle East is basically stable, with an average annual growth rate of only0.8% from2020to2024,accounting for the overall decline in demand, from2.1%in2020to the projected1.8% in2024,a cumulative decline of0.3 percentage points.

Demand for phenol in Japan overall showed a significant downward trend, with an average annual decline of 8.6% from 2020 to 2024, accounting for the overall decline in global demand, from 6% in 2020 to the projected 3.6% in 2024, a cumulative decline of 2.4 percentage points.

Demand for Korean phenol is basically stable, with an average annual growth rate of only 0.9% from 2020 to 2024, accounting for the overall decline in global demand, from 9.5% in 2020 to the projected 8.5% in 2024, a cumulative decline of 1 percentage point.

The overall decline in demand for phenol in Thailand is expected to be 3.7% per year from 2020 to 2024, accounting for the overall decline in global demand, from 3.4% in 2020 to 2.5% in 2024, a cumulative decline of 0.9 percentage points.

Taiwan's overall demand for phenol is declining, with an average annual decline of 2.4% from 2020 to 2024, accounting for the overall decline in demand, from 7.9% in 2020 to the projected 6.2% in 2024, a cumulative decline of 1.7 percentage points.

Overall demand for phenol in India is on the rise with an average annual increase of 5.3% between 2020 and 2024, accounting for global demand

The overall proportion of the total demand remains about 3%.

Demand for phenol in other countries is generally on the rise, with an average annual increase of 3.6% between 2020 and 2024, accounting for the overall share of global demand to remain below 7%.

Demand for phenol in mainland China continues to rise sharply, with an average annual increase of 14.5% from 2020 to 2024, the cumulative increase is as high as 72%, accounting for the proportion of global demand is also a continuous upward trend, from 27.2% in 2020 to the projected 40.1% in 2024, a cumulative increase of nearly 13 percentage points. Moreover, mainland China is the world's largest consumer market for phenol, accounting for an average of 33% of global demand, and is expected to be as high as 40.1% in 2024. By contrast, demand in the United States, the European Union, the Middle East, Japan, South Korea, Thailand, Taiwan, India and other countries and the proportion of global consumption is significantly smaller.

Compared with the United States, the European Union, the Middle East, Japan, South Korea, Thailand, Taiwan, etc. The share of global demand is downward trend, India and other

countries (regions) account for the proportion of global demand is basically stable, market capacity continues to grow significantly, the proportion of global demand continues to increase significantly, the proportion of global demand continues to rise significantly, is a must-place for the export of phenol manufacturers in the five countries (region), India and other countries (regions) cannot provide the same large market space for the U.S., the European Union, Japan, South Korea, Thailand phenol manufacturers, is a must-place for exports of phenol manufacturers, India and other countries (regions) cannot provide the same large market space for the five countries (regions) to provide the same large volume of excess capacity.

The application to investigate the production, consumption and export of phenol in the country shows that if anti-dumping measures are terminated, its dumping actions against China may continue or reoccur.

3.1 United States of America

3.1.1 Production of phenol in the United States

Phenol production, production and idle capacity in the United States

The unit:Thousands of tons

During the period	The Year2020	The2021	2022	2023	Expected in2024
Production of production	237.3	237.3	237.3	237.3	237.3
Production of production	219.7	215.8	219.5	206.3	208.0
Rate of start-up	93%	91%	92%	87%	88%
Spare capacity capacity	17.6	21.5	17.8	31.0	29.30
Share of idle capacity as a percentage of total	7% of	9% of	8% of	13%	12%

Note to:(1) Data sources can be found in Annex IV:Description of global consumption of phenol production

(2) Start rate = production/capacity;

(3) idle capacity = capacity - production.

It can be seen from the above table data that since2020, the U.S. phenol production capacity has remained stable, with an annual capacityof237.3 million tons. Over the same period, U.S. phenol production overall showed a downward trend, from 219.7milliontons in2020to a projected208 million tons in2024.Meanwhile, the U.S. start-up rate of phenol dropped from93%in2020to88% in2024,downfivepercentage points.

Due to the overall downward trend of phenol start-up rate in the United States, the idle capacity of phenol increased from17.6million tons in2020to the projected29.3million tons

in2024, a cumulative increase of up to66%.At the same time, the U.S. idle capacity of phenol as a share of its total phenol production capacity rose from7%in2020to12% in2024,a cumulative increase of5percentage points.

Therefore, if the anti-dumping measures applicable to U.S. phenol are terminated, U.S. phenol manufacturers can at any time release significantly increased idle capacity to expand production, increase production and exports, and its dumping behavior in the Chinese market is likely to continue or reoccur.

3.1.2 Export capacity of phenol in the United States

Table of export capacity of phenol in the United States

The  
unit:Thousands of  
tons

During the period	The Year2020	The2021	2022	2023	Expected in2024
Production of production	237.3	237.3	237.3	237.3	237.3
Amount of demand	185.8	191.2	195.9	188.9	190.9
Relying on export capacity	51.5	46.1	41.4	48.4	46.4
Production capacity dependent on exports as	22%	19%	17%	20%	20%

Note to:(1) Data sources can be found in Annex IV;  
(2) Reliance on export capacity = capacity - demand.

In the consumer market, the demand for phenol in the United States has remained stable, with an average annual increase in demand of only0.7%since2020. Compared with its huge capacity, the demand for phenol in the United States is significantly insufficient, resulting in its export-dependent capacity (overcapacity) maintained at a high level.From 2020 to2024, the average annual capacity of phenol dependent on exports in the United States is estimated to be nearly47million tons.Between 2020 and2024, the average proportion of production capacity dependent on exports is20%.In other words,20%of the production capacity of phenol in the United States depends on the export market for digestion, with strong export capacity.

As mentioned above, demand for phenol in mainland China is expected to continue to rise sharply between2020and2024, with an average annual increase of 14.5%,the share of

global demand from 27.2% to 40.1%, making it the world's largest consumer market for phenol. The Chinese market with huge volume and demand continues to grow significantly, and the proportion of global demand continues to rise significantly, has a huge attraction for U.S. phenol manufacturers. Once anti-dumping measures are terminated, the huge excess capacity of phenol in the United States is likely to shift more to the Chinese market, and its ability to export phenol to China will be greatly enhanced, and dumping behavior in the Chinese market is likely to continue or reoccur.

3.1.3 Extent of U.S. dependence on foreign markets

External exports of phenol in the United States

	Number of units: Thousands of tons				
During the period	The Year 2020	The 2021	2022	2023	Expected in 2024
Total exports of phenol	34.0	24.7	23.7	17.4	17.2
Total production of phenol	219.7	215.8	219.5	206.3	208.0
Total Exports as Percentage of Production	15% of	11%	11%	8% of	8% of
Exports of phenol to China	1.72	0	0	0	0
Export to China as a proportion of total exports	5.1%	0.0 %	0.0 %	0.0 %	0.0 %

Note to: For total production data sources, see Annex IV, and the volume of exports to China can be found in Annex VI. For total export sources, see annex X: "Requesting countries for investigation" (Regional) phenol export data statistics.

Data show that before the implementation of anti-dumping measures in 2016, the US export volume of phenol to China was 7.1 million tons, accounting for the proportion of its total phenol exports reached 18%, and China was the largest export market for phenol in the United States (relevant evidence is annex X). Subject to anti-dumping measures, the number of U.S. phenol exports to China showed a significant downward trend, with 1.72 million tons in 2020, and basically stopped exports to China since 2021. U.S. phenol exports to China accounted for 5.1% of total phenol exports in 2020 and 0% since 2021.

Affected by the significant reduction in the volume of phenol exports to China, the total export volume of phenol in the United States has also decreased significantly. In 2016, the total export volume of phenol in the United States was 39.5 million tons, falling to 34 million tons in 2020, and in 2023, 2024 is expected to further drop to about 17 million tons. U.S. exports of phenol as a share of its production also showed a downward trend, from 15% in 2020 to

8%in2023and 2024.

As mentioned above, the Chinese market, which is large and demand continues to grow significantly, and the proportion of global demand continues to rise significantly, is attractive to U.S. phenol manufacturers.The U.S. phenol market is seriously oversupply, requiring foreign markets, especially the Chinese market to digest its large amount of idle and excess capacity.If the anti-dumping measures of U.S. phenol are terminated and its export restrictions are lifted in the Chinese market, U.S. manufacturers are likely to continue or re-dump export to the Chinese market.

3.1.4 U.S. exports of phenol to China

U.S. exports of phenol to China  
The unit:Tons of tons;United States dollars/tonnes

During the period	The Year2020	The2021	2022	2023	2023 1Quarterly	The year2024
Number of exports to China	17,237.55	0.16	0.17	0.24	0.10	The 0.01
Magnitude of change	I'm the one.	-100.00%	I'm the one.	I'm the one.	I'm the one.	I'm the one.
Export prices to China	532.94	152,665	176,117	233,521	235,301	595,571
Magnitude of change	I'm the one.	I'm the one.	I'm the one.	I'm the one.	I'm the one.	I'm the one.

Note to:For data sources, see annex VI.

As mentioned above, in2016, before the implementation of anti-dumping measures, U.S. exports of phenol to China were7.1million tons, accounting for18% of its total phenol exports,and China was the largest export market for phenol in the United States that year.

Subject to anti-dumping measures, the number of U.S. phenol exports to China showed a significant downward trend, with1.72million tons in2020, and basically stopped exports to China since2021.In terms of price, because the US phenol basically stopped exports to China since2021, the export volume is less than1ton, the export price of hundreds of thousands of dollars / ton, is dozens of times the normal market price, so the export price during these periods is not representative.

The comparison of data before and after the implementation of anti-dumping measures fully shows that dumping is the main means of entering the Chinese market at a large number of low prices in the United States.Therefore, if the anti-dumping measures of U.S. phenol are terminated, in order to digest its large excess and idle capacity of phenol, and regain its



market share in China, the United States may continue or again export phenol to China at a low or dumping price, and its dumping behavior in China may continue or reoccur.

### **3.1.5 The Chinese market is more attractive than other countries (regions) and easier to become a target market for low-cost dumping in the United States.**

As mentioned above, the demand for phenol in mainland China continues to rise sharply, with an average annual increase of 14.5% from 2020 to 2024, the cumulative increase of up to 72%, accounting for the proportion of global demand from 27.2% in 2020 to 40.1% in 2024, a cumulative increase of nearly 13 percentage points, is the world's largest phenol consumption market. By contrast, demand in the United States, the European Union, the Middle East, Japan, South Korea, Thailand, Taiwan, India and other countries and the proportion of global consumption is significantly smaller.

Compared with the United States, the European Union, the Middle East, Japan, South Korea, Thailand, Taiwan, accounting for the proportion of global demand overall downward trend, India and other countries (regions) account for the proportion of global demand is basically stable, market capacity and demand continues to grow significantly, the proportion of global demand continues to increase significantly, the Chinese market has a great attraction for U.S. phenol manufacturers. If anti-dumping measures are terminated, the dumping of phenol in the Chinese market in the United States may continue or recur.

### **3.1.6 Us has a competitive advantage in sales to the Chinese market, increasing its potential for dumping against China.**

Although the United States basically stopped its phenol exports to China, due to a large amount of dumping in China for a long time, the United States phenol manufacturers are still very familiar with the Chinese market, its market access, sales channels are very sound, can be developed and expanded at any time. If anti-dumping measures are terminated, U.S. phenol is likely to use its familiar sales channels and customer base to rapidly expand exports to China and increase the possibility of continued or re-dumping in China.

## **3.2 The European Union**

### **3.2.1 EU production of phenol**

#### **EU production, production and idle capacity**

The unit:Thousands  
of tons

The Period	The Episode	The Year2020	The2021	2022	2023	Expected in2024
The Producer	Yeah, I can.	264.5	264.5	264.5	264.5	264.5
The Producer	The Quantity	205.6	215.0	219.4	169.5	174.6
	Rate of start-up	78%	81%	83%	64%	66%
	Spare capacity capacity	58.9	49.5	45.1	95.0	Of 89.9
	Share of idle capacity as a percentage of total	22%	19%	17%	36%	34%

Note to:(1) Data sources can be found in Annex IV;

(2) Start rate = production/capacity;

(3) idle capacity = capacity - production.

It can be seen from the above table data that since2020, EU phenol production capacity has remained stable, with an annual capacity of up to264.5million tons. Over the same period, EU phenol production overall showed a significant downward trend, from205.6million tons in2020to a projected 174.6million tons in2024.At the same time, EU phenol started at a low level overall and fellby12percentage points from 78% in2020to 66%in2024.

Due to the overall low level of EU phenol start-up rate and a sharp decline, the idle capacity of phenol increased from58.9million tons in 2020to the projected89.9million tons in2024, the cumulative increase of up to53%,the average annual idle capacity of nearly68million tons.At the same time, EU phenol's idle capacity as a proportion of its total phenol production capacity rose from22%in2020to34% expected in 2024,a cumulative increase of12percentage points, idle capacity accounted for its annual average of up to26%of total capacity.

Therefore, if the anti-dumping measures applicable to EU phenols are terminated, EU phenol manufacturers can at any time release huge and significantly increased idle capacity to expand production, increase production and exports, and their dumping behavior in the Chinese market is likely to continue.

Or it happens again.

3.2.2 Export capacity of EU phenol

EU phenol export capacity table

The  
unit:Thousands of  
tons

During the period	The Year2020	The2021	2022	2023	Expected in2024
Production of production	264.5	264.5	264.5	264.5	264.5
Amount of demand	209.9	225.8	232.3	174.2	178.6
Relying on export capacity	54.6	38.7	32.2	90.3	85.9
Production capacity dependent on exports as	21%	15% of	12%	34%	32%

Note to:(1) Data sources can be found in Annex IV;  
(2) Reliance on export capacity = capacity - demand.

