

Annexes:

Basic facts on which the final decision of the relevant brandy anti-dumping case is based

In accordance with the provisions of the Anti-Dumping Regulations of the People's Republic of China (hereinafter referred to as the Anti-Dumping Regulations), on January 5, 2024, the Ministry of Commerce (hereinafter referred to as the Investigation Machine) issued Proclamation No. 1 of 2024, decided to conduct an anti-dumping investigation on imports originating in the EU imported into containers of less than 200 litres of distilled wine (hereinafter referred to as the product or related brandy).

The investigation agency investigated whether the product was dumped and dumped, whether the product was transferred to the domestic industry and the causal relationship between dumping and damage.

I. Proceedings of Investigation

(1) Formation and notification.

(1) Initiation of the case.

On November 30, 2023, the China Liquor Industry Association (hereinafter referred to as the applicant) on behalf of the relevant domestic brandy industry, formally filed an application for anti-dumping investigation into the import of brandy originating in the European Union.

The investigative organ reviewed the application materials and found that the applicant met the provisions of Articles 11, 13 and 17 of the Anti-Dumping Regulations relating to the application for anti-dumping investigation by domestic 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 on January 5, 2024, and decided to carry out an anti-dumping investigation of brandy originating in the EU. The dumping investigation period is from October 1, 2022 to September 30, 2023, and industrial damage investigation period from January 1, 2019 to September 30, 2023.

(2) Notification of the case.

Before deciding to open an investigation, in accordance with Article 16 of the Anti-Dumping Regulations, the investigative authority notified the European Union's delegation to the People's Republic of China (hereinafter referred to as the EU Delegation to China) on receiving the application for anti-dumping investigation by domestic industry.

On January 5, 2024, the investigative authority issued a notice on the filing of the case, which formally provided the public text of the notice and application to the EU delegation in China. On the same day, the investigation authority notified the applicant and the EU enterprises 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) Relevant comments.

Trade associations such as the European Commission (hereinafter referred to as the European Commission) as well as the Federation of French Wine and Spirits Exporters, the French National Cognac Industry Authority, the French Agency of the Arts and the European Spirits Association (¹ hereinafter referred to as the European Union Trade Association), Martell AG submitted comments on the case: First, the application does not meet the criteria for filing investigations in terms of dumping, damage, causation and evidence, and the investigative organ shall terminate this anti-dumping investigation; Second, the damage data in the application has been disclosed in the annual report of listed companies, so the relevant data security processing is unreasonable, and the open text of the application has deleted and subtracted the domestic industry information, indexing methods hinder understanding; Third, the application does not properly explain the reason why the price of sale in the EU is not used as the normal value, and there is no sufficient reason for the application to use the EU export price to the new slope as the normal value.

The applicant commented that first, Zhang Yu Company's annual report disclosure information is group as the combined caliber, and the application data only relates to domestic brandy, does not include foreign winery data, so the application for the confidential processing of Zhang Yu company information has a legitimate reason; Second, the processing of confidential information in the application is in line with Chinese law and practice, the Commission's anti-dumping application drafting guide also refers to the index method as an important method for providing non-confidential summary, and the non-confidential summary of the application is enough to be used to understand the substance of the application. Third, the application provided sufficient evidence to determine normal value in accordance with the requirements of the Anti-Dumping Agreement, and the EU respondent did not submit sufficient evidence that the EU export price to Singapore was unsuitable as a basis for normal value.

After review, the investigation organ believes that, first, the investigation organs in accordance with the relevant provisions of the Anti-Dumping Regulations on the qualifications of the applicant, the application for investigation products, the relevant situation of similar products in China, the impact of the application to investigate the domestic industry, the relevant situation of the application for investigation of the country (region), etc., found that the application complies with the Anti-Dumping Regulations on the application for anti-dumping investigation and anti-dumping investigation and related evidence; Second, the applicant's use of third-country prices in the application as the basis for determining the normal value is not contrary to the relevant legal provisions; Third, the investigative authority reviewed the applicant's description of its confidential matters and related non-confidential summaries and concluded that it was in line with the law. Therefore, the Investigative Authority does not accept the above-mentioned claims

¹ EU industry associations include: Bureau National Interprofessionnel du Cognac, Bureau National Interprofessionnel de l'Armagnac (B.N.I.A.), Fédération des Exportateurs de Vins et Spiritueux de France (FEVS), spiritsEurope AISBL.

by the relevant EU stakeholders.

(2) Pre-primary investigation.

1) Register to participate in the survey.

Within the specified time period, the EU Delegation to China, the Embassy of Spain, the European Union Industry Association, the European Union Exporter or Producer Martell & Co., J. & F. Hennessy & Co. of France, E. REMYMARTIN & C^o, etc., domestic importers Shanghai Remijun Trading Ltd., Oozburg (Shanghai) Limited Trade Company, Penant Santelli (Shanghai) Ltd. liquor Co., Ltd., Jin Bali (Beijing) Trading Co., Ltd., Yanyue Hennessy (Hean) Co., Ltd., Shanghai Yongyue Hennessy International Trade Co., Ltd., Bacardi Wine Trade Co., Ltd., Shanghai Dorothy Wine Trade Limited, Forward Trade (Shanghai) Limited, Mexi International Trade (Shanghai) Limited, Mexi International Trade (Shanghai) Limited, Beijing digging-commerce Co., Ltd., and China Chamber of Food Land, Livestock Import and Export Chamber of Liquor Exporters Branch, domestic producer tobacco Tai Yu Wine Wine Industry Co., Ltd., China Liquor Association to register with investigation authorities.

2) Sample surveys.

Due to the large number of enterprises involved in the investigation, in accordance with the provisions of Article 20 of the Anti-Dumping Regulations and the Provisional Rules on the Sampling of Anti-Dumping Investigations, the investigating organ decided to use the method of sample investigation to conduct anti-dumping investigations.

On February 5, 2024, the investigative authority issued the Notice on the issuance of a sample questionnaire on the relevant brandy anti-dumping cases, and issued a dumping sampling questionnaire to the stakeholders in this case.

On February 7, 2024, the Commission submitted the European Commission's Comments on the Submission of Sample Questionnaires, arguing that the information required by the sampling questionnaire exceeds the scope of the information required for selecting a sample of enterprises, and that the investigation authorities should actively consider the application submitted by the European Union producers and exporters for the extension of the submission of the questionnaire.

On February 7, 2024, spirits Europe AISBL submitted "China's comments on imports of brandy originating in the EU anti-dumping survey of EU grape spirits industry on sampling questionnaires", advocating to register to participate in the survey stage provided a message indicating that the EU exported products to China are concentrated in a few companies, and the investigation authorities should narrow down the scope of submitting sample questionnaires.

Within the prescribed deadline, relevant interested parties applied for an extension of the submission of the questionnaire and stated the relevant reasons. Upon review, the investigating body decided to grant an appropriate extension. By the deadline for submission of the questionnaire, the investigation authorities had received a sample of dumping questionnaires submitted by a number of EU producers and exporters.

The survey authorities proceeded to review the responses to the above sample questionnaires and comments, and initially decided to take a sample on the basis of the sampling questionnaire received, to rank the EU producers who submitted the dumping sample according to the size of their reported exports, selecting the top three companies that exported as sampled companies.

On March 12, 2024, the investigative organ issued the Notice on the Sampling and Product Classification of Related Brandy Anti-Dumping Cases, informing the stakeholders of the preliminary sample case, preliminary sampling results and product classification methods and soliciting their comments. Various stakeholders have no objections to the initial sampling scheme and the results of the initial sample.

Upon review, the investigating authority decided that, on the basis of the sampling scheme used in the Notice on Sampling and Product Classification in Relevant Brandy Anti-Dumping Cases, that is, on the basis of the dumping sampling questionnaires received by the investigative authority, the EU producers submitting dumping questionnaires would rank the top three companies for exporting the top three, namely Martell AG, the French company Hennessy and E. Remimadan as the sample company.

Issuance and recovery of questionnaires.

On March 25, 2024, the investigation authorities issued to stakeholders the "Foreign Exporters or Producers Questionnaire", "The Domestic Producers Questionnaire" and the "Inner Importer Questionnaire", asking the respondents to submit accurate and complete responses within the specified time. Among them, the sampled company shall complete the questionnaire of foreign exporters or producers in accordance with the requirements, and other companies not sampled may voluntarily fill in and submit the questionnaire as required. In addition, for the purpose of the damage survey, three EU producers other than the sampled companies were asked to answer the questions in Part I, Part II, V and Part VI, "I. Accounting System", as required. The investigation organ will publish the questionnaire electronically 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. On the same day, the investigative authorities also distributed questionnaires and relevant information to stakeholders registered to participate in the survey through the Trade Relief Survey Information Platform (<https://etrb.mofcom.gov.cn>).

On March 27, 2024, Martell AG filed the Application for Anti-Dumping Case Relevant Brandy in the European Union. In response, the investigative organ replied to the Department's "Reply Letter on Please Provide the Required Information".

Within the statutory period, Martell AG, France Hennessy Co., Pulelega (China) Liquor Industry Co., E. Remymadan Company, and domestic related brandy producers applied to the investigation authorities for an extension to submit the answer and explain the reasons. Upon review, the investigating body decided to extend the deadline for submission of all investigation questionnaires by the stakeholders by two weeks. Within the specified deadline, the French company Hennessy, E. Remy Madan, MIGUEL TORRES, S.A., the relevant domestic brandy producers applied to the investigative authorities to submit the reply and explain the reasons. Upon review, the investigating organ agrees to grant appropriate extensions.

By the deadline for submission of the questionnaire, EU exporters or producers (see Schedule 2), China's domestic importer Poleliga (China) Trading Co., Ltd., Pin Santary Wine Trade (Shanghai) Co., Ltd., Bacardi Wine Trade Limited, Forward Trade (Shanghai) Co., Ltd., domestic producer tobacco, Zhang Yu grapes Co., Ltd., submitted the paper to the investigation.

On June 19, 2024, the investigative authorities issued additional questionnaires to Martell AG, Hennessy France, and E. Remy Madan. Within the specified period, the above-mentioned companies applied for an extension of the submission of additional

questionnaires and explained the reasons. Upon review, the investigating organ agrees to grant an appropriate extension. Within the specified time frame, the above-mentioned companies submitted additional questionnaires to the investigative authorities.

Receive comments from stakeholders.

On January 25, 2024, the EU trade association submitted its Comments on the investigation into the EU brandy anti-dumping case.

On March 18, 2024, Martell AG submitted its Comments on "Notice on the Sampling and Classification of Products in Relevant Brandy Anti-Dumping Cases".

On March 19, 2024, the EU trade association submitted China's Comments on sampling and product classification in the Brandy Anti-Dumping Investigation Case originating in the EU.

On March 19, 2024, the European Commission submitted the European Commission's Compliance to the European Union Comments on the Classification of Products from the Allied Anti-Dumping Investigation into Brandy.

On March 19, 2024, the French company Hennessy submitted its Comments on the Sampling and Product Classification of Related Brandy Anti-Dumping Cases.

On May 14, 2024, the Commission submitted its Comments on the Institution of Anti-Dumping Investigations into Spirits Manufactured from Distilled Wine Originating in Containers under 200 litres.

On May 16, 2024, the EU trade association submitted its Comments on the Anti-Dumping Investigations of Spiritual Wine Produced from Distilled Wine Originated in Containers under 200 litres.

On May 23, 2024, Martell AG submitted the Non-Injury Defence Opinion in the EU-Related Brandy Anti-Dumping Case.

On July 10, 2024, the French company Hennessy submitted comments on the facts and evidence relating to the investigation of industrial damages in anti-dumping cases originating in the European Union.

On July 17, 2024, E. Remy Madan submitted the "Relevant Brandy Anti-Dumping Case Industrial Injury Defense".

On August 9, 2024, the EU trade association submitted its Comments on the Hearings of the China Liquor Industry Association.

On August 9, 2024, the Applicant China Liquor Industry Association submitted the "Relevant Brandy Anti-Dumping Case Applicant's Comments on the Respondent's Comments".

On August 13, 2024, the European Commission submitted the Supplementary Comments of the European Union.

See you.

Field verification prior to preliminary decision.

In order to investigate the status of the relevant domestic brandy industry and verify the completeness, authenticity and accuracy of the information submitted by domestic production enterprises, according to Article 20 of the Anti-Dumping Regulations, from July 9 to July 11, 2024, the investigation authorities carried out on-site

verification of Tobacco Zhangyu Wine Co., Ltd. and Veyron Wine Co., Ltd.

(6) The hearing.

Within the specified time period, the European Union industry association, Martell AG, Hennessy France and ERemy Madan submitted an application to the investigating authorities for a preliminary hearing.

On May 10, 2024, the applicant submitted comments advocating that a hearing should not be held at the current stage.

On May 23, 2024, the investigative organ issued a letter on agreeing to convene a hearing on the anti-dumping case of Brandy, and decided to agree to hold a hearing.

On July 5, 2024 and July 12, 2024, the investigative organs issued the Notice on the Convening of the relevant Brandy Anti-Dumping Hearings and the "Further Notice on Convening the Anti-Dumping Hearing Hearing on Brandy Anti-Dumping Cases" to inform stakeholders of the specific procedures and hearing contents of the hearing.

On July 18, 2024, the investigative organ held a hearing to hear the views of stakeholders on issues related to brandy anti-dumping industry damage, causality and public interest-related matters. Representatives of the EU Delegation to China, the European Union Industry Association, Martell AG and affiliated companies, French Hennessy Company and Associates, ERemy Madan Company and affiliated companies, McGill Toler Limited, China Liquor Industry Association and related member companies, made statements at the hearing.

On July 23, 2024, the European Commission, the European Union Industry Association, Martell Shares Limited, Hennessy France, ERemy Madan, McGill Toler Ltd. submitted written materials after the hearing.

7) Public information.

In accordance with the provisions of Article 23 of the Anti-Dumping Regulations, the investigative organ has published all public materials received and produced during the investigation process in the "Trade Rescue Investigation Information Platform" and promptly sent to the Ministry of Commerce trade relief public information checking room. Stakeholders can find, read, copy and copy relevant public information.

(3) Preliminary decision and announcement.

On August 29, 2024, the investigative organ issued the 35th Announcement of 2024, published the preliminary announcement of the case, the preliminary determination of the product being investigated was dumped, the country's related brandy industry was threatened with material damage, and there was a causal relationship between dumping and material damage. On October 8, 2024, the investigative organ issued Proclamation No. 42 of 2024, decided to implement provisional anti-dumping measures in the form of margins for products being investigated from October 11, 2024. On November 11, 2024, the investigative organ issued Proclamation No. 50 of 2024, decided to implement provisional anti-dumping measures in the form of margin or warranty for the products under investigation from November 15, 2024.

On the day of the announcement, the investigating organ notified the relevant stakeholders, and posted the notice on the website of the Ministry of Commerce and the "Trade Relief Investigation Information Platform" for all stakeholders and the public to consult.

(4) Announcement of Extension.

On December 25, 2024, the Investigation Authority issued Proclamation No. 59 of 2024, which decided to extend the investigation into the case until April 5, 2025. On April 2, 2025, the Investigation Authority issued Proclamation No. 17 of 2025, which decided to extend the investigation into the case until July 5, 2025.

(5) post-primary investigation.

1 ...Post-disclosure of information.

On August 29, 2024, the investigative authority, in accordance with the Provisional Rules for Anti-Dumping Investigation Information, disclosed and explained the basic facts and reasons underlying the calculation of the company's dumping margins in the preliminary decision, through the "Trade Relief Investigation Information Platform" to Martée AG, Hennessy, France, and E. Remimadan, the basic facts and reasons on which the company's dumping margins were calculated in the preliminary decision, and gave relevant stakeholders the opportunity to comment.

2 ...Receiving stakeholder comments and other documents.

On September 4, 2024, the applicant submitted the Applicant's Comments on the Preliminary Decision in the relevant Brandy Anti-Dumping Case.

On September 2024, the EU Delegation to China submitted "Spiritual wines from distilled wines originating in containers of less than 200 litres originating in the European Union".

(Brandy) Written Materials of the European Commission on Preliminary Decisions on Anti-Dumping Investigations.

On September 9, 2024, the EU trade association submitted the Comments on the Preliminary Decision on Anti-Dumping Investigations on Anti-Dumping Investigations on Imports Originated in Containers under 200 litres Originating in the EU and Comments of the Subjects on the Status of Investigative Enterprises.

On September 9, 2024, the French company Hennessy submitted its Comment on the Preliminary Decision on Brandy Anti-Dumping.

On September 9, 2024, E. Remy Madan submitted the "Relevant Brandy Anti-Dumping Case Preliminary and Disclosure Comments".

On September 9, 2024, Martell AG submitted the Comment on the Preliminary Decision on the European Union's Brandy Anti-Dumping Case.

On December 23, 2024, E. Remy Madan submitted the Application for Extension of the Period for Brandy Anti-Dumping Investigations.

On December 23, 2024, Martell AG submitted the Application for Extension of the Investigation Period in the EU-Related Brandy Anti-Dumping Case.

On December 23, 2024, the French company Hennessy filed an application for the extension of the relevant brandy anti-dumping investigation.

On December 24, 2024, the applicant submitted the "Relevant Brandy Anti-Dumping Case Applicants Comments on the Application for Extension of the Investigation Period and the Provisional Anti-Dumping Measures Implementation Period".

On January 8, 2025, the applicant filed the relevant brandy anti-dumping case.

The applicant's comments on relevant damages after the initial decision of the EU stakeholders.

3 Verification on the ground.

In order to further verify the authenticity, accuracy and completeness of the information and materials submitted by the respondent enterprises and affiliates, the investigating authority formed an anti-dumping investigation field inspection team, which conducted field inspections of E. Remimadan and related companies on 24-25 September, 15 October and 21-22 October 2024; On-site verification of Martell AG and related affiliates on September 26-27, September 30 and October 23; On-site verifications were conducted between October 10 and 11, October 14 and October 24 for Hennessy France and related affiliates.

During the verification period, the verification team questioned the financial personnel, sales personnel and management personnel of the verified company, respectively, the overall situation of the above companies, the products being investigated for China's export sales, and the sales of some of the products of the same products in their respective countries and the cost and related costs of producing the products and similar products under investigation, the authenticity, accuracy and completeness of the company's submissions were investigated.

