

Disclosure of Basic Facts

For the Preliminary Determination of Anti-dumping Investigation of POM Copolymer

I. Proceedings of Investigation

(1) Formation and notification.

1 Initiatingthe case.

OnApril22,2024, Yunnan Yun Tianhua Co., Ltd., National Energy Group Ningxia Coal Industry Co., Ltd., Kaifeng Longyu Chemical Co., Ltd., Tangshan Zhonghao Chemical Co., Ltd., Tangshan Zhonghao Chemical Co., Ltd., China Petroleum (Inner Mongolia) New Materials Co., Ltd. (hereinafter referred to as the applicant) on behalf of mainland China co-converged formaldehyde industry, officially brought to the investigative authorities the application for anti-dumping investigation of imports originating in the United States, the European Union, Taiwan and Japan.

The investigative organ reviewed the application materials and found that the application in this case meets the provisions of Articles 11, 13 and 17 of the Anti-Dumping Regulations relating to the application for anti-dumping investigation by mainland Chinese industries.At the same time, the application contains the contents and relevant evidence required for anti-dumping investigations under Articles 14 and 15 of the Anti-Dumping Regulations.

In accordance with the above review results and the provisions of Article 16 of the Anti-Dumping Regulations, the investigation machine issued a notice onMay19,2024, and decided to conduct an anti-dumping investigation on imports of co-polymerized formaldehyde originating in the United States, the European Union, Taiwan and Japan.The dumping investigation period is from January1,2023toDecember31, 2023.

The industrial damage investigation period is from January1,2021toDecember31,2023.

2 Notice offiling.

Before deciding to open the investigation, in accordance with the provisions of Article 16 of the Anti-Dumping Regulations, the investigative organ notified the United States Embassy in China, the European Union Mission to China, the Embassy of Japan in China, and through the Permanent Mission to the World Trade Organization notified the Permanent Mission of Taiwan, Penghu, Kimmen, and Mazu's separate customs territory to the World Trade Organization.

OnMay19,2024, the investigative organ issued a bulletin to the U.S. Embassy in China, the European Union Mission to China, the Japanese Embassy in China, and through the Permanent Mission to the World Trade Organization to Taiwan, Penghu, Jinmen, and Mazu's separate customs area Permanent Mission to the World Trade Organization, officially provided the public text of the filing announcement and application.On the same day, the investigating authority notified the applicant of the case and the United States, the European Union, Taiwan and Japanese companies listed in the application.

3 ...Public information.

In the bulletin of the case, the investigative organ informs stakeholders that they can be downloaded on the subsite of the Trade Relief Bureau of the Ministry of Commerce website or go to the Ministry of Commerce's Trade Relief Public Open Information Review Room to view the public text of this anti-dumping investigation.

On the day of the case, the investigative organ through the Trade Relief Public Information Review Room of the Ministry of Commerce released the open text of the application submitted by the applicant in the case, and posted electronically on the website of the Ministry of Commerce.

4 ...With regard to comments.

The European Commission submitted comments on the filing of the case, arguing that the application did not provide sufficient evidence to initiate an anti-dumping investigation.

After review, the investigative organ concluded that the investigation organ reviewed the application in accordance with the relevant provisions of the Anti-Dumping Regulations and found that the application in this case conforms to the contents and relevant evidence required in the case of anti-dumping settlement. Accordingly, the investigating authority decided not to accept the foregoing claims of the European Commission.

(2) Pre-primary investigation.

1 ...Registering to participate in the survey.

Within the specified time, the EU delegation to China, the Japanese Embassy in China, the United States producer Tycona Polymer Company, the EU producer Seranis production Germany limited and two companies, Taiwan producers Taiwan Baoli Plastic Co., Ltd., Taiwan Plastic Industry Co., Ltd., Japanese producer Baoli Plastic Corporation, Xu Cheng, and the applicant in this case to register with the investigation organs to participate in the investigation.

2 Distribution and recovery of questionnaires.

On June 18, 2024, the investigation authorities issued to stakeholders the Questionnaire for Exporters or Producers outside the Mainland China, the Mainland China Producer Survey Questionnaire and the Mainland China Importer Questionnaire, requesting that accurate and complete responses be submitted within the specified time. The investigation organ will publish the notice of the questionnaire and the electronic version of the questionnaire on the Trade Relief Bureau sub-site of the Ministry of Commerce website, and any interested party can view and download the relevant questionnaire on the relevant website. On the same day, the investigative authorities also distributed questionnaires through the Trade Relief Survey Information Platform (<https://etrb.mofcom.gov.cn>) to stakeholders registered to participate in the survey and other registered with the Platform.

Within the specified period, Tycona Polymers Company, Serranis Production Germany Limited and Two Company, Taiwan Baoli Plastics Co., Ltd., Taiwan Plastic Industry Co., Ltd., Baoli Plastics Co., Inc., Xuhua Corporation applied to the investigative organ to submit the relevant questionnaires and explained the reasons. After the review, the investigating organ agrees to give the above companies appropriate extensions. By the end of the submission of the questionnaire, the Tycona Polymer Company and its affiliates, the Seranese Production Germany Limited and its affiliates, the Taiwan Plastic Industry Co., Ltd. and its affiliates, the Taiwan Plastic Industry Co., Ltd., Baoli Plastic Corporation and its affiliates, Axei Corporation and its affiliates submitted to the survey machine the "Exporter or Producers Survey Questionnaire Outside China", and the applicant submitted the questionnaire to the survey organ.

In August 2024, the investigative authorities issued additional questionnaires to Tycona Polymers Company, Celanese Production Limited and Dual Company, Taiwan Baoli Plastic Co., Ltd., Tai Bay Plastic Industry Co., Ltd., Baoli Plastics Co., Inc., and Asachi Corporation. Within the specified deadline, Tycona Polymers Company, Celanese Production Germany Limited and Two Company, Baoli Plastics Co., and Xuhua Corporation applied to

the investigative authorities for an extension to submit the relevant supplementary questionnaires and explained the reasons. Upon review, the investigating organ agrees to give the above-mentioned company an appropriate extension. To the deadline for submission of supplementary questionnaires, Tycona Polymer Company, Serranis Production Germany Limited and Two Company, Taiwan Baoli Plastic Limited Company, Taiwan Plastic Industry Co., Ltd., Baoli Plastics Corporation, and Xuhua Corporation submitted a supplementary questionnaire to the investigative organ.

In September 2024, the investigation agency issued a second supplementary questionnaire to Tycona Polymer Company, Celanese Production Limited and Dual Company, Taiwan Baoli Plastic Co., Ltd., Tai Bay Plastic Industry Co., Ltd., Baoli Plastics Corporation, and Asahua Corporation. Within the specified deadline, Tycona Polymer Company, Celanese Production Limited and Dual Company, Baoli Plastics Company and Xuhua Corporation applied to the investigative authorities for an extension to submit the relevant supplementary questionnaire and explained the reasons. Upon review, the investigating organ agrees to give the above companies an appropriate extension. By the end of the second supplementary questionnaire submission deadline, Tycona Polymer Company, Celanese Production Germany Limited and Dual Company, Taiwan Baoli Plastic Co., Ltd., Taiwan Plastic Industry Co., Ltd., Baoli Plastics Corporation, and Axei Corporation submitted a supplementary questionnaire to the investigation authorities.

In October 2024, the investigation authorities issued a third supplementary questionnaire to Taiwan Baoli Plastic Co., Ltd. and Baoli Plastics Co., Ltd. Within the prescribed deadline, Taiwan Baoli Plastic Co., Ltd., Baoli Plastic Corporation submitted the third supplementary questionnaire to the investigation organ.

In December 2024, at the request of the investigative authorities, Tycona Polymer Company, Celanese Production Germany Limited and Two Company, Taiwan Baoli Plastic Co., Ltd., Taiwan Plastic Industry Co., Ltd., Baoli Plastics Corporation, and Xuhua Corporation submitted additional public information and non-confidential summaries of the responses to the investigation organs. Yunnan Yun Tianhua Co., Ltd. submitted supplementary materials for reply

It's a meal.

3 Listening to stakeholders.

On July 9, 2024, the investigating authorities should meet with representatives of the company Tycona Polymers, Serranis Production Germany Limited and Dual Company to hear their views on the case. After the meeting, the relevant company submitted written material after the statement of comments.

On August 29, 2024, the investigative authority should meet with a representative of Taiwan Plastic Industry Co., Ltd. to hear his views on the case. After the meeting, the relevant company submitted written material after the statement of comments.

On August 30, 2024, the investigative authority should meet with a representative of Poli Plastic Co., Ltd., Taiwan, to hear his opinions on the case. After the meeting, the relevant company submitted written material after the statement of comments.

On October 9, 2024, the investigative authorities should meet with representatives of the Telcona Polymer Company, Celanese Production Limited and Dual Company in Germany to hear their views on the case. After the meeting, the relevant company submitted written material after the statement of comments.

4 ...Receive comments from stakeholders.

On July 10, 2024, the European Commission submitted its Comments on the Initiation of

Cases.

On October 22, 2024, Tecona Polymers, Celanese Production Germany Limited and the two companies submitted their Opinions and Requests on the scope of the products being investigated.

On October 22, 2024, the applicant submitted a Comment on Celanese's so-called unstabilizing chemical intermediate powders not part of the product being investigated.