In the consumer market, EU phenol demand in2020overall showed a sharp decline, from209.9million tons in2020to a projected178.6million tons in2024, a cumulative decline of15%,an average annual decline of4%.Compared with its huge capacity, EU phenol demand is clearly insufficient, resulting in its export-dependent capacity to maintain a high level and a significant upward trend, rising from54.6million tons in 2020to an expected85.9million tons in2024, a cumulative increase of up to57%.In 2020, the production capacity of EU phenol dependent on exports is21%, and is expected to rise to32% in 2024,a cumulative increase of11percentage points.In 2020-2024, the average proportion of production capacity dependent on exports is expected to be23%.In other words,23%of EU phenol production depends on the export market for digestion and has a strong export capacity.

As mentioned above, demand for phenol in mainland China is expected to continue to rise sharply between2020and2024, with an average annual increase of 14.5%,the share of global demand from27.2%to40.1%,making it the world's largest consumer market for phenol.The Chinese market with huge volume and demand continues to grow significantly, and the proportion of global demand continues to increase significantly, has a huge appeal for EU phenol manufacturers.Once anti-dumping measures are terminated, the huge and greatly increased excess capacity of EU phenol is likely to shift more to the Chinese market, its ability to export phenol to China will greatly increase, and the dumping behavior in the Chinese market is likely to continue or reoccur.

3.2.3 Extent of EU reliance on foreign markets

External exports of phenol in the EU

Number of  
units:Thousands of  
tons

During the period	The Year2020	The2021	2022	2023	Expected in2024
Total exports of phenol	11.5	7.0	6.6	6.2	5.0
Total production of phenol	205.6	215.0	219.4	169.5	174.6
Total Exports as Percentage of Production	6% of	3% of	3% of	4% of	3% of
Exports of phenol to China	The 0.76	0	0	0	0
Export to China as a proportion of total exports	7% of	0% of	0% of	0% of	0% of

Note to:For total production data sources, see Annex IV, and the volume of exports to China can be found in Annex VI.For total export sources, see annex X.

Data show that in2017, before the implementation of anti-dumping measures, EU phenol exports to China were2.65million tons, accounting for24% of its total phenol exports,and China was the largest export market for EU phenol in that year (see annex X for relevant evidence). Subject to anti-dumping measures, the export volume of EU phenol to China showed a significant downward trend, about0.76million tons in2020, and basically stopped exports to China since2021.EU phenol exports to China as a proportion of its total phenol exports will be7% in2020and0%since 2021.

Affected by factors such as a significant reduction in the number of phenol exports to China, the total export volume of EU phenol has also decreased significantly.In 2017, the total export volume of EU phenol was10.89million tons, falling to 70milliontons in2021, and the forecast for2022to2024was further reduced to around5-6million tons.EU exports of phenol as a share of its production are also on a downward trend, from6%in2020 to3%projected in2024.

As mentioned above, the Chinese market, which is large and demand continues to grow significantly, and the proportion of global demand continues to rise significantly, is attractive to EU phenol manufacturers.The EU phenol market is seriously oversupply, which requires foreign markets, especially the Chinese market, to digest its huge and greatly increased idle and excess capacity.If anti-dumping measures on EU phenol are terminated and their export restrictions are lifted in the Chinese market, EU manufacturers are likely to continue or re-dump export to the Chinese market.

3.2.4 EU exports of phenol to China

EU exports of phenol to China

The unit:Tons of tons;United States dollars/tonnes

During the period	The Year2020	The2021	2022	2023	2023 1Quarterly	The year2024
Number of exports to China	7,565.19	2.13	3.14	2.34	The 0.64	The 0.65
Magnitude of change	I'm the one.	99.97%	47.19%	-25.40%	I'm the one.	1.57%
Export prices to China	629.52	105,926	136,539	129,176	103,272	104,423
Magnitude of change	I'm the one.	I'm the one.	I'm the one.	I'm the one.	I'm the one.	I'm the one.

Note to:For data sources, see annex VI.

In2017, before the implementation of anti-dumping measures, EU phenol exports to China were2.65million tons, accounting for24% of its total phenol exports,China was the largest export market for EU phenol that year.

Subject to anti-dumping measures, the export volume of EU phenol to China showed a significant downward trend, with0.76million tons in2020, and basically stopped exports to China since2021.In terms of price, because the EU phenol basically stopped exports to China since2021, the export volume is only about1-3tons, the export price is as high as a hundred thousand US dollars / ton, more than a dozen times the normal market price, so the export price during these periods is not representative.

The comparison of data before and after the implementation of anti-dumping measures fully shows that dumping is the main means for EU phenol to enter the Chinese market at a large number of low prices.Therefore, if the anti-dumping measures of EU phenol are terminated, in order to absorb its huge and greatly increased excess and idle capacity, and regain market share in China, the EU may continue or again export phenol to China at low or dumping prices, its dumping behavior in China may continue or reoccur.

3.2.5 The Chinese market is more attractive than other countries (regions) and easier to become a target market for low-cost dumping in the EU.

As mentioned above, the demand for phenol in mainland China continues to rise sharply, with an average annual increase of 14.5% from2020to2024,the cumulative increase of up to72%,accounting for the proportion of global demand from27.2%in2020to40.1% in2024,a cumulative increase of nearly13percentage points, is the world's largest phenol consumption

market.By contrast, demand in the United States, the European Union, the Middle East, Japan, South Korea, Thailand, Taiwan, India and other countries and the proportion of global consumption is significantly smaller.

Compared with the United States, the European Union, the Middle East, Japan, South Korea, Thailand, Taiwan, accounting for the proportion of global demand overall downward trend, India and other countries (regions) account for the proportion of global demand is basically stable, market capacity and demand continues to grow significantly, the proportion of global demand continues to rise significantly to EU phenol manufacturers has a great attraction.If anti-dumping measures are terminated, the dumping of EU phenol in the Chinese market may continue or recur.

3.2.6 The EU has a competitive advantage in sales to the Chinese market, increasing its potential for dumping against China.

Although the EU basically stopped its phenol exports to China, due to a large amount of dumping in China for a long time, EU phenol manufacturers are still very familiar with the Chinese market, its market access, sales channels are very sound, can be developed and expanded at any time. If anti-dumping measures are terminated, EU phenol is likely to use its familiar sales channels and customer base to rapidly expand exports to China and increase the possibility of continued or re-dumping in China.

3.3 Republic of Korea

3.3.1 Production of Korean phenol

South Korean phenol production capacity, production and idle capacity

The unit:Thousands of tons

During the period	The Year2020	The2021	2022	2023	Expected in2024
Production of production	128.5	128.5	128.5	128.5	134.3
Production of production	131.5	130.3	131.1	113.8	The 113
Rate of start-up	102%	101%	102%	89%	84%
Spare capacity capacity	The -3	- 1.8	- 2.6	14.7	21.3
Share of idle capacity as a percentage of total	- 2%	- 1%	- 2%	11%	16%

Note to:(1) Data sources can be found in Annex IV:Description of global consumption of phenol production

- (2) Start rate = production/capacity;
- (3) idle capacity = capacity - production.

It can be seen from the above table data that from2020to2023, South Korea's phenol production capacity will remain stable, all ofwhichare 12.8.5 million tons/year. However, with the Korean Rakuten chemical phenolone and bisphenolAnew installation (of which phenol capacity of35million tons/year, acetone/year, bisphenol A20 million tons/year) is expected to be put into production by the end of2024(see Annex IV), the total capacity of Korean phenol will increase to163.5million tons in2025.Since2020, Korea's phenol production has generally shown a downward trend, from131.5million tons in2020to an estimated113million tons in2024.Meanwhile, the start-up rate of Korean phenol dropped from102%in2020to84% in2024,down18percentage points.

Due to the overall downward trend of Korean phenol start-up rate, the idle capacity of its phenol increased from -30milliontons in2020to an estimated21.3million tons in2024.Meanwhile, South Korean phenol's idle capacity as a share of its total phenol production capacity has risen from-2%in 2020to16 percentprojected in2024.Moreover, with the full release of35million tons of phenol new production capacity of Lotte Chemistry in Korea,2025is expected to further increase the idle capacity of Korean phenol.

Therefore, if the anti-dumping measures applicable to Korean phenol are terminated, Korean phenol manufacturers can at any time release significantly increased idle capacity to expand production, increase production and exports, and its dumping behavior in the Chinese market is likely to continue or reoccur.

3.3.2 Export capacity of Korean phenol

Table of export capacity of Korean phenol

The unit:Thousands of tons

During the period	The Year2020	The2021	2022	2023	Expected in2024
Production of production	128.5	128.5	128.5	128.5	134.3
Amount of demand	110.1	106.4	111.6	114.5	114.0
Relying on export capacity	18.4	22.1	16.9	14.0	20.3
Production capacity dependent on exports	14%	17%	13%	11%	15% of

Note to:(1) Data sources can be found in Annex IV;(2) Reliance on export capacity = capacity - demand.

In the consumer market, demand for Korean phenol has remained basically stable, with an average annual increase in demand from 2020 to 2024 of only 0.9%. Compared to its large and growing capacity, South Korea's demand for phenol is significantly insufficient, resulting in a high and upward trend in its export-dependent capacity. In 2020, the production capacity of Korean phenol dependent on exports is 18.4 million tons, and it is expected to increase to 20.3 million tons by 2024. Between 2020 and 2024, the average proportion of production capacity dependent on exports is 14%. That is to say, 14% of Korea's phenol production capacity depends on the export market for digestion, with a large export capacity. Moreover, with the full release of Korea Lotte Chemical 35 million tons / year of new phenol capacity, due to its supporting bisphenol production capacity of only 20 million tons (need to consume phenol only  $20 * 0.85 = 17$  million tons), it can be reasonably foreseeable that in 2025 Korean phenol-dependent production capacity will be further greatly increased.

As mentioned above, demand for phenol in mainland China is expected to continue to rise sharply between 2020 and 2024, with an average annual increase of 14.5%, the share of global demand from 27.2% to 40.1%, making it the world's largest consumer market for phenol. The Chinese market with huge volume and demand continues to grow significantly, and the proportion of global demand continues to rise significantly, has a huge appeal for Korean phenol manufacturers. Once anti-dumping measures are terminated, the large excess capacity of Korean phenol is likely to shift more to the Chinese market, and its ability to export phenol to China will greatly increase, and dumping behavior in the Chinese market is likely to continue or reoccur.

3.3.3 Extent of Korean phenol’s dependence on foreign markets

Export of Korean phenol

During the period	Number of units: Thousands of tons				
	The Year 2020	The 2021	2022	2023	Expected in 2024
Total exports of phenol	26.7	28.4	22.8	6.5	7.0
Total production of phenol	131.5	130.3	131.1	113.8	The 113
Total Exports as Percentage of Production	20%	22%	17%	6% of	6% of
Exports of phenol to China	9.06	5.71	4.47	The 0.77	I'm the one.
Export to China as a proportion of total exports	34%	20%	20%	12%	I'm the one.



Note to:For total production data sources, see Annex IV, and the volume of exports to China can be found in Annex VI.For total export sources, see annex X.

China Customs data show that in2018, before the implementation of anti-dumping measures, Korean phenol exports to China were close to17million tons, accounting for the proportion of its total phenol exports (43.5million tons) as high as39%,China was the largest export market for Korean phenol in that year (relevant evidence is annex X).Subject to anti-dumping measures, the export volume of Korean phenol to China showed a significant downward trend, reaching9.06million tons in2020 and0.77million tons in2023.South Korea did not export phenol to China in the firstquarterof2024.Korean phenol exports to China accounted for34% in2020and12%in 2023.

Affected by the significant reduction in the volume of phenol exports to China, the total export volume of Korean phenol has also decreased significantly.In 2018, the total export volume of Korean phenol was43.5million tons, falling to26.7million tons in2020, and in2023,2024is expected to dropto about 7 million tons.South Korean phenol exports as a proportion of its production also showed a downward trend, from20% in2020to 6% projectedin2023and 2024.

As mentioned above, the Chinese market with huge market capacity and demand continues to grow significantly, and the proportion of global demand continues to rise significantly, is attractive to Korean phenol manufacturers.The Korean phenol market is clearly oversupply, which requires foreign markets, especially the Chinese market, to digest its large increase in idle and excess capacity.If the anti-dumping measures on Korean phenol are terminated and its export restrictions are lifted in the Chinese market, Korean manufacturers are likely to continue or again dump exports to the Chinese market.

3.3.4 Korean phenol exports to China

Korean phenol exports to China

The unit:Tons of  
tons;United States  
dollars/tonnes

During the period	The Year2020	The2021	2022	2023	2023 1Quarterly	The year2024
Number of exports to China	90,647.66	57,130.58	44,665.95	7,676.06	2,087.56	I'm the one.
Magnitude of change	I'm the one.	-36.98%	-21.82%	- 82.81%	I'm the one.	-100.00%
Export prices to China	669.82	1,085.74	1,337.21	1,079.76	1,176.36	I'm the one.

Magnitude of change	I'm the one.	62.10%	23.16%	-19.25%	I'm the one.	I'm the one.
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Note to:For data sources, see annex VI.

As mentioned above, in2018, before the implementation of anti-dumping measures, Korean phenol exports to China were close to17million tons, accounting for the proportion of its total phenol exports as high as39%,China was the largest export market for Korean phenol that year.

Subject to anti-dumping measures, the export volume of Korean phenol to China showed a significant downward trend, reaching9.06million tons in2020, down to0.77million tons in2023, and South Korea did not export phenol to China in the firstquarterof2024.In terms of price, the export price of Korean phenol to China is trending upwards and downwards, with growth of 62.10% and 23.16%in2021and2022 compared to the previous year, and 19.25%in 2023compared to 2022.Moreover, as mentioned above, the export price of Korean phenol to China remains a dumping price.

The above situation shows that, subject to anti-dumping measures, Korean phenol exports to China have a sharp downward trend, and the export price of China is rising and falling.Moreover, there is still a clear dumping of Korean phenol exports to China.In the case of South Korea's reliance on foreign markets, especially the Chinese market, to absorb its massive increase in excess capacity production, if anti-dumping measures against Korean-origin phenols are terminated, its dumping behavior in the Chinese market may be more serious.