According to the Provisional Rules for Disclosure of Anti-Dumping Investigation Information and the Provisional Rules for Field Verification of Anti-Dumping Investigations, the investigating organ disclosed to the verified company the basic facts of actual verification. Within the specified time frame, each of the companies inspected submitted written comments on verification of the disclosure of basic facts.

With regard to the material and information gathered in the above-mentioned survey, as well as the comments thereon,

The investigation authorities considered it in accordance with the law in the final decision.

4 ...Price commitments.

Within the statutory period after the initial ruling, Martell AG, France Hennessy Company, and E Remy Madan submitted a price commitment request to the investigative authorities. Munir Co., Ltd. also commissioned the relevant trade associations of the European Union to submit a price commitment application to the investigative authorities. The domestic industry has submitted relevant comments.

The investigation authorities reviewed the above application for price commitments and related comments. After reviewing the final text of the above-mentioned price commitment application, the investigating authority concluded that its price commitments were acceptable (see annex 1) for the list of companies.

II. Products being investigated

Scope of investigation: Spirits from distilled wines originating in containers of less than 200 litres.

Name of the product under investigation: Spirits from distilled wines containing containers below 200 litres (usually called brandy).

The English name is: Spirits obtained by distilling grape wine in containers holding less than 200 liters (usually called Brandy).

Description of the product: Spirits made from grapes, grape juice (pulp), grape slag, wine, etc.

Main uses: It is mainly used as a beverage for consumption.

The product is subject to the import and export tax of the People's Republic of China: The 22082000. Spirits derived from distilled wines containing 200 litres or more under this tax number are not covered by this application survey product.

III. margins of dumping and dumping

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

Martell Co., Ltd.

(Martell & Co)

1) Normal value.

The investigation authorities reviewed the model classification of the products investigated by the company and similar products. In the answer, the company advocated that the survey products and their similar products should be divided into five models according to the product classification of the survey authority. In the initial ruling, the investigative organ decided to accept the company's claim on model division for the time being. After the initial ruling, no interested parties have commented on this matter. After verification and further investigation on the ground, the investigation organ decided to maintain the preliminary ruling in the final ruling.

The investigation agency reviewed the company's sales in the EU. After review, dumping during the survey period, the company sold all similar products in the EU accounted for the total number of products exported to China in the same period did not exceed 5%, which did not meet the quantity requirements as the basis for determining the normal value. In the preliminary ruling, the investigative organ decided to temporarily adopt the normal value of the structure for all models. After the initial ruling, no interested parties made comments on the matter. After verification and further investigation on the ground, the investigative organ decided to maintain the preliminary ruling in the final ruling.

After review, during the period of the dumping investigation, the company mainly sold similar products to non-affiliated customers in the EU through a number of affiliated companies in the European Union. After review, the investigative organ decided in the preliminary ruling that the company and the above-mentioned related companies should be considered for the time being the normal value of the structure. After the initial ruling, no interested parties have commented on this matter. After verification and further investigation on the ground, the investigative organ decided to maintain the initial determination in the final ruling.

The Investigation Authority reviewed production costs and costs submitted by the Company and its affiliates within the European Union. In the preliminary ruling, the investigative organ decided to accept provisionally the production costs and corresponding sales costs, administrative expenses and financial expenses of each type of product in its answer. For individual affiliates that did not submit cost data for objective reasons, the investigation organs used other reasonable methods to determine the related costs for them. On the basis of the net operating profit of the production and sale of similar products submitted in the supplementary responses of the affiliated companies after review, the adjustment and aggregation calculation arrived at the net profit after the combined consideration. After the initial ruling, the Company submitted comments

advocating that the direct sales costs of affiliates in the EU should be adjusted and that the sales, management and financial costs of the company concerned should be calculated based on the average cost rate of all other affiliates. After verification and further investigation on the ground, the investigative organ decided to accept the company's claim regarding the adjustment of direct sales costs in the final ruling, while adjusting the related costs of the related companies according to the results of field verification.

In the final ruling, the investigation agency used the production cost of the model when calculating the normal value of the structure of the same type of product, and the combined consideration of the sales costs, management costs and financial costs and realized profits generated by the company and the related companies to non-affiliated customers in the EU.

(2) Export prices.

The investigation authorities reviewed the situation of the company's exports to China for the products under investigation. During the dumping investigation period, the company exported products to China through the following two channels: First, export directly to Chinese affiliates, and then resold by Chinese affiliates to non-affiliated customers in China; The second is exported to non-affiliated customers in China through the Hong Kong Connection Company of China.

In accordance with the provisions of Article 5 of the Anti-Dumping Regulations, for channel one, the investigating organ decided provisionally to adopt the structural export price method in the preliminary ruling, using the sales price between related companies in China and China's non-affiliated customers as the basis for determining the export price; For channel 2, the investigative organ decided in the preliminary ruling to use the sales price between China's Xiang Port affiliates and Chinese non-affiliated customers as the basis for determining the export price. After the initial ruling, no stakeholder comments were made in this regard. After verification and further investigation on the ground, the investigative organ decided to maintain the preliminary ruling in the final 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.

In the preliminary ruling, the investigation organs, after review, decided to temporarily accept the adjustment items such as discounts, invoice discounts, factory loading and unloading fees, inland freight, pre-sale storage fees, packaging costs, credit costs and other adjustment projects. After the initial ruling, no interested party has commented on the matter. After verification and further investigation on the ground, the investigative organ decided to maintain the preliminary ruling in the final ruling.

(2) The export price portion.

In the preliminary ruling, the investigation organs, after review, decided to temporarily accept adjustment items such as discounts, extra-invoice discounts, rebates, other discounts, factory handling fees, inland freight and international freight, pre-sale storage fees, import customs duties, import excise duty, credit charges, China inland freight, China inland pre-sale warehousing charges, repackaging fees in China, overheads of related companies in China. After the initial ruling, no stakeholder comments were

made in this regard. After verification and further investigation on the ground, the investigative organ decided to maintain the preliminary ruling in the final ruling.

Regarding the company's claim to carry out the structural export price of a chemical product profit margin as the profit rate of China affiliated companies, the investigation organs in the preliminary ruling considered that the product under investigation is not a chemical, and the two differences are large, the company has no factual basis and evidence to support, investigation organs are not accepted. The investigation agencies provisionally use the profit margins in the responses of affiliated companies in China when structural export prices. After the initial ruling, the company submitted comments, advocating the adoption of an independent importer's profit margin. After on-the-ground verification and further investigation, the investigation authorities believe that the company did not provide supporting documents on the profit margins of independent importers, nor did it prove its reasonableness in the industry, and the investigation organs decided to determine the profit margins of China affiliated companies based on the supplementary answer data submitted by the company and on-site verification.

Onshore Price (CIF Price).

After review, the investigative authority accepts the onshore price data reported by the company and Hong Kong-affiliated companies in China in the preliminary ruling. After the initial ruling, no interested parties made comments on the matter. After verification and further investigation on the ground, the investigative organ decided to maintain the preliminary ruling in the final ruling.

French company Hennessy

(Jas Hennessy & Co)

1) Normal value.

The investigation authorities reviewed the model classification of the products investigated by the company and similar products. The Company claims to be divided into a number of models by quality or business name of the survey product and its similar products. In the preliminary ruling, the investigative organ decided to accept the company's claim on model division for the time being. After the initial ruling, no stakeholder comments were made in this regard. After verification and further investigation on the ground, the investigative organ decided to maintain the preliminary ruling in the final ruling.

The investigation agency reviewed the company's sales in the EU. In the preliminary ruling, the investigation organs considered that during the period of dumping investigation, the company sold all similar products in the EU accounted for more than 5% of the total number of products exported to China during the same period. In each model, the number of sales in the European Union accounted for less than 5% of the export sales to China during the same period, and the investigation organs in the preliminary ruling for the model number provisionally adopted the normal value of the structure; The total number of sales sold in the EU and the total number of export sales to China during the period of the dumping investigation were negative and very small, and the investigation authority did not calculate the dumping margin of the model in the preliminary ruling; The remainder of the EU sales volume accounted for more than 5% of exports to China during the same period, meeting the quantitative requirements as the basis for determining normal value. After the initial ruling, no stakeholder comments were made in this regard. After verification and further investigation on the ground, the investigative organ decided to maintain the preliminary ruling in the final ruling.

The investigation authority reviewed the related transactions of similar products of the same type that the company meets the quantitative requirements. The answer shows that during the dumping investigation period, the company has associated customers and non-affiliated customers when selling the same type of products in the EU, and there are significant differences between the related sales price of each model and the unrelated sales price. The investigation organs believe that for this part of the model product, the related sales price does not reflect the normal trade process, the preliminary ruling provisionally excludes sales in the EU after related transactions as the basis for determining the normal value. After the initial ruling, no interested party has commented on the matter. After verification and further investigation on the ground, the investigative organ decided to maintain the preliminary ruling in the final ruling.

The investigative authority reviewed the production costs and costs submitted by the company. The preliminary inspection agency accepts the data reported by the company for the time being, and accordingly conducts a preliminary examination of whether similar products of the same type that meet the quantity requirements are below cost sales in the EU. After review, some models were sold below cost during the dumping investigation period, but the number of sales below cost did not exceed 20% of the EU sales of this model; The rest of the models were sold above the cost. The preliminary ruling of the investigative organ temporarily used all unrelated sales within the European Union as the basis for determining the normal value of the above models. After the initial decision, no interested party has commented on the matter. After field verification and step-by-step investigation, the investigative organ decided to maintain the preliminary ruling in the final ruling.

When calculating the normal value of the structure of similar products of the above-mentioned model, the preliminary ruling provisionally adopts the production cost, sales cost, management and financial costs of the model, as well as the sales profit margin in the EU market in the product sector. After the initial ruling, no interested party has commented on the matter. After field verification and a step-by-step investigation, the investigative organ decided to maintain the preliminary ruling in the final ruling.

(2) Export prices.

The investigation authorities reviewed the situation of the company's exports to China for the products under investigation. During the dumping investigation period, the company exported the products under investigation to China in two ways: One is to resell to non-affiliated customers in China through Singapore affiliates; Second, after exporting through Singapore affiliates to Chinese affiliates, Chinese affiliates again through other affiliates in China through other affiliates in China, most of which are sold to non-affiliated customers, a small part is purchased by employees or affiliates.

In accordance with the provisions of Article 5 of the Anti-Dumping Regulations, for channel 1, the preliminary ruling of the investigative organ decided to temporarily use the sales price between Singapore affiliates and Chinese non-affiliated customers as the basis for determining the export price; For channel 2, the preliminary ruling of the inspection organ decided to temporarily adopt the structural export price method, taking the sales price between Chinese related companies and non-affiliated customers as the basis for determining the export price, for a small proportion of the number of joint sales purchased by employees or affiliates, use non-related transaction prices instead. After the initial ruling, no interested parties made comments on the matter. After verification and further investigation on the ground, the investigative organ decided to maintain the preliminary ruling in the final ruling.

3) Price Adjustment.

According to the provisions of Article 6 of the Anti-Dumping Regulations, for fair and reasonable comparison, the investigation organ has reviewed the adjustment projects affecting the comparability of the price of the company one by one.

(1) The normal value part.

In the preliminary ruling, the investigation organs, after review, temporarily accepted the company's claims for inland transportation - factory/warehouse to customers, credit costs and other adjustment projects. After the initial ruling, no interested parties have commented on this matter. After verification and further investigation on the ground, the investigation organ decided to maintain the preliminary ruling in the final ruling.

With regard to the Trade Fund, the preliminary ruling of the investigative authority found that the company's claims and evidentiary materials could not prove that the services or incentives provided by the company under this expenditure were directed only to non-affiliated customers in the EU, thus affecting price comparability. Therefore, the investigative organ decided not to accept the adjustment claim for the time being. After the initial ruling, the company submitted comments, arguing that the fee only applies to non-affiliated sales in the EU, but only repeats the contents of the paper and does not provide further evidence to support it. After further investigation, the investigative authorities found evidence in the company's responses and field verifications that the net sales invoices reported by the company did not include trade fund projects. Therefore, the investigative organ decided not to accept the company's above-mentioned claims and maintain the preliminary ruling in the final ruling.

Regarding advertising and promotion costs, the investigation agency in the preliminary ruling found that the company's relevant claims and certification materials cannot prove that the beneficiaries of the above advertising and promotion costs are only the same products sold in the EU, thus affecting the price compatibility, and therefore decided not to accept the adjustment claim. After the initial ruling, the company submitted comments claiming that the only beneficiaries of the fee were similar products in the EU that were investigated, but only repeated the contents of the questionnaire and did not provide further evidence to support it. The investigative organ decided to maintain the preliminary ruling in the final ruling.

With regard to CEP compensation, the Company considers that there is a clear difference in the cost and price composition of its sales in the EU market and in the Chinese market, and advocates the corresponding CEP compensation adjustment for the normal value at the time of the structural outlet price, that is, deducting the indirect sales costs incurred in the EU market. Upon review by the investigative authorities, the company failed, first of all, to provide a reasonable explanation and supporting documentation of the so-called "clear discrepancies" in the cost and price composition of its claims for sales in the EU market and in the Chinese market; Second, the Company has also failed to justify the adjustment amount for indirect sales costs incurred in the EU market. Therefore, the investigating organ in the preliminary ruling provisionally determined that the company's above-mentioned claims lack of factual basis and evidence support, and decided not to accept the adjustment claim for the time being. After the initial ruling, the company submitted comments, that the end customers of products in the Chinese market are mainly wholesalers, EU market products are mainly sold to supermarkets, retail stores and bars and other customers, the two sales structure is different, and then lead to the company's sales function and sales cost difference, the EU sales should be adjusted CEP compensation. After field verification and further

investigation, the investigation organs believe that from the perspective of the final sales customer, there is no substantive difference in the sales structure of the two markets, and the company CEP compensation claim lacks factual basis and evidence support, so decided to maintain the preliminary ruling in the final ruling.

(2) The export price portion.

Preliminary investigation organs have provisionally accepted the company's claims for inland transport - factory/warehouse to export port, bank charges, pre-sales warehousing charges, inter-national transportation costs, international transport insurance premiums, other items to be adjusted, China Inland Warehousing Fee-Port to Warehouse, Inland Warehousing Costs in China, Inland China Freights - Warehouse to Unaffiliated Customers, Inland China Insurance Fees, Import Customs Tariffs, Import Customs Tariffs, Import customs duties, import customs duties, import customs duties, foreign trade agents, repackaging costs incurred in China, other discounts, Chinese inland freight - Warehouse to unrelated customers adjustment projects such as household, credit expenses, advertising and promotion fees, commissions, profits of related trading companies in China. After the initial ruling, no stakeholders made comments on the matter. After verification and further investigation on the ground, the investigative organ decided to maintain the initial determination in the final decision.

For the purpose of fair comparison, the investigation organs provisionally decided in the preliminary ruling to increase the overhead costs and profit adjustments of new add-only related companies, and to increase the adjustment of overhead costs of Chinese affiliates when calculating structural export prices. After the initial ruling, the company submitted comments, advocating that overhead expenses and profits of Singapore affiliates should not be adjusted. The company also explained the share of indirect costs among Chinese affiliates and advocated that the profit margin of the products surveyed rather than the profit margins of the surveyed product divisions be adjusted to the profits of Chinese affiliates.

With regard to Singapore affiliates, after field verification and further investigation, the investigation authorities believe that when determining the normal value in this case, the investigation authorities use non-connected sales within the EU as the basis for determining the normal value and adjusted to the company's factory level; For export transactions, deductions for overheads and profits of Singapore affiliates can guarantee that the export price is also at the company's factory level. The investigation body decided to maintain the preliminary ruling in the final ruling and determined that overhead charges and profit adjustments were made to Singapore affiliates.

With regard to the overhead costs of Chinese affiliates, after field verification and further investigation, the investigative organ decided to accept the company's claims in accordance with the verification situation on the ground, to re-calculate the indirect costs and adjust accordingly. Regarding the adjustment of profits of Chinese affiliated companies, after field verification and further investigation, the investigation organs believe that the profit margin of the department in which the products under investigation can more reasonably reflect the sales of the products under investigation and the level of profit to be realized, so decided not to accept the company's relevant claims and maintain the preliminary ruling in the final penalty.

On arrival prices (CIF prices).

The investigation authority has provisionally accepted the onshore price data reported by Singapore affiliates in the preliminary ruling. After the initial ruling, no interested parties have commented on this matter. After verification and further

investigation on the ground, the investigative organ decided to maintain the initial determination in the final ruling.

ERemyMadan

(E. REMY MARTIN & C°)

1) Normal value.

The investigation authorities reviewed the model classification of the products investigated by the company and similar products. In the dumping sampling questionnaire, the company asserted that the products under investigation and their equivalents included only two models, and provided illustrative information on four product brands under one model. In the survey questionnaire of foreign exporters or producers, the company advocates that the survey products and their similar products according to the product brand are divided into six models, on this basis, according to sub-brand and packaging capacity divided into more models after price comparison. The investigation organs issued additional questionnaires and asked the Department to explain the inconsistencies in the claims regarding the model division. The company provided illustrative information on two additional brands in the supplementary answer, but failed to reasonably explain the inconsistencies in the model division claims. In the preliminary ruling, the investigation organs after review decided provisionally accept the company's answer claim that according to the product brand the company's investigated products and their similar products are divided into six models and based on the price comparison. After the initial ruling, no stakeholder comments were made in this regard. After verification and further investigation on the ground, the investigative organ decided to maintain the preliminary ruling in the final ruling.

The investigation agency reviewed the company's sales in the EU. During the dumping investigation period, the company will sell similar products of the investigation products to non-affiliated customers in the EU through several affiliates. In the preliminary ruling, the investigation organs considered that during the investigation period, the company sold all similar products in the EU accounted for more than 5% of the total number of products exported to China during the same period. See, there are five models in the EU sales volume accounted for more than 5% of the number of export sales to China during the same period of the model, which meets the quantity requirements as the basis for determining the normal value. For these five models, the investigation organs in the preliminary ruling for the above-mentioned related companies as a whole to consider the sale price of each affiliate to non-affiliated customers in the EU as the basis for determining the normal value; In addition, the proportion of 1 model is not more than 5%, and the investigation authority decided in the preliminary ruling to adopt the normal value of the model. After the initial ruling, no stakeholder comments were made in this regard. After verification and further investigation on the ground, the investigative organ decided to maintain the initial determination in the final ruling.