On November 4, 2024, Tycona Polymers, Celanese Productions Limited and the two companies submitted their Opinion on the Applicant's Comments on Celanese Products.

On November 7, 2024, Tecona Polymers, Celanese Production Germany Limited and the two companies submitted their Supplementary Intentions and Requests for the scope of the products being investigated.

On November 19, 2024, Tycona Polymers filed its Non-Damage Defense.

On November 19, 2024, the Seranis Producer Limited and Dual Company submitted the Non-Damage Defense.

On November 25, 2024, Taiwan Plastic Industry Co., Ltd. submitted the "No Damage Defense Opinion".

On November 27, 2024, the applicant submitted the Comments on Celanese's Views on the scope of the product being investigated.

On December 10, 2024, Tycona Polymers, Celanese Productions Germany Limited and the two companies submitted a "Refutation on Applicant's Comments on Product Scope".

5 ...Pre-determination field verification.

In accordance with the provisions of Article 20 of the Anti-Dumping Regulations, from November 20 to November 22, 2024, the investigation authorities carried out real verification of mainland Chinese producer Yunnan Yunnan Yun Tianhua Share Co., Ltd., and the State Energy Group Ningxia Coal Industry LLC. The investigation organ inspected the production site of the verified enterprise and checked the enterprise.

Relevant information in industry submissions. After the verification, the verification enterprise submitted field verification materials to the investigative authorities.

6 ... A survey of non-market conditions affecting price comparability in the calculation of dumping margins in the United States.

On September 9, 2024, the applicant submitted to the investigative organ the application for "converging formaldehyde anti-dumping case in the calculation of US dumping margins in non-market conditions affecting price comparability", and submitted an electronic version through the "Trade Relief Investigation Information Platform". On the same day, the investigative authority placed the application in the open letter reading room.

On September 10, 2024, the investigative authorities notified U.S. stakeholders in writing that they had received the relevant application and gave them a seven-day comment period. On September 12, 2024, Tycona Polymers submitted a Letter to the Investigation Authority on the Application for Extension of Applications for Non-Market Conditions. On September 13, 2024, the search authority wrote to Tycona Polymers Company, extending the deadline for the company's submission of comments until September 23, 2024. Within the specified deadline, the U.S. government and Tycona Polymers submitted comments to the investigative authorities.

On September 18, 2024, the investigation agency issued a questionnaire on non-market conditions in the case of co-polymer formaldehyde anti-dumping cases to various

stakeholders in the United States. Within the specified period, Tycona Polymers submitted the questionnaire on non-market conditions to the investigative authorities.

7 ...Public information.

In accordance with the provisions of Article 23 of the Anti-Dumping Regulations, the investigating authority has

All public materials received and produced during the investigation were promptly sent to the Ministry of Commerce Trade Relief Public Information Review Room. Stakeholders can find, read, copy and copy relevant public information.

II. Products being investigated

(A) the product being investigated and the scope of the investigation.

Scope of investigation: Imports originating in the United States, the European Union, Taiwan and Japan co-polymerized formaldehyde

Name of the product under investigation: Polyformaldehyde, also known as polyoxymethyl copolymer, or polymethyl oxide copolymer

The English Name Polyformaldehyde Copolymer, or Polyoxymethylene Copolymer, or Copolymer-type Acetal Resin, or Acetal Copolymer.

Chemical Molecular Types: $[\text{CH}_2 - \text{O}]_n - [\text{CH}_2 - \text{O} - \text{CH}_2 - \text{CH}_2]_m$ ($n > m$)

Physical and chemical properties: Copolymerized formaldehyde is composed of formaldehyde with a thermoplastic resin with $-\text{CH}_2 - \text{O}-$ main chain and $[\text{CH}_2 - \text{O} - \text{CH}_2 - \text{CH}_2 - \text{CH}_2 - \text{CH}_2 - \text{CH}_2 - \text{O}-]$ containing greater than 50%, while meeting the following performance indicators:

Solution mass flow rate (190, 2.16 kg) / (g/10min)	≤ 4	4<· ≤ 7	7<· ≤ 11	11<· ≤ 16	16<· ≤ 35	35<· ≤ 60	> >60
Melting temperature/	160 ≤≤170						
Density/(g/cm³)	1.38to1.43						
Succumbing to stress/ MPa	≥ 58				≥ 60		
Fractured nominal strain/0%	≥ 20				≥ 15		
Modulus of elasticity / MPa	≥ 2400						
Shortfall Impact Strength/(kJ/m²)	≥ 5.5		≥ 4.5		≥ 3.0		
1.8 MPa loaddeformati	≥ 85						

Main uses: Co-polymerized formaldehyde has high mechanical strength, high fatigue resistance, high creep resistance and other good mechanical comprehensive properties, can partially replace copper, zinc, tin, lead and other metal materials, can be directly used or modified for automotive accessories, electronic appliances, industrial machinery, daily supplies, sports equipment, medical appliances, pipe fittings, building materials and other fields.

The product is attributed to the Import and Export Tax of the People's Republic of China (2023): 39071010 and 39071090. Other products such as polyformaldehyde and modified polyformaldehyde under these two tax numbers are not in the scope of this investigation.

(2) Relevant comments.

1 With regard to the Tycona Polymers Company, Seranis produces chemical intermediate powders produced by the German limited and two companies.

After the filing of the case, Tycona Polymers Company, Celanese manufactures written materials after the German limited and joint submissions by the two companies, arguing that its production of chemical intermediate powder is the upstream raw material of the products under investigation; Made through the unique production process of Celanese, used only for the production of polyformaldehyde; Density does not meet the scope of the corresponding performance indicators of the products investigated in this case, and due to the characteristics of the product can not be tested on yield stress, fracture nominal strain, tensile elastic modulus, short beam gap impact strength, 1.8 MPa load deformation temperature etc. This case was tested by the other 5 performance indicators of the product, so it is not the product being investigated.

The applicant submits comments on this, advocating that Tycona Polymers Company, SE

There is no material difference between the process of production process of Lanis limited and two companies in Germany and the applicant, and the chemical intermediate powder and the products being investigated are co-polymerized formaldehyde products; After the preparation of the chemical intermediate powder sample, the performance measurement can be determined, and the performance indicators obtained are in line with the description of the product being investigated in this case.

The Telcona Polymer Company, Selanis Production Limited in Germany and the two companies again jointly submitted comments advocating that the applicant's judgment on the process of production of the product under investigation was incompatible with the facts; Chemical intermediate powder and inspected product in physical form, chemical composition and final application are very different, and cannot be directly used for downstream applications; The applicant's performance determination method for specimen preparation is only applicable to molding and extrusion materials, but the chemical intermediate powder is not molded and the test method is not applicable.

Upon review, the investigating body concluded that: First, the performance indicators of chemical intermediate powders do not meet the relevant description of the product being investigated in this case. Second, chemical intermediates powder is the intermediate product in the production of the product under investigation, used for the production of the products being investigated, and further made into the investigated products can be applied to automotive accessories, electrical appliances, industrial machinery, daily supplies, sports equipment, medical appliances, pipes, building materials and other fields. Therefore, the investigating authority decided in the preliminary ruling that Tycona Polymers Company, Celanese production of chemical intermediate powders produced by limited German and two-integrative companies are not the products under investigation.

2 With regard to Tycona Polymers, Seranis produces some special-purpose copolymer formaldehyde produced by the German limited and two companies.

After the filing of the case, Tycona Polymer Company, Celanese Production Germany Limited and the joint submission of the two companies after the written materials, asserting that its partial co-aggregation formaldehyde serves a special end market, can better meet downstream demand, should be excluded from the scope of the investigation.

After review, the investigative organ found that the relevant claims did not provide sufficient explanation and support evidence, and decided not to accept the above claims of

the relevant company in the preliminary ruling.

3 ... Therest.

After the filing of the case, Tycona Polymer Company, Celanese Production Germany Limited and the two companies jointly submitted the written materials and comments after the statement, advocated further clarification of modified polyformaldehyde according to the national standard on the definition of modified plastics, and proposed six categories of modified polyformaldehyde, and proposed quantitative indicators for some of the categories of modified polyformdehyde.

The applicant submitted comments on this, arguing that the various types of non-modified polyformaldehyde advocated by Seranis mostly lack an enforceable, quantified definition of scope and differentiator method, on some of the categories of modified polyformaldehyde threshold thresholds, pointing out that chemical composition modified polyformdehyde should be understood as the product being investigated.

Tycona Polymer Company, Serranis Production Germany Limited and the two companies jointly submitted comments to accept the applicant's views on the threshold of quantitative indicators, stressing that chemical composition modified polyformaldehyde is not the product being investigated.

Upon review, the investigating body concluded that: The national standard definition of modified plastics is a general and qualitative expression of all modified plastics, and is not explicitly applicable to modified polyformaldehyde, nor does it include quantitative definition methods. The relevant description of the product under investigation details the product name, chemical molecular formula, physicochemical characteristics, performance indicators, main use, etc., and determined that the product scope should be described according to the investigation of the product. Therefore, the investigative authority decided not to accept in the preliminary ruling the foregoing claims of Tycona Polymers, Celanese Production Limited and Dual Company in Germany.

III. margins of dumping and dumping

(1) Normal value, export price, adjustment project preliminary determination.