**3.3.5 The Chinese market is more attractive than other countries (regions) and easier to become a target market for low-cost dumping in South Korea.**

As mentioned above, the demand for phenol in mainland China continues to rise sharply, with an average annual increase of 14.5% from2020to2024,the cumulative increase of up to72%,accounting for the proportion of global demand from27.2%in2020to40.1% in2024,a cumulative increase of nearly13percentage points, is the world's largest phenol consumption market.By contrast, demand in the United States, the European Union, the Middle East, Japan, South Korea, Thailand, Taiwan, India and other countries and the proportion of global consumption is significantly smaller.

Compared with the United States, the European Union, the Middle East, Japan, South Korea, Thailand, Taiwan, accounting for the proportion of global demand overall downward

trend, India and other countries (regions) account for the proportion of global demand is basically stable, market capacity and demand continues to grow significantly, the proportion of global demand continues to rise significantly for Korean phenol manufacturers has a great attraction. If anti-dumping measures are terminated, the dumping of Korean phenol in the Chinese market may continue or recur.

### 3.3.6 Low-priced exports of Korean phenol to third countries (regions)

During the dumping investigation applied for this case, the normal value of Korean phenol was US\$1170.23/ton. According to the export data of Korean phenol obtained by the applicant, Korean phenol producers and exporters also export a large number of low-priced phenols to other countries (regions) other than mainland China, without taking into account the adjustment factors.

#### Low-priced exports of Korean phenol to other countries (regions) other than mainland China

The unit: Tons of tons; The United States dollar; United States dollars/tonnes

Normal value of Korean phenol	Exporting countries (regions)	Number of exports	Prices of exports	Difference in price
1170.23	Total exports to third countries (regions)	57,439	1,016	The -155
	Among them: Category: Regions of	26,526	954	The -216
	Category: Japan	16,870	1,073	Of 98
	Australia (Australia)	3,739	1,042	Of 129
	Category: India	3,389	1,057	- 114
	Republic of Finland	932	1,022	Of 148
	Germany	2,405	1,091	Of 80
	Republic of Vietnam	2,131	1,133	Of - 37
	Republic of Malaysia	1,066	1,022	Of 148
	State of Chile	200	986	The 184
	History of Poland	60	1,126	Of 44
	History of Colombia	121	1,048	- 122
	<b>Low-priced exports to third</b>	<b>57,439</b>		
	<b>Low prices to third countries (regions) Proportion of exports</b>	<b>100%</b>		

Note to: (1) The export data in the table above is the export data of Korean phenol, please see Annex X;

(2) The price difference is the difference between Korean export prices to third countries (regions) and the normal value of Korean phenol.

As can be seen from the data in the table above, during the application of dumping investigation, South Korea's export prices for other countries (regions) other than mainland China are all below its normal value, indicating that its low price to seek overseas markets

is very strong. If anti-dumping measures are terminated, the situation may occur in exports to China, and the volume of these low-priced exports to third countries is likely to be transferred to the Chinese market.

**3.3.7 South Korea has a competitive advantage in sales to the Chinese market, increasing its potential for dumping in China.**

**(1) Korea's proximity to China, short shipping distance, which is conducive to reducing costs and risks**

In the context of the continued downturn in the global economy and high international crude oil prices, how to save costs effectively will become a common problem for exporters. Short transport distances can effectively reduce freight costs for foreign exports. In addition, the short distance also means shorter delivery time. Shortening lead times can help reduce costs, reduce trade risks, and help optimize sales services, stabilize customers and facilitate transactions. Therefore, relative to the transportation time and cost of most countries and regions, the Chinese market adjacent to South Korea is undoubtedly very attractive to Korean phenol manufacturers.

In this case, once anti-dumping measures are terminated, the Chinese market adjacent to South Korea may continue to be a must-place for its transfer of excess capacity at low prices.

**(2) Korea is familiar with the Chinese market and more convenient conditions for exports to China**

Due to a large amount of dumping in China for a long time, Korean phenol manufacturers are very familiar with the Chinese market, its market access, sales channels are very sound, can be developed and expanded at any time. In fact, Korean phenol manufacturers have been making full use of these convenient conditions and continue to dump low prices in China, and the export price of Korean phenol to China decreased sharply by 19.25% in 2023 compared with 2022. It can be seen that once anti-dumping measures are terminated, Korean phenol manufacturers are likely to use their familiar sales channels and customer groups to rapidly expand exports to China and increase the possibility of continued dumping.

3.4 Japan

3.4.1 Production of phenol in Japan

Capacity, production and idle capacity of phenol in Japan

During the period	The				
	The Year2020	The2021	2022	2023	Expected in2024
Production of production	67	67	67	67	67
Production of production	63.4	65.4	62.8	56.3	53.6
Rate of start-up	95% of	98%	94%	84%	80%
Spare capacity capacity	3.6 and 3.6	Of 1.6	4.2	10.7	13.4
Share of idle capacity as a percentage of total	5% of	2%	6% of	16%	20%

Note to:(1) Data sources can be found in Annex IV;

(2) Start rate = production/capacity;

(3) idle capacity = capacity - production.

It can be seen from the above table data that since2020, Japan's phenol production capacity has remained stable, with an annual capacity of67million tons.Over the same period, Japanese phenol production overall showed a significant downward trend, from63.4million tons in2020to a projected53.6million tons in2024.At the same time, Japan's phenol start-up rate overall showed a downward trend and was at a low level, down15percentage points from95 percentin2020to an estimated 80 percentin2024.

Due to the overall downward trend of Japanese phenol start-up rate, the idle capacity of its phenol increased from3.6million tons in2020to the projected13.4million tons in2024, a cumulative increase of up to272%.At the same time, Japan's idle capacity as a share of its phenol production capacity rose from5%in2020to20% in2024,a cumulative increase of15percentage points.

Therefore, if the anti-dumping measures applicable to Japanese phenol are terminated, Japanese phenol manufacturers can at any time release large and significantly increased idle capacity to expand production, increase production and exports, and its dumping behavior in the Chinese market is likely to continue or reoccur.

3.4.2 Export capacity of Japanese phenol

Table of export capacity of phenol in Japan

The  
unit:Thousands of  
tons

During the period	The Year2020	The2021	2022	2023	Expected in2024
Production of production	67	67	67	67	67
Amount of demand	The 69.9	The 69.9	66.2	51.2	48.8
Relying on export capacity	- 2.9	- 2.9	The 0.8	15.8	18.2
Production capacity dependent on exports as	- 4%	- 4%	1% of	24%	27%

Note to:(1) Data sources can be found in Annex IV;

(2) Reliance on export capacity = capacity - demand.

In the consumer market, the overall demand for Japanese phenol has declined significantly since2020, from69.9 million tons in2020to a projected48.8million tons in2024, a cumulative decline of30%,an average annual decline of8.6%.In 2020, Japan's export-dependent production capacity is -2.9milliontons, rising to15.8million tons in2023, and is expected to rise further to18.2 million tons in2024.In 2020, the production capacity of Japanese phenol dependent on exports is -4%, rising to24% in 2023, and is expected to rise further to27% in 2024,with a large export capacity.

As mentioned above, demand for phenol in mainland China is expected to continue to rise sharply between2020and2024, with an average annual increase of 14.5%,the share of global demand from27.2%to40.1%,making it the world's largest consumer market for phenol.The Chinese market with huge volume and demand continues to grow significantly, and the proportion of global demand continues to increase significantly, has a huge appeal for Japanese phenol manufacturers.Once anti-dumping measures are terminated, the significant increase in excess capacity of Japanese phenol is likely to shift more to the Chinese market, its ability to export phenol to China will greatly increase, and dumping behavior in the Chinese market is likely to continue or reoccur.

3.4.3 Extent of Japanese phenol’s dependence on foreign markets

Export of Japanese phenol

Number of  
units:Thousands of  
tons

During the period	The Year2020	The2021	2022	2023	Expected in2024
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Total exports of phenol	3.9	4.3	5.3	5.4	5.2
Total production of phenol	63.4	65.4	62.8	56.3	53.6
Total Exports as Percentage of Production	6% of	7% of	8% of	10%	10%
Exports of phenol to China	3.61	3.05	4.13	5.26	5.12
Export to China as a proportion of total exports	92%	70% of	79%	97%	98%

Note to:For total production data sources, see Annex IV, and the volume of exports to China can be found in Annex VI.For total export sources, see annex X.

Data show that the total export volume of Japanese phenol in2020is3.9million tons, increasing to5.4million tons in2023,2024 is expected to be5.2million tons,2024is expected to increase by32%compared to2020.Japan's phenol exports as a share of its production are also on the rise, from6%in2020to10%projected in2024.

At the same time, the overall trend of Japanese phenol exports to China increased from3.61million tons in2020to an estimated5.12million tons in2024, and the proportion of Japanese phenol exports to China increased from92%in2020to 97-98%in2023, 2024.It can be seen that even if subject to anti-dumping measures, the Chinese market is still the most important export market of Japanese phenol, and the Chinese market for Japan is becoming more and more attractive.

As mentioned above, the Chinese market, which is large and demand continues to grow significantly, and the proportion of global demand continues to rise significantly, is attractive to Japanese phenol manufacturers.The Japanese phenol market has been seriously oversupply since2023, requiring foreign markets, especially China, to absorb its large increase in idle and excess capacity.If the anti-dumping measures against Japanese phenol are terminated and its export restrictions are lifted in the Chinese market, Japanese manufacturers are likely to continue or again dump the Chinese market.

3.4.4 Japanese phenol Exports to China

Japanese phenol Exports to China

The unit:Tons of tons;United States dollars/tonnes

During the period	The Year2020	The2021	2022	2023	2023 1Quarterly	The year2024
Number of exports to China	36,112.78	30,526.96	41,274.68	52,552.25	15,684.04	12,750.28
Magnitude of change	I'm the one.	-15.47%	35.21%	27.32%	I'm the one.	-18.71%

Export prices to China	701.29	984.58	1,423.34	1,035.31	1,074.35	931.35
Magnitude of change	I'm the one.	40.40 per cent	44.56%	-27.26%	I'm the one.	-13.31%

Note to:For data sources, see annex VI.

The above table data show that even if subject to anti-dumping measures, Japan's phenol exports to China are still on the overall upward trend, falling15.47%from 2021to2023compared with the previous year, growth of 35.21% and27.32%, 2023cumulative growth of 46%in 2020, and a decrease of 18.71% in thefirst quarterof 2024.In terms of price, the export price of Japanese phenol to China showed an upward trend, rising 40.40% and 44.56%in2021and2022 compared with the previous year, respectively, down 27.26 %in2023compared to 2022, and continued to decline 13.31% in thefirst quarterof 2024.Moreover, as mentioned above, the export price of Japanese phenol to China remains a dumping price.

The above situation shows that, subject to anti-dumping measures, Japanese phenol exports to China overall still show a sharp upward trend, export prices to China are trending upwards and down, and the Chinese market for Japan is becoming more and more attractive.Moreover, there is still a clear dumping of Japanese phenol exports to China.In the case of Japan's phenol reliance on foreign markets, especially the Chinese market, to absorb its large increase in excess capacity production, if anti-dumping measures originating in Japanese phenol are terminated, its dumping behavior in the Chinese market may be more serious.

**3.4.5 The Chinese market is more attractive than other countries (regions) and easier to become a target market for Japan’s low-cost dumping.**

As mentioned above, the demand for phenol in mainland China continues to rise sharply, with an average annual increase of 14.5% from2020to2024,the cumulative increase of up to72%,accounting for the proportion of global demand from27.2%in2020to40.1% in2024,a cumulative increase of nearly13percentage points, is the world's largest phenol consumption market.By contrast, demand in the United States, the European Union, the Middle East, Japan, South Korea, Thailand, Taiwan, India and other countries and the proportion of global consumption is significantly smaller.

Compared with the United States, the European Union, the Middle East, Japan, South Korea, Thailand, Taiwan, accounting for the proportion of global demand overall downward trend, India and other countries (regions) account for the proportion of global demand is



basically stable, market capacity and demand continues to grow significantly, the proportion of global demand continues to increase significantly to Japanese phenol manufacturers attract more and more. If anti-dumping measures are terminated, the dumping of Japanese phenol in the Chinese market may continue or recur.

#### **3.4.6 Japan has a competitive advantage in sales to the Chinese market, increasing its potential for dumping against China.**

##### **(1) Japan's proximity to China, short shipping distance, which is conducive to reducing costs and risks**

In the context of the continued downturn in the global economy and high international crude oil prices, how to save costs effectively will become a common problem for exporters. Short transport distances can effectively reduce freight costs for foreign exports. In addition, the short distance also means shorter delivery time. Shortening lead times can help reduce costs, reduce trade risks, and help optimize sales services, stabilize customers and facilitate transactions. Therefore, relative to the transportation time and cost of most countries and regions, the Chinese market adjacent to Japan is undoubtedly very attractive to Japanese phenol manufacturers.

In this case, once anti-dumping measures are terminated, the Chinese market adjacent to Japan may continue to be a must-place for its transfer of excess capacity at low prices.

##### **(2) Japan is familiar with the Chinese market and more convenient conditions for exports to China**

Due to a large amount of dumping in China for a long time, Japanese phenol manufacturers are very familiar with the Chinese market, its market access, sales channels are very sound, can be developed and expanded at any time. In fact, Japanese phenol manufacturers have been making full use of these convenient conditions, continue to dump low prices in China, 2023 compared to 2020, Japanese phenol exports to China increased by 46%, and the export price to China has continued to decline sharply since 2023. It can be seen that once anti-dumping measures are terminated, Japanese phenol manufacturers are likely to use their familiar sales channels and customer groups to rapidly expand exports to China and increase the possibility of continued dumping.

3.5 Thailand

3.5.1 Production of phenol in Thailand

Phenol production capacity, production and idle capacity in Thailand

The unit:Thousands  
of tons

During the period	The Year2020	The2021	2022	2023	Expected in2024
Production of production	60.0	60.0	60.0	60.0	60.0
Production of production	58.0	58.0	59.5	49.6	49.0
Rate of start-up	97%	97%	99% of	83%	82%
Spare capacity capacity	2	2	The 0.5	10.4	11.0
Share of idle capacity as a percentage of total	3% of	3% of	1% of	17%	18%

Note to:(1) Data sources can be found in Annex IV;

(2) Start rate = production/capacity;

(3) idle capacity = capacity - production.

