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# **COMPLAINT**

## **NATIONAL MANUFACTURER ON THE VIOLATION AND CONDUCT OF AN ANTI-DUMPING INVESTIGATION REGARDING THE IMPORT OF HEATING RADIATORS FROM TURKEY AND CHINA TO UKRAINE**

(non-confidential version)

Kyiv

2023

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## Section I. General information

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### 1.1. Information about the Applicant

The complaint is filed on behalf of two Ukrainian manufacturers of heating radiators (hereinafter - "Applicant"):

ÿ **LIMITED LIABILITY COMPANY "SAN TEH RAI"** Legal address: str. 462 KM+100 M of the Kyiv-Odesa highway, Usativska village council, Bilyaivsky district, Odesa region, 67663.

EDRPOU code: 35901580

Tel. / fax +380 (48) 734-47-57

E-mail: [office@santehraj.com.ua](mailto:office@santehraj.com.ua)

Web: <https://santehraj.com.ua>

Activities:

25.21 production of central heating radiators and boilers (main);

22.21 production of plates, sheets, pipes and profiles from plastics;

22.23 production of construction products from plastics;

22.29 manufacture of other plastic products;

46.49 wholesale trade in other household goods;

46.72 wholesale of metals and metal ores;

46.73 wholesale of wood, building materials and sanitary-technical equipment;

46.74 wholesale of iron products, water supply and heating equipment and its accessories;

46.77 wholesale of waste and scrap;

52.10 warehousing;

22.22 production of plastic containers;

49.41 cargo road transport;

68.20 leasing and exploitation of own or leased real estate;

77.32 leasing of construction machinery and equipment;

77.39 leasing of other machines, equipment and goods, n.v.i.u.

Radiator plant "SAN TECH RAY" is a leading Ukrainian manufacturer of aluminum, bimetallic and steel panel radiators. The company's technological processes have passed certification and fully comply with the ISO 9001: 2008 standard and comply with the European standard EN442, which is the only one for all manufacturers of steel panel radiators.

The main operating principle of the "SAN TECH RAI" company is that high product quality is achieved through the use of the latest technologies from leading manufacturers, a quality control system at every stage of production (from molten metal to factory

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packaging), highly qualified personnel and strict compliance with current standards (DSTU). LLC "SAN TECH RAI" constantly modernizes existing facilities and invests in the development of production, which achieves a high level of energy efficiency and innovativeness of production facilities.

An important criterion for the work of "SAN TECH RAY" LLC is environmental friendliness, which is confirmed by the ISO 14001: 2004 certificate.

An important role in the work of "SAN TECH RAY" LLC is played by social responsibility and occupational health and safety (confirmed by the OHSAS 18001: 2007 certificate). The production sites of the "SAN TECH RAY" LLC plant are located in the industrial zone of the port city of Odesa, on an area of more than 25,000 m<sup>2</sup>, far from populated areas. There are no salary debts at the "SAN TECH RAY" LLC plant, all payments are made on time and in full.

Brief history of "SAN TECH RAI" LLC:

19.05.2008 LLC "SAN TECH RAI" started its work.

Since 01.02.2011 "SAN TECH RAY" LLC is a leading Ukrainian manufacturer of sectional aluminum and bimetallic radiators (4, 5, 6, 7, 8, 10, 12 sections).

19.12.2011 LLC "SAN TEH RAI" received the Certificate of Conformity of the Management System according to the ISO 9001:2008 system for aluminum, bimetallic radiators "MIRADO", "DIVA", "Elegance", "RENS", "SAN TEH RAI", "Ekvator", "Summer".

07/15/2013, 06/10/2014 LLC "SAN TECH RAI" extended the validity of the Certificate compliance with aluminum, bimetallic radiators "MIRADO", "DIVA", "RENS", "SAN TEH RAI".

05.05.2015 LLC "SAN TECH RAI" received the CE certificate for aluminum radiator "MIRADO". CE marking on products confirms compliance with the requirements of European legislation and access to EU markets.

01.02.2016-2017 "SAN TEH RAI" LLC started production of steel panel radiators "Terra Teknik", "SAN TEH RAI", "RENS".

**ÿ YUTERM UKRAINE LIMITED LIABILITY COMPANY**

Address: 85 Nezalezhnosti avenue, Bila Tserkva city, Kyiv region, 09108

EDRPOU code: 40532173.

Phone: +380 57 341 63 43

E-mail: [office@uterm.ua](mailto:office@uterm.ua)

Web: [https://](https://uterm.ua/) <https://uterm.ua/uk/>

Activities:

25.21 production of central heating radiators and boilers (main);

46.72 wholesale of metals and metal ores;

46.49 wholesale trade in other household goods;

46.69 wholesale of other machines and equipment;

46.74 wholesale of iron products, plumbing and heating

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equipment and accessories for it;  
52.10 warehousing;  
33.12 repair and maintenance of machines and industrial equipment;  
  
33.11 repair and maintenance of finished metal products;  
25.99 production of other finished metal products, n.e.c. in. and. in.;  
46.72 wholesale of metals and metal ores;  
  
68.20 leasing and exploitation of own or leased real estate.

The manufacturer YUTERM UKRAINE started its activity as a distributor of steel radiators. Market analysis at that time showed that Ukraine urgently needed a domestic manufacturer that would offer European quality products at Ukrainian prices. It took 3 years from idea to implementation. In 2010, the foundation of the first plant was laid in the city of Krasny Luch (Luhansk region). In 2013, production was launched. But due to the aggression of Russia in 2014, production in Krasny Lucha was stopped. The bold decision to open a new production facility in the city of Chuguiv in 2016 became a key moment in the company's history, enabling it to maintain and strengthen its market position.

Since 2017, UTERM UKRAINE has taken a course towards innovation and leadership. Modern equipment, robotic technologies and strict quality control have turned the plant into a world leader in the production of steel radiators. The company received numerous awards, including the first place in the sum of places of four indicators "Volume of operations", "Geography", "Diversification", "Business activity".

The quality control system, compliance with standards [...] were emphasized by the higher ups standards that the company adheres to.

The YUTERM UKRAINE plant has [...]. It is advanced fully robotic equipment of the world leader, designed specifically for the enterprise. Production capacity of [...] radiators per year, YUTERM UKRAINE is a large producer in its field, even according to international estimates. EUTERM UKRAINE is the largest processor [...] in Ukraine and processes up to [...] per month!

The UTERM UKRAINE company is a regular participant in International Exhibitions in Kyiv, Frankfurt am Main, Milan, London, Beijing, Shanghai.

To date, having overcome all challenges and trials, taking into account all difficulties, the company not only resumed its work, while creating [...] jobs, but also provides various assistance to the Armed Forces. In

addition, the company YUTERM UKRAINE is designated by the Ministry of Economy of Ukraine as critically important for the functioning of the economy and ensuring the livelihood of the population in a special period. The enterprise YUTERM UKRAINE is of great importance for the national economy and meeting the needs of communities whose production is limited to the domestic market.

Today, YUTERM UKRAINE not only produces high-quality radiators, but also has an integral part of the economy and ensuring livelihoods.

In the appendix to the Complaint, copies of documents related to the activities of the Applicant's enterprises are provided (copies of the articles of association of enterprises, copies of certificates of registration in the tax

bodies, certificates of state registration, etc.).

### 1.2. Authorized representative of the Applicant

Authorized representative of the Applicant and contact person:

[...]

### 1.3. Establishment of a national producer

According to the information of the Applicant and the marketing and analytical report of the State Enterprise "Ukrpromzovanshekspertiza" - "Ukrainian market of radiators for heating in 2020-2023." (hereinafter referred to as the Report of SE "Ukrpromzovshekspertiza"), which is confidential in accordance with the contractual relationship between the Applicant and the SE, in Ukraine radiators for heating are produced by two domestic enterprises: LLC "San Tech Rai" and LLC "Uterm

In table 1.3. the total volumes of product production and the Applicant's share in them are given:

**Table 1.3.: Product production volumes in Ukraine**  
**Indicator 2020 2021 2022 2nd half of 2022-**

				<b>1st half of 2023</b>
Production volumes in Ukraine, tons	[...]	[...]	[...]	[...]
Production volumes of the Applicant, tons	[...]	[...]	[...]	[...]
<b>Share of the Applicant, %</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Thus, the Applicant is a proper national manufacturer of radiators for heating within the meaning of the sixth part of Article 12 of the Law of Ukraine "On the Protection of National Product Producers from Dumping Imports", and its share is more than 50 percent of the total volume of production (hereinafter - Applicant or national producer).**

## 1.4. Description and comparison of imported goods and Ukrainian goods

### 1.4.1. Description of the Product that is the object of the Complaint

For the purposes of this Complaint, the imported goods, as well as similar (similar) goods produced by the Applicant's enterprises, are:

***Radiators for heating: steel, aluminum, bimetallic.***



In general, radiators or batteries are the devices that are used the most often for water heating of any premises.

#### *Types of heating radiators*

Heating batteries are divided into several groups, depending on the material, which is used for the manufacture of radiators:

- aluminum,
- steel,
- bimetal: aluminum + steel.

Depending on the material, the thermal power of heating radiators differs. The heat output specified in the passport of the radiators is usually less than the declared one, because the heat output is greatly influenced by the temperature of the air and the coolant, and these parameters depend little on the radiator itself. In the

individual heating system of a private house, the batteries are the same powers made of different metals work differently.

Aluminum radiators: among all types of heating batteries today, they are rightly considered one of the most effective. The high thermal conductivity of aluminum and the large area of fins allow aluminum batteries to heat any room very quickly and efficiently.