Category: European companies

Celanese produces limited and dual companies in Germany

Celanese Production Germany GmbH & Co. KG

1 The normal value.

The investigation organs initially reviewed the classification of the type numbers of the products and similar products being investigated by the company. The company claims that the products and similar products are investigated regardless of model. After review, the investigative organ decided to accept the company's assertion in the preliminary ruling, not to classify the products and similar products under investigation.

The investigation agency conducted a preliminary review of the company's sales in the EU. After review, during the dumping investigation period, the company sold similar products in the EU accounted for more than 5% of the number of products it exported to mainland China during the same period, in line with the quantity requirements as the basis for determining the normal value.

After review, during the dumping investigation period, the company will resell all similar products to non-affiliated customers in the EU through the two affiliates, and the investigation authority decided in the initial ruling to determine the sales of related traders to non-affiliated customers in the EU.

The basis of normal value.

The investigation authority initially reviewed the production costs and costs submitted by the company and decided to accept in the preliminary ruling the company's answer on the company's production and costs of similar products, as well as the related costs of participating in the sales of the company's similar products in the EU. On this basis, the investigation authority calculates the complete production costs and costs of the company selling similar products to non-affiliated customers in the EU through the Associated Public Office, and based on the preliminary examination of whether the company's similar products are below cost sales in the EU. After review, during the period of the dumping investigation, the number of companies selling similar products in the EU below the cost did not exceed 20% of the same product sales in the EU. In accordance with the provisions of Article 4 of the Anti-Dumping Regulations, the investigative authority decided to use in the preliminary ruling the company's entire sales through affiliates to non-affiliated customers in the EU as the basis for determining the normal value.

2 ...Export prices.

The investigation authorities initially reviewed the company's export of the products under investigation to mainland China. After review, during the dumping investigation period, the company will be exported to non-affiliated customers in mainland China through all related traders, with the following channels: One is to sell to an affiliated trader located in the EU, and then resold by the EU-based trader to an affiliated trader located in a third country (region), and then by an affiliated trader located in a third country (region) to non-affiliated customers in mainland China; The second is to sell to affiliated traders located in the EU, and then resold by the EU-based trader to mainland Chinese affiliated traders, and then by mainland China-linked traders to non-affiliated customers in mainland China.

In accordance with the provisions of Article 5 of the Anti-Dumping Regulations, for channel 1, the investigating organ decided to temporarily use the sales price of the relevant traders located in third countries (regions) and non-affiliated customers in mainland China as the basis for determining the export price; For channel 2, the investigative organ decided to temporarily presume the export price at the price resold by mainland Chinese traders to non-affiliated customers in mainland China in the preliminary ruling.

3 ...Price adjustments.

In accordance with the provisions of Article 6 of the Anti-Dumping Regulations, for fair and reasonable comparison, the investigation organs have reviewed the adjustment projects affecting the comparability of the price of the company on a case-by-case basis.

(1) The normal value part.

After preliminary review, the investigating organ decided to temporarily accept the company's claims of inland freight (factory to distribution warehouse), pre-sale storage costs, inland freight (store to customer), inland insurance premiums, factory handling charges, rebates, credit charges, and other items that need to be adjusted.

(2) The export price portion.

After preliminary review, the investigating authority decided to accept the company's claims of inland freight (factory to distribution warehouse), pre-sale storage costs, inland freight (division warehouse to export port), inland insurance premiums, factory loading and unloading charges, international freight, mainland China freight (warehouse to customer), mainland China insurance premiums, other transportation expenses, import customs duties, rebates, credit charges, other discounts, and other items

that need to be adjusted.

For the overhead expenses and profits claimed by the company, the company did not comply with the requirements of the questionnaire.

The form was filled out and no details were provided as to how the amount of the adjustment would be determined. After review, the investigative organ decided to recalculate the amount of overhead costs based on the relevant cost data of the company's answer report related to the resale of the products investigated, and provisionally recalculated the amount of the profit adjustment amount based on the company's answer report on the overall profit margin of the related trader.

4 Onshore Price (CIF Price).

After preliminary review, the investigation organ decided to temporarily accept the company's onshore price data in the preliminary ruling.

Other EU companies

On May 19, 2024, the investigative authorities launched an anti-dumping investigation into imports of co-polymer formaldehyde originating in the United States, the European Union, Taiwan Bay Area and Japan. On the same day, the investigation organ notified the EU delegation in China, and the announcement of the case was posted on the website of the Ministry of Commerce, and any interested party can check the case filing announcement on the website of the Ministry of Commerce. After the filing of the case, the investigating authority gave all stakeholders 20 days of registration and an investigation period, giving all stakeholders a reasonable time to be informed of the circumstances of the case. The investigation organ also posted the questionnaire on the website of the Ministry of Commerce, and any interested party can view and download the questionnaire on the website of the Ministry of Commerce.

The investigating authorities have notified all known stakeholders to the fullest extent possible and to remind all known stakeholders that they do not cooperate with the results of the investigation. For companies that have exhausted their obligation to notify and do not provide the necessary information to cooperate with the investigation, the investigating authority, in accordance with the provisions of Article 21 of the Anti-Dumping Regulations, determines its dumping margin on the basis of facts and the best available information. After a comparative analysis of the information obtained in the investigation, the investigation organs believe that the dumping margin of the EU answering company can more accurately and reasonably reflect the EU's exports to mainland China under investigation of the product, and has been initially verified by the investigative authorities, decided to determine the dumping margin of other EU companies according to this information in the preliminary ruling.

(2) Comparison of prices.

According to the provisions of Article 6 of the Anti-Dumping Regulations, on the basis of considering the various comparable factors affecting the price, the normal value and export price are adjusted to the factory level in accordance with fair and reasonable terms. In calculating the dumping margin, the investigating authority compared the weighted average normal value with the weighted average average export price to arrive at the dumping margin.

(C) the margin of dumping.

After calculation, the investigative organ will set out the dumping margins of the companies initially decided in the announcement.

(1) Recognition of similar products in mainland China industry.

According to Article 12 of the Anti-Dumping Regulations, similar products are products of the same kind as dumped imported products, or products most similar to the characteristics of dumped imported products.

The investigation agency investigated factors such as the materialization characteristics of co-polymerized formaldehyde and dumped imported products produced in mainland China, raw materials, production processes, product use, sales channel, customer group and consumer evaluation.

1 ...material characteristics.

Co-polymerized formaldehyde produced in mainland China and dumped imported products have the same chemical molecular formula- $[\text{CH}_2-\text{O}-\text{CH}_2-\text{CH}_2-\text{CH}_2]_m-(n>m)$, both of which have $-\text{CH}_2-\text{O}-\text{CH}_2-$ main chain and $[\text{CH}_2-\text{O}-\text{CH}_2-\text{CH}_2-\text{CH}_2-\text{CH}_2-\text{CH}_2-\text{CH}_2]$ -thermoplastic resin (by weight $-\text{CH}_2-\text{O}-\text{O}-$) content greater than 50%) of thermoplastic resins that are usually milk-white or pale yellow at temperature.

2 Raw materials and production processes.

China's industrial production of copolymerized formaldehyde and dumped imported products are polymers made of methanol as the main raw material. Main production processes include formaldehyde preparation, tripolymer formaldehyde and other co-polymerized single system, polymerization reaction, etc. The main production equipment includes formaldehyde reactors, triple formaldehyde reactors, refined distillation towers, extraction towers, aggregation towers, extruders and other devices.

3 ... The product's use.

China's industrial production of co-polymerized formaldehyde and dumped imported products are basically the same, can be directly or modified for automotive accessories, electronic appliances, industrial machinery, everyday goods, sports equipment, medical appliances, pipe fittings, construction materials and other fields.

4 Sales channels, customer groups and consumer evaluations.

China's industrial production of co-polymerized formaldehyde is mainly sold in the mainland Chinese market through direct sales and agency sales, and the main dumped imported products should be sold in the mainland Chinese market through direct sales and resale by associated traders. The two mainland Chinese customer groups are basically the same, some downstream users purchase or use dumped imported products, but also buy or use co-polymerized formaldehyde products produced by mainland China industry. China's industrial production of co-polymer formaldehyde can meet the use requirements of downstream customers, and the same kinds of dumped imported products can be replaced with each other, both of which are competing in the mainland Chinese market.

Taiwan Plastic Industry Co., Ltd. submitted comments that its products compared with the products produced by mainland Chinese manufacturers, excellent quality, fast delivery, can provide a differentiated type of product for the end customer, so its products and mainland products are not in the same segment of the competitive market unit, its products market price, product characteristics will not affect the price of mainland Chinese products, and will not cause adverse impact on the production and operation of mainland Chinese producers.

The applicant in this case believes that a large number of downstream customers or

distributors purchase both imported products including Taiwan, but also the mainland's combined formaldehyde, and customers have a large number of crossovers and overlaps. Moreover, after the use of comparison, the two in the product performance quality, stability and other aspects are basically equivalent, both can meet their production requirements, and can be replaced by each other.

The investigation organs reviewed the "Note on the procurement and use of co-polymer formaldehyde downstream users, and examined the production process, product quality monitoring, testing and experimental equipment, product inspection and inspection report certificate in field verification. First, during the period of the damage investigation, the co-polymerized formaldehyde produced by Taiwan Plastic Industry Co., Ltd., has a clear crossover with similar products of the Chinese mainland industry in downstream users. Secondly, the co-polymerized formaldehyde products produced by Taiwan Plastic Industry Co., Ltd. and China's mainland industry similar products have no material difference in basic performance and quality, both of which can meet downstream user production requirements in quality. Third, co-polymerized formaldehyde products produced according to the needs of users may be different in individual indicators, but will not lead to substantial differences in the basic physical and chemical characteristics, main indicators and uses of the product, and will not affect the substitution of the product.