As can be seen from the above table data, from2020to2024, Thailand's phenol production capacity is expected to be60million tons/year, but the total production is in a downward trend, from58million tons in2020to the projected49million tons in2024.Meanwhile, the start-up rate of phenol in Thailand has declined by15percentage points from97%in2020to 82%projected in2024.

Due to the overall downward trend in Thailand's phenol start-up rate, the idle capacity of its phenol increased from 20milliontons in2020to an estimated11million tons in2024.At the same time, Thailand's idle capacity as a share of its total phenol production capacity rose from3%in2020 to18% in2024,a cumulative increase of15percentage points.

Moreover, the evidence shows (see Annex IV) that inSeptember2023,PTT Global in Thailand obtained the approval certificate for the new phenol device issued by the Thai Investment Commission (with phenol production capacity of30million tons).It can be reasonably foreseen that with the future of Thailand'sPTT Global 30million tons / year of new phenol installation is put into production, the total production capacity of phenol in Thailand will reach90million tons / year, while the demand for Thai phenol will not only grow, but a downward trend, the future of Thailand phenol idle capacity will further increase.

Therefore, if the anti-dumping measures applicable to Thai phenol are terminated, Thai phenol manufacturers can at any time release significantly increased idle capacity to expand production, increase production and exports, and their dumping behavior in the Chinese market is likely to continue or again.

It's happening.

3.5.2 Export capacity of phenol in Thailand

Table of export capacity of phenol in Thailand

					The unit:Thousands of tons
During the period	The Year2020	The2021	2022	2023	Expected in2024
Production of production	60.0	60.0	60.0	60.0	60.0
Amount of demand	39.5	42.1	41.2	36.2	34.0
Relying on export capacity	20.5	17.9	18.8	23.8	26.0
Production capacity dependent on exports as	34%	30%	31%	40%	43%

Note to:(1) Data sources can be found in Annex IV;  
(2) Reliance on export capacity = capacity - demand.

In the consumer market, demand for phenol in Thailand overall showed a downward trend, from39.5million tons in2020to a projected34million tons in2024, a cumulative decline of14%,an average annual decline of3.7%.

Compared with its capacity, Thailand's demand for phenol is clearly insufficient, resulting in its export-dependent production capacity maintained at a relatively high level and overall growing trend.In 2020, Thai phenol is dependent on export capacity of 20.50 milliontons, and is expected to grow to 26million tons in2024.At the same time, Thailand's export-dependent production capacity has risen from34%in 2020to43% projected in2024and an annual average of36%between 2020and 2024.In other words, up to36%of Thailand's phenol production capacity depends on the export market for digestion, with a large export capacity.

Moreover, with the future of ThailandPTT Global 30million tons / year of new phenol installations to be put into production, the total production capacity of phenol in Thailand

will reach90million tons / year, while the demand for phenol in Thailand will not only increase during the same period, but a downward trend, the future Thai phenol must rely on export capacity will be further greatly increased.

As mentioned above, demand for phenol in mainland China is expected to continue to rise sharply between2020and2024, with an average annual increase of 14.5%,the share of global demand from27.2%to40.1%,making it the world's largest consumer market for phenol.The Chinese market with huge volume and demand continues to grow significantly, and the proportion of global demand continues to increase significantly, has a huge appeal for Thai phenol manufacturers.Once anti-dumping measures are terminated, Thailand's large-scale increase in excess capacity of phenol is likely to shift more to the Chinese market, its ability to export phenol to China will greatly increase, and dumping behavior in the Chinese market is likely to continue or reoccur.

3.5.3 Thailand’s dependence on foreign markets

Export of phenol from Thailand

Number of units:Thousands of tons					
During the period	The Year2020	The2021	2022	2023	Expected in2024
Total exports of phenol	22.5	19.5	19.0	17.7	20.0
Total production of phenol	58.0	58.0	59.5	49.6	49.0
Total Exports as Percentage of Production	39%	34%	32%	36%	41%
Exports of phenol to China	13.03	9.99	7.02	2.47	I'm the one.
Export to China as a proportion of total exports	58%	51%	37%	14%	I'm the one.

Note to:For total production data sources, see Annex IV, and the volume of exports to China can be found in Annex VI.For total export sources, see annex X.

The above table data show that from2020to2024, Thailand's total exports of phenol are expected to remain at a level of about18-22million tons, and the annual average ratio of exports to its output is36%,the degree of dependence on foreign markets is higher.Moreover, as mentioned above, with the completion of the new phenol installation ofPTT Global 30million tons/year in Thailand, Thailand's total exports of phenol as a proportion of production will further increase significantly.

Even subject to anti-dumping measures, Thailand's phenol exports to China

in2020and2021will still be as high as58% and51%,respectively, and China is Thailand's largest export market for phenol.From2020 to2023, Thailand's phenol exports to China account for an annual average of up to40% of its total exports,and the Chinese market is an important target market for Thai phenol exports.

From the export distribution of Thai phenol in2023, India, South Korea and China are Thailand's top three export markets, accounting for93%of Thailand's total phenol exports.For the Indian market, the average annual import of phenol in India from2020to2023is about20million tons, and there is no significant growth.Moreover, the Indian market is Thailand, South Korea, Japan, Saudi Arabia, Taiwan, Singapore, the United States and other countries (regions) digest excess capacity competition, the Indian market is limited in the future for digesting Thailand's ability to greatly increase excess capacity.For South Korea, South Korea's local phenol has been oversupply, coupled with the future of South Korea Rakuten's new capacity is about to be put into production, the future South Korean market for Thai phenol absorption capacity will become smaller and smaller.

Conversely, China is the world's largest consumer market for phenol, accounting for an average of33% of global demand, and is expected to reach40.1%in 2024.China's market market is huge and demand continues to grow significantly, and the proportion of global demand continues to increase significantly, is attractive to Thai phenol manufacturers.The future oversupply of the Thai phenol market will be more and more serious, and foreign markets, especially the Chinese market, to digest its large increase in idle and excess capacity.If anti-dumping measures against Thai phenol are terminated and its export restrictions are lifted in the Chinese market, Thai manufacturers are likely to continue or again dump exports to the Chinese market.

3.5.4 Thailand’s phenol exports to China

Thailand’s phenol exports to China

The unit:Tons of  
tons;United States  
dollars/tonnes

During the period	The Year2020	The2021	2022	2023	2023 1Quarterly	The year2024
Number of exports to China	130,266.59	99,921.18	70,166.83	24,728.48	14,882.55	0
Magnitude of change	I'm the one.	23.29%	29.78%	-64.76%	I'm the one.	-100.00%
Export prices to China	653.01	1,072.83	1,218.87	930.06	928.61	I'm the one.

Magnitude of change	I'm the one.	64.29%	13.61%	- 23.70%	I'm the one.	I'm the one.
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Note to:For data sources, see annex VI.

Subject to anti-dumping measures, Thai phenol exports to China continue to decline from13.03 million tons in2020to2.47million tons in2023.In the firstquarterof2024, Thai phenol temporarily stopped exports to China.

At the same time, Thai phenol exports to China are trending upwards and downwards, up 64.29 % and 13.61%in2021and2022, respectively, down 23.70% from the previous year in 2023.And as mentioned above, during the dumping period of the application in this case, the export price of Thai phenol to China is still the dumping price.

The above situation shows that during the dumping period of the application in this case, even if there are restrictions on anti-dumping measures, the price of Thai phenol exports to China has experienced a significant downward trend since2023and there are still dumping practices.Therefore, if anti-dumping measures are terminated, the export price of phenol to China is likely to continue to decline significantly, and its dumping behavior in the Chinese market may be more serious.

**3.5.5 The Chinese market is more attractive than other countries (regions) and easier to become a target market for low-cost dumping in South Korea and Thailand.**

As mentioned above, the demand for phenol in mainland China continues to rise sharply, with an average annual increase of 14.5% from2020to2024,the cumulative increase of up to72%,accounting for the proportion of global demand from27.2%in2020to40.1% in2024,a cumulative increase of nearly13percentage points, is the world's largest phenol consumption market.By contrast, demand in the United States, the European Union, the Middle East, Japan, South Korea, Thailand, Taiwan, India and other countries and the proportion of global consumption is significantly smaller.

Compared with the United States, the European Union, the Middle East, Japan, South Korea, Thailand, Taiwan, accounting for the proportion of global demand overall downward trend, India and other countries (regions) account for the proportion of global demand is basically stable, market capacity and demand continues to grow significantly, the proportion of global demand continues to rise significantly for Thai phenol manufacturers has a great attraction.If anti-dumping measures are terminated, the dumping of Thai phenol in the Chinese market may continue

or recur.

### 3.5.6 Low-priced exports of Thai phenol to third countries (regions)

The normal value of Thai phenol during the dumping investigation applied in this case was US\$1122.21/tonne. According to the export data of Thai phenol obtained by the applicant, Thai phenol producers and exporters also export a large number of low-priced phenols to other countries (regions) other than mainland China, without taking into account the adjustment factors.

#### Thailand's low-priced exports of phenol to other countries (regions) other than mainland China

The unit: Tons of tons; The United States dollar; United States dollars/tonnes

Normal value of phenol in	Exporting countries (regions)	Number of exports	Prices of exports	Difference in price
1122.21	Total exports to third countries (regions)	178,299	880	Of 242
	Among them: Category: India	84,478	869	Of 253
	Republic of Korea	65,722	845	Of 277
	Category: Regions of Taiwan	17,355	877	Of 245
	Republic of Indonesia	8,419	959	The 163
	Republic of Malaysia	1,301	980	Of 142
	Republic of Vietnam	1,024	1,064	Of 58
	<b>Low-priced exports to third</b>	<b>178,299</b>		
	<b>Low prices to third countries (regions) Proportion of exports</b>	<b>100%</b>		

Note to: (1) The export data in the table above are Thailand phenol export data, please see Annex X;

(2) The price difference is the difference between Thailand's export price to third country (region) and the normal value of Thai phenol.

As can be seen from the data in the table above, during the application of dumping investigation, Thailand's export prices for other countries (regions) other than mainland China are all below its normal value, indicating that its demand for low prices to seek overseas markets is very strong. If anti-dumping measures are terminated, the situation may occur in exports to China, and the volume of these low-priced exports to third countries is likely to be transferred to the Chinese market.

**3.5.7 Thailand has a competitive advantage in sales to the Chinese market, increasing its potential for dumping in China**

**(1) Thai phenol has a competitive advantage in terms of price compared to other imported products in mainland China**

Thai phenol has no import tariffs on Chinese exports. If anti-dumping measures are terminated, Thai phenol has neither import duties, nor anti-dumping duties, and in the United States, the European Union, Japan, South Korea, Saudi Arabia and other imported phenol tariffs and or anti-dumping duties, Thai phenol exports to China will undoubtedly have a more price competitive advantage, in order to obtain more market share from competitors, its export price to China may be lower, its dumping behavior in the Chinese market may be more serious.

In addition, with the entry into force of RCEP, the level of trade facilitation of Thai phenol exports to China has further increased, which has also increased.

The possibility of dumping phenol in China.

**(2) Thailand's proximity to China, short shipping distance, which is conducive to reducing costs and risks**

In the context of the continued downturn in the global economy and high international crude oil prices, how to save costs effectively will become a common problem for exporters. Short transport distances can effectively reduce freight costs for foreign exports. In addition, the short distance also means shorter delivery time. Shortening lead times can help reduce costs, reduce trade risks, and help optimize sales services, stabilize customers and facilitate transactions. Therefore, relative to the transportation time and cost of most countries and regions, the Chinese market adjacent to Thailand is undoubtedly very attractive to Thai phenol manufacturers.

In this case, once anti-dumping measures are terminated, the Chinese market adjacent to Thailand may once again become a must-place for the transfer of excess capacity at low prices.

**(3) Thailand is familiar with the Chinese market and more convenient conditions for exports to China**

Due to a large amount of dumping in China for a long time, Thai phenol manufacturers have



been very familiar with the Chinese market, its market access, sales channels are still very sound, can be developed and expanded at any time. Once anti-dumping measures are terminated, Thai phenol manufacturers may use their familiar sales channels and customer base to rapidly expand their exports to China, increasing the likelihood that their dumping will continue to occur.