Bimetallic radiators: combine the best qualities of aluminum and steel batteries. They are efficient, undemanding to operating conditions and at the same time have a modern attractive design, which makes them a great solution for any room.

Steel radiators: spread thermal energy not only due to thermal radiation from the side panels, but also due to natural convection. This allows to improve their technical indicators and reduces energy costs for heating the room.

In addition to heat transfer, radiators can differ in the following parameters:

working and maximum pressure of the coolant - determines whether the device can be installed in multi-story buildings;



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the amount of water contained inside the heater - makes it possible to estimate the amount of water in the network that will have to be heated (this indicator is sensitive to the efficiency of the boiler);

battery weight - affects the place of installation and the method of fastening.

**Countries of origin of goods:** Republic of Turkey (TR), People's Republic of China (PRC).

Further, according to the text of the Complaint , the term "Product" is used to denote **heating radiators made of aluminum, steel and bimetal** .

According to the report of SE "Ukrpromzovineshekspertiza" according to the description of the Product, it is classified according to the Ukrainian classification of goods of foreign economic activity (hereinafter - UKTZED) under two main codes:

Code UKTZED	Name
7322 19 00 00	Other non-electric central heating radiators and their parts of ferrous metals
7615 20 00 00	Aluminum products, sanitary-technical equipment and aluminum parts thereof

In addition, aluminum radiators for heating may also fall under the following UKTZED codes:

Code UKTZED	Name
7616 99 10 00	Aluminum articles, other aluminum articles, cast
7616 99 90 00	Aluminum products, other aluminum products, other

Goods originating from the Republic of Tatarstan and the People's Republic of China are classified according to the following codes Harmonized system of description and coding of goods (HS):

HS code	Description	Description
7322 19	Radiators for central heating, non-electrically heated, and parts thereof, of iron other than cast iron or steel (excl. parts, elsewhere specified or included, and central-heating boilers)	Non-electrically heated central heating radiators and parts thereof of cast iron, other than cast iron or steel (excluding parts specified or included and central heating boilers)
7615 20	Sanitary ware and parts thereof, of aluminum (excl. cans, boxes and similar containers of heading 7612, and fittings)	Sanitary and technical articles and parts thereof of aluminum (except cans, boxes and similar containers of heading 7612 and fittings)
7616 99	Articles of aluminium	Aluminum products



### 1.4.2. Description and characteristics of Ukrainian goods

Ukrainian enterprises produce a variety of radiators that are almost identical or quite similar to the brands of goods produced by foreign manufacturers from the Republic of Tatarstan and the People's Republic of China. Non-principled differences may relate only to the technical design aimed at the recognition of one or another trademark of the Product.

According to the Nomenclature of Industrial Products (NPP), the Applicant's goods are classified as follows:

NPP code	Name
25.21.11.00	Central heating radiators without electric heating, them parts

According to UKTZED, the Applicant's goods are classified according to the following codes:

UKTZED code	Name
7322 19 00 00	Other non-electric central heating radiators and their parts of ferrous metals
7615 20 00 00	Sanitary and technical equipment and its parts of aluminum

### Materials and basic technical operations in the production of the Goods at the Applicant's enterprise:

No.	Product name Main	technological operations	The main ones incoming materials and code UKTZED	Sources income raw materials and materials
1	Aluminum radiator	Casting, welding, machining, assembly, painting, packaging	o [...]	[...]
2	Bimetallic radiator	Casting, production mortgages, machining, assembly, painting, packaging	o [...]	[...]
3	Steel radiator	Stamping, welding, assembly, painting, packaging	o [...]	[...]

The applicant mainly uses raw materials and materials of domestic production for the production of the Goods. In this way, the Applicant tries to support Ukrainian producers and suppliers of raw materials.

The production process of **bimetallic** radiators:

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[...]

The difference exists among manufacturers from the PRC, in particular in the technical process of painting, most manufacturers lack automation, and "low production culture" (non-compliance with all necessary standards) prevails.

Production process **of aluminum** radiators:

[...]

The difference exists among manufacturers from the PRC, in particular in the technical process of painting, most manufacturers lack automation, and "low production culture" (non-compliance with all necessary standards) prevails. The production process **of steel** radiators:

[...]

The technical process is approximately the same at all enterprises.

The difference is possible in equipment, production culture, quality control.

The main buyers of the Applicant's Goods are large domestic wholesale companies in the plumbing sector, local construction companies, Ukrainian construction hypermarkets and

others

Additional information about the Product is provided in the annexes to the Complaint.

**NON-CONFIDENTIAL VERSION****1.4.3. Identity of the Product produced by the national manufacturer and the Product produced in Turkey and China**

According to Part 26 of Article 1 of the Law, a similar Product is an identical Product, i.e. similar in all characteristics to the Product that is the object of the investigation, or, in the absence of this Product, another Product that is not similar in all characteristics, but has indicative features that are very similar to the characteristic features of the Product that is the object of the investigation.

The product produced by the domestic manufacturer is similar to the Product to be investigated because all foreign manufacturers produce almost identical or fairly similar brands of the Product produced by the domestic manufacturer. Non-principled differences may concern only the technical design, aimed at the recognition of one or another trademark of the Product, and the color of the product.

**Comparison of the main brands of goods produced by a national producer and goods imported into Ukraine and to be the object of an anti-dumping investigation:**

	<i>Criteria according to Goods of Ukrainian international production standards (DSTU, TU)</i>	<i>Goods, that was imported to the customs territory of Ukraine</i>	
<b>Steel radiator H 500 mm Type 22 L 1000 mm</b>			
		"Terra Teknik"	Djoul (TR)
<b>Physical characteristics</b>	TU U 25.2-35901980-002.2015 "Steel heating radiators. Technical conditions" year 2	Height 500 mm TYPE 22 Length 1000 mm Weight 25 kg	Height 500 m TYPE 22 Length 1000 mm Weight 25.4 kg
<b>Technical characteristics</b>	DIN EN442-1:2015-03 DIN EN442-2:2015-03	- Steel thickness 1.15 mm - Working pressure 10 bar - Check pressure 14 bar - Convector height 460 mm - Operating temperature up to 110 °C - Thermal power 2040 W	- Steel thickness 1.15 mm - Working pressure 10 bar - Check pressure 14 bar - Convector height 400 mm - Working temperature up to 110 °C - Thermal power 1894 W
<b>Quality characteristics</b>		Two-layer coating The color is white RAL 9016 10-year warranty ISO 9001 management quality control	The color is white. The warranty is 10 years
<b>Scope, specifics of application and purpose</b>		Steel radiators are used for installation in water systems  heating apartment buildings, country cottages, as well as industrial and commercial premises.	Steel radiators are used for installation in water systems  heating apartment buildings, country cottages, as well as industrial and commercial premises.
<b>Bimetallic sectional radiator 500/96</b>			

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		Mirado	Marek Titan (PRC)
<b>Physical characteristics</b>	DSTU B B.2.5-3-95 (GOST 20849-94), clause 5.2.1, clause 7.2, clause 7.5	Section weight 1.75 kg The volume of the coolant is 0.195 l Wheelbase 500 mm Total height 552 mm, depth 96 mm Width 80 mm	The weight of the section is 1.6 kg Wheelbase 500 mm The total height is 560 mm The depth is 96 mm Width 80 mm
	EN 442-1 ed.2:2015 Tab.Za 1		
<b>Technical characteristics</b>		- Working pressure 30 bar - Test pressure 45 bar - Operating temperature up to 120 °C - Thermal power 202 W	- Working pressure 20 bar - Test pressure 60 bar - Operating temperature up to 120 °C - Thermal power 188 W (not documented)
<b>Quality characteristics</b>		Anaphoresis coating The color is white RAL 9016 25-year warranty ISO 9001 management quality control	The color is white RAL 9016
<b>Scope, specificity and application</b>		Bimetallic radiators are used for installation in water systems  heating apartment buildings, country cottages, as well as industrial and commercial premises. Can work in systems with high pressure	Bimetallic radiators used for installation in water systems  heating apartment buildings, country cottages, as well as industrial and commercial premises. Can work in high pressure systems.
<b>Others (specify which ones)</b>		Resistant to water hammer. Ability to attach additional sections	Resistant to water hammer. The possibility of joining additional sections
<b>Aluminum sectional radiator 500/96</b>			
		Mirado	Calor (PRC)
<b>Physical characteristics</b>	DSTU B B.2.5-3-95 (GOST 20849-94), clause 5.2.1, clause 7.2, clause 7.5	Section weight 1.30 kg Coolant volume 0.42 l Wheelbase 500 mm Total height 575 mm, depth 96 mm Width 80 mm	The weight of the section is 1.30 kg Coolant volume 0.36 l Wheelbase 500 mm The total height is 582 mm The depth is 96 mm Width 80 mm
	EN 442-1 ed.2:2015 Tab.Za 1		
<b>Specifications</b>		- Working pressure 16 bar - Test pressure 24 bar - Working temperature up to 120 °C	- Working pressure 14 bar  - Working temperature up to 120 °C

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	- Thermal power 205 W	- Thermal power 170 W (not documented)
<b>Quality characteristics</b>	Anaphoresis coating The color is white RAL 9016 15-year warranty ISO 9001 management quality control	The color is white. The warranty is 12 months
<b>Scope, specificity and application</b>	Aluminum radiators are used for installation in water heating systems, country cottages, hotels, as well as industrial and commercial premises.	Aluminum radiators are used for installation in water heating systems, country cottages, hotels, as well as industrial and commercial premises.
<b>Others characteristics (specify which ones)</b>	The possibility of joining additional sections	The possibility of joining additional sections

Thus, the physical/quality characteristics of the Goods, the manufacturing process of Ukrainian-made Goods do not significantly differ from the Goods imported into the customs territory of Ukraine from the Republic of Tatarstan and the People's Republic of China.