The investigative authority reviewed the production costs and costs submitted by the company. In the preliminary ruling, the investigation agency provisionally accepted the company's answer on the production cost of each product brand and the corresponding sales costs, management costs and financial costs, as well as the sales costs, management expenses and financial expenses of the affiliated companies involved in similar products in the European Union. On this basis, the investigation authorities recalculated the production costs and costs of the same types of products after the combined consideration, and accordingly conducted a preliminary review of the company's five models of similar products in the EU. After review, during the survey period, two models were all higher than

cost sales, and another three models were stored below cost sales, but the number of sales below cost did not exceed 20% of the European Union's sales volume. In accordance with the provisions of Article 4 of the Anti-Dumping Regulations, the investigating authority in the preliminary ruling will use all of the above five models in the EU as the basis for determining the normal value. After the initial ruling, no interested parties made comments on the matter. After verification and further investigation on the ground, the investigative organ decided to maintain the preliminary ruling in the final ruling.

For the EU sales volume accounted for the proportion of export sales to China in the same period did not exceed 5% of the model, when the investigation agency calculates the normal value of the structure in the initial ruling, the production cost of the model is provisionally adopted, as well as the combined consideration of the sale of similar products to non-affiliated customers in the EU resulting from sales costs, administrative expenses and financial expenses and realized profits.

After the initial ruling, the company submitted comments advocating that, in calculating the normal value of the model structure, the profit margin of a series of products consisting of five models similar to that model should be used. After field verification and further investigation, the investigation found that the above profit margins advocated by the company in its comments could more appropriately reflect the profit situation after the merger of the company with the related affiliates, as this decision accepted the company's claims in the final ruling, and recalculated the normal value of the structure of the model based on the profit margin and the cost of production, sales, management and financial costs after the merger of the company with the relevant affiliates.

(2) Export prices.

The investigation authorities reviewed the situation of the company's exports to China for the products under investigation. During the period of the dumping investigation, the company exported products to China through affiliates based in the European Union and Singapore, with four channels: One is the export of Singapore-affiliated companies to non-affiliated customers in China; Second, after the Singapore affiliates are exported to affiliates in China, then resold by affiliates in China to China's non-relationship customers; Third, after the Singapore affiliates are exported to Chinese affiliates, then resell them to Chinese non-affiliated customers through other affiliates in China; Fourth, after the Singapore affiliates are exported to Chinese affiliates, then resold by Chinese affiliates through affiliates located in Hong Kong to non-affiliated customers in China.

In the preliminary ruling, the investigative organ provisionally decided, in accordance with the provisions of Article 5 of the Anti-Dumping Regulations, for channel I to use the sales price between Singapore affiliates and non-affiliated customers in China as the basis for determining the export price; For channel two and channel three, adopt the structural export price method, using the sales price between affiliated companies in China and China's non-related customers as the basis for determining the export price; For Channel Four, the structural export price method is used, using the sales price between Hong Kong affiliates and Chinese non-affiliated customers as the basis for determining the export price. After the initial ruling, no stakeholder comments were made in this regard. After verification and further investigation on the ground, the investigative organ decided to maintain the preliminary ruling in the final 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.

In the preliminary ruling, the investigation organs, after review, decided to temporarily accept the adjustment items such as discounts, invoiced discounts, factory handling fees, inland freight, pre-sale warehousing charges, packaging costs, credit costs and other adjustment items. After the initial ruling, no interested party has commented on the matter. After verification on the ground and further investigation, the investigative organ decided to maintain the preliminary ruling in the final ruling.

With regard to the company's claim of the related company profit adjustment project, since the investigation organs have been involved in the merger of all related companies in the European Union sales of similar products for consideration, therefore, for the purpose of fair comparison, the investigation organ decided not to make this project adjustment at the preliminary ruling.

After the initial ruling, the company submitted comments that the sales function of the company's affiliated companies involved in sales in the European Union is the same as the sales function of the Chinese affiliate company responsible for selling in the Chinese market, but the investigation agency only adjusted the indirect costs and profits of the Chinese affiliates when calculating the normal value, and did not adjust the indirect costs and profits of the associated companies involved in the EU sales when calculating the normal value.

After on-the-ground verification and further investigation, the investigative authorities believe that, first of all, as mentioned above, the company's exports to China under investigation products are sold to affiliates in China through affiliates located in Singapore, and then resold by affiliates in China to non-affiliated customers, and the investigation organs in calculating the structural export price deducted the costs and profits incurred between imports and resales by China-linked companies, in accordance with Chinese laws and WTO rules. Second, the company sells similar products in the EU through the relevant affiliates to non-affiliated customers. The investigation authorities merged the company with the relevant affiliates when calculating the normal value, without deducting the overhead expenses and profits of the related affiliates. Similarly, the Investigation Authority merged the company with Singapore affiliates in calculating the export price without deducting the overhead charges and profits of the Singapore affiliates. Finally, the company's comments on the view that the normal value determined by the investigation organ and the export price do not belong to the same trade link lacks a factual basis, and the specific adjustment amount of the related company's overheads and profits is not supported by evidence. For this reason, the investigating authority decided not to accept the above claims of the company.

(2) The export price portion.

In the preliminary ruling, the investigation organs, after review, decided to provisionally accept adjustment items such as discounts, invoice discounts, rebates, other discounts, factory handling fees, inland freight and international freight, pre-sales warehousing charges, import customs duties, import excise duty, credit charges, China inland freight, China inland pre-sale warehousing charges, repackaging fees in China, profits of Chinese affiliated companies. After the initial ruling, no interested parties have commented on this matter. After verification and further investigation on the ground, the investigation organ decided to maintain the preliminary ruling in the final ruling.

In the preliminary ruling, for the purpose of fair comparison, the investigative authority decided not to carry out the profit adjustment of EU affiliates and Singapore affiliates advocated by the Public Department, but to increase the overhead cost adjustment of Chinese affiliates when calculating structural export prices. After the initial ruling, the company submitted comments, advocating that the export price identified in the preliminary ruling was not at the same level of trade as the normal value. The investigation authorities examined the company's claims. As mentioned earlier, upon verification and further investigation on the ground, the investigating body found that the Division's claims lacked factual and evidentiary support and therefore decided not to accept them.

Onshore Price (CIF Price).

The investigation authority has provisionally accepted the onshore price data reported by Singapore affiliates in the preliminary ruling. After the initial ruling, no interested parties have commented on this matter. After verification and further investigation on the ground, the investigative organ decided to maintain the initial determination in the final ruling.

Other EU producers cooperating with the survey

In the preliminary ruling, in accordance with the provisions of the Anti-Dumping Regulations and the sampling of anti-dumping investigation Provisional Rules of the Ministry of Commerce, the investigative organ provisionally decided to determine its dumping margin for products exported to China during the period of the dumping investigation, and within the deadline to submit dumping questionnaires but not selected EU producers, using the weighted average of the sampled company.

After the initial ruling, relevant EU industry associations and some exporters and producers submitted comments requesting the investigation authorities to re-examine the list of companies cooperating with the investigation, and advocated that all exporters or producers registered to participate in the survey or submit a sample survey response or damage to the responses were given a weighted average dumping margin, regardless of whether the exporter or producer exported to China during the period of the dumping investigation. The Commission submits comments in favour of a trader or exporter who has submitted a sample answer or a questionnaire on Foreign Exporters or Producers' Questionnaire should be considered a cooperative enterprise.

Upon investigation, the investigating authorities considered that, first of all, the investigation machine issued the " Dumping Sampling Survey Question" to the EU exporters and producers in the case on February 5, 2024, and the " Questionnaire Notes and Requirements" section on the issue of questionnaires and questionnaires clearly informed of the consequences of failure to submit a sample as required, i.e., that the investigating authority could rule on the facts and best available information available. This section of the EU exporter and producer did not continue to cooperate with the investigation after registering to participate in the survey, did not submit the dumping sampling questionnaire as required, nor did it explain the reasons for the failure to submit the above submission, so that it could not apply the weighted average dumping margin; Secondly, for EU producers who have submitted dumping sampling surveys as required and who, during the period of the dumping investigation, have exported EU exporters to China of the products investigated, the survey machine closed after further review, decided to accept the claims of relevant EU industry associations, and consider the above mentioned EU producers as cooperating with the investigation enterprises, and apply weighted average dumping limits to them; Finally, for EU exporters and

producers who did not export the products under investigation to China during the period of the dumping investigation, the investigative authority cannot review the production and sale of the products under investigation to China during the period of the dumping investigation, so that there is no law to determine a separate dumping margin for them. These EU exporters and producers are mainly composed of small and medium-sized enterprises, participating in anti-dumping investigations is very heavy and other propositions, not their application of the separate dumping margin. Therefore, the investigation authorities do not accept the above-mentioned claims by the relevant trade associations in the EU.

After the initial ruling, Tysende & Son Brewing Co. requested that the name "Tysende & Son Brewing Company" be changed to "France Tysender Winery" and provided relevant supporting documentation. Philippe Packare Ltd. requests that the name "Philip Pacalé Limited" used in the initial ruling be changed to "Philippe-Pacari" and provide supporting documentation. Upon review, the investigating authority decided to accept the above-mentioned company's request to apply the tax rates of other EU producers to cooperate with the investigation by "Tysende de France" and "Philippe-Pacari Easy AG"; Other EU corporate tax rates are declared in the name of "Tysend Fathers & Son Brewing Company Limited" and "Philip Pakare Limited".

Other EU companies

On January 5, 2024, the investigation agency launched an anti-dumping investigation into brandy originating in the EU. On the same day, the investigative authorities notified the European Union's delegation in China. On the same day, the investigation organ will publish the announcement of the case on the website of the Ministry of Commerce, and any interested party may consult the notice of the case on the website of the Ministry of Commerce. After the case is opened, the investigating authority gives the stakeholders 20 days to register to participate in the investigation period, giving all stakeholders a reasonable time to be informed of the case. After the filing of the case, the investigation organ will post the questionnaire on the website of the Ministry of Commerce, and any interested parties can view and download the questionnaire of the case 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. The investigation authorities compared the information obtained in the investigation, and after preliminary verification, decided in the preliminary ruling to use the information of the French company Hennessy as the best information available, based on this information to determine the dumping margins of other EU companies. After the initial ruling, no interested party has commented on the matter. After field verification and a step-by-step investigation, the investigative organ decided to maintain the preliminary ruling in the final ruling.

(2) Comparison of prices.

According to the provisions of Article 6 of the Anti-Dumping Regulations, the investigation authority compares the normal value and export price of the products under investigation, taking into account the various comparable factors affecting the price, in accordance with a fair and reasonable manner, to adjust the normal value and the export

price to the factory level. In calculating the dumping margin, the investigating authority compared the weighted average normal value with the weighted average export price to arrive at the dumping margin.

(C) the margin of dumping.

Calculated, the dumping margins of each company are shown in annex 2.

Domestic industry similar products, domestic industries

(1) Recognition of similar products in the domestic 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 authorities investigated factors such as the materialization characteristics of domestic brandy and dumped imported products, raw materials, production processes and production equipment, product use, sales channels, customer group and consumer evaluation:

Physical characteristics and chemical properties.

Domestically produced brandy and dumped imported products are grape, Portuguese juice (pulp), grape slag, wine as raw materials of distillation of spirits, both in the main physical indicators of alcohol, non-alcohol volatiles and other sensory requirements have similar characteristics in terms of appearance, color, aroma, taste and other sensory requirements. In the preliminary ruling, the inspection organ determined that the relevant brandy produced domestically is basically the same as the materialization characteristics of dumped imported products.

Raw materials, production processes and production equipment.

Domestically produced brandy is basically the same as the main raw materials used in the production process of dumped imported products, including grapes, grape juice (pulp), grape slag, wine. There are no substantive differences in the production process and production process, usually the main raw material is fermented, distilled, aging and configured (e.g. raw material as wine, will not need to go through the fermentation link) to the final product brandy. The production equipment is basically similar, there are no substantive differences, mainly including Portuguese infarction crushers, presses, stainless steel fermenters, stainless steel fermenters, stainless steel cans, distillation equipment (pot, tower, etc.), various specifications oak barrels, used for storing brandy stainless steel tanks, freezers, filters, filling machines, supporting packaging equipment, etc. In the preliminary ruling, the investigation organs determined that the relevant brandy produced in the country is basically the same as the raw materials, production processes and production equipment of dumped imported products.

3) Use of the product.

Domestic production related brandy is basically the same as the use of dumped imported products, are mainly used as beverage and liquor for consumption, generally through stores, supermarkets, specialty stores, online online, catering, casino and other ways for consumers. In the preliminary ruling, the investigation machine determined that domestically produced brandy is basically the same as dumped imported products.

Sales channels, customer groups and consumer evaluations.

Domestically produced brandy and dumped imported products are sold in the Chinese market through direct sales, dealer sales or online sales. For downstream

consumer groups, stores, supermarkets, specialty stores, catering and entertainment venues and other sales channels provide domestic brandy as well as dumped imported products to meet the consumer demand of downstream customers. Downstream consumer groups can choose to buy dumped imported products, or choose to buy domestically produced brandy. In the preliminary ruling, the investigation organs determined that domestically produced brandy and dumped imported products are basically the same in terms of sales channels, customer groups and consumer evaluation.

In their comments, the European Union trade association, E Remy Madan and the French company Hennessy argued: First, the original materials used in domestically produced brandy are different from the products under investigation, which can only be made of grapes or wine, while Chinese brandy can be made from other fruits or juices; Second, domestic brandy products are different from the production process of the products being investigated. The products surveyed are traditional products that are diverse, and cognac products, which account for the majority of the products surveyed, are protected by geographical indications. Cognac's long history of production and complete ecosystem shape its uniqueness, production processes are strictly regulated by regulations, production needs to follow a number of relevant mandatory regulations, technical standards and specifications, and no flavoring agents can be added during the production process; Third, differences in production processes and raw materials have an impact on the physical and sensory characteristics of the two, and relevant research conclusions and professional comments indicate that the sensory characteristics of the two are different; Fourth, the products investigated and the domestic brandy are located in different market segments, there is no direct competitive relationship in the Chinese market, there is no difference in consumer perception, there is no competitive relationship between the two, the price is not the competitive factor of consumers choosing domestic brandy products or the products being investigated, the price change between the two has no interaction effect.

The applicant commented that, first, the dumped imported products include all distilled wines made from distilled wines containing containers below 200 litres, cognac is only a production area of brandy, only one type or specification of the dumped imported products in this case, whether having a geographical indication does not change the basic intrinsic characteristics of Cognac; Second, the standards applicable in the domestic industry are consistent with the EU standards in terms of brandy minimum wine accuracy, caramel, sweet substance use, etc.; More stringent requirements have been set in terms of distillation, age, age and total non-alcoholic volatiles, which are higher than EU standards; Moreover, China's "winery brandy", the production process is consistent with Cognac, but the quality indicators are higher than Cognac standards; Third, Zhang Yu Company has won more than 80 important international awards in the world since 2011, which can prove that the domestic industrial products and the products of the head, Martell, Hennessy and other brands compete with Taiwan; Fourth, the media reports provided by the applicant and the EU industry associations and exporters show that Zhang Yu Company and the European side mentioned "always focus on brandy consumer markets and consumers, develop brandy consumption scenarios worldwide, develop brandy consumption demand, and provide high-quality, representative brandy products as the competitive strategy" is completely consistent, but also shows that the domestic brandy and dumped imported products market positioning is the same; Fifth, Zhang Yu brandy's sales area and dumped imports almost coincide, indicating that there is a competitive relationship between the two; Sixth, regarding consumer cognitive and evaluation issues, Internet terms, media and network reports, video platform consumer horizontal testing, distributors and downstream users issued certificates, global well-

known expert evaluations show that in the general understanding of consumers, domestic brandy and dumped imported products have a competitive relationship.

Upon review, the investigating body concluded that: First, as mentioned above, this case is based on spirits derived from distilled wines originating in containers of less than 200 litres originating in the EU; The survey shows that the products surveyed and similar products in the domestic industry are made of grapes, grape juice (pulp), grape slag, wine, etc., and the EU's relevant stakeholders' claims are inconsistent with the facts; Second, in the relevant standards, dumped imported products and related brandy important structural indicators of domestic industrial production overlap, and there are no substantial differences in the production process; Cognac is only part of the dumped imported products whose geographical attributes and historical and cultural characteristics help them obtain consumer preferences and positive evaluations, but cannot deny competition between the two; Geographical indications are an indication of the origin of goods, as a form of intellectual property, one of the means of competition for commodities, and the geographical indication itself does not exclude competition and substitution between commodities of different origins; Third, relevant stakeholders have not submitted evidence that there are substantial differences between the relevant brandy geographical indicators of dumped imported products and domestic industry production; The main exporter of dumped imported products has been operating in the Chinese market for many years, its products have certain brand advantages, but dumped imported products and domestic industry production related brandy in many special industry evaluation competition and obtain professional recognition, indicating that the direct competition between the two, sensory differences reflect the characteristics of each product, can not therefore deny the competition relationship between the two; Fourth, there is evidence that the dumping of imported products and the related brandy produced by the domestic industry competes in the Chinese domestic market, and the two consumption areas and end-uses are basically the same, and there is a direct competitive relationship between the two. The relevant economic research report submitted by E. Remy Madan was prepared at its request for anti-dumping purposes and was limited to its products, not all of the imported products.

The investigation organs in the preliminary ruling found that domestically produced brandy and dumped imported products in material characteristics, raw materials, production processes and production equipment, product use, sales channels, customer groups and consumer evaluation are basically the same, have similarities and alternatives, there is a competitive relationship between the two, domestically produced brandy and dumped imported products belong to the same category.

After the initial ruling, the European Union industry association and E. Remy Madan Company argued that, first, Cognac and Chinese domestically produced brandy are two different products, not competing in the same market, different taste, different chemical composition and raw materials, and different production methods; Second, the products surveyed lack comparability with brandy produced in China, and there is no direct competition. Competition may only occur in the high-end market, where Chinese products rarely appear in high-end markets, while there is no form of competition between the European Union and Chinese brandy in the low-end market.