In summary, the investigation organs initially determined that China's industrial production of co-polymerized formaldehyde and dumped imported products in terms of materialization characteristics, raw materials and production processes, product uses, sales channels and customer groups are basically the same, have similarity and substitution, China's industrial production of co-polymerized formaldehyde and dumped imported products belong to the same kind of product.

(2) Recognition of Mainland China industry.

In accordance with the provisions of Article 11 of the Anti-Dumping Regulations on Industrial Recognition in Mainland China, the investigating organ has conducted a review and determination of the mainland Chinese industry in this case. In this case, the application enterprise Yunnan Yun Tianhua Co., Ltd., State Energy Group Ningxia Coal Coal Limited, Kaifeng Longyu Chemical Co., Ltd., Yan Mining Lunan Chemical Co., Ltd., Tangshan Zhonghao Chemical Co., Ltd., China Petroleum Inner Mongolia New Materials Materials Co., Ltd. submitted the survey questionnaire to the investigation authorities. After investigation and verification, the respondents' output in 2021, 2022 and 2023 accounted for more than 50% of the total production of similar products in mainland China, accounting for the main part of mainland China's industry, in accordance with the provisions of Article 11 on Mainland Industrial Recognition of China.

In summary, the investigation organs initially determined that the answering enterprises can represent mainland China's industries, and their data can be used as the basis for damage and causation analysis. This decision

The industry data on the basis of mainland China, except for special instructions, are derived from the Chinese mainland producers.

V. Industrial damage and degree of damage

(1) Cumulative assessment.

In accordance with the provisions of Article 9 of the Anti-Dumping Regulations, the investigative authority considered the appropriateness of the cumulative assessment of the impact of imports from the United States, the European Union, Taiwan and Japan on the impact of formaldehyde on the mainland Chinese industry.

1 ... The margin of dumping is not a trace.

During the dumping investigation period, imports of co-polymerized formaldehyde originating in the United States, the European Union, Taiwan and Japan have been dumped, and the dumping margin is above 2%, not a trace dumping margin.

2 The quantity of imports is not negligible.

According to Mainland China Customs statistics and response enterprise response data, during the period of the damage survey, the amount of co-polymerized formaldehyde originating in the United States, the European Union, Taiwan and Japan accounted for more than 3% of China's total imports, not within the negligible scope.

3 Conditions of competition between dumped imported products.

The survey shows that imports originating in the United States, the European Union, Taiwan and Japan are basically the same in terms of materialization characteristics, raw materials and production processes and product uses. The United States, the European Union, Taiwan and Japanese companies all sell co-polymerized formaldehyde products in the mainland Chinese market through direct sales and agency sales, and occupy the corresponding market share of the mainland Chinese market. Each manufacturer or seller is rooted in mainland China market conditions or conditions, in consultation with customers to determine the sales price, with the same customer group, mainland Chinese downstream users can freely procure and use co-polymerized formaldehyde products in the United States, the European Union, Taiwan and Japan. Therefore, the investigation authority has initially determined that there is a direct competitive relationship between co-polymerized formaldehyde products originating in the United States, the European Union, Taiwan and Japan.

4 ... The terms of competition between the dumped imported products and similar products of the mainland Chinese industry.

The survey shows that dumped imported products are basically the same as similar products in mainland China in terms of materialization characteristics, raw materials and production processes, product use, sales channels and customer base. China's co-polymer formaldehyde market is a competitive and open market, and the dumping of imported products and similar products from mainland Chinese industries compete with each other. Dumped imported products and similar products in mainland China are sold in mainland China market through direct sales, distribution and so on. The two customer groups are the same and cross-cutting, downstream customers can choose to purchase and replace the use of dumped imported products and similar products in mainland China, and the sales of various source products have no obvious time and geographical preference. Therefore, the investigative authorities have initially determined that there is a direct competition relationship between dumped imported products and similar products in mainland China.

The European Commission submitted comments asserting that the market share of EU imports is stable, and the EU import price has risen significantly, much higher than the price of similar products in mainland China, so when conducting damage analysis, EU imports should not be assessed cumulatively.

Taiwan Plastic Industry Co., Ltd. submitted comments that the amount of dumping of co-polymerized formaldehyde products advocated by the applicant clearly lacks a factual basis; There is a lack of evidence and factual basis for the assertion of the same conditions of competition between dumped imports and between dumped imported products and products from mainland China. The price of polyformaldehyde in Taiwan is significantly higher than the average price of products from other sources and China's total imports for most of the time. Therefore, it is not appropriate to carry out a cumulative assessment of the

possible harmful effects of products in Taiwan and the impact of co-polymerized formaldehyde products with other countries and regions.

The applicant believes that the price is high and low in itself is not independent as a criterion for determining whether there is competition between the products. Price differences are themselves the result of direct competition between products from different sources. Taiwan Plastic Industry Co., Ltd. and the European Commission's claim on cumulative assessment cannot be established.

After preliminary investigation, the investigative authority believes that, first of all, the dumping margin of imported products from the EU and Taiwan is not a trace. Secondly, in competition, the difference in prices between different source products is more common and complex, the price difference between products is not the same as the competition conditions, the same conditions of competition does not mean that there should be no difference in product price. Finally, the investigative authorities investigated the conditions of competition between dumped imported products and between dumped imported products and similar products in mainland China. First, between dumped imported products and between dumped imported products and between similar products in mainland China, raw materials and production processes are the same or similar for product use. Downstream users simultaneously purchase and replace the use of dumped imported products and similar products in mainland China, the customer group is the same and cross-cutting. Dumped imported products and similar products in mainland China can be replaced with each other. Second, dumped imported products and similar sales channels of similar products in mainland China are the same or similar, mainly through agency sales, direct sales and other means of sales in mainland China. Third, the sales range and time of dumped imported products and similar products of China's mainland industry are basically the same. During the period of the damage investigation, dumped imported products and similar products of Chinese industries competed for sale in China's large land market at the same time, and there is no obvious geographical and time preference between products. As a result, there is no material difference between dumped imported products and between dumped imported products and between similar products of the mainland Chinese industry. Therefore, the investigation authorities have temporarily refused to accept the relevant claims of the European Commission and Taiwan Plastic Industry Co., Ltd.

In summary, the investigation organs in the preliminary ruling found that the dumping margin of imported products from the United States, the European Union, Taiwan and Japan is not trace, the number of imports does not belong to negligible, dumped imported products and dumped imported products and the direct competition relationship between similar products in mainland China. A cumulative assessment of the impact of dumped imports originating in the United States, the European Union, Taiwan and Japan is appropriate.

(2) The quantity of imports of dumped imported products.

The investigation authorities investigated whether the absolute quantity of dumped imports and the amount of large-scale land production or consumption in China had increased significantly.

According to mainland China customs statistics, from 2021 to 2023, the import volume of dumped imports was 95774 tons, 109399 tons and 111035 tons, respectively.

Among them, the import volume of dumped imported products increased by 14.23% in 2022 compared with 2021, 2023 growth of 1.50% over 2022, and a cumulative increase of 15.93% from 2021 to 2023. In the preliminary ruling, the investigative organ provisionally determined that the absolute number of imported products dumped during the investigation period increased significantly.

According to the application data, from 2021 to 2023, China's aggregate formaldehyde apparent consumption is 630294 tons, 632446 tons and 684410 tons, respectively. 2022 is up 0.34% from 2021, 8.22% in 2023 and 1.03% from 2021 to 2023. From 2021 to 2023, dumped imported products accounted for 15.20%, 17.30% and 16.22% of mainland China's market share, respectively. During the period of the damage survey period, China's co-polymer formaldehyde apparent consumption increased by 1.03%, and dumped imported products due to the continuous large increase in absolute imports, the proportion of mainland China's market share has always remained above 15%.

The European Commission, Tycon Polymers and Seranis Production Germany Limits and Two Company submitted comments arguing that although the import volume of dumped imported products increased, the market share remained stable, and the sales of similar products in mainland China industry increased more.

Taiwan Plastic Industry Co., Ltd. submitted comments and argued that during the investigation period, the import volume of imported products from Taiwan including manufacturers such as Taiwan Plastics and other manufacturers did not increase significantly in terms of relative quantity and absolute quantity.

The applicant believes that when examining the import quantity of dumped imported products, the absolute import quantity and the relative import quantity can be satisfied as long as one. The total import volume of dumped imported products has continued to rise, accounting for the overall market share of mainland China is on the upward trend, so the proposition that there is no large increase in the number of dumped imports is inconsistent with the facts.

After review, the investigation organs believe that the number of dumped imports from 2021 to 2023 was 9.58 thousand tons, 10.94 million tons and 11.10 million tons, 2022, 2023 compared to the previous year, respectively, an increase of 14.23% and 1.50%, 2023 compared to 2021, the cumulative increase of nearly 16%, the absolute import volume increased significantly. From 2021 to 2023, China's co-polymerized formaldehyde apparent consumption continued to grow, and the market share of dumped imported products accounted for 15.20%, 17.30% and 16.22% respectively, 2022 compared with the previous year rose by 2.1 percentage points, 2023 compared with the previous year by 1.07 percentage points, but increased 1.03 percentage points compared to 2021, compared with 2021, the overall trend of imports.