**(4) Conclusions: If anti-dumping measures are terminated, the dumping of the applicant country (region) against China may continue or reoccur.**

**The synthesis of the above analysis shows that:**

The original case of the United States, the European Union, South Korea, Japan and Thailand has a history of low-priced dumping of phenol to China exports, and since 2023, South Korea, Japan and Thailand phenol to China export prices have a sharp trend and still dumping behavior to China, while the United States, the EU temporarily withdraw from the Chinese market and other relevant facts show that once anti-dumping measures are terminated, the dumping behavior of P5 phenol exports to China is likely to continue or reoccur, even more serious;

The demand for phenol in mainland China continues to rise sharply, from 2020 to 2024, the average annual increase of 14.5%, the cumulative increase is as high as 72%, accounting for the proportion of global demand continued to rise from 27.2% in 2020 to 40.1% in 2024, the cumulative increase of nearly 13 percentage points, is the world's largest phenol consumer market. By contrast, demand and the proportion of global consumption in the US, the European Union, the Middle East, Japan, South Korea, Thailand, Taiwan, India and other countries are significantly smaller. Compared with the United States, the European Union, the Middle East, Japan, South Korea, Thailand, Taiwan, the overall share of global demand is declining, India and other countries (local regions) account for the proportion of global demand is basically stable, the market capacity and demand continues to increase significantly, the proportion of global demand continues to increase significantly, the proportion of global demand continues to rise significantly is the export market is an important or future submersible export market, which is very attractive to the applicant country (region) phenol manufacturers. Therefore, once the anti-dumping measures are terminated, it is likely that the dumping of the product for investigation into China will continue or reoccur;

The five countries(regions) are the main producing countries (regions) of global phenol. Compared with the combined production capacity of the five countries (region) phenol, its demand is limited and the overall downward trend, there is a large and substantial increase in idle capacity and excess capacity, the total idle capacity of the application survey products increased from 79.1 million tons in 2020 to the projected 165 million tons in 2024, a significant increase of 109%, the excess capacity from 142.1 million tons in 2020 to the projected 196.9 million tons in 2024, a significant increase of 39%. If anti-dumping measures are terminated, the idle capacity of the application for investigation products will be fully released, export capacity will be further enhanced, its large increase of idle and excess capacity may be more turned to the Chinese market, and the dumping behavior of the Chinese market may be more serious;

- 4, the application for survey countries (regions) on the overseas market is relatively high, it is expected that from 2020 to 2024, the total export volume of phenol of the five countries (territorial regions) accounts for its total annual average of 11.2%, foreign exports is an important channel for digesting its large excess capacity of phenol. From 2020 to 2023, the total export of phenol to China of the five countries (region) accounted for an average of 22% of its total exports, and the Chinese market is an important or potential future export market for phenol in the five countries. Considering the huge advantages and attractiveness of the Chinese market, if anti-dumping measures are terminated, it is likely that manufacturers applying for investigation products will shift their large and significantly increased idle capacity and excess capacity to the Chinese market by dumping;

South Korea and Thailand export phenol to third countries (regions) at low or even dumped prices, indicating that its low prices seek overseas market demand is very strong, low-priced exports is its digestion excess capacity, an important way to solve the serious excess capacity in the domestic. If anti-dumping measures are terminated, the volume of exports of South Korea and Thailand to third countries (regions) could be more likely to be transferred to exports to China;

South Korea, Japan and Thailand are close to China, with short shipping distances and low freight costs, and have a clear competitive advantage in sales in the Chinese market. The five countries (region) phenol manufacturers are familiar with the Chinese

market and are easier to integrate into the Chinese market. In the case of anti-dumping measures, its sales channel to China is still very sound. Moreover, since 2023, South Korea, Japan and Thailand have applied for survey products export prices to China have all declined significantly. Once anti-dumping measures are terminated, the applicant country (region) can rapidly expand its export business to China and increase the possibility of continuing or re-dumping China.

In view of the above circumstances, the applicant believes that if anti-dumping measures are terminated, the dumping of phenol against China by the United States, the European Union, South Korea, Japan and Thailand is likely to continue or recur.

## V. Possibilities of continued or recurrence of damage

### (1) Cumulative assessment

A cumulative assessment of the impact of imported phenols originating in the United States, the European Union, South Korea, Japan and Thailand should be carried out on domestic industries.

During the implementation of anti-dumping measures, the applicant believes that the possible conditions of competition between the application for investigation products, as well as between them and similar products in the country before and reasonably foreseeable period, and the competition conditions have not changed substantially, and the application for investigation products and domestic products between the physicochemical characteristics, raw materials and production process processes, downstream uses, product quality, sales channels, sales channels and sales channels are basically the same, and there are some customers that directly compete and can be replaced with each other.

In addition, if anti-dumping measures are eliminated, the dumping of imported phenols originating in the United States, the European Union, South Korea, Japan and Thailand to China is likely to continue or recur.

Therefore, the applicant believes that in the investigation of the application for final review of the anti-dumping period, the current and reasonably foreseeable period between the application for investigation products and between the current and reasonably foreseeable period of competition conditions are basically the same, and the competition conditions have

not materially changed, should the anti-dumping measures be eliminated, imported phenols originating in the United States, the European Union, South Korea, Japan and Thailand may have a cumulative assessment of the possible impact of the domestic industry.

## (2) The situation of China's domestic phenol industry

### The situation of the domestic phenol industry during the investigation of the original case

According to the final ruling of the original trial: The evidence shows that the overall import volume of dumped imported products increased significantly during the period of the damage investigation, and imports from 2014 to 2016 were basically flat, but from January to September 2017, a significant increase of 165.10%, the market share increased significantly from 8.8% in 2014 to 13.17% from January to September 2017; The import price of dumped imported products showed a sharp downward trend, harming the cumulative decline of 40.15% during the survey period, and the dumped imported products caused significant reduction, depression and suppression of the prices of similar products in the domestic industry. Affected by this, the sales price of similar products in the domestic industry also showed a downward trend, the domestic industry prices of similar products in 2015 decreased by 35.10%, 2016 year-on-year increase of 3.21%, 2017 January-September year-on-year increase of 9.53%, damage investigation period cumulatively decreased 28.03%.

In the context of domestic demand growth, although the output and sales volume of similar products in the domestic industry are growing year by year, but there is no corresponding sales revenue growth, 2016 compared to 2014, sales revenue of similar products decreased 12.83%, compared with the same sales volume of 30.12% increase in the same period is significantly compared. In January-September 2017, at the end of the damage survey period, the situation improved, with sales prices rising 9.53% over the same period, sales of similar products increased 11.44%, and similar product sales revenue increased by 2.207%.

However, during the entire period of the damage investigation, the price of similar products in the domestic industry was lower than the product cost for the same period. Data show that during the period of the damage survey period, the unit sales cost of similar products in the domestic industry declined gradually, unit sales costs should have brought greater profit space for the domestic industry, but by dumped imported products on the domestic industry prices of similar products reduced, depressed and suppressed, in addition to the basic flat in 2016, the domestic industry's domestic prices of similar products are lower than

unit sales costs. At the end of the investigation period of January-September 2017, unit sales costs rose 18.69%, but the sales price rose only 9.53%, which further increased the loss of domestic industry. Domestic production enterprises damage investigation period is basically in a state of loss, 2014 to 2017 from January to September 2017, domestic industry similar products before tax profits -0.14 billion yuan, -849 million yuan, 0.01 billion yuan, 0.23 billion yuan and -333 million yuan. At the same time, the return on investment is trending downward and is basically negative. Net cash flow of operating activities during the investigation period was all net outflow. Affected by years of huge losses and net cash outflows, the domestic industry is facing huge operating pressure, the domestic industry has suffered substantial damage.

### **The development of domestic industries during the implementation of anti-dumping measures**

Whereas China Petrochemical Co., Ltd., Beijing Yanshan Branch, China Petrochemical Shanghai Takaqiao Petroleum Chemical Co., Ltd., Shanghai Sinopec Mitsui Chemical Co., Ltd., Seiyu Chemical Co., Ltd., Huizhou Zhongxin Chemical Co., Ltd., Lihua Yi Weiyuan Chemical Co., Ltd., China Lanxing Harbin Petrochemical Co., Ltd., Heilongjiang Province, Heilongjiang Chemical Co., Ltd., Heilongjiang Province, Heilongjiang Chemical Co., Ltd., Heilongjiang Province, Heilong River Chemical Co., Ltd., is the main and representative production enterprise of domestic phenol, these nine applicant companies combined production of the same products account for the main and representative production enterprises in China, these nine applicant companies can account for the main and representative production enterprises of China's same products. the overall situation of the domestic phenol industry, so when analyzing the development status of domestic industry during the implementation of anti-dumping measures, the economic factors and indicators data of the domestic phenol industry, in addition to special instructions, are the combined data of the above nine applicant enterprises.

The applicant's application for industrial damage investigation period is from January 1, 2020 to March 31, 2024. An analysis of the relevant indicator data of the applicant's similar products during the above period shows that: During the implementation of anti-dumping measures, under the combined effect of anti-dumping measures and the continuous substantial increase in demand, the domestic industry's production capacity, production, start-up rate, domestic sales, domestic price, domestic sales, number of employment, per capita wage and labor productivity indicators showed an overall growth trend, pre-tax profits, investment returns from 2020 to 2022. The domestic phenol industry has achieved a certain recovery and development.

However, the production and operation of domestic industries remains unstable and fragile:(1) Since 2020, the period-end inventory of similar products in the domestic industry has shown a significant growth trend;(2) Since 2023, the domestic price of similar products in the domestic industry has shown a

significant downward trend, in the first quarter of 2023 and 2024 compared with the same period of the previous year, respectively, 23.53% and 4.01%; (3) Pre-tax profits and investment returns on similar products in the domestic industry have continued to deteriorate since 2023. There was a large loss in 2023, the return on investment was valued, and the loss in the first quarter of 2024 expanded significantly, and the return on investment further decreased; (4) The net cash flow of operating activities fluctuates large and very unstable; (5) The domestic phenol industry is a technology-capital-intensive industry, its installation construction has the characteristics of large investment capital, slow investment recovery, and a number of new enterprises in recent years, domestic industries for the construction and expansion of phenol devices invested in huge funds have not been effectively recycled, and are facing great pressure of depreciation and amortization. The following are specific analyses and descriptions.

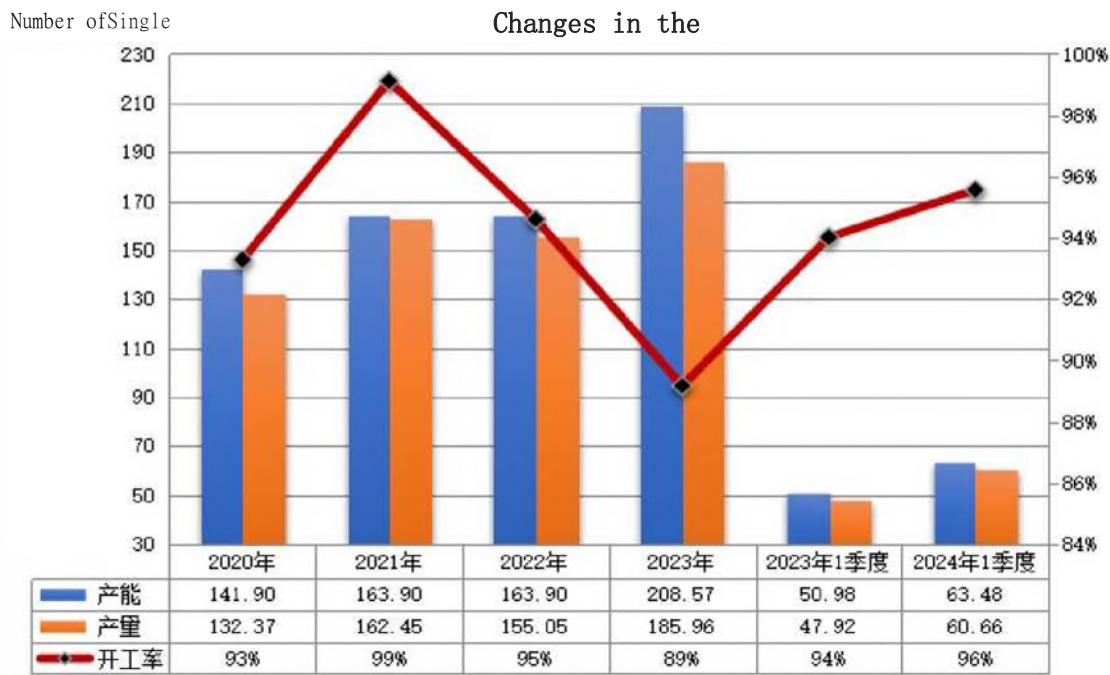
2.1 Changes in the production capacity, production and start-up rate of similar products in domestic industries

Changes in the production capacity, output and start-up rate of similar products in domestic industries

Number of units: Thousands of tons

During the period	Capacity of production	Production of production	Rate of start-up	Start-up rate increases and
The Year 2020	141.90	132.37	93.28%	I'm the one.
The 2021	163.90	162.45	99.11%	6.25
2022	163.90	155.05	94.60%	Of 4.55
2023	208.57	185.96	89.16%	-5.75
The 1st Quarter of 2023	50.98	47.92	94.01%	I'm the one.
The 1st Quarter 2024	63.48	60.66	95.56%	1.65

Note to: (1) Data sources can be found in Annex XI: "The applicant's financial data and statements";  
(2) Start rate = output / production capacity.



Description of:

During the implementation of anti-dumping measures, in line with the demand continues to increase significantly, the production capacity and output of similar productsinthe domestic industry are overall growing trend, compared to2020, production capacity and output increased by nearly47%and40%, 2024lquarter compared with the same period last year, respectively, growth of nearly25%and nearly27%.

The start-up rate of similar products in the domestic industry has fluctuated upward trend, rising by6.25percentage points in2021to2023and2024in the firstquarterof 2024 compared with the same period of the previous year, a decrease of4.55percentage points, a decrease of5.75percentage points and an increase of1.65 percentage points, and a cumulative increase of2.28percentage points in the firstquarterof2024compared to2020.

2.2Changes in sales volume and market share of similar products in domestic industry

Changes in sales volume and market share of similar products in domestic industries

Number of units:Thousands  
of tons

During the period	Sales within	Magnitude of change	Internal Sales + Self-Use	Market Share of Markets	Percentage increase and
The Year2020	97.23	I'm the one.	132.40	42.11%	I'm the one.
The2021	124.32	27.86%	162.70	44.37%	2.25



2022	120.22	-3.30%	155.02	40.14%	-4.22
2023	150.33	25.05%	187.19	41.07%	The 0.92
The 1st Quarter of 2022	35.60	I'm the one.	45.29	38.63%	I'm the one.
The 1st Quarter 2024	46.70	31.17%	58.78	41.04%	2.41

Note to:(1) The source of internal sales data can be found in Annex XI:"The applicant's financial data and statements";  
(2) Market share = (internal sales + self-use) / demand.



Description of:

Similar to the change in output, the domestic industry's internal sales of similar products are growing overall. Sales increased 54.61 percent in 2023 compared to 2020 and 31.17% in the first quarter of 2024 compared to the same period last year. At the same time, the market share of similar products in the domestic industry is basically maintained at about 40%.