The applicant submits comments and asserts that, first, the competitive relationship between the product being investigated and similar products in the domestic industry should take into account multi-faceted factors, which cannot be analyzed solely on the basis of quantity and price differences, and the difference in quantity and price does not mean that there is no competitive relationship between products; Second, the applicant

submitted in the preliminary hearing materials showing that the products under investigation and similar products in the domestic industry exist in the Chinese market, and the EU industry associations shy away from competing relationships between different categories of products.

After the review, the investigative authorities found that, first, the above-mentioned claims by the European Union trade association and Remy Martin company did not provide new evidence. As mentioned earlier, dumped imported products and similar products in domestic industries are basically the same and alternative in terms of material characteristics, raw materials, production processes and production equipment, product use, sales channels, customer groups and consumer evaluations; Second, the evidence shows that domestically produced brandy and dumped imported products compete with each other, and the differences in market structure cannot deny that dumped imported products and similar products in the domestic industry belong to similar products.

In summary, the investigative organ decided to maintain the preliminary determination in the final ruling.

(2) Recognition of domestic industry.

In accordance with the provisions of Article 11 of the Anti-Dumping Regulations on domestic industry identification, the investigating organ has reviewed and determined the domestic industry in this case.

In this case, Yantai Zhangyu Grape Wine Co., Ltd. and Veyron Wine Co., Ltd. submitted a questionnaire for domestic producers. After investigation and verification, the two domestic producers who submitted the answers in 2019, 2020, 2021, 2022 and 2023 accounted for 85%-97% of the total domestic production of similar products in the same period (has been treated in a range), accounting for the main part of the total production of similar products in the country, in line with the provisions of Article 11 on domestic industry identification.

In its Comments on the Anti-Dumping Investigation of Spirits Produced from Distilled Wine from Imports Originated in Containers under 200 litres of containers originating in the EU, the EU Industry Association argues that the list of producers of similar products in the domestic industry provided in the application is incomplete, resulting in the inability to assess the overall size of China's relevant brandy industry and the status of the applicant.

The applicant commented that the 23 brandy manufacturing enterprises listed in the application are preliminary available information at the stage of filing, in the preliminary evidence base, the applicant accounts for the main part of the country's total production, the applicant's main qualifications in accordance with the law; Zhang Yu and Weilong's two answering enterprises brandy accounted for more than 85% of the country's total output, which can represent the domestic industry.

In the preliminary ruling, the investigation organ considered that, first, the applicant listed its known producers in the application, in accordance with the relevant provisions of the Anti-Dumping Regulations; Second, the investigative organ on January 5, 2024, after issuing a notice on the website of the Ministry of Commerce and the Trade Relief Bureau sub-site, gave all stakeholders the opportunity to register to participate in the survey, submit questionnaires, comment and participate in hearings, during which other producers referred to by the EU industry association did not register or answer the investigation, nor through any channel to express their intentions to the investigative authorities. In view of this, the investigation organs do not accept the above claims, and in the preliminary ruling found that Yantai Zhangyu Grape Wine Co., Ltd.

and Veyron Wine Limited Co., Ltd., can represent the domestic industry, and its data can be used as the basis for damage and causation analysis.

After the initial ruling, the applicant submitted comments that further evidence showed that the producers advocated by the EU industry association did not affect the recognition of domestic industry, and advocated adjustment of domestic industry production capacity, production and demand data according to relevant evidence.

The investigation authorities reviewed the above evidence materials and data, and adjusted the domestic production capacity, production and demand data of similar products, as well as data such as the proportion of the output of two answering companies in the country's total output. After review, Yantai Zhang Yululu Wine Co., Ltd. and Veyron Wine Co., Ltd. during the damage investigation period combined constitute the main part of the total production of similar products in the country, can represent the domestic industry, and its data can be used as the basis for damage and causation analysis. The domestic industry data on which the award was based, except in particular, came from the domestic producers mentioned above.

In summary, the investigative organ decided to maintain the recognition of the domestic industry in the final ruling.

V. Industrial damage and degree of damage

(1) The quantity of imported products dumped.

The investigation authorities investigated the absolute quantity of dumped imported products or the amount of production or consumption relative to China.

The quantity of imported products dumped.

According to the customs statistics of the People's Republic of China, the import volume of dumped imported products during the investigation period accounted for more than 97.5% of China's related brandy imports, and the EU is the largest source of brandy related to Chinese imports. In 2019, 2020, 2021, 2022 and 2023 January-September, 3,397 million litres, 3,026 million litres, 4,036 million litres, 3,038 million litres and 2,497 million litres respectively. 2020 is 10.92% lower than in 2019, 33.37 percent in 2021 compared to 2020, 24.74% less in 2022 than in 2021, and 22.79% year-on-year growth in January-September 2023. In the January-September quarter of 2023, although the 1st quarter of 2023 decreased by 6.01% compared with the same period last year, the second quarter of 2023, the third quarter increased 32.59% and 33.55% respectively, driving the 2023 January-September import volume up 22.79% compared to the same period last year. It can be seen that during the period of the investigation period, the total number of imports of dumped imported products has risen and then dropped, and the damage investigation period has increased significantly at the end of the period.

The domestic market share of dumped imported products.

In 2019, 2020, 2021, 2022 and 2023, imports of dumped imports accounted for 43.01%, 48.32%, 53.18%, 48.27% and 51.73% respectively. 2020 is up 5.31 percentage points from 2019, 4.85 percentage points in 2021, 4.90 percentage points from 2021, and 5.14 percentage points in January-September 2023 compared to the same period last year. During the period of the damage investigation, the share of the market for dumped imported products rose and fell, increasing overall, and the damage investigation period increased significantly at the end of the period.

The European Commission, the European Union Industry Association, Martell

AG, ERémy Madan and Hennessy France argued in their comments: First, during the period of the damage investigation, the number of products surveyed by China from the EU did not increase significantly, the absolute import volume has declined, the relative number has not increased relative, the market share of the products surveyed fluctuates but overall remained stable, and the volume of imports decreased seasonally. Second, Zhang Yu company's sales and import volume decreased, the two superimposed, can roughly believe that China brandy market demand as a whole shows a downward trend. The change in the volume of imports is in line with the changing trend of demand in China's market, with China's production and imports from the EU following China's consumption trend. Third, the data submitted by the applicant for the fourth quarter of 2022 differed from China's customs statistics.

In its comments, the applicant believes that first, from the annual data point of view, although the number of imports of products surveyed between 2019 and 2022 has fallen, imports have significantly recovered and rebounded from 2023. Second, from the quarterly data, the total number of imports in five years 20 quarters from 2019 to 2023 is also showing an overall growth trend. Third, judging from the semi-annual data, the latest period of this case in the second half of 2023, the volume of imports increased especially significantly. Imports in the second half of 2023, in addition to volumes smaller than the second half of 2021, showed significant growth, up 12.04%, 5.83% and 19.49% respectively from the same period in 2019, 2020 and the second half of 2022, respectively. Fourth, from the relative import volume change, from 2019 to 2023, although the market share of the surveyed products in China fluctuated, but overall in the growth trend, from 43.26% in 2019 to 50.24% in 2023, the market share rose 6.98 percentage points, an increase of up to 16%. Moreover, the average market share of China as a whole by the surveyed products reached about 50%, from the perspective of the market segment, in the high-end field of Chinese brandy, imported products accounted for more than 50% of the market share. The increasing influence of the products investigated in the Chinese market, the share of the market in China has increased rapidly, and the change of market share of the domestic industry shows a reverse change relationship.

Upon review, the investigating body concluded that: First, as mentioned above, the import data table shows that during the period of the damage investigation period, the overall volume of imports of dumped imported products has risen up and down, and the damage investigation period has increased significantly at the end of the period; Dumped imported products accounted for China's domestic market share, rising overall, and the damage period at the end of the investigation period cumulatively increased by 8.72 percentage points. Second, during the period of the damage survey, China's total domestic demand fell first and then declined, and the damage survey period showed a growing trend at the end of the period. Third, with regard to the import amount data for the fourth quarter of 2022, after a preliminary assessment, it does not affect the judgment of the overall trend, the investigation organs provisionally analyze the data submitted by the applicant in the preliminary ruling. Therefore, the above-mentioned claims of the Commission, EU trade associations and exporters are not accepted by the investigative authorities in the preliminary rulings.

After the initial ruling, the European Commission, the European Union industry association, Martell AG, E. Remymadan Company commented on the preliminary disclosure, first, the applicant submitted data and official statistics are different, the applicant obtained import data through unit conversion calculation is wrong, investigation authorities should not rely on the wrong data provided by the applicant for analysis; Second, the investigative authority should give full consideration to the seasonal

impact of imports, and data after the investigation period show a decline in the number of imports, which overturns the applicant's allegation of material damage or threat of material damage; Third, the investigation organs inappropriately rely on year-on-year analysis, neglecting long-term trend analysis. A comprehensive analysis of EU import data since 2021 shows that imports from the EU are declining compared to local production and consumption. The growth of January- September 2023 import data cannot be considered in isolation and must be context-specific in order to properly assess the threat of damage; Fourth, the survey data show that the number of imports decreased, the import market share is stable, and the EU statistics show the overall year-on-year decline in exports in 2023; The number of imports for the full year of 2023 is down from the number of imports in 2019.

After investigation, the investigative organ believes that, first, with regard to the accuracy of import data and the conversion of data units, the investigation organ reviewed the data submitted further after the initial ruling of the applicant and amended the import amount in the fourth quarter of 2022. The sponsor conversion statistics use a common conversion rate within the industry, which is equally applicable to all relevant stakeholders, including EU exporters. Second, on the impact of seasonal factors of dumping imports, the number of dumping imports in the second quarter of 2022 increased by 20.24% sequentially compared to the first quarter of the same year, 31.59% in the third quarter, and 18.21% in the fourth quarter compared to the third quarter. The second quarter of 2023 was up 69.61% sequentially from the first quarter of the same year, and the third quarter increased 32.55% sequentially from the second quarter. It can be seen that, in the case of different quarters of the same year, there is a significant growth trend. At the same time, although the first quarter of 2023 decreased 6.01% year-on-year from the first quarter of 2022, the second quarter of 2023 increased 32.59% year-on-year compared to the second quarter of 2022, and 33.55% year-on-year in the third quarter of 2023 compared with the third quarter of 2022. The data show that the volume of dumped imports continues to increase significantly at the end of the survey period, taking into account possible seasonal effects. Thirdly, with regard to the analysis of import data from 2021 and the data from January-September 2023, the investigative authorities believe that the damage investigation period from January 1, 2019 to September 30, 2023, only the data from 2021 cannot reflect the overall trends during the entire damage survey period, the investigation authorities have comprehensively reviewed and evaluated the impact of the volume and price changes in imports from 2019 to September 2023. Fourth, the data show that during the period of the damage investigation, the absolute quantity of dumping imports is trending up and down, and the trend of growth at the end of the investigation period is clear; Dumping imports accounted for the overall upward trend of China's domestic market share, damage to the end of the investigation period cumulatively increased by 8.72 percentage points, January-September 2023 compared with the same period last year by 5.14 percentage points; Due to statistical caliber and other reasons, the export data of the EU statistics do not accurately reflect the quantity and price of dumped imported products entering the Chinese market, and the investigation authorities are not used in the ruling. Therefore, the investigation organ does not accept the above-mentioned claims.

In summary, the investigation organs finally determined that dumped imported products accounted for the overall increase in China's domestic market share during the investigation period and significantly increased at the end of the damage investigation period.

(2) The impact of dumping imported products on the prices of similar products in the domestic industry.

The investigation agency investigated the impact of dumped imported products on the prices of similar products in the domestic industry. The domestic industry advocates that disclosing the sales volume of the two respondents and the sales price data of different categories of products will adversely affect it, and the relevant data will be treated confidentially. After review, the investigative authority decided to accept its request for data confidentiality, to process the sales and price data of similar products in the domestic industry, and its real data may be located at any level in the range published by the investigative authority.

In the analysis of the price impact of dumped imported products on similar products in the domestic industry, in order to ensure price comparability, the investigation agency will divide the investigation products and their similar products into several categories for price comparison. After considering the claims of the request for request and sample questionnaire on product classification, the investigation authorities divided the dumped imported products and their similar products into five categories according to the minimum age of distilled wine used in the product, respectively: Category 1 with minimum drinking age of less than 3 years (<3 years); Category 2 with minimum drinking age of 3 years and up to 4 years (≥ 3 years, <4 years); Category 3 with a minimum age of 4 years and up to 6 years (≥ 4 years, <6 years); Category 4 with a minimum age of 6 years and up to 14 years (≥ 6 years, <14 years); Category 5 with minimum age of 14 years and above (≥ 14 years).

The investigative authorities invited stakeholders to comment on the classification of the above-mentioned products. In their comments, the European Commission, the European Union trade association, Martell & Co., France, generally agreed that the minimum age of distilled wines is a key factor in the classification of products. At the same time, individual stakeholders believe that the product classification method can be adjusted and other factors taken into account by reference to the provisions of the Cognac quality technical paper on the specifications of cognac grades, but have not been able to further elaborate a more complete breakdown and classification method covering all the products surveyed. In the preliminary ruling, the investigation organ analyzes the impact of dumped imported products on the prices of similar products in the domestic industry according to the above classification. After the initial ruling, no interested parties made comments on this. After further investigation, the investigative organ decided to maintain the product classification method at the time of the final ruling.

There is no data on the price of dumped imported products in China's customs statistics for sub-product categories. The investigation authorities reviewed the questionnaires received from foreign exporters or producers and summarized the number of imports of dumped imported products, production capacity, inventory, sub-product category and other data. Summary data show that the import volume of dumped imported products in 2019, 2020, 2021, 2022 and 2023 was 2970 million litres, 2468 million litres, 3455 million litres, 2727 million litres and 2462 million litres respectively, accounting for 87.41%, 81.56%, 85.61%, 89.77% and 98.60% respectively. After review, the investigation organs concluded that the total import volume of dumped imported products accounted for more than 80% of China's total import volume of customs statistics, and the two change trends are consistent, can reflect the situation of dumped imported products. Therefore, the investigation organs used data on dumped import prices in the aggregated categories of responses for analysis.

The price of dumped imported products and the prices of similar products in the domestic industry.

When comparing the price of dumped imported products to the prices of similar

products in the domestic industry, in order to ensure the comparability of the two, the two should be compared at the same level of trade. The investigation organs in the preliminary ruling found that the price of domestic import clearance of dumped imported products and the factory price of similar products in the domestic industry basically belong to the same trade water level, both of which do not include value added tax, inland transportation costs, insurance costs and secondary sales channel costs. According to the above-mentioned product classification, the investigation authorities have analyzed the price impact of dumped imported products.

As mentioned earlier, the investigative authority divides dumped imported products into five categories. On the basis of the price of dumped imported products calculated on the basis of the summaries of foreign exporters or producers, further considered the exchange rate, customs duties, excise duty and customs clearance costs of domestic importers during the survey period, made adjustments to the price of dumped imported products, and adjusted import prices as the price of dumped imported products. Among them, the exchange rate is based on the average exchange rate arithmetic of the year announced by the People's Bank of China. With regard to import customs clearance costs, the investigating authority is based on the average customs clearance costs of domestic importers who submitted the responses.

(1) Product Category1.

In 2019, 2020, 2021, 2022 and 2023 January-September 2023, the prices of category 1 dumped imports were \$87.43/L, \$79.36/L, \$82.53/L, 79.65/L, and 104.87 yuan / litre, showing an upward trend, with an overall upward trend, down 8.91 percent in 2022 compared to 2019 and up 25.75% from the same period in January-September 2023.

In 2019, 2020, 2021, 2022, and January-September 2023, domestic industry similar product categories 1 prices were 19-22 yuan/L, 22-25/L, 23-26 yuan/L, 22.5-25.5/L, and 25-28 yuan / litre, with a slight drop after a rise, overall upward trend, up 13.41 percent in 2022 compared to 2019.

(2) Product Category2.

2019, 2020, 2021, 2022 and 2023 Class 2 dumped import prices of 213.84 yuan / litre, 232.05 yuan / litre, respectively.

261.05 yuan / litre, 277.02 yuan / litre and 276.14 yuan / litre, slightly lower, overall upward trend, up 29.54% in 2022 compared to 2019, and 2.81% in January-September 2023 compared to the same period last year.

In 2019, 2020, 2021, 2022 and January-September 2023, domestic industry class 2 prices were \$120-135/L, \$145-160/L, 155-170/L, 165-180/L and 175-190 yuan / L, up 31.19% in 2022 from 2019 to 6.36%.

(3) Product Category3.

2019, 2020, 2021, 2022 and 2023 category 3 dumped imports prices of 183.33 yuan / litre, \$180.23/L, 203.08 yuan / litre, 224.23 yuan / litre and 224.23 yuan / litre, showing a slight rise, overall upward trend, up 22.31% in 2022 from 2019 and up 12.86% in January-September 2023 compared to the same period of the previous year.

In 2019, 2020, 2021, 2022 and 2023 January-September 2023, domestic industry class 3 prices of 205-220 yuan / litre, \$230-245/L, 245-260/L, 275-290/L and 345-360 yuan / litre, up 34.97% in 2022 from 2019 to 20.69%.

(4) Product Category4.

2019, 2020, 2021, 2022 and 2023 dumped import prices of 525.49 yuan / litre, 540.69 yuan / litre, respectively.

614.29 yuan / litre, 658.91 yuan / litre and 726.16 yuan / litre, an upward trend, up 25.39% in 2022 from 2019 and 15.38% in January-September 2023 compared to the same period last year.

In 2019, 2020, 2021, 2022, and January-September 2023, domestic industry similar product categories 4 prices were 535-550 yuan / litre, 570-585 yuan / L, 470-485 / L, 470-487 / L and 600-615 yuan / L, up 10.63% in 2022 compared to 2019 and up 10.63% in the same period in 2023.

(5) Product Category 5.

