

## **Executive summary of the**

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**Request for an expiry review  
in accordance with Article 11 (2) of Regulation 1225/2009  
concerning imports of citric acid  
originating in the People's Republic of China**

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submitted by

**BEITEN  
BURKHARDT**

on behalf of the EU producers of citric acid

## 1. The product concerned and the like product

The product concerned is defined in Article 1 of Regulation 2015/82:

Citric acid and trisodium citrate dihydrate falling within CN codes 2918 14 00 and ex 2918 15 00 (TARIC code 2918 15 00 10) and originating in the People's Republic of China.

The product concerned is usually referred to as citric acid and sodium citrate and both are hereinafter referred to as "citric acid". Citric acid is manufactured by fermentation of a carbohydrate source of agricultural raw materials such as sugar beet or corn.

Citric acid is mainly used as an acidulant and pH regulator in the food, cleaning, cosmetics and pharmaceuticals sector.

Citric acid as product concerned comprises three main types, two classified in CN code 2918 14 00, and trisodium citrate dihydrate, classified in ex CN code 2918 15 00. The latter CN code also contains some other salt and esters which are not product concerned.

## 2. Applicable Common Nomenclature and customs duties

Citric acids are classified under tariff headings 2918 14 and 2918 15, in the European Union under CN code 2918 14 00 and ex 2918 15 00.

The current most favoured nation customs duty rate in the European Union is 6.5 per cent ad valorem which applies to imports, unless suspended or reduced under the Generalized System of Preferences (GSP) or pursuant to free trade agreements, see open Annex B.03.

The CN code 2918 14 00 covers both types of citric acid, CAM and CAA. The chemically pure citric acid is CAA. The import and export statistics treat citric acid "as is" which means the import of one metric ton of CAM counts as one and the import of one metric ton of CAA as one as well. However, the conversion factor from CAM to CAA is 1.0937 i.e. one metric ton of CAA corresponds to 1.0937 metric tons of CAM.

The CN code 2918 15 00 covers all salts and esters of citric acid. TSC is the major salt of citric acid and according to industry knowledge TSC accounts for approximately 90% of the import volume reported under that tariff heading.

Finally, according to industry knowledge, the three types CAA, CAM and TSC together account for more than 95% of the volume under the two tariff headings.

Additional tariff subheadings were introduced by the anti-dumping measures.

### 3. Executive summary

The European industry producing citric acid (including trisodium citrate) requests a review of the anti-dumping measures regarding imports of citric acid originating in the People's Republic of China with a view to extending the measures (expiry review).

The product concerned, an organic chemical, is widely used in the preparation of consumer products. It is a natural acidulant and pH regulator added in the manufacture of many products, such as beverages, food, detergents, cosmetics and pharmaceuticals.

The two remaining European Community producers lodged a complaint in the year 2007 against dumped imports. Anti-dumping measures were adopted in December 2008, see [Council Regulation](#) (EC) No 1193/2008 of 1 December 2008, Official Journal L 323 page 1. Undertakings accepted from exporting producers and their industry association. Following an expiry and partial interim review, the measures were prolonged, see [Commission Implementing Regulation](#) (EU) 2015/82 of 21 January 2015, see Official Journal L 15 page 8.

The circumvention of the measures through Malaysia led to [Commission Implementing Regulation](#) (EU) 2016/32 of 14 January 2016, Official Journal L 10 page 3 and the withdrawal of undertakings given by two exporting producers.

European and national customs anti-fraud authorities have followed up various circumvention activities,

Despite existing overcapacity, the Chinese exporting producers have continued to expand their production capacity, in excess of demand in China and other markets. A doubling of capacity has been announced for the three years to come, and some expansion is already underway.

The existing and future overcapacity will be used, as in the past, to flood export markets with citric acid at dumped prices. While demand for citric acid will grow worldwide, such increase cannot absorb production from overcapacities that are even expanded further.

Despite trade defence measures in force, Chinese exporting producers continue to sell citric acid at dumped prices in the EU and even those exporting producers committed to selling at minimum import prices are dumping. Against this background and on the basis of the facts set out in the request, it is highly likely that the Chinese exporting producers would continue selling at dumped prices in the European Union

should the existing measures be allowed to lapse. Even if no dumping were to be found, quod non, the recurrence of dumping would be likely. Moreover, without measures, it is highly probable that the dumping margins would increase.

#### **4. Likelihood of continuation and/ or recurrence of dumping**

Chinese exporting producers continue to dump citric acid in the EU at injurious prices. The expiry of the existing measures would most likely lead to a continuation of dumping at increased margins or at the very least to a recurrence of injurious dumping.

The Union is the major and most interesting market for the product concerned. As mentioned, a doubling of capacity has been announced for the three years to come.

Given that there exist significant distortions in the People's Republic of China for the product concerned, a constructed normal value had to be established on the basis of undistorted factors.

The normal value and export prices were compared on an ex-works basis. The calculated dumping margins are substantial.

#### **5. Likelihood of recurrence of injury**

The European market was in the past mostly supplied by European and Chinese manufacturers.

The data show that imports from the People's Republic of China have retained a significant market share. Given that there is substantial unused capacity, it must be expected that imports would immediately surge, were measures allowed to lapse. As mentioned, the Union is the major and most interesting market for the product concerned.

Except two producers, no other manufacturers of the product concerned have survived the massive dumped and injurious imports in the EU and in Europe.

Material injury is likely to recur should measures be allowed to lapse.

#### **6. Interested parties**

##### **EU producers and applicants**

Citrique Belge SA

Jungbunzlauer

**7. Known importers**

**8. Main known users**

- CocaCola
- Danone Waters France
- Dr. Oetker spol s.r.o.
- Dr. Paul
- GlaxoSmithKline Consumer Healthcare Ltd
- Henkel AG & Co. KGaA
- Hochland Deutschland GmbH
- Nestlé France
- Procter & Gamble International Operations S.A.
- Unilever House
- Unilever Supply Chain Company AG
- Rigo Trading S.A.
- Zott SE & Co. KG

**9. Chinese exporting producers**

- COFCO Bio-Chemical Energy (Yushu) Co. Ltd; formerly COFCO Biochemical (Anhui) Co. Ltd., and formerly Anhui BBKA Biochemical Co. Ltd
- RZBC Co. Ltd
- TTCA Co. Ltd
- Jiangsu Guoxin Union Energy Co. Ltd; formerly Yixing Union Biochemical Co. Ltd
- Laiwu Taihe Biochemistry Co. Ltd
- Weifang Ensign Industry Co. Ltd