In summary, the investigation organs initially determined that the import volume of dumped imported products increased significantly during the period of the investigation.

(3) The impact of dumped imported products on the prices of similar products in mainland China.

The investigation organs investigated the impact of dumped imported products on the price of similar products in mainland China.

1 ...Dumped import prices and prices of similar products in mainland China.

When making price comparisons, in order to ensure the comparability of the two, dumped import prices should be compared with prices of similar products in mainland China at the same trade level. The investigation organs determined that the customs clearance price of dumped imported products and similar products in mainland China basically belong to the same level of trade, both do not include

VAT, inland transportation costs, insurance costs and secondary sales channels.

On the basis of the CIF price of dumped imported products in mainland China's

customs statistics, the investigation authorities further considered the exchange rate, tariff rate and customs clearance costs of mainland Chinese importers during the survey period, and adjusted the dumped import price. Use the adjusted import price as the dumped import price. Among them, the exchange rate is average according to the average exchange rate arithmetic of the year announced by the People's Bank of China. Import clearance costs are calculated on the basis of the average customs clearance costs of mainland Chinese importers reported in the questionnaire. Adjusted for the above methods, the dumping import prices for 2021, 2022 and 2023 are 12731 yuan/ton, 15858 yuan/ton and 14258 yuan/ton, respectively. Among them, 2022 is up 24.56 percent from 2021 and 10.09% in 2023 compared to 2022.

On the basis of the summary of the responses to the "Mainland Producers Questionnaire", the survey authorities used the weighted average price of the factory price of similar products in mainland China industry as the price of similar products in mainland China. In 2021, 2022 and 2023, prices for similar products in mainland China are 14158 yuan/ton, 15137 yuan/ton and 10766 yuan/ton, respectively. Among them, 2022 is up 6.92 percent from 2021 and 28.88% lower in 2023 than in 2022.

2 ... The impact of dumped imported products on the prices of similar products in mainland China.

The survey shows that the co-polymerized formaldehyde produced in mainland China and dumped imported products are basically the same in terms of materialization characteristics, raw materials and production processes, product use, sales channels and customer groups, and belong to similar products, the two have similarities and substitution. China's converging formaldehyde consumer market is a competitive and open market, Chinese industry similar products and dumped imported products compete with each other, price is an important factor in product competition. Dumped imported products and similar products in mainland China are mainly sold in the mainland Chinese market through direct sales, agency sales, etc., and have a common customer base. Dumped imported products and sales of similar products in mainland China have no clear time and geographical preferences. There is a direct competition between dumped imported products and similar products from mainland Chinese industries.

The dumped import prices in 2021, 2022 and 2023 were 12731 yuan /ton, 15858 yuan/ton and 14258 yuan/ton, respectively. Among them, 2022 is up 24.56 percent from 2021 and 10.09% in 2023 compared to 2022. In the same period, the prices of similar products in mainland China were 14158 yuan/ton, 15137 yuan/ton and 10766 yuan/ton, respectively. Among them, 2022 is up 6.92 percent from 2021 and 28.88% lower in 2023 than in 2022. During the period of the damage investigation, dumped imported products and similar products in mainland China have the same trend of change in prices, all showing a trend of rise and decline.

In 2021, the price of dumped imported products is 12731 yuan/ton, the price of similar products in mainland China is 14158 yuan/ton, and the price of dumped imported products is 1,427 yuan per ton lower than the price of similar products in China's large land industry. Dumped imported products in 2021 has a significant reduction effect on similar products in mainland China's industry.

In 2022, the price of similar products in mainland China's industry rose from 14158 yuan/ ton in 2021 to 15137 yuan/ton, an increase of 6.92%, while the unit cost of similar products in mainland China was 8393.34 yuan/ton, 9158.27 yuan/ton, and the cost in 2022 increased by 9.11% over 2021. Although dumped import prices increased significantly from 2021 to 2022, rising from 12731 yuan/ton in 2021 to 15858 yuan/ton in 2022, up 24.56%. However, because the import price of dumping in 2021 is significantly

lower than the price of similar products in mainland China, the number of dumped imported products increased significantly by 14.23%, and the market share of dumped imported products increased by 2.10% in the same period. From 2021 to 2022, China's co-polymerized formaldehyde market apparent consumption increased by 0.34%, and the market share of dumped imported products increased more than the apparent consumption growth rate. In the same period, the number of similar products in mainland China decreased by 1.33%, the market share decreased by 1.20%, and the end-of-term inventory increased by 25.72%. In order to avoid losing too much market share, there is no way to make its product prices fully reflect the increase in cost, product cost growth can not be reasonably passed on to the price. From 2021 to 2022, the prices of similar products in mainland China increased by 6.95% year-on-year, and the unit profit margin fell from 40.72% to 39.50%. From 2021 to 2022, the prices of similar products in mainland China have been suppressed by dumped imported products.

The dumped import price in 2023 was 14258 yuan/ton, a decrease of 10.09% from 2022. In 2023, the price of similar products in mainland China was 10766 yuan/ton, a decrease of 28.88% from 2022. Evidence shows that the manufacturers of dumped imported products are basically the world's leading co-polymer formaldehyde manufacturers, their enterprise group has decades of co-polymer formaldehyde production and sales experience, has brand and technology advantages, the Chinese mainland market has established a perfect sales channel and service network earlier, in mainland China and even the global market competition has strong competitiveness. Chinese mainland manufacturers will refer to import prices and determine the sale price of similar products to compete with dumped imported products. Evidence such as the minutes of the Mainland China Producers Business Analysis Conference, downstream user bargaining records and pricing reports collected by the investigative authorities in the field verification process shows that when downstream users purchase dumped imported products and similar products in China's large land industry, prices are an important factor to consider when purchasing them. China's mainland industry pays close attention to the price data of dumped imported products as an important reference for adjusting prices. When dumping import prices fell from 2022 to 2023, the mainland Chinese industry in order to sell similar products and gain a certain market share, the sales price had to decline accordingly, dumped imported products in China's mainland industry sales prices caused a depression.

The European Commission, Tycona Polymers and Seranis produced Germany submitted comments, arguing that the average price of its dumped imports continued to rise during the damage survey period, driving prices rather than decline. From 2021 to 2022, the price of dumped imported products has risen relative to the prices of similar products produced in mainland China, while market share has also risen. Since then, from 2022 to 2023, the price of dumped imported products declined while the market share remained stable. Mainland China's market is not sensitive to pricing, factors other than prices drive consumption growth, and dumped imports themselves do not drive prices down. The prices of similar products in mainland China's industry have been much lower than the price of dumped imported products throughout the period of the damage investigation. When the price of imported products is much higher than the prices of similar products in mainland China, the conclusion of price suppression cannot be drawn.

Taiwan Plastic Industry Co., Ltd. submitted comments arguing that the products investigated in Taiwan did not have a negative impact on the prices of similar products in mainland China. The price of imported products in Taiwan represented by Taiwan has always been higher than the price of China's mainland co-polymerized formaldehyde, and there are no relevant claims and evidence materials for price reduction caused by Taiwanese products, including Taiwan Plastics. The price difference between Taiwanese

plastic products and the mainland co-polymerized formaldehyde products shows that the two are not operating in the same market range. The price of imported products in Taiwan represented by Taiwan has not lowered the price of co-polymerized formaldehyde in mainland China. There is no evidence that imports have had an inhibitory effect on the prices of mainland Chinese products.

The applicant submitted comments and argued that the manufacturers of dumped imported products have an advantageous position in the competition in the global and mainland Chinese market, and that their combined formaldehyde sales price has a great impact on the global and mainland China's co-converging formaldehyde price trend. The effect of dumping imported products at low prices to suppress the co-polymerized formaldehyde industry in mainland China is obvious. Dumped imported products and China's mainland co-polymer formaldehyde belong to similar products, the two compete with each other in the mainland Chinese market, and the price has a very important and decisive influence on the procurement choices of downstream customers. According to the questionnaire of mainland Chinese producers, the main factor affecting the price of similar products in mainland China is the quantity and price of dumped imported products. More than 50 distributors or downstream users in mainland China issued "on co-polymer formaldehyde procurement situation" or "on co-polymer formaldehyde procurement and use statement", indicating that downstream customers in the purchase of China's mainland Chinese co-polymerized formaldehyde prices, the price of dumped imported products is an important reference for distributors or downstream users in determining the purchase price of copolymerized formaldehyde in mainland China. The evidence provided by the applicant's "meeting minutes", "polymerized formaldehyde sales telephone records", "polymerized formaldehyde price adjustment approval order" and other evidence shows that the mainland Chinese industry will refer to the price of dumped imported products and its changing trend, and use this as the basis for price adjustment and determination. The import price of dumped imported products has clearly lowered the prices of similar products in mainland China.