The scope of use/application of the Product is similar, distribution channels are similar: imported Product and Product of Ukrainian production are used for installation in water heating systems, country cottages, hotels, as well as industrial and commercial premises. Distribution channels are similar: through wholesale and retail networks.

As a summary, the above information on the main characteristics of the Product and the comparisons made indicate that **the Product of Ukrainian production is similar to the Product that should be the object of an anti-dumping investigation, in the sense of the provisions of Part 26 of Article 1 of the Law. Thus, the Ukrainian product is similar to the imported Product, which is the object of consideration, in accordance with the requirements of the Anti-Dumping Law.**

















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Before the start of the Russian-Ukrainian war in February 2022, containers were delivered by sea from a Turkish port to a Ukrainian port. After the start of the war, the transportation of containers with radiators for heating from Turkey is carried out exclusively by road transport. According to the proposals of specialized transport and logistics companies, the cost of transporting products in containers to Ukraine from Turkey during the studied period was \$23-55/ton.

The specified price includes costs for freight, insurance, transshipment at the port of departure and reception, inspection. However, it does not include the cost of shipping products from the manufacturing plant to the seaport in Turkey.

Delivery of radiators in the studied nomenclature to Ukraine from China is carried out in containers by sea transport. In one 40-foot container with a volume of 67 m<sup>3</sup>, ~22 tons of products are transported.

Before the start of the Russian-Ukrainian war in February 2022, containers were delivered by sea directly from a Chinese port to a Ukrainian port. After the start of the war, containers with radiators for heating were transported from China with transshipment in other ports.

According to the proposals of specialized transport and logistics companies, the estimated cost of transporting products to Ukraine from China in containers by sea during the studied period was \$82-136/ton. The specified price includes costs for freight, insurance, transshipment at the port of departure and reception, inspection. The indicated price is indicative and, in addition, does not include the cost of delivery from the manufacturing plant to the sea port. The national manufacturer has no opportunity to establish the exact cost of delivery, only the Ministry of Economy during the investigation will be able to establish all the facts.

**Table 2.2.3. Transportation costs for delivery from Turkey and China to Ukraine in 2019-2023, \$/t**

Indicator	2020	2021	2022 2nd half of 2022-	1st half of 2023
The cost of shipping a container by road from the port of <u>Istanbul to the border of Ukraine</u> , \$/t	[...]	[...]	[...]	[...]
The cost of shipping a container from <u>the port of Shanghai (China) to the border with Ukraine</u> (with transshipment through the port of Constanta), \$/t	[...]	[...]	[...]	[...]

### 2.3. Calculation of the dumping margin

Based on the above data regarding the normal value on the domestic market of the exporting country and the export price in Ukraine, the dumping margin was calculated.

In accordance with the Law of Ukraine "On the Protection of National Producers from Dumping Imports" dated December 22, 1998, the dumping margin is calculated according to the formula:

$$DM = \frac{(NVEXW - EPEXW)}{EPCIF} \times 100\%$$

where:

- DM** – dumping margin;  
**NVEXW** – normal price on EXW terms;  
**EPEXW** – export price on EXW terms;  
**EPCIF** – export price on CIF terms.

When determining the level of dumping during the supply of goods to Ukraine, a comparison was made of the normal value of the goods in the domestic market of Turkey/China with the corresponding export price of the goods originating from these countries intended for sale in Ukraine.

The normal value in USD corresponds to the average prices in the domestic market of the exporting country at FCA/EXW level. Export prices in USD on terms of delivery to the border of Ukraine. For the purposes of determining the amount of dumping, the export price under the terms of delivery to the border of Ukraine must be adjusted to the size of the average transport costs for the delivery of the Goods to the border with Ukraine.

**Table 2.3.1. Calculation of the level of the dumping margin for the supply of goods originating in Turkey**

	Period Normal value (EXW/FCA)	Export price (CIF/CIP)	Transportation costs	Export price (FCA/EXW)	Dumping margin
<b>1 sq. 2020</b>	[...]	[...]	[...]	[...]	<b>153%</b>
<b>Q2 2020. 3rd quarter 2020.</b>	[...]	[...]	[...]	[...]	<b>123%</b>
<b>4th quarter 2020. In total, 2020. 1 quarter.</b>	[...]	[...]	[...]	[...]	<b>133%</b>
<b>2021. 2nd quarter 2021.</b>	[...]	[...]	[...]	[...]	<b>116%</b>
<b>3rd quarter 2021.</b>	[...]	[...]	[...]	[...]	<b>132%</b>
<b>4th quarter 2021. In total, 2021. 1 sq.</b>	[...]	[...]	[...]	[...]	<b>103%</b>
<b>2022. 2 sq.</b>	[...]	[...]	[...]	[...]	<b>80%</b>
<b>2022. 3 quarters.</b>	[...]	[...]	[...]	[...]	<b>50%</b>
<b>2022. 4 sq.</b>	[...]	[...]	[...]	[...]	<b>49%</b>
<b>2022. In total, 2022. 1 sq. 2023. 2 sq. 2023</b>	[...]	[...]	[...]	[...]	<b>65%</b>
	[...]	[...]	[...]	[...]	<b>27%</b>
	[...]	[...]	[...]	[...]	<b>22%</b>
	[...]	[...]	[...]	[...]	<b>56%</b>
	[...]	[...]	[...]	[...]	<b>62%</b>
	[...]	[...]	[...]	[...]	<b>46%</b>
	[...]	[...]	[...]	[...]	<b>42%</b>
	[...]	[...]	[...]	[...]	<b>41%</b>



Thus, taking into account the calculations made, there are all reasonable grounds to assert the presence of dumping in the delivery of goods from Turkey to Ukraine. At the same time, **the level of dumping margin of Turkish imports reached 153%** during the research period.

**Table 2.3.2. Calculation of the level of the dumping margin when supplying goods originating in China**

Period	Normal Export value price		Transportation costs	Export price (FCA/EXW)	Dumping margin
	(EXW/FCA)	(CIF/CIP)			
1 sq. 2020	[...]	[...]	[...]	[...]	42%
Q2 2020. 3rd quarter 2020.	[...]	[...]	[...]	[...]	-25%
4th quarter 2020. In total, 2020. 1 quarter.	[...]	[...]	[...]	[...]	58%
2021. 2nd quarter 2021.	[...]	[...]	[...]	[...]	56%
3rd quarter 2021.	[...]	[...]	[...]	[...]	38%
4th quarter 2021. In total, 2021. 1 sq.	[...]	[...]	[...]	[...]	35%
2022. 2 sq.	[...]	[...]	[...]	[...]	33%
2022. 3 quarters.	[...]	[...]	[...]	[...]	49%
2022. 4 sq.	[...]	[...]	[...]	[...]	46%
2022. In total, 2022. 1 sq. 2023. 2 sq. 2023	[...]	[...]	[...]	[...]	43%
	[...]	[...]	[...]	[...]	31%
	[...]	[...]	[...]	[...]	4%
	[...]	[...]	[...]	[...]	42%
	[...]	[...]	[...]	[...]	51%
	[...]	[...]	[...]	[...]	36%
	[...]	[...]	[...]	[...]	38%
	[...]	[...]	[...]	[...]	34%

The conducted calculations indicate the existence of dumping in the case of deliveries to Ukraine of goods originating from China, while during the research period **the level of the dumping margin of Chinese imports was 58%**.

***In addition, we draw the attention of the Ministry of Economy to the need to study a number of facts when investigating the issue of dumping, in particular when supplying goods from China as part of the relevant investigation. Thus, for the purposes of conducting trade investigations, the European Commission published a report on significant distortions in the economy of the PRC (EU report on significant distortion in the economy of PRC):***

[https://trade.ec.europa.eu/doclib/docs/2017/december/tradoc\\_156474.pdf](https://trade.ec.europa.eu/doclib/docs/2017/december/tradoc_156474.pdf)

Therefore, as part of the anti-dumping investigation, when investigating the fact of dumping from China, the question of the presence of significant deformations in the market of the PRC ("market distortion") during the production of the Goods, which definitely affects the extent of dumping and, accordingly, the extent of the impact of dumping imports on national producer of Ukraine.

**In addition, it should be emphasized that in connection with the change in the logistics routes of imports (due to the blockade of Ukrainian ports), the actual level of export prices in 2022 is much lower and, accordingly, the level of the dumping margin is much higher**

**higher!!! We ask the Ministry of Economy of Ukraine to more thoroughly investigate all relevant facts and circumstances as part of the anti-dumping investigation.**

#### **Conclusion on the fact of dumping**

Calculations of the dumping margin when importing goods from Turkey and China are made on the basis of a comparison of the corresponding values of the normal value and the average import prices of the goods. As provided by the Law, in order to ensure a fair comparison, the import prices were adjusted for the cost of delivery of the Goods to the border with Ukraine.

Calculations of the level of dumping margin proved that ***the level of dumping is higher than de minimis and the dumping margin when importing goods from Turkey and China is significant, its size for Turkey was up to 153%, for China up to 58%.***

## Chapter III. Analysis of import trends

Taking into account the established fact that the import of goods from China and Turkey was carried out at dumping prices (the level of the dumping margin is higher than the minimum level), the volume of imports from each country cannot be defined as insignificant, the aggregate assessment of the impact of imports corresponds to the conditions of competition between imported goods and conditions of competition between imported goods and similar goods, the impact of these imports in accordance with the fourth part of Article 10 of the Law is assessed collectively.

