



Executive summary

Anti-dumping complaint concerning imports of mono ethylene glycol ('MEG') (current EC-number 203-473-3) originating in the United States of America and Saudi Arabia

1. Product Concerned

a. Description

The product concerned by the Complaint is mono ethylene glycol ('MEG') with current EC-number 203-473-3.

The product concerned, is also designated with the names: ethylene glycol, ethanediol, ethane-1,2-diol. MEG is an organic chemical compound with a molecular formula expressed as $C_2H_6O_2$. It is a clear, colourless, virtually odourless, and slightly viscous liquid. The boiling point is 199°C. The product concerned is classified in the European Inventory of Existing Commercial chemical Substances under EC-number 203-473-3 and Chemical Abstract Register number 107-21-1.

The product concerned is classified under CN code 2905 31 00 described as Ethylene Glycol "Ethanediol". The product concerned imported from the United States of America and from Saudi Arabia is subject to the MFN duty of 5.5% *ad valorem*.

b. Production process

The product concerned is produced by the controlled hydrolysis of ethylene oxide, which is the oxidation of ethylene. Synthesis of MEG means the reaction of one molecule of ethylene oxide and one molecule of water to form one molecule of MEG. This process is catalysed by using acids, bases or can even occur at the acidic or neutral level of pH under elevated temperatures.

After the reaction the glycols are in a mixture with water and have to be separated from water and then one by another by the means of distillation in order to get the pure products. Due the necessary separation of water and the purification of the glycols, purification by distillation is energy intensive.

c. Uses

The product concerned is mainly used as a raw material in various industrial processes, i.e. to produce polyester fibres, polyester films, resins, and polyethylene terephthalate used for the manufacture of plastic bottles. The product concerned is also used in the production of engine coolant for the automotive industry, as a heat transfer agent or antifreeze, solvents, chemical intermediate, cement grinding agent and dehydration agent in natural gas pipelines.



2. Summary of the case

a. Complainant

In August 2020, the Defence Committee of European MEG Producers, an association of Union producers not having legal personality acting on behalf of the Union industry, lodged a complaint under Article 5 of Regulation (EU) 2016/1036. The Complainant produced [55 - 65]% of the total Union production during the period of investigation, i.e. from April 2019 to March 2020.

The Complainant provided evidence that unfairly low priced imports of the product concerned originating in the United States of America and Saudi Arabia into the EU have caused material injury to the Union industry of the like product. This unfair practice is known as dumping within the meaning of Article 1 of Regulation (EU) 2016/1036.

The Complainant requested the European Commission to investigate whether or not dumping practices from exporting producers in the United States of America and Saudi Arabia occurred and, if so, to adopt appropriate measures to restore fair trading conditions and a level playing field on the European Union market.

b. Dumping

The Complainant compared the normal value with the export price of the product concerned during the period of investigation and found the product concerned to have been sold on the Union market with significant dumping margins ranging [18 - 24]% for the United States and [41 - 48]% for Saudi Arabia.

In the United States of America, the dumping margin has been established by comparing the average domestic prices on the US market as monitored by well-known market intelligence with export prices from the US to the EU as recorded by Eurostat at the EU-frontier level and reasonably adjusted for overseas transport.

In Saudi Arabia, in the absence of a sufficiently representative domestic market for the like product, the dumping margin has been established by comparing a constructed normal value based on the cost of production in the country of origin and a reasonable amount of SG&A and profit with export prices from Saudi Arabia to the EU as recorded by Eurostat at EU-frontier level and reasonably adjusted for overseas transport.

c. Injury and causation

During the period considered, the Union industry suffered material injury as dumped imports from Saudi Arabia and the US increased by 41% in volume and [11 – 13]% in terms of market share. The Union production, the capacity utilisation and sales decreased in volume, resulting



in a loss of market share and profitability during the period considered. Employment remained stable, but investments and stocks showed negative trends.

The analysis of prices of dumped imports over time reveals undercutting prior to the IP coupled with continuous underselling during the IP leading to a price depression in the EU. Furthermore, the limited volumes imported from other sources, clearly indicates that no other source of imports might be the cause of the injury suffered by the Union industry.

3. List of known parties to the investigation

Known Union producers

OrgName	Role(s)
INEOS Belgium NV	Union producer
INEOS Manufacturing Deutschland GmbH	Union producer
Ineos Lavera	Union producer
BASF Antwerpen N.V.	Union producer
BASF SE	Union producer
Industrias Químicas del Óxido de Etileno	Union producer
Clariant	Union producer
Sasol	Union producer
Dow Chemicals	Union producer
Shell Chemicals	Union producer
Orlen Plock	Union producer
Nouryon	Union producer

Known exporting producers

OrgName	Role(s)
Saudi Basic Industries Corporation (HQ)	SA exporting producer
Saudi Basic Industries Corporation (Al-Jubail)	SA exporting producer
Rabigh Refining & Petrochemical Co.	SA exporting producer
Eastman Chemical	US exporting producer
Huntsman	US exporting producer
Indorama Ventures	US exporting producer
LyondellBasell	US exporting producer
Nan Ya Plastics	US exporting producer
Shell Chemical	US exporting producer
MEGlobal	US exporting producer
SASOL	US exporting producer
DOW	US exporting producer
Lotte	US exporting producer
Formosa	US exporting producer
LyondellBasell	US exporting producer
Indorama	US exporting producer



Equistar Chemicals (LyondellBasell)	US exporting producer
JUPC	SA exporting producer
Saudi Kayan	SA exporting producer
Eastern Petrochemical Company	SA exporting producer
Yansab	SA exporting producer
Yanpet	SA exporting producer

Known EU traders

OrgName	Role(s)
Oxyde	Trader
Tricon	Trader
ICC Industries B.V.	Trader
Helm Polska SP. ZO.O.	Trader
MEGlobal B.V.	Trader

Known EU users

OrgName	Role(s)
Equipolymers s.r.l.	MEG User
Indorama Ventures Europe B.V.	MEG User
Indorama Ventures Poland Sp. Z.o.o.	MEG User
Indorama Ventures Química S.L.U.	MEG User
UAB Indorama Polymers Europe	MEG User
UAB Neo Group	MEG User
Novapet S.A.	MEG User
PlastiVerd S.A.	MEG User
Lotte Chemical UK Ltd	MEG User
Invista Resins & Fibers GmbH	MEG User
Plastipak Italia Holdings s.r.l.	MEG User
Polisan Hellas	MEG User
Selenis Portugal SA	MEG User
Ottana Polimeri s.r.l.	MEG User
JBF Global Europe BVBA	MEG User
Arteco	MEG User
Solventis	MEG User
Plastipak	MEG User
Toray Industries Europe GmbH	MEG User
Markische Faser	MEG User
HVL	MEG User
Caldic	MEG User
Agfa	MEG User
Haertol	MEG User