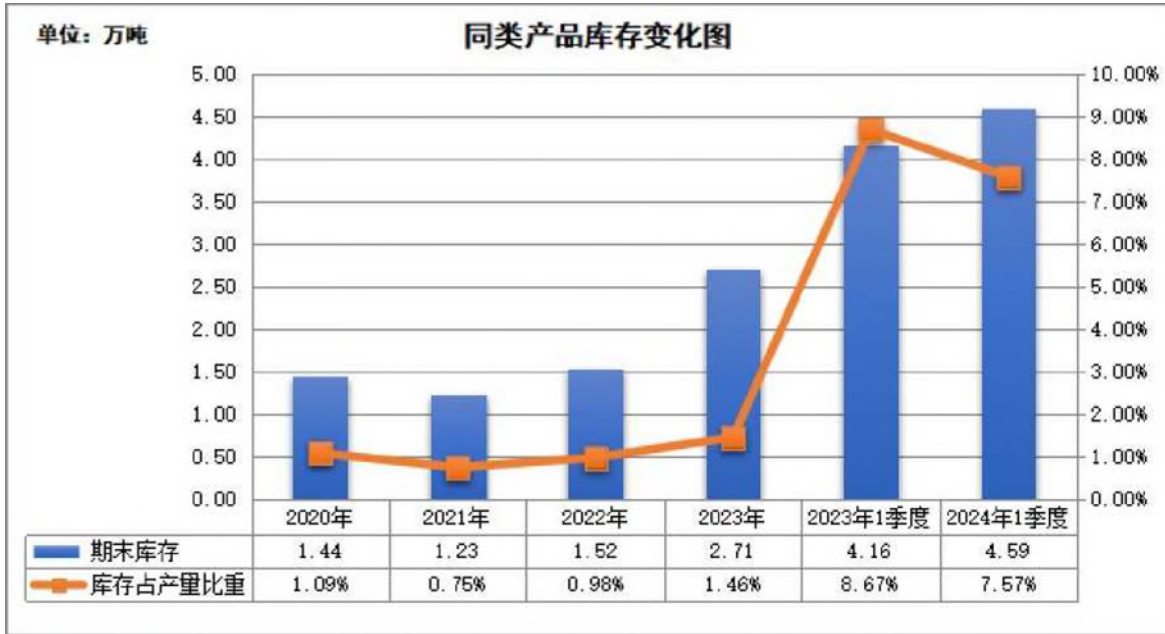
2.3 Changes in end-of-life stocks of similar products in domestic industry

Changes in end-of-life inventory of similar products in domestic industry

Number of units: Thousands of tons

During the period	End of Period Stocks	Magnitude of change	Proportion of stocks
The Year 2020	1.44	I'm the one.	1.09%
The 2021	1.23	-14.95%	0.75%
2022	1.52	24.32%	0.98%
2023	2.71	77.93%	1.46%
The 1st Quarter of 2023	4.16	I'm the one.	8.67%
The 1st Quarter 2024	4.59	10.41%	7.57%

Note to: For data sources, see annex XI: "The applicant's financial data and statements".



Description of:

From2020to2024,end-of-life inventories of similar products in the domestic industry overall showed a significant growth trend,2023increased by88% over2020,and the proportion of inventory to production increased by0.34percentage points.In the firstquarterof2024 compared with the same period last year, inventories continued to increaseby 10.41%,the proportion of inventories asa percentage of production decreased by1.11percentage points, and stocks accounted for7.57%,at a higher level.

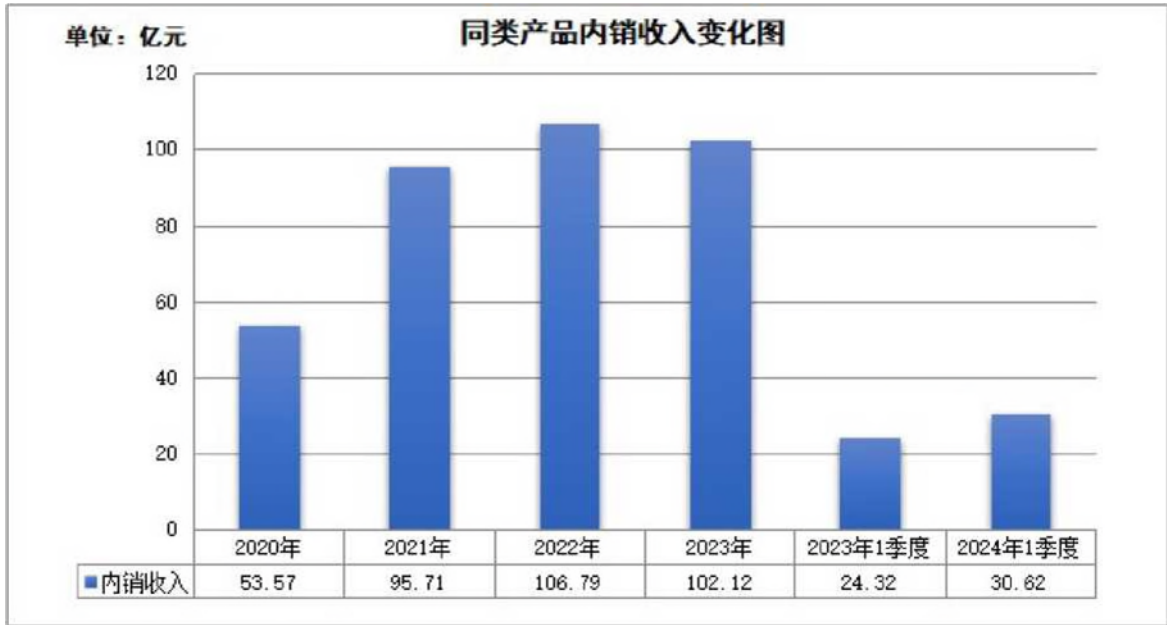
2.4Changes in domestic industry income of similar products

Changes in domestic industry income of similar products

The unit:Billions of dollars.

During the period	Internal Distribution Revenue	Magnitude of change
The Year2020	53.57	I'm the one.
The2021	95.71	78.67%
2022	106.79	11.58%
2023	102.12	-4.37%
The 1stQuarterof2023	24.32	I'm the one.
The 1stQuarter2024	30.62	25.91%

Note to:For data sources, see annex XI:"The applicant's financial data and statements".



Description of:

During the implementation of anti-dumping measures, the domestic sales revenue of similar products in the domestic industry generally showed an upward trend.2021 to2023 and the firstquarterof2024increased by78.67%, an increase of 11.58%, a decrease of 4.37%and an increaseof 25.91%,respectively.

2.5Changes in domestic prices of similar products

Changes in domestic prices of similar products

The unit:Dollar / ton

During the period	The Internal Price	Magnitude of change
The Year2020	5,509	I'm the one.
The2021	7,698	39.73%
2022	8,883	15.39%
2023	6,793	-23.53%
The 1stQuarterof2023	6,830	I'm the one.
The 1stQuarter2024	6,557	- 4.01%

Note to:(1) Data sources can be found in Annex XI:"The applicant's financial data and statements";  
(2) Internal price = internal sales revenue / amount of internal sales.



Description of:

During the implementation of anti-dumping measures, the domestic price of similar products in the domestic industry showed a trend of rise and decline, rising 39.73% and 15.39% in 2021 and 2022 compared with the previous year, respectively. However, since 2023, the domestic price of similar products in the domestic industry has declined significantly, in 2023 compared to 2022 by 23.53%, the first quarter of 2024 continued to decline by 4.01% compared with the same period last year.

2.6 Changes in pre-tax profits of similar products in domestic industries

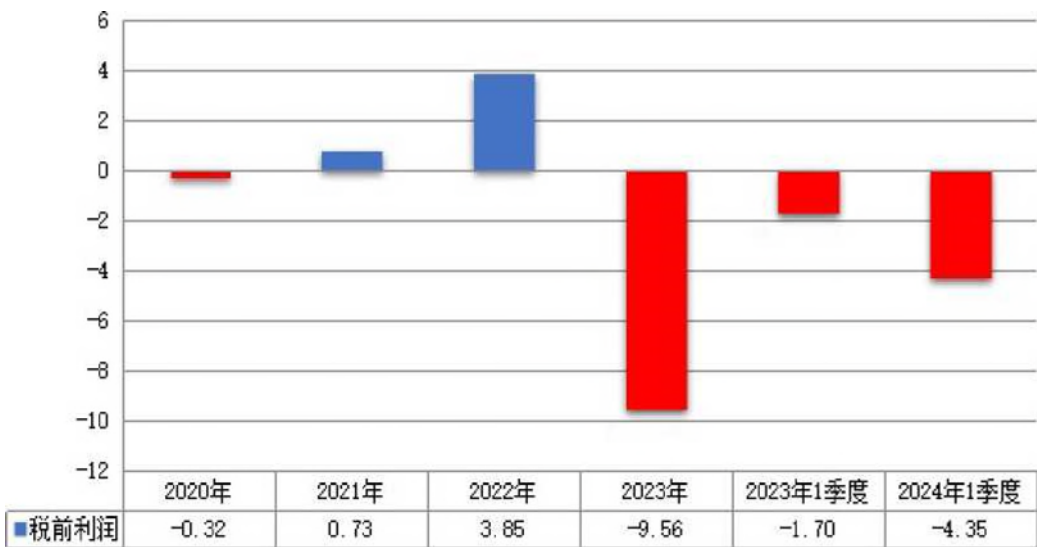
Changes in pre-tax profits of similar products in domestic industries

The unit: Billions of dollars.

During the period	Pre-tax profits	Situation of change
The Year 2020	- 0.32	I'm the one.
The 2021	The 0.73	330.59%
2022	3.85	424.76%
2023	Of 9.56	-348.68%
The 1st Quarter of 2023	-1.70	I'm the one.
The 1st Quarter 2024	-4.35	Loss of 156.70%

Note to: For data sources, see annex X: "The applicant's financial data and statements".

The unit:Billions of dollars. Figure of changes in pre-tax profits for similar products



Description of:

In2020, the pre-tax profit of similar products in the domestic industry was-0.32 billion yuan,2021turnaround to a profit of0.73billion yuan, 2022was 385billion yuan, a significant increase of 424.76%compared with the previous year.In 2023, similar products in the domestic industry turned into a large loss, and the pre-tax profit was -956million yuan, a sharp decrease of 348.68% compared to theprevious year.In the firstquarterof2024, the pre-tax profit of similar products in the domestic industry was-435million yuan, an increaseof 156.70%.

2.7Changes in Rate of Investment Rate of Investment of Similar Products in Domestic Industry

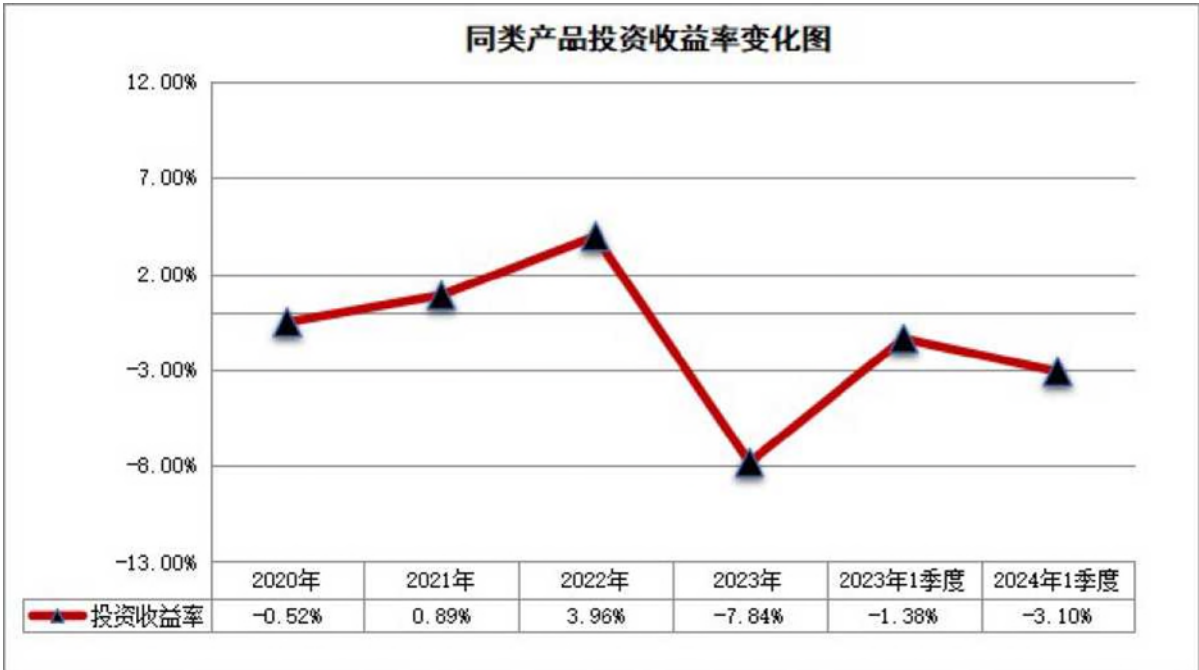
Changes in Rate of Investment Rate of Similar Products in Domestic Industry

Number of units:Billions of dollars.

During the period	Average amount of investment	Pre-tax profits	Rate of return on investment	Percentage increase and decrease in return on
The Year2020	61.04	- 0.32	- 0.52%	I'm the one.
The2021	82.73	The 0.73	0.89%	1.41
2022	97.15	3.85	3.96%	3.07
2023	121.91	Of 9.56	7.84%	Of 11.80
The 1stQuarterof2023	123.30	-1.70	-1.38%	I'm the one.
The 1stQuarter2024	140.46	-4.35	-3.10%	- 1.72

Note to:(1) Data sources can be found inAnnex XI:"The applicant's financial data and statements";

(2) Rate of return on investment = pre-tax profit / average investment.



**Description of:**

During the implementation of anti-dumping measures, the domestic industry invested a lot of money for the construction or expansion of similar products production devices, and the investment volume of similar products in the domestic industry has generally increased significantly.

The return on investment of similar products in the domestic industry is consistent with the trend of change in pre-tax profits. From 2020 to 2023, the return on investment of similar products in the domestic industry was 0.52%, 0.89%, 3.96% and -7.84%, respectively, up 1.41 percentage points, an increase of 3.07 percentage points and a decrease of 11.80 percentage points from 2021 to 2023, respectively. In the first quarter of 2024, the return on investment of similar products in the domestic industry was -3.10%, down 1.72 percentage points from the same period last year.