After review, the investigative authorities believe that first, as mentioned above, there is a direct competition relationship between dumped imported products and similar products in mainland China. The survey machine noted that the price of dumped imported products from 2022 to 2023 is higher than the prices of similar products in mainland China, but the high price or the difference between prices does not mean that there is no competition between the two. The two belong to similar products, are substitutable and have a direct competitive relationship. Changes in the import volume and price of dumped imported products directly affect the prices and market share of similar products in mainland China. Second, the mainland Chinese market is an open and fully competitive market, and similar products in mainland China have fierce competition with dumped imported products. During the period of the survey period, the number of dumped imported products continued to grow, and a certain market share has always been maintained in the case of apparent consumption growth. At the beginning of the investigation period, the dumping import price rose, but it was lower than the prices of similar products in mainland China, so the market share of dumped imported products expanded, while the sales of similar products in mainland China's industry declined, and the market share decreased less. From 2022 to 2023, dumped import prices began to continue to decline, in order to maintain a certain sales volume and market share, the mainland Chinese industry had to follow the adjustment to sell below the dumping import price level, in order to obtain a certain market share. The investigation agency believes that "the mainland Chinese market is not sensitive to pricing, and the dumping of imported products itself has not affected the prices of similar products in mainland China industry". Third, the evidence provided by mainland Chinese industry and downstream users shows that dumped import prices are an

important factor affecting the prices of similar products in mainland China. Dumped imported products have a negative impact on the prices of similar products in mainland China.

In summary, the investigation organs in the preliminary ruling found that during the period of the investigation, dumped imported products caused reduction, depression and suppression of prices of similar products in the mainland Chinese industry.

(4) The industrial situation in mainland China during the period of the damage investigation.

In accordance with the provisions of Articles 7 and 8 of the Anti-Dumping Regulations, the investigation organs conducted a survey of relevant economic factors and indicators of mainland China's industry (data see Schedule), and the evidence shows that:

1 ...Apparent consumption.

During the period of the damage investigation, the apparent consumption of co-polymer formaldehyde in mainland China continued to increase. From 2021 to 2023, the total concentration of formaldehyde apparent consumption in mainland China was 63.03 million tons, 63.24 million tons and 68.44 million tons. The year-on-year growth was 0.34% in 2022, 8.22% in 2023, and 8.59% in 2023 over 2021.

2 ...Production capacity.

During the period of the damage investigation, the production capacity of similar products in mainland China continued to grow. From 2021 to 2023, China's industrial production capacity of similar products is 38.4 million tons, 39.0 million tons and 42.1 million tons, respectively. The year-on-year growth was 1.56% in 2022, 7.95% year-on-year growth in 2023, and a cumulative increase of 9.64% in 2023 over 2021.

3 ... And production.

During the period of the survey period, the output of similar products in mainland China's industry continued to grow. From 2021 to 2023, the output of similar products in mainland China was 35.09 million tons, 35.88 million tons and 39.12 million tons, respectively. The year-on-year growth was 2.22% in 2022, 9.04% in 2023, and a cumulative increase of 11.46% in 2023 over 2021.

4 Sales in mainland China.

During the period of the damage investigation, the sales of similar products in mainland China's industry declined and then rose, and the overall trend was growing. From 2021 to 2023, China's large land industry similar products sold 34.34 million tons, 33.88 million tons and 37.37 million tons, respectively. In 2022, the year-on-year decline was 1.33%, 2023 increased by 10.30% year-on-year, and a cumulative increase of 8.84% in 2023 compared to 2021.

5 ...Market share.

During the period of the damage survey, the share of the Chinese mainland market of similar products in mainland China's industry declined and then rose, and the overall trend was downward. From 2021 to 2023, mainland China's market share of similar products was 55.67%, 54.47% and 54.85%, respectively. 2022 fell 1.20 percentage points year-on-year, 0.38 percentage points in 2023, and 0.82 percentage points in 2023 compared to 2021.

6 ... The selling price.

During the period of the damage investigation, mainland Chinese industry similar

products were sold in mainland China

Prices went up and down, and overall there was a significant downward trend. From 2021 to 2023, the sales price of similar products in mainland China is 14158 yuan /ton, 15137 yuan/ton and 10766 yuan/ton, respectively. The year-on-year growth in 2022 was 6.92%, down 28.88% in 2023, and a cumulative decline of 23.96% in 2023 compared to 2021.

7 ...Sales revenue.

During the period of the damage survey period, mainland China's sales of similar products in mainland China's industry have risen and then declined, and the overall trend of decline is relatively large. From 2021 to 2023, the sales revenue of similar products in mainland China's industry was 48.62 billion yuan, 51.29 billion yuan and 40.24 billion yuan respectively. The year-on-year growth in 2022 was 5.50%, down 21.55% in 2023, and a cumulative decline of 17.24% in 2023 compared to 2021.

8 ...Pre-tax profits.

During the period of the damage survey period, the profits before the tax of similar products of mainland China's industry rose and fell, and the overall trend was a sharp decline. From 2021 to 2023, the pre-tax profits of similar products in mainland China's production industry were 12.5 billion yuan, 14.53 billion yuan and 6.93 billion yuan, respectively. The year-on-year growth in 2022 was 16.20%, down 52.28% in 2023, and a cumulative decline of 44.54% in 2023 compared to 2021.

9 Rate of return on investment.

During the period of the damage survey period, the return on investment of similar products in mainland China's industry rose first and fell, and the overall trend was downward. From 2021 to 2023, the return on investment of similar products in mainland China was 16.47%, 21.29% and 10.34%, respectively. 2022 rose 4.82 percentage points year-on-year, down 10.95 percentage points in 2023, and a cumulative decline of 6.13 percentage points in 2023 compared to 2021.

10 ... Start-up rate.

During the period of the damage investigation, the start-up rate of similar products in mainland China continued to rise. From 2021 to 2023, the start-up rate of similar products in mainland China was 91.39%, 91.99% and 92.92%, respectively. 2022 rose by 0.59 percentage points year-on-year, 0.93 percentage points in 2023, and a cumulative increase of 1.52 percentage points from 2021 in 2023.

11 Number of employed persons.

During the period of the survey period, the employment of similar products in mainland China's industry continued to decline. From 2021 to 2023, the number of people employed in similar products in mainland China was 2,525, 2,074 and 1,854. The year-on-year reduction was 17.85% in 2022, 10.61% in 2023, and a cumulative decrease of 26.57% in 2023 compared to 2021.

12 ...Labour productivity.

During the period of the survey period, the labor productivity of similar products in mainland China continued to rise. From 2021 to 2023, the labor production rate of similar products in mainland China is 139.01 tons/year/person, 172.97 tons/year/person, respectively. The year-on-year growth was 24.43% in 2022, 21.99% year-on-year growth in 2023, and a cumulative increase of 51.79% in 2023 over 2021.

13 Wages per capita.

During the period of the survey period, the per capita wage for similar products in mainland China continued to increase. From 2021 to 2023, the average per capita wage for similar products in mainland China was 11.89 million yuan/year/person, 13.11 million yuan/year/person. Growth of 10.21% year-on-year in 2022, 3.15% in 2023, 2023

This represents a cumulative increase of 13.68% over 2021.

14 At the end of the period.

During the period of the damage survey period, the end-of-life inventory of similar products in mainland China has declined, and the overall trend of a sharp decline. From 2021 to 2023, the end-of-life inventory of similar products in mainland China is 0.91 million tons, 1.14 million tons and 0.54 million tons, respectively. The year-on-year growth was 25.72% in 2022, down 52.91% in 2023, and a cumulative decline of 40.80% in 2023 compared to 2021.

15 Net cash flow from operating activities.

During the period of the damage survey period, the net cash flow of similar products operating activities in mainland China's industry has risen and then dropped, and the overall trend has declined significantly. From 2021 to 2023, the net cash inflow of similar products operating activities in mainland China was 21.1 billion yuan, 21.57 billion yuan and 889 billion yuan, respectively. The year-on-year growth was 2.23% in 2022, down 58.78% in 2023, and a cumulative decrease of 57.86% in 2023 compared to 2021.

16 ...Financing capacity.

During the period of the damage investigation, there was no evidence that the financing capacity of similar products in mainland China was adversely affected by the import of dumped imported products.

The investigative organ also reviewed the dumping margin of imported products, and it was confirmed that the dumping margin of the dumped imported products was more than 2%, not a trace dumping, enough to cause adverse effects on the market price of mainland China.