2019, 2020, 2021, 2022 and 2023 category 5 dumped import prices of 2996.99 yuan / litre, \$1545.08 / L, 230.66 yuan / litre, 2360.51 yuan / litre and 2360.51 yuan / litre, showing an upward trend, overall upward trend of 21.24% in 2022 compared to 2019 and up 85.76% from the same period of the previous year in 2023.

In 2019, 2020, 2021, 2022, and January-September 2023, domestic industry similar product categories 5 prices ranged from 920-935 yuan / liter, 925-940 yuan / litre, 1000-1200 yuan / L, 950-1150 / L and 1,300-1500 yuan / litre, upward trend overall, upwards of 920-935 yuan / liter, 2022 2019 accrued 11.57%, up from 1 to 96% in the same period.

In summary, during the period of the damage survey, from the perspective of five product categories, in addition to a slight decline in individual years, the import price of dumped imported products and the prices of similar products in the domestic industry showed an upward trend, and there was a linkage dynamic.

The impact of dumped imported products on the prices of similar products in the domestic industry.

The survey shows that the relevant brandy produced domestically and the products surveyed in the materialization characteristics, raw materials, production processes and production equipment, product use, sales channels, customer groups and consumer evaluation are basically the same, have similarities and alternatives, domestic production related brandy and the products surveyed belong to the same product. The domestic brandy market is an open market, dumping imported products and similar products in the domestic industry competing, downstream users and end consumers buy products, although there is brand influence, but product price is still an important factor. The investigation agency conducted price impact analysis according to different product categories.

(1) The price impact of product category 1.

The number of imports of dumped imports for category 1 during the investigation period was reviewed by 155.05 million litres, 129.22 million litres, 129.24 million litres, 98.85 million litres and 61.67 million litres. In the same period, sales of similar products in the domestic industry were 4000-43 million liters, 2800-310 million litres, 3000-33 million litres, 2700-30 million litres and 1800-21 million litres, respectively.

As mentioned earlier, during the period of the damage survey period, the price of dumped imported products showed an upward trend, with a cumulative decline of 8.91% in 2022 compared with 2019, and a 25.75% increase in January-September 2023 compared with the same period of the previous year. In the same period, the total price of similar products in the domestic industry rose, 2022 increased by 13.41% from 2019, and 2.50% in January-September 2023 compared with the same period last year. The

evidence shows that the overall trend of selling and selling costs of similar products in the domestic industry is increasing 22.31% in 2022 compared to 2019, 2023 January-September up 9.83% from the same period last year, and the cost of sales during the survey period increased 38.87%, and the price of similar products in the domestic industry needs to reasonably reflect the rise of their costs.

The survey shows that the domestic brandy market is an open market, dumping imported products and similar products in the domestic industry competing with similar products, product prices are an important factor affecting consumer behavior. The price of dumped imported products fell by 8.91% from 2019 to 2022. In the same period, the domestic industry similar products in the case of a sharp increase in the cost of sales by 22.31%, the sales price only increased by 13.41%, and the sales price did not reasonably reflect its cost rise. In January-September 2023, the price of dumped imported products rose 25.75% year-on-year on the basis of a sharp decline in the initial price. In the same period, due to the continued adverse impact of the price reduction of dumped imported products, the sales price of similar products in the domestic industry rose only 2.50% year-on-year, significantly lower than the 9.83% increase in sales cost, the sales price still can not reasonably reflect its cost rise.

In view of this, the investigation organs determined that category 1 dumped imported products had an inhibitory effect on the prices of similar products in the domestic industry.

(2) The price impact of product category 2.

After review, the number of imports of dumped imported products in category 2 during the investigation period was divided into 244.49 million litres, 291.15 million litres, 410.70 million litres, 423.93 million litres and 423.93 million litres. In the same period, the sales of similar products in 2 domestic industries were 70-85 million litres, 60-75 million litres, 85-100 million litres, 80-95 million litres and 68-83 million litres respectively.

During the period of the survey period, the cost of selling similar products in the domestic industry increased by 4.34%. The evidence shows that whether it is for dumped imported products or similar products in domestic industries, we seek to continue to "high-end" products, and the price of similar products in the domestic industry needs to reasonably reflect its rising cost and high-end trend. Over the same period, the overall upward trend of dumped imported products rose from 214.56 yuan / litre to 277.02 yuan / litre from 2019 to 2022, and from 268.60 yuan / September 2022 to 276.14 yuan / rise from January to September 2023. Prices of similar products in the domestic industry rose from 120-135 yuan / rise to 165-180 yuan / litre from 2019 to 2022, and from 165-180 yuan / rise to 175-190 yuan / litre from 1-September 2022 to January-September 2023. During the period of the investigation, dumping import prices were higher than the prices of similar products in the domestic industry, and the price difference between dumped import prices and similar products in the domestic industry from 2019 to 2022 showed a downward trend, but at the end of the survey period 2022 to January-September 2023. Survey shows that the price of similar products in the domestic industry is affected by the price of dumped imported products. The domestic brandy market is a competitive open market, product price is an important factor affecting consumer behavior. Due to the adverse effects of the price of dumped imported products, the sales price of similar products in the domestic industry cannot reasonably reflect its rising cost and high-end product trend.

In view of this, the investigation organs determined that the price of dumped imported products in category 2 had an inhibitory effect on the prices of similar products

in the domestic industry.

(3) Product Category 3 Price impact.

After review, the number of imports of dumped imported products during the investigation period was divided into 1894.96 million litres, 1431.68 million litres, 2041.12 million litres, 1550.70 million litres and 1550.70 million litres, while in the same period, category 3 domestic industry sales were divided into 7-11 million litres, 9-13 million litres, 12-16 million litres, 14-18 million litres and 12.5-16 million litres.

The evidence shows that the price of dumped imported products in category 3 from 2019 to 2023 is always lower than the price of similar products in the domestic industry, and the price difference is 25-35 yuan/litre, 55-65 yuan/litre, 45-55 yuan/litre, 58-68 yuan/litre and 90-100 yuan/litre, the overall trend is expanding.

The investigation organs noted that from 2019 to 2023 in category 3 dumped imports accounted for 63.81%, 58.00%, 59.07%, 56.86% and 60.06% respectively, the most important import category. In comparison, although the sales of similar products in the domestic industry are rising and falling, the overall growth trend, market share also shows a slight increase, but the market share is extremely low. The survey shows that the price of similar products in the domestic industry is affected by the price of dumped imported products. The domestic brandy market is an open market, and product prices are an important factor affecting consumer behavior. Because the price of dumped imported products is always lower than the price of similar products in the domestic industry, consumers reduce or abandon the purchase of similar products in the domestic industry. The price of dumped imported products adversely affects the prices of similar products in the domestic industry. In view of this, the investigation organs determined that the price of dumped imported products in category 3 had a reduction effect on the prices of similar products in the domestic industry.

(4) Price impact of product category 4.

After review, the number of imports of dumped imported products in category 4 during the investigation period was divided into 669.67 million litres, 604.29 million litres, 859.35 million litres, 643.52 million litres and 643.52 million litres. In the same period, category 4 domestic industry similar products sales were 3-7 million litres, 2-6 million litres, 4-8 million litres, 6-10 million litres and 1.5-5.5 thousand litres respectively.

During the period of the damage survey, the prices of category 4 dumped imported products showed an upward trend, rising from 525.49 yuan/litre to 658.91 yuan/litre from 2019 to 2022, a cumulative increase of 25.39% from 629.35 yuan/litre in September 2022 to January-September 2023; In the same period, the prices of similar products in the domestic industry showed a rise, the overall upward trend, from 535-550 yuan/litre to 470-487 yuan/litre from 2019 to 2022, a cumulative decline of 10.64%, from 1-September 2022 to 2023 from 540-555 yuan/litre to 600-615 yuan/litre. Evidence shows that the continued "high-end" of products, both for dumped imported products and similar products in domestic industries, is an important factor driving the price increase in category 4. The survey shows that the price of similar products in the domestic industry is affected by the price of dumped imported products. Data show that the price of dumped imported products in 2019 is 14.53 yuan/litre lower than that of similar products in domestic industry, and the price of dumped imported products in 2020 is 36.65 yuan/litre lower than the price of similar products of domestic industry, and the price reduction margin is an expansion trend. In 2021, the dumping import price is higher than the price of similar products in the domestic industry, and the price of dumping imports in 2022 continues to

be higher than the price of similar products in the domestic industry, and the price difference between the two is an expanding trend. In January-September 2023, although the dumping import price is higher than the price of similar products in the domestic industry, the difference between the two has narrowed significantly from 2021 and 2022. Data show that the price of dumped imported products after 2021 is clearly linked to the price of similar products in the domestic industry. Adversely affected by dumped imported products, the price of similar products in the domestic industry cannot reasonably reflect its high-end trend. In view of this, the investigation organs determined that the price of dumped imported products in category 4 constitutes a reduction and adverse impact on the prices of similar products in the domestic industry.

(5) Product Category 5 price impact.

The number of imports of dumped imports for category 5 during the investigation period was reviewed by 5.49 million litres, 11.94 million litres, 14.91 million litres, 10.06 million litres and 6.06 million litres. In the same period, 5 domestic industry similar products sales were 1-3 million litres, 1.1-3.1 million litres, 3-5 million litres, 4-6 million litres and 2.7-4.7 million litres respectively.

In the preliminary ruling, the investigation organs determined that according to the evidence in the case, whether it is for dumped imported products, or similar products in the domestic industry, they seek to continue "high-end" products, category 5 is the highest-end product. Due to its extremely small market share, the investigation organ in the preliminary ruling on the price impact of Category 5 is not recognized.

After the initial ruling, the investigation organs found that between 2019 and 2022, dumping import prices overall showed a downward trend, a cumulative decline of 21.24%, and always higher than the price of similar products in the domestic industry, the difference between the two shows a narrowing trend during this period, category 5 imports in the same period showed an overall growth trend. As mentioned earlier, dumped imported products and similar products in the domestic industry seek "high-end". Affected by dumping imports, the price of similar products in the domestic industry rose from 920-935 yuan/ rise to 950-1150 yuan/litre, a cumulative increase of 11.57%. Adversely affected by dumped imports, the prices of similar products in category 5 domestic industries remain significantly lower than the prices of dumped imported products in this category. During January-September 2023, due to factors such as increasing domestic demand, the dumped import price in category 5 rose significantly from 1926.46 yuan/litre in January-September 2022 to \$3578.57/L on the basis of a substantial decline in the previous period, but this did not affect the overall analysis of price trends between 2019 and 2022. In view of this, the investigation organs determined that the price of dumped imported products in category 5 had a depressive effect on the prices of similar products in the domestic industry.

Prior to the initial decision, the European Commission, the European Union trade association, Martell AG, E Remy Madan and Hennessy France argued in their comments: First, the import price of the products surveyed rose sharply, the domestic industry sales prices of similar products increased, the EU brandy price increase is much lower than that of China's domestic high-end brandy, and there is no indication that the domestic industry is suppressed by prices; Import prices are at least 30% higher than domestic prices, and there is no price reduction. Second, the EU is investigating the rapid growth of export prices, and the high-end of the global spirits industry, and the import price is higher than the price of Chinese brandy, the competition is very limited. Third, in consumer purchasing decisions, price is not one of the main factors in purchasing decisions, and the import price of the products surveyed in the quarters of 2023 shows a

gradual increase in the price of the products surveyed, which cannot be proved to have a negative impact on Chinese brandy prices. Fourth, when assessing the price impact, the applicant deliberately ignores the seasonality of price changes, and the number of imports and import prices will increase seasonally in the fourth quarter of the year, with prices likely to increase in the fourth quarter of 2023.

The applicant commented that: First, the quarterly price data, especially the 2023 data, shows that with the rapid increase in imports in 2023, the growth rate of the products surveyed has weakened significantly, and even a downward trend. Second, during the period of the survey period, the trend of changes in prices of similar products in the domestic industry is the same as the import price, and there is a correlation between the two, and the price has declined sequentially. Thirdly, according to the study, "price" remains an important consideration in the purchase of wine, including brandy (price factor 51 per cent), and sales data indicate that prices are an important means of market competition for the products involved.

The investigative authority examined the claims of the various stakeholders and the relevant evidence. After examination, the investigating organ believes that: First, the investigation authorities summarized five categories of products according to the EU exporter or producer answer, and conducted a survey on the price impact of 5 categories of products, the results show that dumped imported products on the production of similar products in the domestic industry are price suppressed or reduced, and the EU's relevant stakeholders' claims are inconsistent with the facts. Second, as previously mentioned, after review, the investigation organs determined that the products under investigation and the brandy produced by the domestic industry are similar products, there is a competitive relationship between the two, the evidence shows that price is an important factor affecting consumer purchase decisions, and the EU's relevant stakeholders' claims do not match the facts. Third, the evidence shows that price is an important factor influencing consumer purchasing decisions. Although dumped imported products and similar products in the domestic industry have increased trend, this does not negate the price linkage between the two and the negative impact of dumped imported products on the prices of similar products in the domestic industry. Fourth, the investigation authorities noted the impact of seasonal change factors claimed by relevant stakeholders on price analysis, on the one hand, the basis of price impact analysis carried out by the survey agency is mainly based on the summary data of EU exporters or producers, not entirely based on customs statistics; On the other hand, the investigative authorities have yet to find that seasonal factors affect the overall trend conclusions of the subcategory comparison.

In view of this, the investigation organs comprehensively consider the factors affecting prices, and in the preliminary ruling, the price of dumped imported products has a suppression or reduction effect on the prices of similar products in the domestic industry.

After the initial ruling, the European Union industry association, Martell AG and ERemy Madan submitted comments after the preliminary ruling argued: First, due to the lack of comparability between imported products and Chinese domestic industrial products, investigation authorities should stop the investigation, if the inspection authority determines that there is comparability between products, it must consider that there is no competition between EU products and similar products in Chinese domestic industries; Second, there is no overlap between brandy imports from the EU and brandy sold domestically, with the former focusing on high-end markets and the latter concentrated in the low-end market.

Upon review, the investigating body concluded that: First, as mentioned above, the

investigative authority has determined that dumped imported products and related brandy produced domestically belong to similar products, and at the same time, according to the five categories of products recognized by the various stakeholders and the costs of the trade link are adjusted to ensure comparability of prices; The evidence provided by the applicant indicates that China brandy industry is in its infancy stage of development, the current market structure reflects the competitive situation of dumped imported products and similar products in the domestic industry, sales market, consumer and professional evaluation, and market share changes in the case evidence show that there is a direct competition relationship between the two. Second, as mentioned earlier, dumped imported products comprise a total of five categories, domestic industry similar products also include five categories, the two product categories overlap, and the two are competing, and there is no evidence that differences in market structure during the survey period will affect the investigation agency's conclusion on price impact.

In the preliminary ruling of the case, the investigation organ also conducted price impact analysis according to different product categories. The data shows that different categories of dumped imported products overlap between price changes during the damage investigation period, such as categories 2 and 3. During the investigation period, the dumping price of category 3 is lower than the dumped import price of category 2, and the prices of different categories of dumped imported products have a cross-impact on the prices of similar products in the domestic industry.

After the initial ruling, the investigative organ further examined the impact of dumped imported products on the prices of similar products in the domestic industry. The investigation organs noted that the number of dumped imports in category 3 accounts for about 60% of the total dumped imports and is the most important category of dumped imported products. Category 3 dumped imported products not only enter the Chinese market at a price lower than the price of similar products in the same category domestic industry, causing price reduction effect on category 3 domestic industries, but also their price is lower than the price of category 2 dumped imported products. As mentioned earlier, price is an important factor influencing consumer purchasing decisions. Where dumped imports inhibit the prices of similar products in category 2 domestic industries, category 3 dumped imports adversely affect the prices of similar products in category 2 domestic industries, further exacerbating the inhibitory effect of dumped imported products on category 2 domestic industries. The evidence shows that dumped imported products and similar products in the domestic industry comprise five categories. Whether dumping imported products, or similar products in the domestic industry, cost, market demand and other factors have been taken into account in the pricing of various categories of products, and formed their respective pricing systems. Where the prices of similar products in the domestic industry are subject to the manufacture of dumped imported products, category 3 dumped imported products also adversely affect the prices of similar products in category 1 domestic industries.

In summary, the investigative organ decided in the final ruling that dumped imported products caused cuts, inhibition or depression on the prices of similar products in the domestic industry.

(3) The situation of domestic industry during the investigation period.

In this case, Yantai Zhangyu Grape Wine Co., Ltd. and Veyron Wine Co., Ltd. submitted a questionnaire to the investigation authorities. The applicant argues that disclosing the sales volume of the two responding companies and the sales price data of different categories of products will adversely affect the domestic production enterprises, and therefore advocate the confidential processing of the relevant data. Upon review, the

investigative authority decided to accept its request for data confidentiality and use a range method for data related to the domestic industry, and its real data may be located at any level in the range published by the investigative authority.

In accordance with the provisions of Articles 7 and 8 of the Anti-Dumping Regulations, the investigation organs investigated relevant economic factors and indicators of domestic industry, and the evidence shows that:

1) The demand.

During the period of the damage survey, the domestic related brandy demand fluctuated greatly, showing a trend of decline before rising and then declining, and the damage survey period rose again at the end of the investigation period. In 2019, 2020, 2021 and 2022, respectively, 7899 million litres, 6263 million litres, 7591 million litres and 6293 million litres, respectively. 2020 is down 20.71% from 2019, up 21.20% in 2021 from 2020 and 17.09% in 2022 compared to 2021. Demand for January-September 2023 was 4826 million litres, an increase of 10.59 percent over the same period last year.

2) Production capacity.

During the investigation period, the production capacity of similar products in the domestic industry remained stable. 2019, 2020, 2021 and 2022 were 7000-90 million litres, and 6000-75 million litres in January -September 2023, an increase of 5%-10% over the same period last year.

3) Production.

During the period of the damage survey period, the output of similar products of the domestic industry fluctuates greatly, showing a trend of decline before rising and then declining, and the damage investigation period rose again at the end of the investigation period. In 2019, 2020, 2021 and 2022, respectively, 4000-43 million litres, 2700-30 million litres, 34-37 million litres and 24-270 million litres, respectively. 2020 is 30%-40% down from 2019, 20-30% in 2021 compared to 2020 and 20-30% lower in 2022 than in 2021. Production in January-September 2023 was 1500-18 million litres, an increase of 10%-20% over the same period last year.