**2.8 Changes in net cash flows related to operating activities of similar products in domestic industries**

**Changes in net cash flow of similar products in domestic industries**

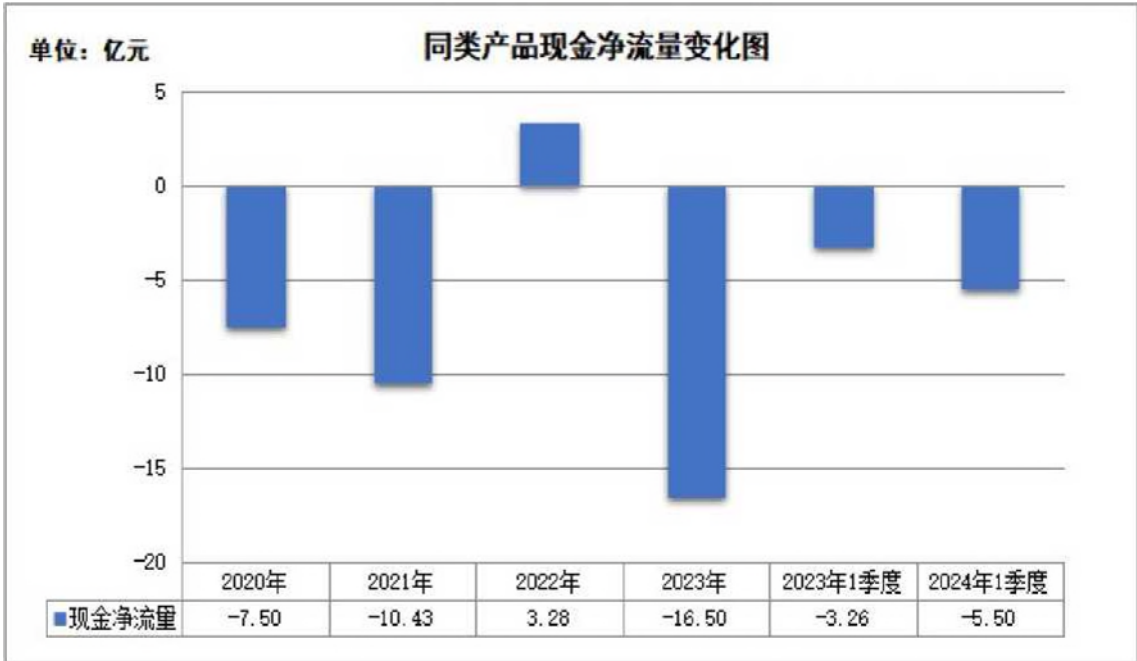
The unit: Billions of dollars.

During the period	Net cash flow	Situation of change
The Year 2020	Of 7.50	I'm the one.
The 2021	And 10.43	Net outflows increased by 30.18%.



2022	3.28	Transforming into a net inflow
2023	-16.50	Turn into a massive net outflow
The 1stQuarterof2023	-3.26	I'm the one.
The 1stQuarter2024	-5.50	Increase in net outflows69.02%

Note to:For data sources, seeAnnex XI:"The applicant's financial data and statements".



Description of:

During the implementation of anti-dumping measures, the net cash flow of similar products in the domestic industry fluctuates greatly and is very unstable. 2020was -750 billionyuan,2021was -1043 millionyuan, net outflows increased by39.18%.In 2022, it was converted to net inflowsat\$328 million.In 2023, it will be transformed into a significant net outflow of-16.5billion yuan.In the firstquarterof2024, the net cash flow of similar products operating activities in the domestic industry was -550billion yuan, and the net outflow was significantly increased by69.02%compared with the same period last year.

2.9 Changes in wages and employment for similar products in domestic industries

Changes in employment and per capita wages for similar products in domestic industries

The unit:Dollars and people;The Dollar/People

During the period	Total salary	Number of employed	Wages per capita	Magnitude of change in	Range of changes in wages
The Year2020	83,822,932	797	105,173	I'm the one.	I'm the one.
The2021	104,395,871	851	122,674	6.78%	16.64%
2022	113,774,587	863	131,836	1.41%	7.47%
2023	134,329,383	1,014	132,475	17.50%	0.48%
The 1stQuarterof2023	28,770,168	1,002	28,713	I'm the one.	I'm the one.
The 1stQuarter2024	31,397,154	1,099	28,569	9.68%	-0.50%

Note to:For data sources, seeAnnex XI:"The applicant's financial data and statements".

Description of:

During the implementation of anti-dumping measures, the employment of similar products in the domestic industry overall increased by27% in2023compared with2020, and the firstquarterof 2024continued to increase by nearly10%compared with the same period last year.

In terms of per capita wages, from2020to2023, the per capita wage of similar products in the domestic industry showed a sustained growth trend, up26% in2023 from2020, and the firstquarterof 2024was basically flat compared with the same period last year, a slight decrease of0.50%.

2.10 Changes in labor productivity of similar products in domestic industries

Changes in labour productivity of similar products in domestic industries

The unit:Ton / person

During the period	Productivity of labour	Magnitude of change
The Year2020	1,661	I'm the one.
The2021	1,909	14.94%
2022	1,797	-5.88%
2023	1,834	2.08%
The 1stQuarterof2023	478	I'm the one.
The 1stQuarter2024	552	15.4%

Note to:For data sources, see annex XI:"The applicant's financial data and statements".

Description of:

During the implementation of anti-dumping measures, the labor productivity of similar products of the domestic industry overall showed an upward trend, up10.42% in2023from2020, and the firstquarterof 2024continued to increasel5.40%compared with the same period last year.

During the implementationofanti-dumping measures, although the domestic industry has been somewhat restored and developed, it is still unstable and fragile

During the implementation of anti-dumping measures, under the combined role of anti-dumping measures and demand continued substantial growth, the domestic industry's production capacity, production, start-up rate, domestic sales, domestic price, domestic sales, number of employment, per capita wage and labor productivity indicators showed an overall growth

trend, pre-tax profits, investment returns from 2020 to 2022. The domestic phenol industry has achieved a certain recovery and development.

However, the domestic industry is still in an unstable and fragile state, mainly reflected in the following aspects:

First, in the first quarter of 2020 to 2024, the end-of-term inventory of similar products in the domestic industry overall showed a significant growth trend. 2023 represents a cumulative increase of 88% over 2020, and the first quarter of 2024 continued to increase by 10.41% compared to the same period of the previous year, accounting for 7.57%, at a high level.

Second, since 2023, the domestic price of similar products in the domestic industry has shown a significant downward trend. A significant decrease of 23.53% in 2023 compared to 2022, and the first quarter of 2024 continued to decline by 4.01% compared with the same period last year.

Third, the domestic industry's pre-tax profits and investment returns on similar products have continued to deteriorate since 2023. In 2023, similar products in the domestic industry changed from the profit of the previous year to a large loss, a loss of 956 million yuan, a sharp drop of 348.68% compared to the same period last year. The loss in the first quarter of 2024 was 435 million yuan, an increase of 156.70%. The return on investment in 2023 was -7.84%, a significant decrease of 11.80 percentage points from the previous year. The return on investment in the first quarter of 2024 was -31%, a decline of 1.72 percentage points from the same period last year.

Fourth, the net cash flow of similar products in the domestic industry fluctuates greatly and is very unstable. Both 2020 and 2021 were significant net outflows, shifted to net inflows in 2022, and again in 2023. The first quarter of 2024 remained net outflow, and net outflows significantly increased by 69.02% compared to the same period last year.

Fifth, the domestic phenol industry is a capital-intensive industry, its installation construction has a large investment capital, slow investment recovery and other special points, and a number of enterprises (such as Shenghong Chemical, Longjiang Chemical, Wanhua Chemical, Jiangsu Ruiheng New Materials, Guangxi Huayi New Materials, Hengli Petrochemical, etc.) or in recent years, the domestic industry for the construction and expansion of phenol devices invested in huge capital has not been effectively recycled, and facing huge pressure on depreciation and amortization.

The above situation shows that during the implementation of anti-dumping measures, although the production and operation of similar products in the domestic industry has achieved a certain recovery and development, it is still in an unstable and relatively fragile state, vulnerable to the influence and interference of other factors such as dumped imported products. In this context, if anti-dumping measures are terminated, the application for investigation products is likely to pour into the domestic market in large quantities at low prices, and their import prices may continue to decline significantly, and by then the domestic industry in an unstable and more fragile state will likely be severely affected.

**(3) The possibility of a substantial increase in the number of imports of products applied for investigation after the termination of anti-dumping measures**

**(1) Application to investigate the idle capacity and excess capacity of the country (region)**

Compared with the combined capacity of phenol in the countries (regions) applying for survey countries, its demand is limited and overall downward trend, and there is a large and significantly increased idle capacity and excess capacity. The total idle capacity of phenol application countries (regions) increased from 79.1 million tons in 2020 to the projected 165 million tons in 2024, a significant increase of 109%. Between 2020 and 2024, idle capacity is expected to account for an average annual proportion of China's demand of 26%.

The total excess capacity of phenol application countries (regions) increased from 142.1 million tons in 2020 to the projected 196.9 million tons in 2024, a significant increase of 39%. Between 2020 and 2024, excess capacity is expected to account for as much as 37% of China's annual demand.

If anti-dumping measures are terminated, the applicant countries (regions) are likely to turn their large and significantly increased idle production of phenol and excess capacity to the Chinese market, and the number of applications for survey products to China will increase significantly.

**2, the degree of dependence of the applicant country (region) on the overseas market**

Application survey countries (regions) have a high degree of dependence on the overseas market, and from 2020 to 2024, the total export volume of phenol of the five countries

(regions) as a proportion of its total output is 11.2%, foreign exports are the heavy channel for digesting its excess capacity of phenol. From 2020 to 2023, the total export of phenol to China of the five countries (region) accounted for an average of 22% of its total exports, and the Chinese market is an important or potential future export market for phenol in the five countries.

In the application for investigation countries (region) phenol market is seriously oversupply and urgently need to rely on overseas markets to digest its huge and large increase of excess capacity and idle capacity, if the anti-dumping measures on the application for survey products are lifted from its export constraints in the Chinese market, the application country (region) is likely to increase the dumping of exports to the Chinese market, and its export volume to China is likely to increase the amount of its exports to China.

#### **The Chinese market is more attractive than other countries (regions)**

As mentioned above, the demand for phenol in mainland China continues to rise sharply, with an average annual increase of 14.5% from 2020 to 2024, with a cumulative increase of up to 72%, accounting for the proportion of global demand from 27.2% in 2020 to 40.1% forecast in 2024, which is the world's largest consumer market for phenol. By contrast, demand in the United States, the European Union, the Middle East, Japan, South Korea, Thailand, Taiwan, India and other countries and the proportion of global consumption is significantly smaller. Compared with the United States, the European Union, the Middle East, Japan, South Korea, Thailand, Taiwan, the overall share of global demand is declining trend, India and other countries (regions) account for the proportion of global demand is basically stable, and the market capacity continues to grow significantly, the proportion of global demand continues to increase significantly, the proportion of global demand continues to rise significantly is the application for survey products or potential future export market, which is very attractive to the applicant country (region) phenol manufacturers. Therefore, once the anti-dumping measures are terminated, the number of exports of applications for investigation products to China is likely to increase significantly.

#### **Low-priced exports to third countries (regions)**

During the application for dumping investigation, South Korea and Thailand exported phenol to third countries (regions) in large quantities at below normal value, indicating that their

low-priced overseas market demand is very strong, and if anti-dumping measures are terminated, this situation may occur in exports to China, and the volume of these low-priced exports to third countries (regions) is likely to be shifted in large numbers to more attractive Chinese markets.

#### **5, application for survey countries (regions) sales competitive advantage in the Chinese market**

South Korea, Japan and Thailand are close to China, with short shipping distances and low freight costs, and have obvious competitive advantages in sales in the Chinese market. The United States and EU phenol manufacturers are familiar with the Chinese market and are easier to integrate into the Chinese market. During the implementation of anti-dumping measures, the export price of products to China applying for investigation has shown a significant downward trend since 2023. It can be seen that once anti-dumping measures are terminated, the investigating country (region) can rapidly expand its export business to China and increase the possibility of its large-scale exports to China.

Comprehensive of the above analysis, the applicant believes that if the anti-dumping measures are terminated, the Chinese market may continue or again become the necessary place for investigation product manufacturers to transfer their excess capacity and idle capacity at low prices, and the number of exports of products to China is likely to increase significantly.

**(D) the possible impact of applying for investigation of products on domestic prices of similar products after termination of anti-dumping measures**

#### **Application to survey product price trends forecast**

During the implementation of the anti-dumping measures, the weighted average import price of the products applied for the survey was trending upwards and downwards, with the weighted average import prices of US\$656.63/tonne, US\$1063.72/tonne, US\$1309.70/tonne, US\$1012.88/tonne and US\$1012.88/tonne, 2021 to 2023 and 2024 1 quarters, respectively, up 62%, up 23.12%, down 22.66% and 7.89%, respectively, compared to the same period in the previous year.

Even in the context of anti-dumping measures, the weighted average import price of the

products applying for investigation has shown a clear and consistent downward trend since 2023. It is reasonably foreseeable that if the anti-dumping measures currently applicable are terminated, the application for investigation products may increase exports to the Chinese market at a lower price.

Moreover, as mentioned above, the application for survey product manufacturers phenol has a large and significantly increased excess capacity and idle capacity, foreign exports are an important channel for applying for survey countries (regions) digesting phenol excess capacity, and the Chinese market is the application survey country (region) phenol is important or potential future export market. If anti-dumping measures are terminated, in order to digest its large amount of phenol and greatly increased excess and idle capacity, the applicant country (region) may continue or again use dumping segment to China to apply for a large number of export survey products.