### 3.1. Dynamics of import of goods from all countries

**Table 3.1. Import from all countries Index**

	2020	2021	2022	2nd half of 2022-	1st half of 2023
<b>Total imports, t</b> Growth/decline rates (compared to baseline) Growth/decline rates (compared to previous)	<b>25,098</b>	<b>24,804</b>		<b>9,864</b>	<b>10 106</b>
<b>Dumped imports (Turkey, China), t</b> Growth/decline rates (compared to baseline) Growth/decline rates (compared to with the previous one) Including:					<b>0.02</b>
	<b>13,752</b>	<b>13,286</b>		<b>-1</b>	<b>6,501</b>
					<b>-53%</b>
				<b>-57%</b>	<b>-55%</b>
					<b>10%</b>
<b>Turkey Rate</b> of growth/decline (compared to baseline) Rate of growth/decline (compared to previous)	<b>7,716</b>	<b>7,616</b>		<b>2,854</b>	<b>3 396</b>
<b>China Rate</b> of growth/decline (compared to baseline) Rate of increase/decline (compared to previous)					<b>19%</b>
<b>Imports from third countries</b> Rate of growth/decline (compared to baseline) Growth/decline rates (compared to previous)	<b>6,036</b>	<b>5,670</b>		<b>3,078</b>	<b>3 105</b>
					<b>-48%</b>
					<b>1%</b>
	<b>11,346</b>	<b>11,518</b>	<b>1.51%</b>	<b>3,932</b>	<b>3,605</b>
					<b>-68%</b>
					<b>-8%</b>

According to Table 3.1, the total volume of imports decreased during the period under study, however, it is worth noting that the decrease in imports occurred precisely in 2022, which accordingly indicates that imports decreased precisely because of Russian aggression. In the last period, compared to the previous one, import growth began.

At the same time, it is worth noting the dynamics of dumping imports and imports from third countries: if during the study period, imports from third countries, starting in 2022, decreased, then, on the contrary, after the decrease in 2022, the dumped imports began to increase, especially from Turkey (+19%).

### 3.2. Dynamics of dumping imports in absolute terms

The analysis of foreign trade statistics of Ukraine shows that the main suppliers of goods to Ukraine in the analyzed period were exporters from Turkey and China. The import of goods from Turkey and China to Ukraine in the analyzed period had the following trend.

**Table 3.2. Dumping imports**

<i>Indicator</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2nd half of 2022 - 1st half of 2023</i>
<b>Dumping imports (Turkey, China), t</b> 13,752 13,286 5,932				<b>6,501</b>
<i>Growth/decline rates (compared to the baseline)</i> -57%				-53%
<i>Growth/decline rates (compared to the previous)</i> -55%				10%
<b>Share of imports from Turkey and China in 60% of total imports</b>				<b>64%</b>
	<b>55%</b>	<b>54%</b>		
<i>Rate of growth/decline (compared to baseline)</i> Rate	-	-2%	10%	17%
<i>of growth/decline (compared to previous)</i> Including:	-	-	12%	7%
<b>Turkey Rate</b>	<b>7,716</b>	<b>7,616</b>	-1%	<b>2,854</b>
<i>of growth/decline (compared to baseline)</i> Rate of	-			<b>3 396</b>
<i>growth/decline (compared to previous)</i> <b>Share of imports</b>	-	-	-63%	-56%
<b>from Turkey in total imports</b>	<b>31%</b>	<b>31%</b>	<b>29%</b>	<b>34%</b>
<i>Growth/decline rate (compared to baseline)</i> Growth/	-	0%	-6%	9%
<i>decline rate (compared to previous)</i> <b>China</b> Growth/decline	-	-	-6%	16%
<i>rate</i>	<b>6,036</b>	<b>5,670</b>	-6%	<b>3,078</b>
<i>(compared to baseline)</i> Growth/decline rate (compared	-			<b>3 105</b>
<i>to previous)</i> <b>Share of imports from China in total imports</b>	-	-	-49%	-48%
	<b>24%</b>	<b>23%</b>	<b>31%</b>	<b>31%</b>
<i>Growth/decline rates (compared to baseline)</i> Growth/	-	-5%	30%	28%
<i>decline rates (compared to previous)</i> <b>Imports from third</b>	-	-	37%	0%
<b>countries</b> Growth/decline	<b>11,346</b>	<b>11,518</b>	<b>3,932</b>	<b>1.51%</b>
<i>rates (compared to baseline)</i> Growth/decline rates	-	-65%	-66%	<b>40%</b>
<i>(compared to previous)</i> <b>Share of imports from third</b>	-	-	-	-68%
<b>countries in total imports</b>	<b>45%</b>	<b>46%</b>		<b>36%</b>
<i>Rate of growth/decline (compared to baseline)</i> Rate	-	3%	-12%	-21%
<i>of growth/decline (compared to previous)</i>	-	-	-14%	-11%

According to statistical information, during the research period, the volume of dumped imports from Turkey and China occupied a fairly significant share of the total volume of imports (up to 64%). At the same time, the dynamics of the growth of the volumes of dumped imports and the dynamics of changes in the indicators of imports from third countries indicate that, despite the drop in imports in 2022, in the last period, dumped imports increased in volume and displaced imports from third countries, respectively, the share of dumped imports in the total volumes of imports increased from 54% to 64%.

Thus, during the studied period, **dumped imports decreased in 2022, but subsequently resumed growth and significantly increased their share in total imports to 64%.**

### 3.3. Dynamics of dumping imports in relative terms

The analysis of trends in the indicators of the volume of dumping imports relative to the volume of production of goods in Ukraine and consumption of goods in Ukraine testified to the growth of dumping imports in relative terms.

The volume of production of the Product in Ukraine significantly decreased during the study period, a particularly significant drop in production occurred in 2022 (-67%) and in the last annual study period (-44%). At the same time, the volumes of dumped imports relative to production increased significantly (up to 128%), especially dumped imports relative to production increased in 2022 (+36%) and in the last annual period of the study (+95%).

**Table 3.3.: Growth of dumped imports relative to consumption and production in Ukraine**

Indicator	2020 2021 2022 2nd half of 2022- 1st half of 2023			
<b>Production volumes in Ukraine, t</b>	[...]	[...]	[...]	[...]
<i>decline rates (compared to the baseline)</i>	-	49%	-51%	-72%
<i>decline rates (compared to the previous)</i>	-	-	-67%	-44%
<b>Consumption, t</b>	[...]	[...]	[...]	[...]
<i>rates (compared to the baseline)</i>	-	12%	-55%	-56%
<i>rates (compared to the previous)</i>	-	-	-60%	-3%
<b>Volumes of dumped imports relative to production</b>	[...]	[...]	[...]	[...]
<i>Rate of growth/decline (compared to baseline)</i>	-	-35%	-12%	72%
<i>Rate of growth/decline (compared to previous)</i>	-	-	36%	95%
<b>Volumes of dumped imports relative to consumption</b>	[...]	[...]	[...]	[...]
<i>Rate of growth/decline (compared to baseline)</i>	-	-14%	-3%	9%
<i>Rate of growth/decline (compared to previous)</i>	-	-	12%	13%

The volume of consumption of goods in Ukraine significantly decreased during the study period, a significant drop in consumption began in 2022 (-55%), in the last annual period of the study, consumption almost did not change, which, against the background of a significant drop in domestic production, indicates that dumped imports have supplanted from the market of domestic producers. In general, the volumes of dumped imports relative to consumption increased significantly (up to 47%), especially dumped imports relative to consumption increased in 2022 (+12%) and in the last annual period of the study (+13%).

Thus, it has been established that there is a significant increase in dumping imports in relative terms: both in relation to the volume of consumption of the Goods in Ukraine (+10 percentage points) and in relation to the volumes of production of the Goods in Ukraine (+80 percentage points).

### 3.4. The dynamics of the weighted average prices of the import of goods to Ukraine

The weighted average prices of dumped imports of goods originating from the Republic of Tatarstan and the People's Republic of China tended to increase, but the rate of this increase (+39%) was significantly lower growth rate of import prices from third countries (+75%). In addition, in the last period, compared to the previous one, the prices of dumped imports and imports from third countries decreased.

Against the background of the indicated trends in changes in average import prices, it is worth emphasizing that the prices of dumped imports of the Goods were significantly lower than the prices of imports from third countries (*by a factor of two!*) and the difference between them increased significantly (up to 137%) during the researched

period. **Table 3.4. Weighted average prices of dumped imports relative to prices of imports from third countries**

Indicator	2020	2021	2022	2nd half of 2022- 1st half of 2023
<b>Weighted average prices of dumped imports from Turkey and China, \$/t</b>	<b>2 187</b>	<b>2,516</b>	<b>3 036</b>	<b>3,019</b>
Rate of growth/decline (compared to baseline) Rate of growth/decline (compared to previous)	-	15%	39%	38%
	-	-	21%	-0.54%
<b>Weighted average prices of imports from third countries, \$/t</b>	<b>3 480</b>	<b>4 165</b>	<b>6 105</b>	<b>6,042</b>
Rate of growth/decline (compared to baseline) Rate of growth/decline (compared to previous)	-	20%	75%	74%
	-	-	46%	-1%
<b>The amount by which the prices of dumped imports are lower than the prices of imports from third countries</b>	<b>1 293</b>	<b>1 649</b>	<b>3,069</b>	<b>3,023</b>
Rate of growth/decline (compared to baseline) Rate of growth/decline (compared to previous)	-	27%	137%	134%
	-	-	86%	-1.5%

Taking into account that the share of dumped imports of goods originating from the Republic of Tatarstan and the People's Republic of China in total imports is growing and amounts to more than 64%, further use by Turkish and Chinese suppliers of the unfair practice of selling goods at dumping prices will lead to the complete displacement of imports of goods from third countries from the market of Ukraine.