Prima facie evidence shows that during the investigation period, China's mainland co-polymerized formaldehyde watch consumption continued to grow, China's total output is significantly lower than the apparent consumption, China's mainland co-polymer formaldehyde market supply and demand, affected by this, China's mainland production industry similar products production capacity capacity, production, start rate, labor productivity continued to grow, sales decline first and after the increase trend, the end of the period inventories rise and fall, and the overall trend of decline. In the context of the general increase in labor costs in mainland China, the per capita wage of similar products in mainland China has continued to increase. However, during the period of the damage survey period, the sales price of similar products in mainland China's industry showed a sharp decline, up 6.92% year-on-year in 2022, a year-on-year decline of 28.88% in 2023, and the end of the investigation period decreased 23.96%. Under the influence of the downward trend of sales price fluctuations, the sales revenue of similar products in mainland China showed a significant downward trend, with a year-on-year increase of 5.50% in 2022, a year-on-year decline of 21.55% in 2023, and the damage period at the end of the period was 17.24% lower than at the beginning of the period; The pre-tax profit of similar products in mainland China also showed a significant downward trend, with a year-on-year increase of 16.20% in 2022, a year-on-year decline of 52.28% in 2023, and a decrease of 44.54% at the end of the period of the investigation period compared with the beginning of the period; The return on investment of similar products in mainland China has declined, up 4.82 percentage

points in 2022, down 10.95 percentage points in 2023, and 6.13 percentage points lower at the end of the period of the damage survey period compared with the beginning of the period. At the same time, the share of similar products in mainland China has declined slightly, down 1.20 percentage points in 2022, 2023 year-on-year recovery of 0.38 percentage points, and the damage investigation period at the end of the period compared with the beginning of the period decreased by 0.82 percentage points. The net cash flow of similar products operating activities in mainland China has declined significantly, with a year-on-year increase of 2.23% in 2022, down 58.78% in 2023, and a decrease of 57.86% at the end of the period of the damage investigation period. China's industrial similar products employment continued to decline, decreased by 17.85% year-on-year in 2022, 10.61% year-on-year reduction in 2023, and reduced at the end of the period of damage investigation period compared to the beginning of the period

26.57%. In summary, although the mainland Chinese industry is in a favorable market environment in demand growth and insufficient supply and demand, some economic indicators show a positive trend or have improved in individual years, but the sales price, sales income, pre-tax profits, investment returns, market share, operating activities net cash flow, number of employment and other economic indicators have deteriorated, especially sales prices, sales income, pre-tax profits, operating income, net cash flow of operating activities have declined significantly in the later period, indicating the decline in the profitability of similar products in mainland China.

The European Commission submitted comments argued that a large number of indicators of mainland China's industry have shown good development or overall stability, profit has declined but still extremely profitable.

Tecona Polymer Company and Seranis Production Germany Limited and Dual Division submitted comments arguing that during the period of the damage investigation, the applicant's production, productivity and sales growth, inventory reduction, and no difficulty in product sales. During the damage survey, apparent consumption increased by about 54,000 tonnes and production increased by about 51,000 tonnes, consistent with the increase in consumption, benefited greatly from the growth in apparent consumption and continued to improve performance. Mainland Chinese producers have been holding the largest market share, even rising during the damage survey period, increasing by as much as 2 percentage points. The applicant's profit margin remains at a very high level. The decline in margins occurred following a sharp spike in prices and margins from 2021 to 2022, as a result of cyclical changes in the industry and adjustments to normalization of the market.

Taiwan Plastic Industry Co., Ltd. submitted comments and argued that the scale of China's large land industry production and operation continues to expand. The production capacity, production and start-up rate of products in mainland China have all shown an increasing trend. The number of sales continues to grow, parallel to increases such as capacity and production. Inventories at the end of the period were up and down, and overall a downward trend. In 2022, 2023 compared with the previous year, the end-of-term inventory segment of mainland China's products increased by 20.17% and fell 49.67%, and the market share was basically stable, only 1% fluctuation, in the damage survey period, the mainland industry dominated the mainland market. Economic indicators such as employment, average wages and labour productivity have shown good or steady momentum. Despite downward fluctuations in sales-related economic indicators such as price, sales revenue, pre-tax profit, cash flow and investment return, these indicators are the result of the linkage effect of sales prices. Its roots are still moving upwards in sales prices. Therefore, the situation of industrial operations in mainland China is not in a state of material damage.

The applicant submitted comments and argued that from 2021 to 2023, although the production and sale of similar products in mainland China showed an overall growth trend,

the overall growth of the production and sale of similar products did not bring corresponding model benefits and profits to the mainland Chinese industry. Moreover, the market share of similar products overall showed a downward trend, and employment continued to decline. Due to the depression and suppression of prices by dumped imported products, from 2021 to 2023, the domestic price, unit gross profit, pre-tax profit, investment income and net cash flow of similar products in mainland China's industry overall showed a significant downward trend. Some companies have even lost money in 2023. Under the impact of large and low-cost dumping of imported products in mainland China, the production, operation and financial situation of similar products have been significantly impacted and shadowed.

The mainland Chinese industry has suffered substantial damage.

After review, the investigative organ believes that, first, during the investigation period, the impact of dumped imported products on China's mainland industry should be comprehensively taken into account all relevant economic factors and indicators. As mentioned earlier, the investigation authorities have conducted a comprehensive and comprehensive examination of 16 economic factors and indicators related to similar products in mainland China. Second, the survey organs note that in the above indicators, production capacity, production, start-up rate, sales volume, labor productivity, per capita wages are growing overall, and inventory at the end of the period shows a downward trend. The market structure of the lack of formaldehyde supply and demand and the continuous growth of the market demand are the main reasons to promote the production capacity and output of mainland China's industries, so that the start rate, labor productivity and sales volume have also increased accordingly, and the per capita wage has increased. Third, the investigation also noted that the sales price, sales revenue, pre-tax profit, investment rate, net cash flow of business activities, employment numbers have all deteriorated, especially sales prices, sales income, pre-tax profits, net cash flow from business activities have declined sharply in the later period. Fourth, during the period of the damage investigation, dumped imported products were first sold at prices lower than similar products in mainland China's industry, gaining market share, the sales of similar products in mainland China industry declined, and the market share decreased; From 2022 to 2023, the price of dumped imported products continued to decline, leading to similar products in mainland China's industry had to follow the price reduction, although the market share growth, but in mainland China's converging formaldehyde demand and in short supply market conditions, China's mainland industry similar products pre-tax profits fell 44.54% in 2023 compared to 2021. China's Mainland Industry Profitability of Similar Products

There was a significant decline and the operating situation deteriorated significantly.

In summary, after taking into account all relevant economic factors and indicators, the investigation organs determined that the Chinese mainland co-polymerized formaldehyde industry has suffered substantial damage.

VI. Cause-and-effect Relationship

In accordance with Article 24 of the Anti-Dumping Regulations, the investigative authority examines whether there is a causal relationship between co-polymerized formaldehyde dumping imports originating in the United States, the European Union, Taiwan and Japan and substantial damage to mainland Chinese industries, and examines other factors known to cause damage to mainland Chinese industries in addition to the impact of dumped imported products.

(1) The dumping of imported products has caused substantial damage to mainland China's industry.

During the period of the survey period, the number of dumped imported products showed an upward trend, with imports of dumped imports from 2021 to 2023 being 95774 tons, 109399 tons and 111035 tons, respectively. Among them, the number of dumped imported products increased by 14.23% in 2022 over 2021, 1.50% in 2023 compared to 2022, and a cumulative increase of 15.93% from 2021 to 2023. Dumped imports accounted for 15.20%, 17.30% and 16.22% respectively, and the market share has remained above 15%.

Since dumped imported products and similar products in mainland China's mainland industry are basically the same in material characteristics, raw materials and production processes, product use, sales channels and customer groups, the two can be replaced with each other, there is a competitive relationship, the price has become an important factor for downstream customers to choose products. Manufacturers of dumped imported products have brand and technical advantages and a well-established sales channel and service network.

China has strong competitiveness in the competition of the mainland and even the global market. 2021 to

In 2022, dumped import prices will reduce prices of similar products in mainland China

Reduction and suppression. During the period of the damage survey period, China's mainland market demand continued to grow, China's co-polymerized formaldehyde apparent consumption increased by 0.34% from 2021 to 2022, while the price of dumped imported products was lower than the price of similar products in mainland China industry, the number increased by 14.23%, and its market share increased by 2.1 percentage points. In contrast, mainland China industry, with the number of dumped imported products with prices lower than similar products in mainland China has increased significantly, in the background of continuous growth in market demand, the production capacity and output of similar products in mainland China's industry has increased simultaneously, but the sales volume from 2021 to 2022 has declined. In 2021 it was 34.34 million tons, while in 2022 it dropped to 33.88 million tons, reducing sales by 1.33%. The deterioration in sales resulted in a 1.20 percentage point reduction in the market share of similar products in mainland China. Due to the simultaneous inhibition of the price of similar products in mainland China's industry, the unit profit margin of similar products in mainland China's industry declined by 1.22 percentage points in 2022, and stocks increased by 25.72% at the end of the same period.

The absolute number of dumped imported products continued to grow from 2022 to 2023, with prices falling by 10.09%, causing a low impact on the prices of similar products in mainland China's industry. From 2022 to 2023, the apparent consumption of China's co-polymerized formaldehyde market continued to increase by 8.22%, the production capacity and production of similar products in mainland China have increased, the sales volume increased by 10.30%, and the end of the period inventory decreased by 52.91%. Due to the market competitive advantage of dumped imported products such as brands and sales channels, and the price continues to decrease, in order to preserve the existing market share, the mainland Chinese industry is forced to take the price reduction method to compete with dumped imported products. The sales price of similar products in mainland China decreased 28.88% in 2023 from 2022, resulting in a 21.55% decline in sales revenue. Gross profit margins per unit continued to decline, down 13.76 percentage points from 2022 in 2023. Pre-tax profits fell significantly, down 52.28% in 2023 from 2022. The return on investment declined, down 10.95 percentage points from 2022 in 2023. Net cash flows declined by 58.78 per cent over the same period. The profitability of similar products in mainland China has continued to decline, and the financial situation is showing a deteriorating trend.

The Commission's comments argue that cost in the analysis of causality is also an

important factor to consider, taking into account the impact of increased wage levels on growth and changes in profitability.