Due to the application of survey products and similar products in the domestic industry in product quality, downstream use, sales channels and other aspects, and phenol is a commodity, product homogenization rate is extremely high, price factor is the application survey product with similar products in the domestic industry to compete for market share of the main means. Given that the domestic industry has gained a relatively stable market share and position in the Chinese market, the application for survey products can only recover their share in the Chinese market through low prices or price reductions. If anti-dumping measures are eliminated, product manufacturers applying for investigation may seize the market through price reduction strategies.

In summary, the applicant believes that if anti-dumping measures are abolished, the price of the product for investigation may be further significantly reduced and at a lower level.

### **Domestic Price Trend Forecasts of Similar Products**

As mentioned above, during the implementation of anti-dumping measures, the weighted average import price of the products applied for investigation and the domestic price of similar products showed a trend of rise and decline. In 2021 and 2022 compared with the previous year, the import price of applications for survey products rose by 62% and 23.12%, while domestic domestic prices for similar products also increased by 39.73% and 15.39%, respectively. In 2023 and the first quarter of 2024 compared with the same period of the previous year, the import price of the application for survey products decreased by 22.66% and 7.89%, respectively, and the domestic



price of similar products fell 23.53% and 4.01%, respectively. The above situation shows that the domestic price of similar products in the domestic industry and the trend of the import price of the application survey products is consistent, and there is a clear correlation between the two prices.

As mentioned above, China's phenol market is a fully competitive market, and price factors are the main means of applying for survey products and similar products in the domestic industry to compete for market share.

Moreover, as mentioned above, if anti-dumping measures are terminated, the application for investigation products is likely to continue or again pour into the Chinese market in large quantities at dumped prices, and their import prices are likely to decline further. In the application of survey products and similar products in the product quality, downstream use, sales channels and other substantive differences, in the face of a sharp decline in the price of the application survey product and the large increase in quantity, in order to maintain a certain market share and maintain a certain starting level, the domestic industry will have to follow the application for survey product price reduction. By then, the price of similar products in the domestic industry is likely to be pushed down by the price of the application for survey products, and it is likely to fall further sharply.

**(5) After the termination of anti-dumping measures, applying for investigation of the product may affect the domestic industry**

During the implementation of anti-dumping measures, under the combined role of anti-dumping measures and demand continued substantial growth, the domestic industry's production capacity, production, start-up rate, domestic sales, domestic price, domestic sales, number of employment, per capita wage and labor productivity indicators showed an overall growth trend, pre-tax profits, investment returns from 2020 to 2022. The domestic phenol industry has achieved a certain recovery and development.

However, the production and operation of domestic industries remains unstable and fragile: (1) Since 2020, the period-end inventory of similar products in the domestic industry has shown a significant growth trend; (2) Since 2023, the domestic price of similar products in the domestic industry has shown a significant downward trend, in the first quarter of 2023 and 2024 compared with the same period of the previous year, respectively, 23.53% and 4.01%; (3) Pre-tax profits and investment returns on similar products in the domestic industry have

continued to deteriorate since 2023. There was a large loss in 2023, the return on investment was valued, and the loss in the first quarter of 2024 expanded significantly, and the return on investment further decreased; (4) The net cash flow of operating activities fluctuates large and very unstable; (5) The domestic phenol industry is a technology-capital-intensive industry, its installation construction has the characteristics of large investment capital, slow investment recovery, and a number of new enterprises in recent years, domestic industries for the construction and expansion of phenol devices invested in huge funds have not been effectively recycled, and are facing great pressure of depreciation and amortization.

Moreover, as mentioned above, if the anti-dumping measures are terminated, the application for investigation products is likely to flood the Chinese market in large quantities, its import prices may further sharply decline and depress the price of similar products in the domestic industry, the price of similar products in the domestic industry can be further greatly reduced, the domestic industry will likely be affected by serious impact and impact.

Affected by the above, if anti-dumping measures are eliminated, the output, start rate, internal sales and market share of similar products in the domestic industry may continue to decline, inventories may continue to increase significantly, domestic prices are likely due to increased competition and further decline, resulting in the domestic industry sales income, pre-tax profits, investment yields further sharply, losses further intensified, net cash outflows further expanded, the number of jobs, per capita wages, labor productivity decline. In recent years, the huge amount of money invested by the domestic industry will not be able to be effectively recycled, or even put to waste.

**(VI) Conclusions: If anti-dumping measures are terminated, damage to the domestic industry may continue or recur.**

**The above analysis shows that:**

Under the joint role of anti-dumping measures and the continuous large increase in demand, the domestic phenol industry has achieved a certain recovery and development. However, the production and operation of domestic industries remains unstable and fragile.

2, the evidence shows that the application for survey product manufacturers phenol has a large and significantly increased excess capacity and idle capacity, export is an

important channel for applying for survey countries (regions) digest phenol excess capacity, and the Chinese market is the application to check the country (region) phenol is important or potential export market in the future, has a great attraction. If anti-dumping measures are terminated, in order to digest its large and increased excess capacity and idle capacity of phenol, the applicant country (region) may continue or again use dumping means to apply for a large number of export survey products to China.

If anti-dumping measures are terminated, the application for investigation products is likely to continue or again flood into the Chinese market at dumping prices, and its import price is likely to further sharply decline and reduce the price of similar products in the domestic industry. In the case of a sharp decline in the price of imported products and the substantial increase in quantity, the domestic industry, in order to maintain a certain market share, will not follow the application for survey products to significantly reduce the price.

4, affected by the above, if anti-dumping measures are eliminated, the output, start rate, internal sales and market share of similar products in the domestic industry may continue to decline, inventories may continue to increase significantly, domestic prices are likely due to increased competition and further decline, resulting in the domestic industry sales income, pre-tax profits, investment yields further decline, losses further intensified, net cash outflows are further expanded, the number of jobs, per capita wages, labor productivity decline. In recent years, the huge amount of money invested by the domestic industry will not be able to be effectively recycled, or even put to the east.

To sum up the above: If anti-dumping measures are terminated, the damage caused to domestic industries by imported phenols originating in the United States, the European Union, South Korea, Japan and Thailand may continue or recur.

## Considerations of the public interest

In the Guidance of the Ministry of Commerce on Good Work to Maintain Domestic Industrial Security on April 5, 2004, the Government of the People's Republic of China clearly stated: Industrial security is an important part of China's economic security and an important

foundation for national security. The main tasks of maintaining industrial safety are: Create a good living environment for our industry from the damage caused by unfair competition and import surges in imported products; Create normal conditions for the development of the industry, so that industries can rely on their own efforts to obtain space for development in a fair market environment and win benefits, so as to ensure the comprehensive, stable, coordinated and sustainable development of the national economy and society. It's '

Based on the above guidance, the applicant considers that: Anti-dumping is precisely to correct the unfair trade competition of imported dumped products and eliminate the harmful effects of dumping caused by domestic industries. The purpose of anti-dumping measures is to maintain and regulate the normal trade order and restore and promote fair competition through restrictions on unregulated low-cost dumping practices that undermine the normal market order. In the original case of anti-dumping, due to the low price dumping of imported phenols originating in the United States, the European Union, South Korea, Japan and Thailand in China, seriously damaged the order of fair competition in the Chinese market, causing serious impact and damage to the domestic phenol industry. Pre-evidence suggests that if anti-dumping measures are terminated, the dumping of phenol imports originating in the United States, the European Union, Korea, Japan and Thailand may continue or recur, and that damage to domestic industries may continue or recur. In this situation, it will be in the public interest to continue to take anti-dumping measures to restore distorted competition order, safeguard the safety of domestic industries, and thus safeguard the security of the national economy.

Phenol is an important organic chemical raw material, at present, the main downstream consumer market of phenol is concentrated in the two fields of bisphenol A and phenol aldehyde resin, the two combined consumption accounted for more than 90% (of which bisphenol A is more than 60%). Bisphenol A is the most important raw material for polycarbonate and epoxy resin. Polycarbonate is one of the five engineering plastics, is the five general engineering plastics in the consumption of the fastest growing variety of materials, is connecting upstream petrochemical industry and downstream consumer electronics, electronic engineering, large aircraft, high-speed rail, defense military, aerospace, automotive parts manufacturing, home appliances, LED lighting, building boards, durable consumer goods, optical lenses, optical lenses, disc bases and special protection and medical equipment and other important basic materials in the construction of the national economy plays a very important role. Epoxy resin as a basic material, its production and application level directly affects the level of all walks of life and life cycle, in the application of coatings, composite materials, adhesives,

electronic and electrical appliances, involving national security fields such as national defense, military industry, aerospace and energy, involving road bridges, dams, high-speed rail and automobiles and other basic construction projects, but also involve the daily life of home appliances and other areas of daily life.

In the above context, it is particularly important to protect the healthy and stable development of the domestic phenol industry in accordance with the law, so that the downstream bisphenolAindustry can support a sustainable and stable supply of domestic raw materials.

The applicant believes that the continued implementation of anti-dumping measures will not affect the production and operation of the downstream industry. After years of development, the equipment technical level and product quality of the domestic phenol industry have reached the international advanced level, in quality and quality can fully meet the requirements of the downstream industry, can completely replace imported products.

Since the implementation of anti-dumping measures, the scale of the domestic phenol industry has further expanded, the domestic phenol industry has a relatively large-scale production capacity, has become a long-term, stable source of raw materials supply for domestic downstream users, only the amount of domestic phenol can meet the downstream demand.

Moreover, anti-dumping is aimed at dumping imported products in a price-discriminatory manner, does not resist normal foreign trade, and does not create obstacles to legitimate and fair imports. The purpose of anti-dumping measures is to adjust the price of dumped imported products to a level of competition, not to keep imports out of the country. If anti-dumping measures continue in the future, the investigation products can also be exported to China at a fair and normal price level, and their legitimate imports will not be subject to any restrictions.

In addition, the normal development of the phenol industry is also conducive to the normal production and operation of downstream enterprises, reasonably predict and control the cost of raw materials and reasonably plan the scale of future development, without being misled by the dumping price of imported products, and even market chaos or abnormal fluctuations of raw materials, and affect the normal production and operation of downstream industries. The applicant believes that the phenol industry and the downstream industry is an interdependent relationship, and that any party in the upstream and downstream industries is

harmed, inevitably affecting the interests of the other party and even suffering damage. Only when the upstream market is regulated and the price is maintained at a reasonable, stable and orderly level, upstream and downstream enterprises can coexist and prosper, and downstream enterprises can ultimately benefit from a stable market. Because of this, the downstream consumer enterprises of phenol and the ultimate interests of the phenol industry are consistent, continue to maintain the implementation of anti-dumping measures, and are conducive to the joint development of the phenol industry and the downstream industry, anti-dumping measures will be used to protect the final interests of downstream consumer enterprises.

The above information shows that if anti-dumping measures are terminated, the dumping of phenol imports originating in the United States, the European Union, South Korea, Japan and Thailand to China may continue or recur, and the damage to the domestic industry may continue or re-emerge. Because the phenol device has the characteristics of large investment and long investment recovery period, if the anti-dumping measures are terminated, the domestic industry in recent years for new construction and expansion equipment invested in huge funds will not be effectively recovered, and will affect the self-sufficiency rate of domestic phenol products, and then adversely affect the healthy development of downstream bisphenolA and polycarbonate and epoxy industry.

In summary, the applicant believes that the continued adoption of anti-dumping measures is not only conducive to the health and sustainable development of the domestic phenol industry, but also conducive to the synergistic development of downstream bisphenolA and polycarbonate and epoxy resin industry, which is of great significance to China's aerospace, high-speed rail, new energy vehicles, electrical electronics, construction and other national economy and national defense forces tools, in line with the public interest of the People's Republic of China.

## VII. Conclusions and requests

### (1) Conclusions

During the implementation of anti-dumping measures, although the domestic phenol industry has achieved some development, it is still unstable and fragile. If anti-dumping measures are terminated, the dumping of imported phenols originating in the United States, the European Union, South Korea, Japan and Thailand may continue or recur, and the damage caused by imported

phenols from the applicant country (region) to the domestic industry is likely to continue or recur. At the same time, the applicant believes that it is in the public interest of the People's Republic of China to continue to take anti-dumping measures.

**(2) The request**

In order to safeguard the legitimate rights and interests of the Chinese phenol industry, in accordance with the Anti-Dumping Regulations of the People's Republic of China and other relevant provisions, the applicant requests the Ministry of Commerce to conduct a final review of anti-dumping measures applicable to imports of phenol originating in the United States, the European Union, South Korea, Japan and Thailand, and to make recommendations to the Committee on Tariffs of the State Council to continue to impose anti-dumping duties on phenols originating in the United States, EU, South Korea, Japan and Thailand to China in accordance with announcement No. 37 of 2019 and 2023 No. 15 of 2023.

## Part II Confidential Applications

### I. Confidential application

In accordance with the provisions of Article 22 of the Anti-Dumping Regulations, the applicant requests that the material and annexes in this application be kept confidential, i.e., in addition to the investigation body and the Department under the Anti-Dumping Regulations, this part of the material may be kept confidential in any way, prohibiting contact, access, revision or understanding in any way.

### II. Non-confidential summary

In order for the stakeholders in this case to be informed of the comprehensive information on this application and the annexes, the applicant hereby produces the open text of the application and the annexes, and the materials and information on the application confidential are summarized in the application and the public text of the annex.

### III. Description of confidential treatment methods

For data and information relating to trade secrets in the open text of this application, the Applicant's approach to confidentiality and non-confidentiality can be found in the corresponding section of the annex.



## Part III List of Evidence and List

Annex I: Applicant's Business License and Letter of Authorization

Annex II: Attorney's assignment and attorney's certificate of practice

Annex III: Supporting Business License and Support Letters

Annex IV: Note on global consumption of phenol production

Annex V: Import and Export Tax of the People's Republic of China, **2020-2024**

Annex VI: Statistics on imports and exports of phenol in China

Annex VII: Information note on shipping costs, insurance premiums and trade links

Annex VIII: Input cost prices for benzene and propylene in Northeast Asia and South-East Asia

Annex IX: Gross Profit Evidence Materials

Annex X: Statistics on exports of phenol from countries (regions) applying for survey

Annex XI: Applicant's financial data and statements