### CONCLUSION to CHAPTER

According to the results of the analysis of the import of goods to Ukraine during the study period the presence of the following trends was established:

- o dumping imports increased in absolute terms in the last annual period of the study;
- o the share of dumped imports in total imports has increased significantly;
- o dumping imports displaced imports from third countries from the domestic market of Ukraine countries;
- o the difference between prices of dumped imports and prices of imports from third countries was significant (*two times!*) and had an upward trend;
- o dumping imports significantly increased during the study period in the relative indicators:
  - relative to consumption, dumping imports increased by +10 percentage points;
  - relative to production, dumping imports increased by +80 pp.

## Section IV. Evidence of damage caused to the national producer

In accordance with the Law of Ukraine "On the Protection of the National Product Producer from Dumping Imports", the presence and amount of damage caused to the national product producer as a result of the dumping import is established in the investigation process in the form

of: 1) significant damage caused to the national producer; 2) the threat of significant damage to the national producer.

### 4.1. Study of the impact of dumping imports on the national producer

In accordance with the Anti-Dumping Law, the indicated section provides indicators of the enterprises of the national producer of goods. Analysis of the impact of dumped imports includes an assessment of economic indicators that characterize the state of the industry. We emphasize that the performance indicators of the national producer are based on confidential information.

**Table 4.1.1. Product production volumes Indicator 2020 2021  
2022 2nd half of 2022-**

	<b>1st half of 2023</b>			
<b>Production volumes, t</b>	[...]	[...]	[...]	[...]
<i>Growth/decline rates (compared to baseline)</i>	-	49%	-51%	-72%
<i>Growth/decline rates (compared to previous)</i>			-67%	-44%

The production volumes of the national producer in the last two periods have significantly decreased both compared to the first period and compared to the previous periods. In general, the output of the national commodity producer fell by more than 80% (in the last annual period compared to the peak second annual period).

**Table 4.1.2. Production capacities Indicator**

	<b>2020 2021 2022 2nd half of 2022- 1st half of 2023</b>			
<b>Production capacities, t</b>	[...]	[...]	[...]	[...]
<i>Growth/decline rates (compared to baseline)</i>	-	13%	-18%	-27%
<i>Growth/decline rates (compared to previous)</i>	-	-	-27%	-11%
<b>Production capacity utilization</b>	[...]	[...]	[...]	[...]
<i>Rate of growth/decline (compared to baseline)</i>	-	32%	-41%	-62%
<i>Rate of growth/decline (compared to previous)</i>	-	-	-55%	-37%

With a total reduction in the production capacities of the national producer by 27%, their use by the national producer decreased by almost 72% (to 43 percentage points).

**Table 4.1.3. Sales Indicator**

	2020	2021	2022	2nd half of 2022-	1st half of 2023
<b>Sales volumes on the domestic market, t</b> [...] Growth/decline rates (compared to baseline) Growth/decline rates (compared to previous)	-	53%	-41%	-40%	-
	-	-	-61%	2%	

The sales volumes of the national producer of its own products on the domestic market of Ukraine have significantly decreased in the last two periods. In general, the sales volume of the national producer fell to 61%.

**Table 4.1.4. Stocks in warehouses Indicator**

	2020	2021	2022	2nd half of 2022-	1st half of 2023
<b>Stocks at the beginning of the period, t</b> Growth/decline rates (compared to baseline) Growth/decline rates (compared to previous)	-	9%	85%	79%	-
			69%	-3%	

Against the background of a significant drop in sales volumes of the national producer, the stock of goods in warehouses grew at a significant pace. The overall growth of finished products in the warehouses of domestic manufacturers was up to 85%.

**Table 4.1.5. Share in the consumption of goods in Ukraine Indicator**

	2020	2021	2022	2nd half of 2022-	1st half of 2023
<b>Consumption, t</b> Growth/decline rates (compared to baseline) Growth/decline rates (compared to previous)	-	12%	-55%	-56.50%	-
	-	-	-60%	-2.66%	
<b>Applicant's share in consumption</b> Growth/decline rates (compared to baseline) Growth/decline rates (compared to previous)	-	36%	32%	39%	-
	-	-	-3%	5%	

During the research period, the share of the national producer in consumption remained relatively stable at the level of 30%, but this is significantly lower than the share of dumped imports, whose share in consumption increased to 47%.

**Table 4.1.6. Selling prices on the domestic market of Ukraine Indicator**

	2020	2021	2022	2nd half of 2022-	1st half of 2023
<b>Weighted average Ukrainian selling price on EXW terms (without VAT) when sold on the domestic market, \$/t</b> Rates of growth/decline (compared to the baseline) Rates of growth/decline (compared to the previous)	-	38%	74%	85%	-
	-	-	26%	6%	
<b>Weighted average unit cost of goods sold on the domestic market, \$/t</b> Rate of growth/decline (compared to baseline) Rate of growth/decline (compared to previous)	-	27%	68%	92%	-
	-	-	32%	15%	
<b>Profitability Financial result (profit/loss) from sales in the domestic market, \$</b> Rate of growth/decline (compared to baseline) Rate of growth/decline (compared to previous)	-	-105%	-25%	203%	-
			-25%	753%	



The rate of growth of the prices of the national producer differed from the rate of growth of the cost price. At the same time, it should be noted that the cost price was higher than the prices of the national producer for almost the entire studied period. In 2021, the national producer ended the year with a profit, however, due to the negative impact of dumped imports, according to the results of 2022-2023, the activity of the national producer was unprofitable.

**Table 4.1.7. Investment Indicator**

	2020 2021		2022. 2nd half of 2022 - 1st half of 2023	
	[...]	[...]	[...]	[...]
<b>Investment, \$</b>	-	40%	-82%	-59%
<i>Rate of growth/decline (compared to baseline)</i>	-	-	-87%	130%
<i>Rate of growth/decline (compared to previous)</i>				

In the conditions of a significant drop in sales, production and accumulation of losses the national producer was forced to reduce the amount of investments and suspend a number of planned investment projects. In general, the fall in the volume of annual investments fell by almost 90%.

**Table 4.1.8. Social indicators (employment, taxes)**

Indicator	2020 2021		2022. 2nd half of 2022 - 1st half of 2023	
	[...]	[...]	[...]	[...]
<b>Personnel employed in production, person.</b>	-	-20%	-46%	-68%
<i>Growth/decline rates (compared to the baseline)</i>			-32%	-42%
<i>Growth/decline rates (compared to the previous)</i>	104	195	94	91
<b>Labor productivity, t/person. Rates</b>	-	87%	-10%	-13%
<i>Rates of growth/decline (compared to the baseline)</i>			-52%	-3%
<i>Rates of growth/decline (compared to the previous)</i>				
<b>Total amount of taxes paid to the budgets, hryvnias.</b>	[...]	[...]	[...]	[...]
<i>Rate of growth/decline (compared to baseline)</i>	-	81%	15%	88%
<i>Rate of growth/decline (compared to previous)</i>	-	-	-36%	63%

The existing dumping imports and a significant drop in the sales volume of the Product forced the national producer to resort to the dismissal of highly qualified personnel.

Despite the difficulties caused by the negative impact of dumped imports, the national producer conscientiously paid taxes and appropriate deductions to the state and local budgets. In general, during the period of research by the national producer paid more than [...] UAH.

**Thus, in the conditions of predatory dumping imports, significant changes in the economic and financial activity of the national producer, which are characterized by:**

- a significant reduction in production volumes,
- reducing the level of utilization of production facilities,
- a significant drop in sales volumes,
- significant accumulation of stocks of finished products in warehouses,
- unprofitable sales,
- reduction of investment volumes,
- dismissal of personnel.

## 4.2. Evidence of the threat of further serious harm

An additional evidentiary factor of the negative impact of dumping imports is the trends occurring in the domestic market of exporting countries, in particular the presence and significant growth of free capacity and the growth of the industry's export orientation.