4) Domestic sales.

During the period of the damage investigation, domestic sales of similar products in the domestic industry showed an overall downward trend. 2019, 2020, 2021 and 2022 are 4000-43 million litres, 2800-310 million litres, 3000-330 million litres and 2800-310 million litres in 2022, respectively. 2020 is down 25-35% from 2019, 2021 is up 5%-15% from 2020, and 2022 is down 5%-15% from 2021. Domestic sales in January-September 2023 were 1900-22 million liters, a decrease of 0%-10% compared with the same period last year.

5) Market share.

During the period of the damage survey, the share of similar products of the domestic industry in China showed an overall downward trend. In 2019, 2020, 2021 and 2022, respectively, 51%-55%, 45%-50%, 41%-46% and 43%-49%, respectively. 2020 is 0-10 percentage points down from 2019, 0-10 percentage points in 2021 compared to 2020 and 0-10 percentage points in 2022 compared to 2021.

From January to September 2023, the market share of similar products in the domestic industry was 40%-45%, a decrease of 0-10 percentage points from the same period last year.

(6) The selling price.

During the period of the damage investigation, the sales price of similar products in the domestic industry increased. In 2019, 2020, 2021 and 2022, respectively, 22-27 yuan/L, 23-31/L, \$25-35/L and \$26-36/L, respectively. 2020 is up 10-20% from 2019, 5%-15% in 2021 and 0%-10% in 2022 compared to 2021. In January-September 2023, the sales price of similar products in the domestic industry was 34-40 yuan/litre, an increase of 0%-10% over the same period last year.

7) Revenue from sales.

During the period of the damage investigation, the sales revenue of similar products of the domestic industry fluctuated, and the damage investigation period increased again at the end of the period. In 2019, 2020, 2021, and 2022, respectively, 90000-110000 million yuan, 70000-90000 million yuan, 90000 million yuan and 100000 million yuan, respectively. 2020 is 15%-25% lower than in 2019, 10% to 20% in 2021 compared to 2020, and 0%-10% less in 2022 than in 2021. From January to September 2023, the sales revenue of similar products in the domestic industry was 70000-85000 million yuan, an increase of 0%-10% over the same period last year.

(8) Pre-tax profits.

During the period of the survey period, the domestic industry's profits before taxes on similar products generally fluctuate and declined. In 2019, 2020, 2021 and 2022, respectively

25000-28000 million yuan, 15000-18000 thousand yuan, 18000 thousand yuan

\$14000 to \$17000. 2020 is down 35%-45% from 2019, 10%-

20% in 2021 compared to 2020 and 10%-20% lower in 2022 than in 2021. From January

to September 2023, the pre-tax profit of similar products in the domestic industry

was 13000-15000 million yuan, a decrease of 0%-10% compared with the same period last year.

Rate of return on investment.

During the period of the survey period, the return on investment of similar products in the domestic industry has generally fluctuated downward trend. In 2019, 2020, 2021 and 2022, 8%, 3%-8%, 3%-8% and 3%-8% respectively. 2020 is 0-5 percentage points down from 2019, 0-1 percentage points in 2021 compared to 2020, and 0-1 percentage points in 2022 compared to 2021. From January to September 2023, the return on investment of similar products in the domestic industry was 2%-7%, a decrease of 0-1 percentage points from the same period last year.

(10) Operating rate.

During the period of the damage survey period, the start-up rate of similar products in the domestic industry has generally declined, and the damage survey period has recovered at the end of the period. In 2019, 2020, 2021 and 2022, 45%-60%, 30%-46%, 38%-53% and 27%-39%, respectively. 2020 is 10-20 percentage points down from 2019, 5-15 percentage points in 2021 compared to 2020, and 5-15 percentage points lower in 2022 than in 2021. In January-September 2023, the starting rate of similar products in the domestic industry was 20%-30%, an increase of 0-5 percentage points over the same period last year.

Number of employed persons.

During the period of the damage survey period, the number of employment of

similar products in the domestic industry showed a decline, and the damage survey period recovered at the end of the period. In 2019, 2020, 2021 and 2022, 100-150, 90-140, 85-135 and 85-135, respectively. 2020 is 0%-10% lower than in 2019, 0-10% less in 2021 than in 2020, and remains unchanged in 2022. From January to September 2023, the employment of similar products in the domestic industry was 95-145, an increase of 0%-10% over the same period last year.

12) Labour productivity.

During the period of the damage survey, the labor productivity of similar products in the domestic industry overall showed a downward trend. In 2019, 2020, 2021 and 2022, respectively, 30-40 million litres/person/year, 20-30 million litres/person/year, 25-35 million litres/person/year and 18-28 million litres/person/year, respectively. 2020 is down 25-35% from 2019, 2021 is 25-35% higher than in 2020, and 20-30% lower in 2022 than in 2021. The labor productivity of similar products in the domestic industry in January-September 2023 was 9-19 million litres/person/season, up 5%-15% from the same period last year.

Wages per capita.

During the period of the survey period, the average per capita wage for similar products in the domestic industry increased. In 2019, 2020, 2021 and 2022, respectively, \$70,000-90,000 per person/year, \$50,000-\$70,000 per person/year,

\$60,000-80,000 per person/year and \$72,000-92,000 per person/year. 2020 is down 25-30% from 2019, 10-20% growth in 2021 from 2020 and 10% to 20% in 2022 from 2021. In January-September 2023, the per capita wage of similar products was 50,000-70,000 yuan/person/season, an increase of 0%-10% over the same period last year.

14. End-of-life stocks.

During the period of the damage survey period, the domestic industry's end-of-life inventory dropped and then declined, and the overall trend was downward. In 2019, 2020, 2021 and 2022, respectively, 1100-14 million litres, 1000-13 million litres, 1400-17 million litres and 950-1250 million litres, respectively. 2020 is 5%-15% lower than in 2019, 2021 is up 25-35% from 2020, and 20-30% lower in 2022 than in 2021. From January to September 2023, the end-of-life inventory of similar products in the domestic industry was 650-950 million litres, a decrease of 0%-10% compared with the same period last year.

Net cash flow from operating activities.

During the period of the damage survey period, the net cash flow of similar products operating activities of the domestic industry increased and declined, and the overall trend was on the rise. In 2019, 2020, 2021 and 2022, respectively, 7000-10000 million yuan, 15000-20000 million yuan, 28000-28000 million yuan and ?-\$1,000 million, respectively. 2020 is 100%-110% higher than in 2019, 80%-90% in 2021 and 20-30% less in 2022 than in 2021. From January to September 2023, the net cash flow of similar products operating activities in the domestic industry was 17000-22000 million yuan, a decrease of 0%-10% compared with the same period last year.

Investment capacity.

During the period of the damage investigation, there was no evidence that the ability of domestic industry to invest and finance similar products was adversely affected by the import of dumped imported products.

The investigative authority also reviewed the dumping margin of imported products, and it was shown that the dumping margin of the imported products was not

trace dumping, which was sufficient to adversely affect prices in the domestic market.

The evidence shows that during the period of the damage investigation, the domestic related brandy demand fell first and then declined, and the damage investigation period increased again. During the same period, the production capacity of similar products in the domestic industry remained basically stable and increased at the end of the damage investigation period. The trend of change in the output of similar products in the domestic industry is the same as that of domestic demand, but the start-up rate of similar products in the domestic industry has generally declined significantly, 2022 is down 15-25 percentage points from 2019, and 2023 will continue to stay at a low level. The market share of similar products in the domestic industry fell from more than 50% in 2019 to less than 45% in January-September 2023. The data show that the lost market share of similar products in the domestic industry has been obtained by dumped imported products, and the relationship between the two shows clearly this long-term relationship.

During the period of the damage survey period, the domestic sales price of similar products in the domestic industry showed a continuous upward trend, but by the overall decline of domestic sales of similar products in the domestic industry, the domestic sales revenue of similar products in 2019-2022 overall decline, 2023 January-September under the price increase, slightly increased year-on-year. During the entire period of the damage survey period, the overall pre-tax profit of similar products in the domestic industry showed a significant decline, compared with 2019, down 35%-45% in 2022, and January-September 2023 continued to decline. The rate of return on investment also shows the same trend, in addition to the slight increase year-on-year in 2022, the overall damage survey period shows a continuous downward trend, and the profitability of the domestic industry is constantly weakening. The net cash flow of similar products in the domestic industry has increased overall. The end-of-life inventory of similar products in the domestic industry is generally maintained at a high level. The overall number of domestic industrial employment has remained relatively stable, labor productivity rises first, the overall downward trend, per capita wage rises, and the overall increase is slightly higher.

In summary, during the investigation period, the domestic industry similar products remained profitable, but the starting rate, domestic sales volume, pre-tax profit, investment return, market share and other key indicators were declining, and profitability continued to weaken. In the case of the substantial increase in the market share of dumped imported products, domestic industry similar products are under increasing competitive pressure from dumped imported products, and domestic industry production and operation are showing great vulnerability.

(4) Threat of material damage.

According to the applicant's application, the investigating authority investigates whether dumped imported products pose a threat of material damage to the domestic industry.

Import of dumped imported products.

During the period of the damage investigation, the import volume of dumped imported products has always accounted for more than 97.5% of China's total imports of brandy, and the EU is the most important source of brandy imports in China. From January to September 2023, the import volume of dumped imported products increased 22.79% year-on-year, much higher than the 10.59% increase in domestic related brandy demand in the same period. Dumped imported products accounted for the overall

growth of China's domestic market share, which has exceeded 50% by the end of the damage investigation period, an increase of 8.72 percentage points over the beginning of the period. At the same time, the market share of similar products in the domestic industry declined significantly by more than 10 percentage points during the damage investigation period. In China's related brandy market, dumped imported products are the main competitors of similar products in the domestic industry. Research shows that there is a long relationship between the two.

The above data show that the number of imports of dumped imported products during the investigation period showed a growing trend and increased significantly at the end of the damage investigation period, indicating that dumped imports are likely to continue to grow substantially.

Production capacity and export conditions that the EU can use fully freely.

The investigative authority reviewed the production capacity of dumped imported products during the investigation period, the supply of raw materials, consumption in the EU and exports.

First, the EU has a large number of raw materials that can be used to produce the relevant brandy. The balance sheet on the EU wine industry in the European Commission's Agricultural Data Portal shows that since the 2018/2019 sales year, EU grape cultivation has reached 32 million hectares and the production of grape wine has been maintained at more than 14 billion litres. This shows that the EU has a huge supply of related brandy raw materials, which can support and guarantee the production of brandy in the EU.

Secondly, EU producers have strong brandy production capacity. According to the summary data of the EU producers' responses, during the period of the damage survey, the total production capacity of all EU producers related to brandy was more than 18 billion litres, two to three times the domestic demand in China. Moreover, the average operating rate of these producers was less than 70% during the damage survey period. This shows that EU producers have strong related brandy production capacity and a large amount of idle capacity, once this part of idle capacity is converted into actual production, will greatly increase the supply of the relevant brandy.

Third, the EU market has limited digestion capacity for the relevant brandy. The evidence shows that,

Consumption of alcohol in the EU continues to decline. According to the data provided by the European Commission, since 2019, the total consumption of winemaking and per capita consumption in the EU have shown an overall downward trend, and wine production over the same period is much higher than consumption. According to the World Health Organization, per capita alcohol consumption capacity in Europe has fallen from 12 litres in 2000 to 9.5 litres in 2019, and this downward trend will continue into 2025. Finally, the EU brandy is mainly sold to overseas markets. According to Eurostat data, from 2019 to 2022, EU brandy exports have remained at 201,000 kilolitres. The United States and China are the top two export markets for EU brandy. The evidence provided by the applicant shows that China is the world's largest spirits market, of which brandy is in the initial stage of development, the market capacity is large, the development potential is great, and it is very attractive to the relevant brandy producers in the EU; At the same time, Eurostat data shows that the proportion of EU-related brandy exports to China increased from 13.29% in 2019 to 17.26% in 2023. This shows that EU-related brandy's reliance on the Chinese market is increasing.

It can be seen that the EU has enough related brandy production raw materials, EU related brandy manufacturers have full freedom of use of the powerful product production

capacity, in the case of limited market demand in the EU, it mainly depends on export digesting its large related brandy capacity. As the second largest export destination for EU brandy, the Chinese market is very attractive compared to other export markets. The above evidence suggests that dumped imported products entering the Chinese market may experience substantial growth.

(3) The price of dumped imported products on the price of similar products in the domestic industry

The step effect.

The investigative authority examined whether dumped imported products were entering at prices that would significantly inhibit or depress domestic prices, as well as the possibility of further expanding import demand. As mentioned earlier, the investigation agency divided the price impact of dumped imported products on similar products in the domestic industry by five product categories. After review, the investigation organs have determined that dumped imported products have reduced, suppressed or depressed the price of similar products in the domestic industry.

The data show that dumped imports accounted for China's domestic market share overall trend, increasing from 43.01 percent at the beginning of the period to 51.73% at the end of the damage survey period, and the number of dumped imports at the end of the period of the investigation period showed a significant increase of 22.79% year-on-year. The evidence shows that during the period of the survey, EU exporters exported products to the Chinese market by substantially reducing, suppressing or depressing the prices of similar products in the domestic industry, and the volume of exports was increasing. China is an important market for the consumption of spirits in the world and has a strong appeal to the relevant brandy producers in the EU. In order to gain greater market share, with established sales channels, dumped imported products are and will continue to enter the Chinese market at prices that result in price reduction, inhibition or depression of similar products in the domestic industry, and will likely lead to an increase in demand for dumped imported products in the Chinese market.

Dumping of imported products inventories.

The investigative authority conducted an analysis of the stock of dumped imported products submitted by EU producers.

According to the summary data of the EU producers' responses, during the period of the survey period, the relevant brandy end-of-life inventory of EU producers has remained at a high level, and the proportion of its production capacity at the end of the period increased from 31.84% in 2019 to 33.93% in 2022, and the end-of-term inventory accounted for 73%-98% of China's domestic demand. Moreover, dumped imported products end-of-term inventories overall showed an upward trend, up 5.68% in 2022 from 2019 and 7.97% in January-September 2023 compared to the same period last year. The data show that during the period of the damage survey period, the end-of-life inventory of dumped imported products has always maintained a higher level, and the number of stocks at the end of the period is increasing overall.

Prior to the initial ruling, in response to the applicant's claims about the threat of material damage, the European Commission, the European Union trade association, Martell AG, E. Remy Mañan, France Hennessy Company and McGill. Toler Ltd. argued in their comments: First, during the period of the survey period, China's domestic brandy prices almost synchronized with the EU export price growth, in the experience of the new crown epidemic domestic industry sales revenue has returned to growth, good performance, the main indicators are on the upward trend or overall stability, the domestic

industry has not been damaged, and there is no indication that the domestic industrial situation will deteriorate or appear negative trends, will be materially damaged. Second, there has been no significant increase in the number of products surveyed, and there is no possibility of significant growth in the future, nor the factors that lead to a significant increase in imports. Third, the behavior and performance of the domestic industry is completely unaffected by the products being investigated, the Chinese brandy market is the luxury market, consumer behavior is driven by brand recognition rather than price, the products investigated did not have a negative price impact on similar products in the domestic industry. Fourth, the EU's researched products on China's export situation, production capacity situation, further price impact, inventory situation, and third-country exports do not support the threat of material damage to the domestic industry of the products being investigated; Wine, Mark and Brandy in the European Union are produced throughout most of the EU, and most of the brandy exported to China originates from France, but French cognac production is strictly restricted by law, and exports are unlikely to increase significantly. Fifth, comparing the single-mode fiber anti-dumping case and the fiber optic prefabricated stick anti-dumping case concerning the threat of material damage, there is no evidence in this case that if no measures are taken will lead to obvious foreseeable and imminent circumstances that occur in the domestic industry.

First, the domestic industry has seen a downward trend or unfavorable performance in a number of economic indicators, especially in 2023, the pre-tax margin is at its lowest since 2019. Second, the optimistic and positive expectations expressed by domestic enterprises in the investor meeting on the growth and development of domestic industries, and the domestic industry will be affected by the impact of imported products, the threat of the proposition is not in conflict, in the situation of obvious vulnerability of the domestic industry, the number of imports further increase, prices decline, impact and impact will be highlighted at any time. Third, in 2023, the number of products surveyed increased significantly, and the growth rate showed a clear and rapid upward trend, indicating that there is a great capacity for further substantial growth. Fourth, the number and price trend of the products surveyed are related to the changes of similar products in the domestic industry, once the price increase further narrows or even decreases, domestic industry similar products are forced to reduce prices to participate in competition, will further affect and threaten the prices and profitability of similar products in the domestic industry. Fifth, the European Union related brandy has a strong export capacity, has obvious brand, scale and strong market promotion ability, relying on overseas markets, and the Chinese market compared to other markets has obvious attractiveness, EU related brandy exporters continue to look good at the Chinese market, its exports will further grow.

In response to the above comments, the investigating body considered that: First, during the survey period, although the domestic industry similar products remained profitable, but with the large increase in the import volume of dumped imports and the rapid expansion of market share, and dumped imported products to the same prices of domestic industries to produce inhibition or cut prices into the Chinese market, the domestic industry similar products market share correspondingly decreased, the level of profit is greatly reduced, the domestic industry production and operation appear obvious vulnerability and face adverse trends. Second, there is no inevitable link between the relevant statements of domestic enterprises on the prospects for the development of the industry and whether the domestic industry has suffered material damage or material damage, and as mentioned above, there is evidence that domestic industry operations have vulnerabilities and face adverse trends. Third, there is evidence that prices remain an important factor in consumer purchasing decisions, and that the stakeholder's assertion

that the conduct and performance of the domestic industry in the country is completely unaffected by the products being investigated is incompatible; The above analysis shows that the investigation authorities based on the EU exporter or producer response data found that dumped imported products have inhibited or reduced prices of similar products in the domestic industry, and the impact was further enhanced at the end of the damage investigation period. Fourthly, with regard to the fact that the production of cognac and javina advocated by the EU trade association is subject to legal restrictions, exports cannot grow substantially, and the investigative authorities have reviewed that the claim lacks a factual basis. The product under investigation in this case is not limited to Cognac and Yavin products, but there is evidence that EU producers have substantial end-of-life stocks of related brandy products. As mentioned earlier, the import volume of dumped imported products during the period of the damage investigation has increased significantly, EU exporters have sufficient capacity to use, dumped import prices have a suppression or reduction effect on the prices of similar products in the domestic industry, and a large number of inventory of the products investigated. As has been practiced by the investigative authorities in other similar anti-dumping cases in the past, the evidence in this case shows that the domestic brandy industry is threatened with material damage. Fifth, with regard to the comparison of the case with his case, the investigating organ believes that the case is different from the EU exporter's comments that the case involved in the case is different, the industrial situation is different, the market situation is different, and the market situation is not comparable, for this case, the investigation organ will be dealt with in accordance with the law and according to the circumstances of the case. Therefore, in the preliminary ruling, the investigating body decided not to accept the above-mentioned claims by the relevant EU stakeholders.