Telcona Polymers and Seranis Production Limited and Dual Company in Germany submitted comments arguing that demand contracted in 2021 and 2022, affecting the sales of mainland China's industry. In late 2022 and 2023, as the market environment returns to normal, sales in mainland China began to pick up. The market share of mainland Chinese producers has also increased. In 2021 and 2022, the production and supply of global co-polymer formaldehyde was affected by the new coronavirus, and the imbalance between supply and demand pushed global prices to a high. As demand fell sharply, prices fell again in mid-2022, continuing until 2022 and 2023. In the spring of 2022, several producers in mainland China experienced planned and unplanned temporary shutdowns, negatively impacting their performance. In 2021 and 2022, mainland Chinese producers may experience persistently higher inventory levels due to slowing consumer demand. After the backlog, they began selling their inventory at a lower price, and by 2023 inventory had been halved. This is consistent with the overall price reduction strategy pursued by mainland Chinese producers, and has nothing to do with the price of dumped imported products, which remain at a high level. Applicants appear to be facing competitive pressure from other mainland Chinese producers. Available data show that while the applicant's market share remains stable, other mainland Chinese producers' market share has increased more than the applicant during the period of the damage survey. In addition, production and total sales by other mainland Chinese producers also seem to grow faster in absolute terms than applicants.

Taiwan Plastic Industry Co., Ltd. submitted comments and argued that other source products are the reasons to guide and lead the market price change. Even if the business conditions of mainland operators are negatively affected, imports from other sources from South Korea, Thailand and Malaysia are responsible for this negative impact.

The applicant believes that the evidence shows that during the investigation period, the demand for similar products in mainland China's industry continued to grow, and the sales of similar products in mainland China's industry continue to grow, there is no so-called demand contraction, and there is no situation of so-called shrinking demand, there is no need to shrink the sales problem of mainland China's industry. In 2022, although many manufacturers in mainland China underwent overhaul, but did not affect the production and sales of similar products in the same period, 2022 compared to 2021, the production and sales of similar products in mainland China's industry are increasing. The reduction in the inventory of similar products of the applicant is due to the substantial increase in demand, 2023 compared to 2022, the demand for similar products in mainland China increased by 5.2 million tons, while the same period of the applicant's similar products only increased by 3.3 million tons, resulting in the applicant consumed a certain amount of the previous year's inventory. During the period of the damage survey, the total production of formaldehyde in mainland China accounted for only about 68%-70% of total demand, obviously in a state of insufficient supply and demand, so the damage suffered by the mainland industry is not due to internal competition. During the period of the damage survey, although the per capita wage continued to increase, but the unit cost of similar products in mainland China's industry overall decreased by nearly 5% in 2023 compared to 2021, so the change in cost is not the original cause of the impact on the profitability of similar products.

After review, the investigation organs believe that, first, during the investigation period, China's large-land co-polymerized formaldehyde apparent consumption continued to grow. From 2021 to 2023, the Chinese mainland's combined polyformdehyde apparent consumption is 63.03 million tons, 63.24 million tons and 68.44 million tons, respectively. The year-on-year growth was 0.34% in 2022, 8.22% in 2023, and 8.59% in 2023

over 2021. Second, under this background, the production capacity, output and sales of similar products in mainland China's industry have generally increased. However, in 2021, due to a reduction in the price of dumped imported products, the sales and market share of similar products in mainland China's industry declined in 2022. Third, the overhaul of some mainland Chinese enterprises in 2022 did not affect its regular production and operation, and the output and sales of mainland China's industries continued to grow from 2022 to 2023. Fourth, China's industrial inventory situation reflects the results of market competition. Dumping of imported products from 2021 to 2022 has a significant reduction and inhibition of similar products in mainland China's industry. In the same period, the number of similar products in mainland China decreased by 1.33%, the market share decreased by 1.20 percentage points, and the end inventory increased by 25.72%. The price of dumped imported products in 2023 has had a depressive effect on the prices of similar products in China's large land industry. In order to maintain a certain sales and market share, the mainland Chinese industry was forced to adopt price reduction methods to compete with dumped imported products, sales prices fell 28.88% in 2023 compared to 2022, the end inventory decreased 52.91%, sales revenue fell 21.55%, and pre-tax profit decreased by 52.28%. Fifth, during the period of the survey period, the total number of imports from other imported source products overall showed a downward trend, down 3.87% in 2023 compared to 2021. The number of dumped imported products continues to rise, increasing 15.93% in 2023 compared to 2021. Sixth, the claim that competition by other mainland Chinese producers results in damage to the applicant is not supported by evidence and does not deny the causal link between the dumping of imported products and substantial damage to mainland Chinese industries. Seventh, during the investigation period, the unit sales cost of similar products in mainland China's industry declined by 5%, the internal selling price of similar products in mainland China's industry fell by nearly 24%, pre-tax profits fell by more than 44%, and the profitability of similar products in mainland China's production industry decreased significantly. Cost changes are not the reason for the decline in the profitability of similar products in China's large land industry.

In summary, the investigation organs have initially determined that during the investigation period, there is a causal relationship between dumped imported products and the material damage suffered by the Chinese mainland co-polymerized formaldehyde industry.

Analysis of other known factors.

The investigation authorities examined other known factors that may cause substantial damage to mainland China's production, other than dumped imported products.

After preliminary investigation, there is no evidence of the impact of imports from other countries (regions), the practices of other countries (regions) and mainland Chinese producers to restrict trade and competition between them, changes in consumption patterns, technological development, export status of similar products in China's mainland industry, the applicant's production technology, and force majeure, etc., are causal relationships between the substantial damage suffered by the formaldehyde industry in mainland China.

In summary, the investigation organs have determined that the above factors cannot deny the causal relationship between dumped imported products and substantial damage to mainland Chinese industries.

(3) Other comments from relevant stakeholders.

Taiwan Plastic Industry Co., Ltd. submitted comments and argued that Taiwan Plastics has contributed greatly to the stable supply of high-end raw materials in the plastics processing industry and the development of mainland polyformaldehyde technology. Taiwan-plastic steel and mainland plastic industry are truly symbiotic, long and

mutually reinforcing relations. Anti-dumping investigations and even actual anti-dumping measures for Taiwanese plastic products are not only conducive to the promotion and realization of this collective effort, but will interfere with the mainland downstream users to further maintain and develop the links between Taiwanese plastic suppliers, restricting the mainland downstream users and even the terminal industry to obtain the source of table plastics, thereby affecting the rapid development of new energy vehicles, electronic and electrical appliances, industrial machinery, sports equipment, medical appliances and other industries.

The applicant argues that carrying out anti-dumping investigations on dumped imported products and implementing anti-dumping measures will help restore the distorted market order in mainland China, will not materially affect the normal development of downstream industries, but also conducive to the healthy development of downstream industries.

Following a preliminary review, the investigating organ considered that the preliminary findings showed that it was redeployed

Check the dumping of products, the mainland Chinese industry has suffered substantial damage, and there is a causal relationship between dumping and material damage. Taking anti-dumping measures based on the findings of the survey will help maintain a fair trade environment, stabilize the market order in mainland China and promote the reasonable return of dumping import prices, and will not add additional burdens to the downstream. After considering mainland China's industries, upstream and downstream industries and other relevant factors, the investigation organs believe that it is in the public interest to take anti-dumping measures on dumped imported products.

Attached to: Co-polymer formaldehyde anti-dumping data sheet

I'm attached.

Co-polymer formaldehyde anti-dumping data sheet

The Project	The2021	2022	2023
Total production in mainland China	430,000	445,000	481,000
Rate of change	-	3.49%	8.09%
Apparent consumption of mainland	630,294	632,446	684,410
Rate of change	-	0.34%	8.22%
Number of imports of products	95,774	109,399	111,035
Rate of change	-	14.23%	1.50%
Market share of products surveyed	15.20%	17.30%	16.22%
Magnitude of change (percentage	-	2.10	-1.07
Import price of the products	1,974	2,195	1,865
Rate of change	-	11.20%	-15.03%
Production (tonnes)	350,948	358,750	391,183
Rate of change	-	2.22%	9.04%
Production capacity (tonnes)	384,000	390,000	421,000
Rate of change	-	1.56%	7.95%
Rate of start-up	91.39%	91.99%	92.92%
Magnitude of change (percentage	-	0.59	0.93
Sales in mainland China (tonnes)	343,400	338,830	373,746
Rate of change	-	-1.33%	10.30%
Market Share of Markets	55.67%	54.47%	54.85%
Rate of change (percentage points)	-	-1.20	0.38
Sales revenue in mainland China	48.62	51.29	40.24
Rate of change	-	5.5%	21.55%
End-of-period inventory (tonnes)	9,101	11,442	5,388
Rate of change	-	25.72%	-52.91%
Sales price in mainland China	14,158	15,137	10,766
Rate of change	-	6.92%	28.88%
Pre-tax profits (billion dollars)	12.50	14.53	6.93
Rate of change	-	16.20%	-52.28%
Rate of return on investment	16.47%	21.29%	10.34%
Magnitude of change (percentage	-	4.82	-10.95
Net cash flow (billion dollars)	21.10	21.57	8.89
Rate of change	-	2.23%	-58.78%
Number of employed persons	2,525	2,074	1,854
Rate of change	-	17.85%	-10.61%
Per capita wage	118,917	131,059	135,185
Rate of change	-	10.21%	3.15%
Labour productivity	139.01	172.97	211.00
Rate of change	-	24.43%	21.99%