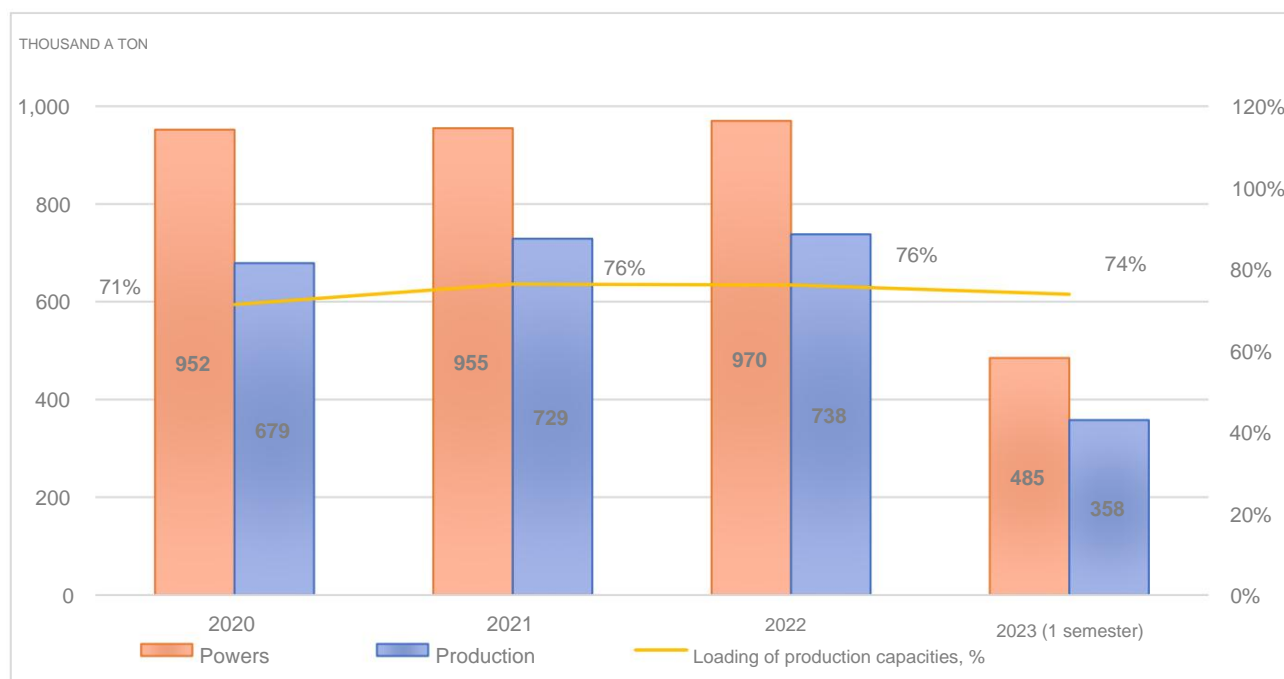
### 4.2.1. Turkey

Turkey is one of the largest suppliers of heating radiators to the world market. In 2020-2023, the export of radiators for heating in the studied nomenclature from Turkey was carried out to 170 countries of the world. The main export markets are Great Britain (85.3 thousand tons or 26% in 2022), Romania (34.6 thousand tons or 11%), Germany (21.8 thousand tons or 7%) and Poland (17.7 thousand tons) t or 6%).

Production capacities and production volumes of radiators for heating in Turkey in 2020-2023.

**Table 4.2.1 Capacity and production volumes of radiators for heating in Turkey in 2020-2023, thousand tons**

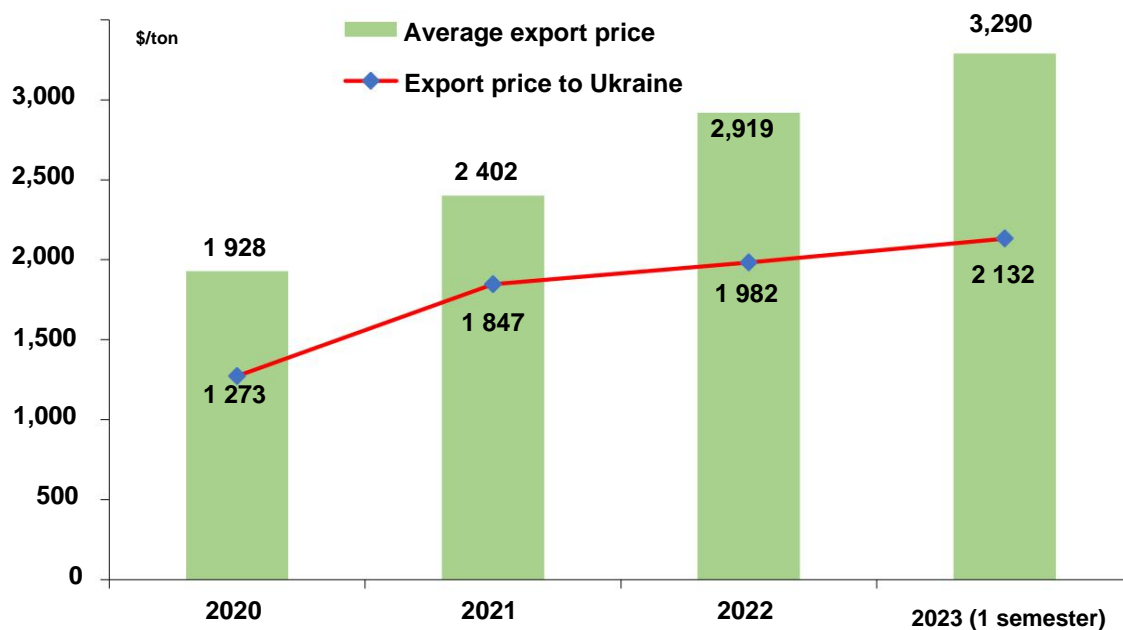
<b>Indicator</b>	<b>2020 2021 2022 2023 (1 semester)</b>			
<b>Radiators made of ferrous metals</b>				
<i>Total capacities (at the beginning of the year) Production volumes</i>	910	910	925	462.5
<i>Capacity loading, % Volume of unused capacities</i>	652	697	704	342
<b>Aluminum radiators</b>	72%	77%	76%	74%
<i>Total capacities (at the beginning of the year) Production volumes</i>	258	213	221	120.5
<i>Capacity loading, % Volume of unused capacities</i>	42	45	45	22.5
<b>Total radiators</b>	27	32	34	16
<i>Total capacities (at the beginning of the year) Production volumes</i>	64%	71%	76%	71%
<i>Capacity utilization, % Volume of unused capacities</i>	15	13	11	6.5
<i>Total capacities (at the beginning of the year) Production volumes</i>	952	955	970	485
<i>Capacity utilization, % Volume of unused capacities</i>	679	729	738	358
	71%	76%	76%	74%
	273	226	232	127



**Fig. 4.2.1.1 – Capacity and production of radiators in Turkey in 2020-2023.**

The volumes of unused production capacities of radiators for heating in Turkey many times exceed the market of Ukraine and have significant and quite threatening volumes production, which can materialize in the continuation of causing significant damage to the national producer. Capacity utilization increased by 7%, idle capacity decreased by 15%, production volumes increased by 9%

The prices of the export of heating radiators from Turkey to Ukraine during the studied period were 23-35% lower than the average prices of Turkish exports 3,500



**Fig. 4.2.1.2 – Dynamics of average prices of Turkish exports and prices of exports to Ukraine for radiators for heating in 2020-2023, \$/t**

Despite the fact that production volumes increased during the research period, unused production capacity remained significant. Turkish industry has significant production capacity for the production of radiators for heating, which can be used to increase exports to Ukraine at dumping prices.

#### 4.2.2. China

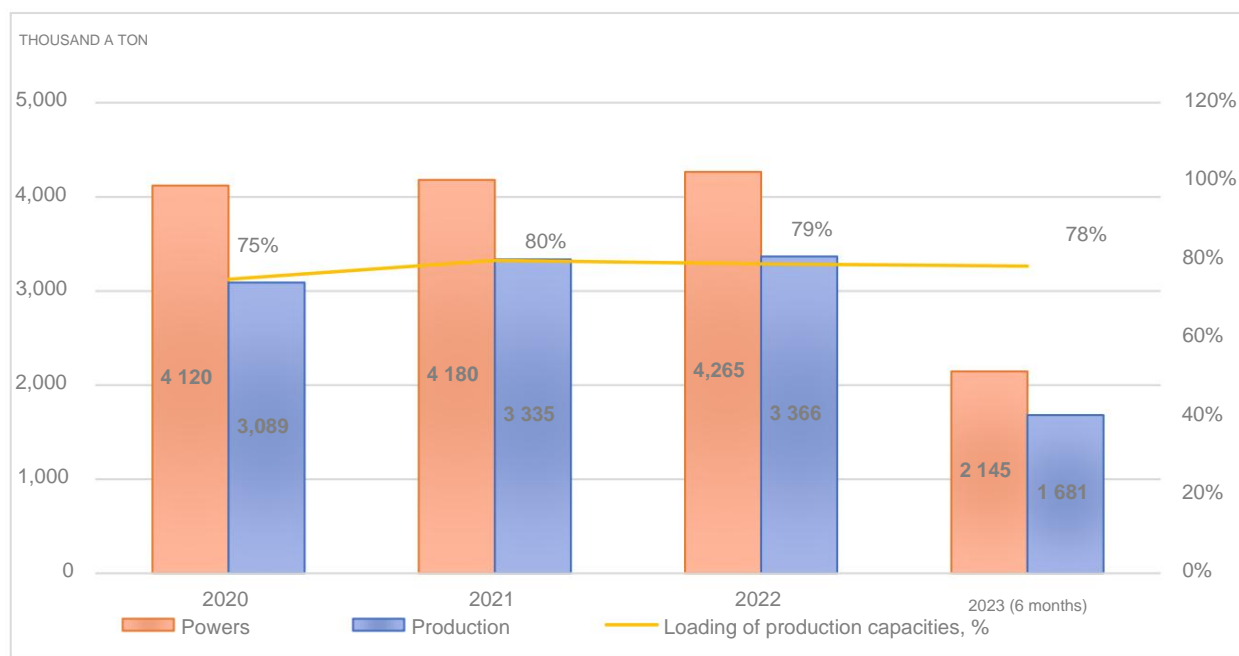
Chinese manufacturers have enough opportunities to significantly increase the volume of goods imported into Ukraine in the near future. The People's Republic of China is the largest producer and supplier of radiators for heating, and it exerts a decisive influence on the global market.

Export of radiators for heating in the studied nomenclature from China in 2020  
In 2023, it was carried out in 210 countries of the world. The main export markets are the USA (145.7 thousand tons or 20% in 2022), the Russian Federation (67.5 thousand tons or 10%), Great Britain (40.7 thousand tons or 6%) and Japan (39.0 thousand tons or 5%).

