



European Commission Launches Anti-Dumping Probes into BDO Imports from Saudi Arabia

On 6 June 2025, the European Commission launched a formal anti-dumping probes into imports of 1,4-Butanediol (BDO) originating from Saudi Arabia, China, and the United States. This action follows a complaint submitted in April by European producer INEOS Solvents SA (INEOS), alleging that foreign exporters are selling BDO in the EU at unfairly low prices, harming the domestic industry. The scope of the investigation includes an assessment of the pricing and volume, associated with BDO imports from those countries, including Saudi Arabia.

BDO is a key industrial chemical used in the production of plastics, elastic fibers, solvents, and polyurethanes. Its applications span several essential industries—from automotive and construction to electronics and textiles. Given its importance to European supply chains, the European Commission's decision to investigate pricing practices signals heightened sensitivity around strategic chemical imports.

The European Commission is investigating whether exporters from the named countries have been dumping BDO in the European market at prices below fair market value. Under EU trade defense rules, such practices can lead to the imposition of anti-dumping duties if they are found to harm EU industry.

According to the European Commission's Notice of Initiation, the complaint submitted by INEOS included evidence that imports of the product under investigation have increased overall, both in absolute terms and in terms of market share.

The evidence also suggests that the volume and pricing of these imports have negatively affected the EU industry—specifically the quantities sold, prices charged, and market share held by domestic producers.

These factors are also alleged to have caused substantial adverse effects on the financial health, overall performance, and employment levels within the Union industry. As part of the investigation, the European Commission will:

- examine the pricing of BDO exports into the EU during the period from 1 January to 31 December 2024;
- assess broader market and industry performance trends from 2021 onwards;
- consider whether state subsidies, preferential financing, or cost-based pricing models have resulted in unfair trade advantages; and
- use a constructed normal value approach for countries where reliable domestic price data is not available—including Saudi Arabia

If the European Commission concludes that Saudi Arabia has indeed exported BDO to the EU at dumped prices, and that this practice has caused material injury to the EU industry, several legal and commercial consequences may follow. These would affect not only individual exporters but also the broader trade relationship between Saudi Arabia and the EU in the chemicals sector.

The most direct outcome would be the imposition of provisional anti-dumping duties, which could come into effect as early as late 2025, followed by definitive duties within 12 months of the investigation's initiation. These duties would increase the cost of Saudi BDO exports to the EU, potentially making them uncompetitive compared to EU or third-country alternatives. As the European manufacturers that rely on BDO as a feedstock—for example, in the plastics, automotive, electronics, and textiles sectors—may face rising input costs if duties increase landed prices.

Anti-dumping measures could significantly limit Saudi Arabia's access to the EU chemicals market, particularly in price-sensitive sectors, such as polymers, textiles, automotive, and

coatings. Existing commercial agreements may be disrupted, and EU importers may begin seeking alternative suppliers to avoid the cost burden of duties.

Being subject to an EU anti-dumping proceeding may trigger additional scrutiny of Saudi Arabia's industrial pricing mechanisms, and export strategies—both within the EU and globally. It may also affect Saudi manufacturers' reputations with EU-based customers, financial institutions, and regulatory authorities.

If also the anti-dumping allegations are confirmed, this could severely undermine the long-term credibility and market access of BDO exporters within the European Union. Regulatory compliance is a cornerstone of trust in sensitive sectors such as chemicals, and being subject to trade defense measures may cause EU buyers, regulators, and commercial partners to hesitate or disengage. This reputational damage can outlast the duration of any imposed duties, affecting future contracts, customer confidence, and even access to financing or strategic partnerships in the EU market.

The European Commission's ongoing anti-dumping investigation into imports of BDO from Saudi Arabia poses serious implications. This is not merely a procedural review—it represents a critical moment that could have lasting consequences for Saudi exporters, particularly those with a significant presence in the European market.

The allegations concerning unfair pricing practices and potential market distortion underscore the need for a proactive, strategic, and legally sound response.

Our firm recognizes the strategic importance of the BDO market to Saudi Arabia's industrial development, and we are committed to supporting Saudi exporters as they navigate this complex and high-stakes process.

In parallel with responding to the Commission's inquiry, companies should carefully evaluate how much of their BDO exports are destined for the EU and begin to model the potential financial and operational impact of anti-dumping duties, should they be imposed. This analysis is essential to support informed decision-making and safeguard ongoing commercial operations.

We strongly believe that your business must be fully prepared to address the allegations and effectively manage any regulatory risks that may emerge. By partnering with us, you gain access to comprehensive expertise in handling cross-border trade proceedings, pricing compliance, and anti-dumping defense strategies. Our team of EU and Gulf-qualified lawyers is uniquely positioned to assist Saudi manufacturers and exporters throughout every stage of the investigation—and in any subsequent proceedings that may arise. With the right legal strategy, Saudi exporters can safeguard their market position, protect their commercial relationships, and preserve long-term access to the European market.



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