The above analysis shows that during the period of the damage survey period, the EU is the most important source of China's import related brandy, the number of dumped imports of imported products showed an increasing trend, and at the end of the damage survey period, accounting for more than 50% of China's domestic market share; The EU has sufficient relevant brandy production raw materials, EU exporters can freely use the production capacity is huge, compared with the EU domestic market and other export markets, China's market potential and attractiveness, and the dumped imported products entering the Chinese market may have a real growth; Dumped imported products are entering the Chinese market at prices that will reduce, suppress or depress the production of similar products in the domestic industry, which will likely lead to an increase in demand for dumped imported products in the Chinese market; The end-of-life inventory of dumped imported products during the period of the damage investigation has always maintained a high level, and the overall end-of-term inventory volume is growing. It can be seen that the import volume of dumped imported products may actually increase, and the price of similar products in the domestic industry will continue to reduce, suppress or depress, and the impact on the domestic industry is foreseeable. If dumped imported products continue to grow, a large number of dumped imported products into the domestic market are imminent. The production and operation of similar products in the domestic industry may further deteriorate, dumped imported products will cause substantial damage to the domestic industry. Therefore, the investigative organ found in the preliminary ruling that the domestic industry was threatened with material damage during the investigation period.

After the initial ruling, the European Commission and the European Union industry association submitted comments advocating that: First, when assessing the possibility of increasing imports, the investigation did not take into account the results of the above investigation, the EU does not have excess capacity, even if there is excess capacity, due

to the production process has the wine age requirements, these production capacity can not be used for export to China within a few years; Existing grape-growing areas, production capacity and inventories cannot have a direct impact on imports and there is no clear risk of increased imports; Inventory is nothing more than a product in the ageing process; The actual situation of cognac production processes excludes the possibility of clear and urgent wind insurance. Second, the investigative authorities failed to prove the attractiveness of the Chinese market, and the decline in domestic demand for brandy and alcohol in general far outweighed the demand of the European Union; Of the three markets in the European Union, the United States and China, the gravitational pull of the Chinese market is actually the smallest. The Chinese market has the potential to shrink. The investigation machine should not make credible conclusions about the existence of a clear and imminent threat of damage.

The applicant submits comments asserting: First, in terms of annual, semi-annual and quarterly, recent data show that the volume of dumped imports is showing a rapid growth trend; The comments of the European side on fully freely available production capacity and exports in the EU and the view that grape cultivation is stable, limited raw materials, limited production is limited by geographical indications, special restrictions on production processes, etc. are repetitive pre-decisions and no new evidence. Second, doubts about the attractiveness of China's market are not valid, on the one hand, data since 2023 show that China's demand has resumed significant growth. On the other hand, the attractiveness of the Chinese market is not entirely reflected in the change in demand, the EU's main producers' statements indicate that they are optimistic about the Chinese market, the data show that the EU's exports to China's total exports to China rose from 13.29% in 2019 to 17.26% by 2023, indicating that its dependence on the Chinese market is increasing.

Upon review, the investigating body concluded that: First, neither the Commission nor the European Union industry association's claims on EU brandy production capacity, grape cultivation area, inventory and the characteristics of cognac production have provided no new evidence; As mentioned earlier, the product under investigation is brandy, i.e. spirits made from grape juice (pulp), grape slag, wine, etc., and cognac is only part of the product being investigated; The characteristics of the production process of the products (including Cognac) determine the continuous process from grape cultivation, distillation, aging to the mixing of the products under investigation, and the assessment of the production capacity, output and inventory of the products under investigation on the threat of material damage to similar products in the domestic industry should be analyzed as a whole. The evidence in the case, as well as the quantity and price effects mentioned above, show that the continued change in the situation of dumped imported products on the domestic industry's material damage to similar products is predictable and imminent. Second, the EU industry association's claims about the attractiveness of the Chinese market do not match the facts. The evidence shows that the number of products exported to China as a proportion of total exports to the EU continues to increase. The public statement of relevant enterprises in the EU also shows that the attractiveness of the Chinese market to EU exporters is objective. The evidence provided by EU industry associations on trends in alcohol consumption in three major markets in the European Union, the United States and China, together with other evidence in this case, indicates that alcohol consumption in the EU market and the US market is generally declining, but the Chinese market is still growing overall. Therefore, the investigating body decided not to accept the above-mentioned claims by the relevant EU stakeholders.

In summary, the investigative organ found in the final ruling that the changes in the circumstances caused by dumping will cause damage can be clearly foreseen and

imminent, and the domestic industry was threatened with material damage during the investigation period.

VI. Cause-and-effect Relationship

In accordance with Article 24 of the Anti-Dumping Regulations, the investigating authority examines whether there is a causal relationship between the relevant brandy imports originating in the EU and substantial damage to the domestic industry, and examines other factors that may cause damage to the domestic industry in addition to dumping imports.

(1) Dumping imported products poses a threat of material damage to the domestic industry.

During the period of the damage investigation, according to China's customs statistics, the overall number of imports of dumped imported products rose and declined overall, and the damage survey period showed an upward trend. At the same time, imports of imported products dumped in 2019, 2020, 2021, 2022 and January-September 2023 respectively accounted for more than 97.5% of the total imports of brandy in the same period. The investigation agencies analyzed the price impact of dumped imported products on similar products in the domestic industry in five different categories. Evidence shows that dumped imported products produce price restraints or cuts for similar products in the domestic industry.

During the period of the damage survey, the EU was the most important source of China's import-related brandy, the number of dumped imports of imported products showed an increasing trend, and at the end of the damage survey period, accounting for more than 50% of China's domestic market share. On the contrary, the market share of similar products in the domestic industry decreased from about 50% at the beginning of the damage investigation period to about 40% at the end of the period of the damage investigation, and the two showed a clear long-term relationship. In this situation, although the domestic industry similar products have always remained profitable during the survey period, domestic sales volume, domestic sales revenue, pre-tax profits, investment yield and other key indicators show a significant downward trend, and the domestic industry is vulnerable and facing adverse trends. At the end of the damage investigation period, as the import volume of dumped imported products increased and the market share of dumped imported products increased significantly, its impact on the domestic industry was further strengthened. Therefore, the continuous growth of dumped imported products relative to the number of imports and the price of dumped imported products on the domestic industry of similar products reduces, inhibits or depresses, is an important reason for the vulnerability of domestic industries.

As mentioned earlier, China is an important export market for EU-related brandy, harming the import products dumped during the survey period to reduce, inhibit or depress prices for similar products in the domestic industry enter the Chinese market in large quantities, and the import volume increased significantly at the end of the period of the damage survey period. At the same time, the EU has sufficient related brandy raw materials, EU exporters can freely use the production capacity is huge, damage the period-end inventory of dumped imported products has always maintained a high level during the survey period, and the number of stocks at the end of the period is growing trend overall. This indicates that the circumstances in which the dumping will cause damage can be clearly foreseen and imminent. Therefore, the investigation organs found in the preliminary ruling that dumped imported products caused the threat of material damage to the domestic industry, and there was a causal relationship between dumping imports

and the threat of material damage to the domestic industry.

After the initial ruling, the European Union industry association commented that first, there is no causal relationship between imported products under investigation and the situation of China's domestic industry, domestic industry similar products concentrated in product categories that cannot establish a causal relationship with imported products; The results of the survey of other categories of products show that it is largely insufficient to demonstrate that the import of the product under investigation caused a negative impact, that category 3 does not represent domestic sales in China, and the price impact should be assessed taking into account the number of sales and market share of category 3, categories 2, 4 and 5 cannot establish a causal relationship; Second, the assessment of cross-product categories proves that it can not establish a causal relationship, there is price pressure between the product category and the deteriorating sales situation of the Chinese product category does not match, imports from the European Union are mainly category 3, China domestic sales are mainly category 1, the two do not have a competitive relationship.

The applicant submits comments asserting that when examining the impact of imported products under investigation on the domestic industry, it is the overall survey of the domestic industry, rather than simply focusing on a certain part, sector or share of the domestic industry, the EU Industry Association will analyze the impact of each type of imported product on the basis of 5 product categories on the basis of the domestic industry is not objective, and may lead to ignoring the economic link between each category of products; A separate analysis does not guarantee an appropriate assessment of the state of industry in the country as a whole.

Upon investigation, the investigating organ concluded that: First, the view of relevant stakeholders in the EU that a causal relationship analysis according to the corresponding relationship of each product category ignores the fact of competition between dumped imported products and similar products in domestic industries, and lacks legal basis and evidence to support it. Second, the evidence shows that the domestic industry is in the initial stage of development, and the market share of similar products of the domestic industry during the investigation period showed an overall downward trend, sales mainly concentrated in product category 1, product category 2 and product category 3. In the same period, dumped imported products accounted for the overall upward trend of China's domestic market share, sales mainly concentrated in product category 2, product category 3 and product category 4, of which product category 2 accounted for the total volume of dumped imports increased trend, product category 3 accounted for the proportion of total dumped imports sales fluctuating trend, category 3 is the main selling product category, product category 4 the proportion of total dumped imports is declining trend. The market share of similar products in the domestic industry and the market share of dumped imports shows a trend of increasing change. Thirdly, the evidence shows that the prices of dumped imported product categories 2 and product category 3 intersect with each other, the dumped import product category 3 caused a reduction in the price of the same product category in the domestic industry, while category 3 is the most important product category of dumped imports, which inevitably affects the transmission to the domestic industry of the same product category 2 and Category 1, resulting in the inability of the domestic industry to continuously upgrade its product category, and the product "high-end" is difficult to make significant progress. Fourth, as mentioned above, with the decline of the market share of similar products of the domestic industry, domestic sales of similar products, domestic sales revenue, pre-tax profits, investment yield and other key indicators show a significant downward trend, and the profitability of the domestic industry continues to weaken. It can be seen that dumped imported products in general

have adversely affected similar products in the domestic industry, resulting in domestic industry production and operation showing great vulnerability. Therefore, the above-mentioned claims made by the investigative authorities with regard to the relevant EU stakeholders are not accepted.

In summary, the investigation organ decided to maintain the preliminary ruling in the final ruling, that is, there is a causal link between dumped imported products and the threat of material damage to the domestic industry.

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(2) Other known factors.

The investigative authority has examined other known factors that may pose a threat of material damage to the domestic industry in addition to dumped imported products.

After investigation, there is no evidence of a causal relationship between the quantity and price of imported products not sold at dumping prices, the practice of restrictions on trade between foreign and domestic producers and their competition, consumption patterns and the effects of alternative products, technological development, the status of similar products in the domestic industry and force majeure, and the threat of material damage to the domestic brandy industry.

Changes in market demand.

The European Commission, the European Union Industry Association and Martell AG argued in their comments: First, the damage suffered by domestic industries is related to the decline in overall demand in the Chinese market, and there is a clear causal relationship between the decline in the relevant economic indicators of China's domestic industry and the decrease in demand; Second, the new coronavirus pandemic and prevention and control measures have a special impact on demand, and any data for 2020 and 2022 must consider the impact of the new coronavirus outbreak.

The applicant commented: First, it is not denied that China's related brandy demand in the damage investigation period decreased in the previous year, but the evidence in this case shows that the increase in imports of the products under investigation is much greater than the change in domestic demand; Second, the demand for 2023 is 9.33% lower than in 2019, but the decline in domestic industrial output, internal sales, pre-tax profits, and investment yields is much greater than the decline in demand over the same period, and the prosecution claims are inconsistent with the facts; Third, regarding the impact of the new crown epidemic demand, it is precisely the increase in imports that exceeds the change in demand, resulting in the situation of the domestic industry in 2023 after the end of the new crown epidemic is still in a downward trend compared with 2019; According to the import data, January-May 2024 imports increased by more than 20%, the respondent to brandy production specificity to support its products will not be a large number of exports to China and the facts are clearly incompatible with the facts; Fourth, the 2023 new crown epidemic has ended, the current and future foreseeable period, the new crown epidemic is no longer a shadow factor; Changes in demand are also not a factor in the threat of damage to domestic industries.

Upon review, the investigating body concluded that: First, the data show that China's domestic market demand has declined first, the overall downward trend, damage the end of the survey period showed a significant increase. Although the changes in market demand may have an impact on the domestic industry, the data in this case show that the

market share of dumped imported products and similar products of the domestic industry shows a clear relationship. Due to the continuous expansion of the market share of dumped imported products and the impact of dumped imported products on similar products in the domestic industry, the domestic industry has experienced market share and sales revenue reduction, which leads to its pre-tax profit and investment rate of return and other indicators decline. Second, the new coronavirus factors will be dumped imported products and domestic industry similar products sales, 2020 affected by epidemic factors demand fell 20.71% compared with the previous year, 2021 showed a significant recovery trend, demand growth of 21.20% over the previous year, 2022 was again adversely affected, demand fell 17.09% from the previous year, after the end of the epidemic, 2023 demand quickly recovered from 10.59%. However, under the fluctuation of demand, the dumped import products in 2020, 2021 and 2023 clearly achieved a better market competitive advantage, when the market resumed to rise, dumped imports rose faster than demand, in the market decline, dumped imports fell slower than demand decline, resulting in domestic industry operating indicators since 2019. Third, after the disappearance of the new crown epidemic factor in January-September 2023, domestic demand increased by 10.59% year-on-year, but the import volume of dumped imported products increased 22.79% year-on-year, grabbing the domestic market share, resulting in domestic industry similar products sales continued to decline. Although the sales price of similar products in the domestic industry has increased, the domestic sales revenue has increased slightly, but the domestic industry's pre-tax profits and investment returns continue to deteriorate.

In summary, the investigation organs believe that the impact of market demand and the new coronal epidemic factors can not cut off the causal relationship between dumping imports and the threat of material damage to the domestic industry.

The domestic industry's own management strategy and cost growth factors.

The European Commission, the European Union Industry Association and Martell AG argue that: First, the decline in profits of Zhang Yu company is not the result of competition with the products being investigated, it is caused by the company's choice to pursue high-end strategy; The decline in sales of Zhang Yu company is due to the increase in sales of medium- and high-end products, and the disadvantage on the table is the indirect cost faced by Zhang Yu when implementing the high-end strategy; Second, in the case of a sharp rise in domestic prices, cost increases may be an important reason for falling profits in domestic industries.

The applicant commented: First, the growth achieved by the domestic industry in the high-end market cannot deny the impact and threat of imported products on the domestic industry, in the middle and high-end market imports occupies absolute dominance, leading to the domestic brandy only maintain a smaller share, and the huge market demand is very mismatched, the high-end domestic product is inhibited and hindered by import products; Second, in the case of a rapid recovery in domestic demand in 2023, the prices and profits of the five major categories of domestic industry have fallen significantly, regardless of the low-end, high-end domestic brandy prices and profits are adversely affected; Third, in order to consolidate its long-term possession of China's high-end market share, digest excess and idle production capacity, it is likely to increase the pressure on the Chinese industry in the high-end market, and the threat of physical damage will deepen. Fourth, compared with 2019, the total cost and expense of similar products in the domestic industry increased by 21.33%, pre-tax profit decline of 36.11%, the profit decrease is significantly greater than the increase in the cost, the domestic industry pre-tax profit in 2023 is significantly lower, and the decrease is greater than the

same period of cost increase.

Upon review, the investigating body concluded that: First, although the total output of Zhangyu Co., Ltd. accounts for the main part of the total output of the domestic industry, but the situation of Zhangyu Co., Ltd., as claimed by the relevant EU stakeholders, is not the whole data of the domestic industry; Second, the high-end domestic industry products advocated by relevant stakeholders in the EU lead to damage and lack of evidence support. The purpose of high-end industry is to achieve better economic returns, not the other way around. As mentioned earlier, the price of dumped imported products causes price reduction, inhibition or depression of similar products in the domestic industry, leading to the failure of similar products in the domestic industry to obtain reasonable returns is the cause of their damage, rather than the high-end strategy itself; Third, the increase in the cost of domestic industry sales will have a certain impact on the domestic industry, the evidence provided by the applicant shows that the cost increase will affect the domestic industry profits, but can not deny the causal relationship of dumping imports to the domestic industry caused the threat of material damage.

Macroeconomic factors such as deflation and population ageing.

Martell & Co., France Hennessy Corporation in the comments of Zhang: First, China began to enter a deflationary situation in July 2023, and the decline in prices of similar products in the domestic industry in 2023 was related to deflation; Second, as the ageing process of population continues to accelerate, the demographic structure changes, the number of alcohol consumption per capita will decrease, the total demand of brandy market has a declining trend, affecting the performance of the domestic industry.

The applicant commented: First, the respondent company did not prove that China entered a deflationary tight situation, nor did it prove that deflation caused domestic brandy prices to fall, the National Bureau of Statistics, China's central bank tables all indicated that China's economy does not have deflation and will not appear deflation. Second, the brandy consumer group is middle-aged and young people aged 26-45 and are not affected by ageing during the damage survey period and reasonably foreseeable period.

After review, the investigative authorities concluded that the relevant EU stakeholders did not present relevant evidence about China's entry into deflation, and there was no direct relationship between changes in individual macroeconomic indicators and changes in brandy markets, and failed to prove that there was any causal relationship between the aging population and the threat of substantial damage to domestic industries.

4) Other factors.

In its comments, the EU trade association argued that the competition for white wine in the Chinese market has affected the growth of Chinese brandy, with Zhangyu products mainly competing with whiskey.