Production capacity and production volumes of radiators for heating in China in 2020-2023.

**Table 4.2.2 Capacity and production volumes of radiators for heating in the studied nomenclature in China in 2020-2023, thousand tons**

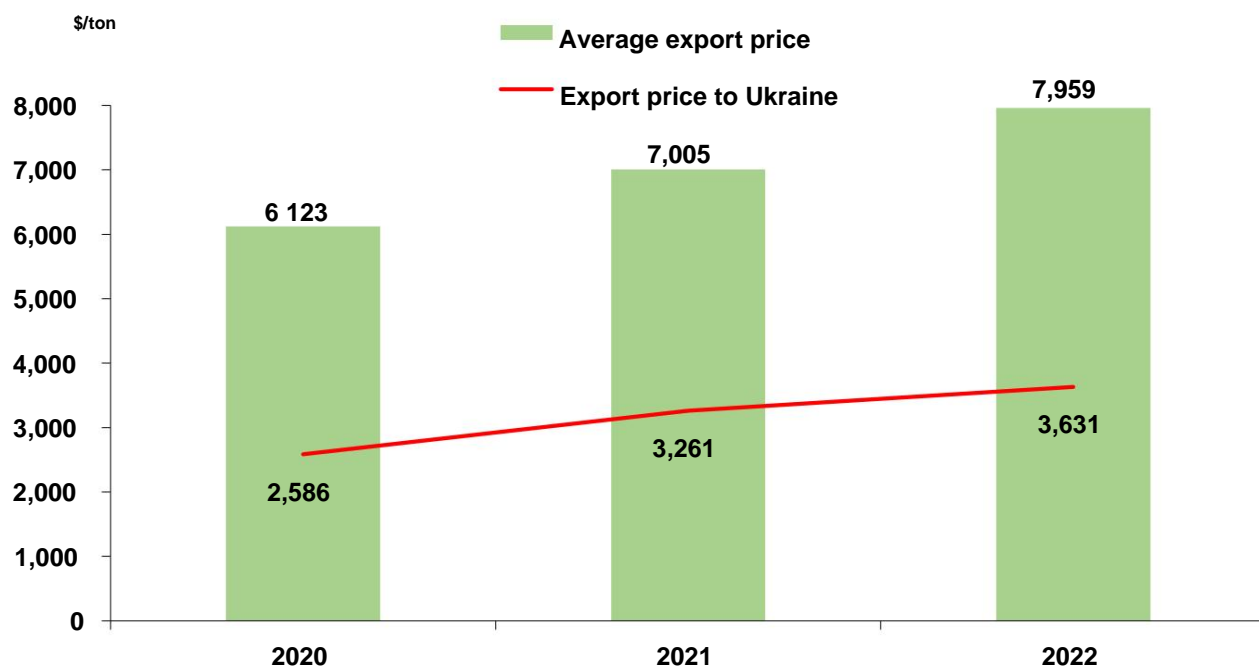
<b>Indicator</b>	<b>2020 2021 2022 2023 (6 months)</b>			
<b>Radiators made of ferrous metals</b>				
<i>Total capacities (at the beginning of the year) Production</i>	1640	1670	1715	865
<i>volumes Capacity loading, % Volume of unused capacities</i>	1102	1241	1259	634
<b>Aluminum radiators</b>	67%	74%	73%	73%
<i>Total capacities (at the beginning of the year) Production volumes</i>	538	429	456	231
<i>Capacity loading, %</i>	2480	2510	2550	1280
<i>Volume of unused capacities</i>	1987	2094	2107	1047
<b>Total radiators</b>	80%	83%	83%	82%
<i>Total capacities (at the beginning of the year) Production</i>	493	416	443	233
<i>volumes Capacity utilization, %</i>	4120	4180	4265	2145
<i>Volume of unused capacities</i>	3089	3335	3366	1681
	75%	80%	79%	78%
	1031	845	899	464



**Fig. 4.2.2.1 – Capacity and production volumes of radiators in China in 2020-2023.**

The amount of unused production capacity of heating radiators in China exceeds even the production capacity of Turkey, the risks for the Ukrainian market are obvious, while the amount of unused capacity decreased by 13%, and the production volume increased by 9%, the total production capacity increased by 4%.

**Export prices of radiators for heating from China to Ukraine during of the studied period were 53-58% lower than the average export prices.**



**Fig. 4.2.2.2 – Dynamics of average Chinese export prices in 2020-2022, \$/t**

Chinese industry has significant production capacity for the production of radiators for heating (Goods), which can be used to increase exports of the Goods to Ukraine at dumping prices.

#### 4.3. Current trade restrictions on the import of Goods in other countries of the world

Predominant rates of growth of the global capacity for the production of radiators for heating over the rates of growth of demand for such products leads to the application of trade-restrictive measures in the countries - the main sales markets of radiators.

At present, there are trade protection measures in the form of anti-dumping duties against Goods originating in the People's Republic of China in the major markets of consumption of radiators for heating. That is, apart from Ukraine, there are other markets in which Goods from the People's Republic of China are imported at dumping prices and, as a result, restrictions on the import of such Goods have been introduced in these markets. In particular, the United States imposed an anti-dumping duty (AD) effective May 26, 2011 against imports from the People's Republic of China of aluminum products, including the investigated HS codes 7615.20 and 7616.99<sup>4</sup>

. The size of the duty is 32.79-33.28%, depending on the manufacturer and exporter. On November 2, 2022, the validity of these measures was once again extended for 5 years.

On November 10, 2012, the European Union introduced anti-dumping duties on the import of aluminum radiators originating in China<sup>5</sup>, including the studied HS code 761699. The amount of anti-dumping duty is up to 61.4% depending on the manufacturer. In January 2019, the anti-dumping duty was extended until January 16, 2024.

Also on June 30, 2023, India initiated an anti-dumping investigation on imports of aluminum products from China, including the investigated HS codes 7616910 and 76169906.

**Thus, there are facts that confirm that it is not the first time that foreign suppliers resort to dumping as an unfair practice.** Currently, the main major markets of the Product, such as the EU, the USA and India, due to unfair trade by Chinese exporters or the threat of a sharp increase in volumes, are applying anti-dumping measures on these imports. In such conditions, Ukraine will inevitably face a sharp and very fast more significant increase in the volume of dumped imports of goods from the PRC.

**Therefore, the threat of further damage from dumping imports is confirmed by the following: Turkish and Chinese manufacturers have significant production capacities, have significantly increased them, are export-oriented, and in addition, restrictive measures against unfair imports are already being applied in third countries.**

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<sup>4</sup> <https://www.federalregister.gov/documents/2022/11/02/2022-23810/aluminum-extrusions-from-the-peoples-republic-of-china-continuation-of-antidumping-duty-order-and>

<sup>5</sup> <https://tron.trade.ec.europa.eu/investigations/case-history?caseId=1806>

<sup>6</sup> <https://www.dgtr.gov.in/sites/default/files/Aluminium%20%20frame%20NOI%20signed.pdf>

## Section V. Evidence of a causal link between dumped imports and injury to the domestic producer

### 5.1. Consumption and share of dumped imports

**Table 5.1.: Trends of dumped imports relative to consumption in Ukraine**

Indicator 2020 2021 2022 2nd half of 2022-

				1st half of 2023
Consumption, t [...] Dumped imports (Turkey, China), t 13,752		[...]	[...]	[...]
13,286 The share of dumped imports relative to [...]		[...]	5,932	6,501
consumption		[...]	[...]	[...]
Imports from third countries, t	11,346	11,518	[...]	[...]
Share of imports from third countries relative to consumption			[...]	[...]
The share of the national producer in relation to consumption	[...]	[...]	[...]	[...]

With a significant reduction in consumption volumes, the share of the national producer in consumption was about [...], on the other hand, the growth of dumped imports led to the fact that the share of dumped imports in consumption increased to [...]. The share of imports from third countries in the consumption of goods in Ukraine in the analyzed period had a tendency to decrease and in the last period was [...].

In this way, the growth of dumped imports led to the displacement from the domestic market of Ukraine of both the national producer and imports from third countries.

### 5.2. The impact of dumping imports on the prices of similar goods in Ukraine

In accordance with the Law of Ukraine "On the Protection of the National Product Producer from Dumping Imports", when analyzing the impact of dumping imports on the prices of similar goods, the following is considered:

- 1) whether the prices of the goods, which are the object of dumping imports, were significantly lower than the prices of similar goods; 2) whether dumping imports led to a significant decrease in prices for a similar product; 3) whether dumping imports prevented a significant increase in prices for a similar product, which would have occurred in the absence of dumped imports.

When analyzing the impact of dumped imports on the prices of a similar product, the national producer emphasizes the following. When researching the prices of the national producer and import prices, the prices of comparable brands (varieties, types) of the Product should be compared, since the range of products is quite wide and prices may differ significantly depending on the specification of the product. Unfortunately, the national producer does not have information on import prices in terms of the brands under which the Goods originating from Turkey and the PRC were sold to Ukraine. Along with this, in order to show the overall picture of the impact of dumped imports on its prices, the Applicant has compared the overall average prices within the UKTZED codes it produces and the average prices of the main import codes.