The applicant commented that even if white wine and whisky were deemed to have an impact on brandy during the period of the damage investigation, the effect was gradually weakened and mitigated, or limited, and could not deny the impact of the import of brandy on the domestic industry during the investigation period.

After review, the investigative authorities believe that liquor and whisky are not the same products being investigated in this case, nor are similar products of the products being investigated, and the EU industry association has not submitted evidence to prove that there is a direct competition relationship between the two products and similar

products in the domestic industry. There is no evidence that the threat of material damage to the domestic industry is causally linked to liquor and whisky.

After the initial ruling, the EU trade association submitted comments saying that imported brandy with containers of 200 litres or more could put heavy pressure on domestic production and prices, which should not be attributed to imports of products under investigation.

After review, the investigation found that among all imported brandy, there was a specified number of imported brandy containing 200 litres or more containers, but that part of the import volume was much smaller than the amount of dumped imported products. Investigation authorities believe that the import brandy loaded in 200 litres or more containers will adversely affect the domestic industry, but the evidence shows that dumped imported products are the main part of the imported brandy, and in the consumer market is the direct competition object of similar products of the domestic industry. Therefore, imported brandy originating in the EU with 200 litres and more than 200 litres of capacity on the domestic industry cannot deny that dumped imported products pose a threat of material damage to the domestic industry.

In addition, the investigation found that the number of brandy imports from third countries was less than 3% of China's total imports during the survey period, and there was no evidence that it had a significant impact on the domestic industry.

(3) Other comments from relevant stakeholders.

Martell & Co., Ltd. argues that Poleliga Group's long-term business in China, Martell AG's export sales to China have made substantial contributions to China's wine and spirits industry and overall economic development, and the imposition of anti-dumping duties is not in the public interest.

ERemyMadan argues that the continuous growth of the Chinese market will benefit all suppliers, including Chinese brandy manufacturers and EU manufacturers, and exclude certain manufacturers from the Chinese market, not in the interests of consumers, and is not in the public interest of the Chinese market; The company contributes to the promotion of high-end brandy in China, and the Chinese competition has benefited.

McGill.Toler Ltd. argued in its comments that the interests and interests of consumers should be given priority in deciding whether to impose anti-dumping duties or imposing anti-dumping measures; Excessive protection in advance, harming the interests of the majority of practitioners, many importers and sellers, contrary to the policy of expanding domestic demand and the development of the consumer side of the country; Measures should be taken to prevent the exclusion and restriction of competition and take into account the order of competition in the domestic market.

The applicant commented that: The factors that need to be considered in the public interest should not be limited to the contribution of EU brandy manufacturers to the Chinese market, but should also comprehensively consider the safety of the industry, the improvement of the market environment, and the fundamental interests of farmers. First, the adoption of measures will help restore the distorted competition order, which is conducive to the maintenance of domestic industrial security; Second, the EU respondent has invested heavily in China and contributes to the Chinese economy and cannot absolve or mitigate the threat of domestic industrial damage caused by its dumped imports.

Responsibility, only by correcting unfair competition behavior and purifying the market environment will be conducive to safeguarding the investment environment of foreign enterprises in China and conducive to the long-term development of all parties;Third, China's related brandy industry is closely related to grape cultivation, involving the root interests of the majority of farmers, and the development and protection of the relevant brandy industry plays an important role in lifting farmers out of poverty and enrichment and increasing income;Fourth, anti-dumping will not cause obstacles to legitimate and fair imports, after taking measures will not be subject to any restrictions, will not undermine the diversity of brandy products, will not affect the choice of consumers.

After review, the investigative authorities believe that the adoption of anti-dumping measures may have a certain impact on importers, distributors, consumers, etc., but anti-dumping measures are not prohibited imports, and the products under investigation can still be exported to China at a fair and normal price level, safeguarding the diversity of products in the Chinese market and consumer interests;Anti-dumping measures based on the survey results will help maintain a fair trade environment, stabilize the domestic market order, create a good investment environment and business environment, and help promote coordinated development of upstream and downstream domestic industries.In summary, the investigative authority found in the preliminary ruling that there was no evidence that anti-dumping measures were not in China's public interest.After the initial ruling, no interested party has commented on the matter.After field verification and a step-by-step investigation, the investigative organ decided to maintain the preliminary ruling in the final ruling.

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Data sheet for anti-dumping cases related to brandy

The Project	The Year of	The Year 2020	The 2021	2022	January -	January -
Gross Domestic	4,510	3,116	3,891	2,847	1,583	1,892
Rate	-	-30.90%	24.84%	-26.83%	-	19.47%
Demand (million	7,899	6,263	7,591	6,293	4,364	4,826
Rate	-	-20.71%	21.20%	17.09%	-	10.59%
Number of products	3,397	3,026	4,036	3,038	2,033	2,497
Rate	-	-10.92%	33.37%	24.74%	-	22.79%
Import price of products surveyed (USD/5	31.03	32.05	41.12	45.87	42.29	46.89
Rate	-	3.28%	28.33%	11.53%	-	10.85%
Market share of	43.01%	48.32%	53.18%	48.27%	46.59%	51.73%
Rate	-	5.31%	4.85 per cent	-4.90%	-	5.14%
Output(Tho	4000-	2700-3000	3400-3700	2400-	1200-	1500-
Rate	-	Decrease	Growth	Decrease	-	Growth (10%
Capacity(Th	7000-	7000-9000	7000-9000	7000-	5250-	6000-
Rate	-	-	-	-	-	Growth (5% -
Rate of start-	45% - 60%	30%-46%	38%-53%	27% - 39%	18%-29%	20%-30%
Rate of change	-	10-20percentage	Growth of 5-15Percentage	Down 5-15percentage	-	0-5percentage
Domestic Sales	4000-4300	2800-3100	3000-3300	2800-3100	2000-2300	1900-2200
Rate	-	Decrease (25%-35%)	Growth (5% - 15%)	Decrease (5% - 15%)	-	Decrease (0-10%)
Market Share of Markets	51% - 55%	45%-50%	41%-46%	43%-49%	46%-53%	40%-45%
Rate of change	-	Drop 0- 10 percentage	Drop 0- 10 percentage	0- 10percentage	-	Drop 0- 10 percentage
Domestic Sales	90000-110000	70000-90000	85000-105000	80000-100000	65000-80000	70000-85000
Rate of change	-	Decrease (15%- 25%)	Growth (10% - 20%)	Decrease (0- 10%)	-	Growth (0% - 10%)
End of Period	1100-1400	1000-1300	1400-1700	950-1250	700-1000	650-950
Rate	-	Decrease (5%	Growth	Decrease	-	Decrease (0-
Domestic Sales Prices	22-27	23-31	25-35	26-36	27-37	34-40
Rate	-	Up (10%-	Up (5% -	Up (0% -	-	Up (0% -
Pre-tax	25000-	15000-18000	17000-20000	14000-17000	14000-	13000-15000

(Wan Yuan)						
Rate	-	Decline (35%-	Growth (10%	Decrease	-	Decrease (0-
Rate	8% - 13%	3% - 8%	3% - 8%	3% - 8%	3% - 8%	2%-7%
Rate of change	-	Down0-5percentage	Decrease0-1percentage	0 - 1percentage	-	Drop0- 1 percentage
Net cash flow (Wan)	7000-10000	15000-20000	28000-33000	22000-27000	18000-23000	17000-22000
Rate of change	-	Thegrowth (100%-110%)	Growth (80%-90%)	Decrease (20%-30%)	-	Decrease (0-10%)
Number	100-150	90-140	85-135	85-135	84-134	95-145
Rate	-	Decrease (0-	Decrease (0-	It's not the	-	Growth (0% -
Per capita Wage	70000-90000	50000-70000	60000-80000	72000-92000	45000-65000	50000-70000
Rate	-	Decrease	Growth (10%	Growth (10%	-	Growth (0% -
Labor productivity per person/ye	30-40	20-30	25-35	18-28	8-18	9-19
Rate	-	Decrease	Growth	Decrease	-	Growth (5% -

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List of companies submitting responses from foreign exporters or producers

Martell Co., Ltd.	Sarl Chateau Montifau
French company Hennessy	Sas DISTILLERIE DES MOISANS
ERemyMadan	SOCIETE des VINS et EAUX de VIE
TheMIGUEL Torres S.A	Les Grands Chais de France
H. MOUNIER SA	Sas Hawkins Distribution
Sarl Ragnaud Saborin	Louis Charlin SAS
Sas COGNAC LHERAUD	MAUXION SELECTION
COMPAGNIE FRANCAISE Des Pirituux SAS	MAISON LEDA
SARL DE BIBARDIES	GODET FRERES COGNAC SAS
Société du Maine Drillhon	ARMAGNAC J. Goudoulin Sas
SNC P. FRAPIN & CIE	SCV Château du Tariquet
SASU F.T.D.	Bas Armagnac Francis Darroze
CAMPARI FRANCE	Peyrat Associes and CIE
TheDobbé Sarl	Armagnacs du Château de Lacquy
DISTILLERIE De La Tour Sas	SARL JEAN FILLIOUX
MAISON BOINAUD SAS	Larsen Le Cognac Des VIKINGS SAS
DISTILLERIE TESSENDIER & FILS	Société Marie BRIZARD WINE and SPIRITS INTERNATIONAL SAS
Thomas Hine & C° SAS	TheCOMERGAL SAS
MAISON ANSAC SASU	SOCIETE DELAMAIN ET CIE
Louis Royer SA	H. DARTIGALONGUE et FILS
Cognac Groperrin SAS	LE CLUB Des Marques
DISTILLERIE MERLET & FILS SAS	SAS AMPELOS
MAISON PRUNIER S.A.	Milles and Tradition S.A.R.L
THS BACHE-GABRIELSEN SAS	A.O.D. Appellaton D'Orgine Distillation
SASU COGNAC Ferrand	SARL MAISON PHILBERT
TheTradall SA	Sarl Chateau Des Plassons
Chateau de COGNAC SASU	Gonzalez Byass, S.A.
La Maison des Pierres	Grupo OSBORNE S.A.
Camus La Grande Marque S.A.S.	Joey SELECTION SAS
TheCurvoisier S.A.S.	BODEGAS FUNDADOR, S.L.U.
Spirit France Diffusion SAS	Prince Hubert de Polignac SAS
Société des Etablissements Cartron SAS	The Distilleries de Matha
Sas Armagnac CASTAREDE	Quality Spirits International Limited
BODEGAS OSBORNE S.A.	TESSERON COGNAC SAS
SAS Château de Beaulon	SC VIGNOBLES TESSERON

List of Price Commitment Companies

The serial number.	Name of company
1	(Martell & Co)
2	French company Hennessy (Jas Hennessy & Co)
3	E Remymadan Corporation (E. REMY MARTIN & C°)
4	Member of H. Mounier SA
5	Renard Sibering LLC (SARL RAGNAUD SABOURIN)
6	French Wine Trading Company (Compagnie Francaise Des Spiritueux SAS)
7	Maine Delhi Hong Co., Ltd. The Societe du Maine Drilhon SNC
8	FTD One Limited (FTD SASU)
9	Mandefu Castle, LLC CHATEAU MONTIFAUD SARL
10	DOBBE LLC (DOBBE SARL)
11	Bovanov Family Limited (MAISON BOINAUD SAS)
12	Mosans Brewing Company Limited (Sas DISTILLERIE DES MOISANS)
13	Thomas Innet Limited Thomas Hine & Co SAS
14	Mr. Louis Royer SA

15	Gao Bethhem Cognac Limited The Cognac Groperrin SAS
16	Maure and Son's Distillery (Distillerie Merlet & Fils SAS)
17	Bach Gabrielson Limited (The Bach Gabrielsen Sas)
18	Ferran Cognac, Ltd. (The SASU COGNAC Ferrand)
19	SVE SAS (SVE SAS)
20	Pearce family limited liability company (La Maison Des PierRES SARL)
21	French company Kamu Camus La Grande Marque SAS
22	Wuhua Xi Jian Easy Joint Stock Company (Courvoisier SAS)
23	Hot Hours, Inc. (Mason Galas SA)
24	Murse Selected Limited The SARL Mauxion Selection
25	Gotti Brothers Cognac Limited (Godet Freres COGNAC SAS)
26	Jacob Gudulan Corporation (ARMAGNAC J. GOUDOULIN SAS)
27	Dahaus Yavierce Limited Bas Armagnac Francis Darroze SAS
28	Racueya Wine House, Ltd. Armagnacs du Château de Lacquy SAS
29	Tai Shi Long (The TESSERON COGNAC SAS)
30	Philly Pride LLC (SARL JEAN FILLIOUX)
31	Delaman Co., Ltd. (Delamanin et Cie SA)
32	Chiron the Great (H.DARTIGALONGUE et FILS SAS)
33	French CDM Jacobi brand company (Le CLUB Des MARQUES SAS)

34	Saint-Obin Castle Farming Company SCEA DU CHATEAU SAINT-AUBIN
35	Joey's Choice Limited (Sas Joy SELECTION)

List of anti-dumping duty rates by company

Name of company	Rate of tax
I. Sampled Company	
Martell Co., Ltd. (Martell & Co)	
French company Hennessy (Jas Hennessy & Co)	
E Remymanan Corporation (E. REMY MARTIN & C°)	
II. Other companies cooperating with the investigation	
Member of H. Mounier SA	32.2%
Renard Sibering LLC (SARL RAGNAUD SABOURIN)	32.2%
Andre Petit Fathers and Sons Limited (André Petit et Fils SAS)	32.2%
French Wine Trading Company (Compagnie Francaise Des Spiritueux SAS)	32.2%
Maine Delhi Hong Co., Ltd. The Societe du Maine Drilhon SNC	32.2%
FTD One Limited (FTD SASU)	32.2%
Mandefu Castle, LLC CHATEAU MONTIFAUD SARL	32.2%
DOBBE LLC (DOBBE SARL)	32.2%
Bovanov Family Limited (MAISON BOINAUD SAS)	32.2%

Mosans Brewing Company Limited (Sas DISTILLERIE DES MOISANS)	32.2%
Tysendwinery of France (DISTILLERIE TESSENDIER & FILS)	32.2%
Thomas Innet Limited Thomas Hine & Co SAS	32.2%
United Cognac Corporation of France (Maison Ansac SASU)	32.2%
Matt's Distillery (Distilleries de Matha Sas)	32.2%
Mr. Louis Royer SA	32.2%
Gao Bethhem Cognac Limited The Cognac Groperrin SAS	32.2%
Maure and Son's Distillery (Distillerie Merlet & Fils SAS)	32.2%
Messon Plunier Ltd. (MAISON PRUNIER S.A.)	32.2%
Bach Gabrielson Limited (The Bach Gabrielsen Sas)	32.2%
Ferran Cognac, Ltd. (The SASU COGNAC Ferrand)	32.2%
SVE SAS (SVE SAS)	32.2%
Pearce family limited liability company (La Maison Des PierRES SARL)	32.2%
French company Kamu Camus La Grande Marque SAS	32.2%
Grand Wine Cellar Co., Ltd. Les Grands Chais de France SAS	32.2%
Wuhua Xi Jian Easy Joint Stock Company (Courvoisier SAS)	32.2%
SCEA DOMAINE D'ARTON	32.2%
Chascon, LLC (SARL LES Chais GASCONS)	32.2%
French Spirits Distribution Group (SPIRIT FRANCE DIFFUSION SAS)	32.2%

Catron Company Limited (Société des Etablissements Cartron SAS)	32.2%
Philippe-Pacary Inc. SAS PHILIPPE PACALET)	32.2%
Hot Hours, Inc. (Mason Galas SA)	32.2%
Cataled Javengu, Ltd. (SAS ARMAGNAC CASTAREDE)	32.2%
Lloyd family limited liability company (SARL Famille LAUDET)	32.2%
Murse Selected Limited The SARL Mauxion Selection	32.2%
Gotti Brothers Cognac Limited (Godet Freres COGNAC SAS)	32.2%
Winnie Dengxie Wine Co., Ltd. The Distillerie Vinet-Delpech SAS	32.2%
Jacob Gudulan Corporation (ARMAGNAC J. GOUDOULIN SAS)	32.2%
Tasik's Agricultural Partnership SCV Chateau du Tariquet	32.2%
Dahaus Yavierce Limited Bas Armagnac Francis Darroze SAS	32.2%
Racueya Wine House, Ltd. Armagnacs du Château de Lacquy SAS	32.2%
Tai Shi Long (The TESSERON COGNAC SAS)	32.2%
Philly Pride LLC (SARL JEAN FILLIOUX)	32.2%
Samarence Yavina Co., Ltd. (ARMAGNAC SAMALENS SAS)	32.2%
Alamis Lanch (ARAMITZ SAS)	32.2%
Lassain Konekwigin Corporation (Laren Le Cognac Des VIKINGS SAS)	32.2%
Ö Howe Wine Co., Ltd. (Société Eurovins SARL)	32.2%
Delaman Co., Ltd. (Delamanin et Cie SA)	32.2%

Chiron the Great (H.DARTIGALONGUE et FILS SAS)	32.2%
French CDM Jacobi brand company (Le CLUB Des MARQUES SAS)	32.2%
Millennial & Traditional LLC (Milles & Traditionary Sarl)	32.2%
Hawkins Distribution Company Limited The SAS Hawkins Distribution	32.2%
Osborne Winery Ltd. (Bodegas OSBORNE, S.A.)	32.2%
SARL MAISON PHILBERT(SARL MAISON PHILBERT)	32.2%
Normandin Messier LLC The Normandin-Mercier SARL	32.2%
Nonino Distilled Liquor LLC (No Distillatori SRL)	32.2%
Montenero, Ltd. By Montenegro S.R.L.	32.2%
Saint-Obin Castle Farming Company SCEA DU CHATEAU SAINT-AUBIN	32.2%
Quality Spirits International Limited (Quality Spirits International Limited)	32.2%
Joey's Choice Limited (Sas Joy SELECTION)	32.2%
Sole proprietor (BODEGAS FUNDADOR, S.L.U.)	32.2%
McGill Toler Limited (Migule Torres, S.A.)	32.2%
Dilo Tu Brewing Company (DISTILLERIE DELA Tour Sas)	32.2%
Other European Companies (All Others)	