**Table 5.2. Prices of dumped imports and prices of the national producer****Indicator 2020 2021 2022 2nd half of 2022-**

				<b>1st half of 2023</b>
<b>Weighted average prices of dumped imports from Turkey and China<sup>7</sup></b> , \$/ton	[...]	[...]	[...]	[...]
Rate of growth/decline (compared to baseline)	-	30.10%	58.74%	56.20%
Rate of growth/decline (compared to previous)	-	-	22.01%	-1.60%
<b>Weighted average prices of dumped imports from Turkey and China<sup>8</sup></b> , \$/ton	[...]	[...]	[...]	[...]
Rates of growth/decline (compared to the baseline)	-	15.2%	33.2%	30.2%
<b>Weighted average Ukrainian selling price on EXW terms (without VAT) when sold on the domestic market, \$/t</b>	[...]	[...]	[...]	[...]
Rates of growth/decline (compared to the baseline)	-	38%	74%	85%
Rates of growth/decline (compared to the previous)	-	-	26%	6%
<b>Weighted average unit cost of goods sold on the domestic market, \$/t</b>	[...]	[...]	[...]	[...]
Rate of growth/decline (compared to baseline)	-	27%	68%	92%
Rate of growth/decline (compared to previous)	-	-	32%	15%

During the investigation period, the prices of dumped imports increased, as did the prices and the cost price national producer. But despite the upward trend in the price of dumped imports, the import prices were lower than the Applicant's prices, and in some cases even below cost.

With the beginning of Russian aggression in 2022, logistics routes changed and the rate of price growth accelerated. The national producer was forced to adapt to external challenges and also change its pricing policy. However, all the involved ways of solving the problems turned out to be useless, because the rate of price growth did not correspond to the growth rate cost price, the national producer was forced to sell its own products even below the cost price level.

Thus, we have evidence that the prices of dumped imports were lower than the prices of the national producer, the dumped imports hindered the rise in prices for a similar product, which would have taken place in the absence of such imports, so the national producer was forced to sell its own products at a loss.

In the end, the national producer was unable not only to develop, but even to maintain production at the level of production capacity, to increase sales volumes on the domestic market and, accordingly, the share in consumption, to reduce stocks in warehouses, to accumulate capital, invest the necessary funds in planned production modernization projects, maintain highly qualified personnel, etc.

In addition, Turkish and Chinese manufacturers have significant production capacities, continue to increase them, are export-oriented and practice supplying goods at dumping prices to the markets of other third countries.

<sup>7</sup> Weighted average prices of imports by the codes under which the national manufacturer manufactures its own Goods (p. 11)

<sup>8</sup> Weighted average prices of imports by main codes (732219 and 76169910) under which imports were carried out during the investigation period



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**In conclusion, it should be noted that further imports from Turkey and China to Ukraine at dumped prices will lead to complete displacement from the Ukrainian market national producer and threatens to lose an entire sector of the Ukrainian economy.**

## VI. National interests

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The Ukrainian radiator market is developing at a rapid pace. This is due to the need to completely replace outdated cast-iron heating equipment installed in many houses and apartments even during the time of Soviet Union, as well as with a total increase in the price of coolants and the search for ways to save resources. It will be a long time before the market becomes saturated, so Turkish and Chinese manufacturers are trying to win over the Ukrainian buyer. In such conditions, the application of anti-dumping measures is fully in line with national interests.

### 6.1. Interests of the national producer

The national manufacturer is interested in the further development of domestic production, but without the intervention and support of the State, fair competition in the market of heating radiators is impossible.

For its part, the national producer is trying to partially level it negative impact from dumping imports of goods from Turkey and China. In particular, the gradual modernization of production is carried out, new equipment is purchased, and new production lines are opened. It is planned to further expand production, create new jobs, improve the working and living conditions of employees, and take measures to improve the social infrastructure of enterprises. The Applicant has no salary debts, all payments are made on time and in full. However, due to dumping imports, the situation in the industry significantly worsened.

The national producer is a conscientious payer of taxes and duties. In general, over the examined period, the national producer paid more than [...] million hryvnias. deductions to the budgets of all levels. In addition, the national producer does not stand aside from the Russian-Ukrainian war and actively helps the Armed Forces of Ukraine by providing all the necessary assistance [...]. According to unspecified calculations, the national manufacturer has implemented and continues to implement aid projects for the needs of the Armed Forces in the amount of more than [...] hryvnias.

Also, the coordinated work of the Applicant's enterprises helped local communities survive during the energy crisis last year, when all of Ukraine suffered due to Russian shelling of Ukrainian critical infrastructure and blackouts that were the result of the destruction.

If the Government of Ukraine does not take prompt measures to combat dumping imports from Turkey and China, this may lead to a significant deterioration in the situation of Ukrainian manufacturers, and even to bankruptcy.

In turn, we emphasize that the national producer is not advocating a ban on imports, but only asks to protect industry enterprises from dumping imports, which is a manifestation of unfair competition and harms the national producer and even displaces suppliers of goods from other (third) countries who cannot compete with dumped imports and their share in total imports is significantly reduced.

The Ukrainian market remains open for imports from other trading partner countries of Ukraine, which import their own products in good faith to Ukraine, in particular, EU countries.

The national commodity producer turns to the Government of Ukraine with a request

protect it and give an opportunity to take measures to develop production and adapt to tough competition in conditions of unfair dumping imports.

At the same time, the national producer plans to use the specified protection States, first of all, for modernization and reconstruction, which will allow the industry to adapt to the conditions of predatory competition in the future. In particular, it is planned to:

**1) Modernization of production [...] . Amount of funds that are expected allocate for implementation: [...]**

[...]

**2) Modernization of production [...] . Amount of funds that are expected allocate for implementation: [...]** .

[...]

**3) Modernization of the plot [...] . The amount of funds expected to be allocated for implementation: [...]**

[...]

**4) Installation [...] . The amount of funds expected to be allocated for implementation: [...]**

[...]

**5) Modernization [...] . The amount of funds expected to be allocated for implementation: [...]**

[...]

## **6.2. Interests of consumers and suppliers**

The quality of heating radiators produced in Ukraine by a national manufacturer meets world standards, that is, the interests of Ukrainian consumers are fully protected. In addition, the application of anti-dumping measures corresponds to the interests of consumers, since the increase in production volumes of domestic manufacturers will primarily affect the cost of products. An increase in income at enterprises will allow more funds to be directed to the modernization of production.

Also, for consumers, effective communication with the manufacturer in terms of consumer rights protection, prompt correction and consideration of consumer needs, etc. is important, which is possible primarily with Ukrainian manufacturers. Problems with holding a foreign manufacturer accountable for violating consumer rights are complicated.

In addition, it is very important that the Applicant uses raw materials of domestic production. The production of heating radiators ensures and forms the demand for goods and services of enterprises in related industries (construction, production of rolled metal, plastics, powder paint, etc.). The creation of one job at the Applicant's enterprises causes the creation of new jobs in related industries.

## **6.3. Population employment**

The national producer emphasizes that national interests require own Ukrainian production of radiators for heating. This primarily provides independence from foreign manufacturers, and also encourages the employment of Ukrainian citizens in production, which is very important in the conditions of existing unemployment.

The impact of dumping imports on the employment of the population is an important factor of the national interest of Ukraine, since the further displacement of domestic product manufacturers by imports from the domestic market will lead to the closure (bankruptcy) of the enterprises of the national product manufacturer and to a decrease in the number of workers employed in the production and sale of goods. Currently, the dumped imports have already led to the fact that the national producer was forced to lay off some of the highly qualified staff.

Taking into account the complexity and labor-intensiveness of the product production process, various categories of highly qualified specialists, on whose training the State has spent considerable funds, remain without work. At the same time, in the conditions of closure of enterprises, it will be very difficult for such specialists to get a job in their specialty, which will put before the State the task of ensuring social protection of the unemployed and their further retraining.

#### **6.4. The need to restore competition and eliminate the impact of disparities in trade, which arose as a result of dumping**

The demand for imports in the conditions of the disappearance of domestic production will cause an outflow of capital outside Ukraine and will lead to an increase in the negative trade balance of Ukraine, which is especially dangerous right now, in conditions when the long-term negative balance in foreign trade in goods has led to significant devaluation pressure on the national currency.

The application of anti-dumping measures can prevent the outflow of capital and deterioration of Ukraine's trade balance by supporting the national production of radiators for heating in Ukraine and increase the investment attractiveness of Ukraine for foreign investors.

Suppliers of imported goods, who have no desire to build their own trade and logistics network, use a policy of low prices to push the national producer out of the market.

**Therefore, the national producer believes that the application of anti-dumping measures corresponds not only to the interests of the industry, but to national interests and the interests of the State in general.**

## VII. CONCLUSIONS

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Based on the evidence submitted in the Complaint, the national producer requests the Government of Ukraine:

1. Take into account the above-mentioned evidence of the presence of dumped imports of goods from Turkey and China, the fact of damage, the threat of its increase for the national product manufacturer, the cause-and-effect relationship.
2. Start an anti-dumping investigation into the import of heating radiators (steel, aluminum, bimetallic) from Turkey and China into Ukraine.
3. Apply final anti-dumping measures in the form of an anti-dumping duty, in the amount of the dumping margin, which is sufficient to eliminate the fact of dumping and the fact of causing damage to the national producer. Anti-dumping measures should be applied for a period of five years, which is sufficient for the national producer to carry out planned investment projects for modernization and adaptation of domestic producers to work in conditions of unfair foreign competition.

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**APPENDICES 1. Appendix "Founding documents":**

**2. Appendix "Quality documents":**

**3. "Catalogs" application:**

**4. Appendix "Other documents":**

**5. Marketing and analytical report of the State Enterprise**

**"Ukrpromzovanshekspertiza" - "Ukrainian market of radiators for heating in 2020  
2023".**

*(Appendices are attached exclusively to the CONFIDENTIAL version of the Complaint)*