



Trade Remedies
Authority

Final Recommendation

Case CE0028

UK trade remedies measure exemption review on certain bicycle parts originating from the People's Republic of China



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Introduction

1. Under Regulation 96E of The Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019, (the Regulations) the Trade Remedies Authority (TRA) may conduct a UK trade remedies measure exemption review (exemption review). The aim of the exemption review is to consider whether an importer or overseas exporter should be exempted from the application of a UK trade remedies measure.
2. The goods subject to review in this case are certain bicycle parts (the goods) exported from the People's Republic of China (the PRC).
3. The EU imposed anti-dumping duties on bicycles exported from the PRC, and these duties were extended via subsequent circumvention reviews to imports of bicycles consigned from Indonesia, Malaysia, Sri Lanka, Tunisia, Cambodia, Pakistan and the Philippines under EU Council Regulation (EU) [No 501/2013](#) and [No 2474/93](#), and to imports of certain bicycle parts originating from the PRC under [EU Council Regulation \(EC\) No 71/97](#) .
4. On 31 December 2020, [Taxation Notice 2020/34](#) gave effect to the above EU measure as a UK trade remedies measure.

About this review

5. On 17 October 2022, the TRA initiated an exemption review under regulation 96E of the Regulations to consider whether The Martlet Group (the Applicant) should be exempted from the anti-dumping amount applied to the goods. The Applicant was granted a [temporary suspension](#) of the measure pursuant to regulation 96F(3) of the Regulations on 24 October 2022 which took effect from 25 October 2022.



6. The period of investigation (POI) for this review is 1 January 2021 to 31 December 2021.
7. The applicant for the review is:
The Martlet Group, Unit S, Swallow Enterprise Park Diamond Drive,
Lower Dicker, Hailsham, England, BN27 4EL.
8. The following interested parties registered to the case:
Frog Bikes Limited

The Goods Subject to Review

9. The goods are certain bicycle parts, in quantities of 300 or more units per month (per type), including brake levers, coaster braking hubs, complete wheels with or without tubes, tyres and sprockets, crank-gear, derailleur gears, frames (painted, anodised, polished or lacquered), free-wheel sprocket-wheels, front forks (painted, anodised, polished or lacquered), handlebars, and hub brakes.
10. The goods are subject to the following tariff classifications:

87 14 91 10 31
87 14 93 00 19
87 14 99 10 99
87 14 91 10 35
87 14 94 20 99
87 14 99 50 91
87 14 91 10 39
87 14 94 90 19



87 14 99 50 99

87 14 91 30 35

87 14 96 30 90

87 14 99 90 19

87 14 91 30 39

87 14 99 10 89

Exemption Review requirements

11. The TRA considered whether the following criteria for exempting the Applicant's goods from the application of the measure were met, as set out in regulation 96G of the Regulations:

- the UK trade remedies measure applies an EU trade remedies measure that was extended following an EU circumvention review;
- the Applicant is not related to an overseas exporter which is subject to the UK trade remedies measure; and,
- the Applicant is not engaged in circumvention of the UK trade remedies measure.

Extension of EU measure following an EU circumvention review

12. On 10 January 1997, the EU measure on bicycles was extended following a circumvention review to include certain bicycle parts via [EU Council Regulation \(EC\) No 71/97](#).

13. On 31 December 2020 the Secretary of State for International Trade (now the Secretary of State for Business and Trade) made provision by public notice giving effect to the EU measure via Taxation Notice 2020/34, in accordance with regulation 96A.



14. The TRA has determined that the UK trade remedies measure applies an EU trade remedies measure that was extended following an EU circumvention review.

Applicant's relationship to other companies subject to the measure

15. The TRA considered the Applicant's original application, Companies House records, and information submitted by the Applicant's independent accountants to review the Applicant's ownership, capital structure, and any proposed changes.

16. The review of all available sources produced no evidence of a relationship to overseas exporters in the PRC that are subject to the measure. All information gathered and provided was complete and consistent. Further detail on the analysis undertaken can be found in the published Verification Report [here](#).

17. The TRA is satisfied that the Applicant is not related to an overseas exporter which is subject to the UK trade remedies measure.

Assessment of circumvention

18. The TRA assessed whether the Applicant is engaged in circumvention of the UK trade remedies measure in accordance with regulation 73 of the Regulations. For the purposes of regulation 73, circumvention exists where there is a change in the pattern of trade resulting from a practice that has insufficient economic justification other than for the avoidance of the anti-dumping amount. An assembly operation within the UK may be circumventing where 60% or more of the total value of the parts of the assembled goods come from the relevant exporting country. However, in no case shall circumvention be taking place where the value added to the parts brought in,



during the assembly or completion operation, is greater than 25% of the manufacturing cost.

19. The review of the Applicant's assembly operation considered whether 60% or more of the total value of the parts of the assembled goods come from the PRC.
20. The TRA reviewed the Applicant's transaction-by-transaction purchasing data for bicycle parts covering the POI. The assessment calculated the proportion of purchases by total value between certain bicycle parts coming from the PRC and all bicycle parts of other origin. An onsite verification was completed to review the completeness, relevancy and accuracy of the financial data provided. Further detail on the verification activities undertaken can be found in the published Verification Report [here](#).
21. The verification and assessment of the Applicant's information and financial data concluded that the Applicant is importing 24% of its total value of parts from the PRC.
22. Frog Bikes stated in their submission dated 20 December 2022 that the Applicant only distributes parts. We have concluded through our investigation and verification activities that the Applicant is an assembler of bicycles.
23. The TRA is satisfied that the Applicant is not engaged in circumvention of the UK trade remedies measure as less than 60% of the total value of the parts of the assembled goods come from the PRC.



Findings and Final Recommendation

Findings

24. The TRA has determined that the UK measure applies an EU trade remedies measure that was extended following an EU circumvention review. The TRA is satisfied that the Applicant is not related to an overseas exporter which is subject to the measure and the Applicant is not engaged in circumvention of the UK trade remedies measure.

Final Recommendation

25. In accordance with regulation 96G(1) of the Regulations the TRA therefore recommends to the Secretary of State for Business and Trade that the Applicant's goods are exempted from the application of the UK trade remedies measure.

26. This recommendation relates to a UK trade remedies measure applied by Taxation Notice 2020/34, on goods imported by The Martlet Group Ltd.

27. The goods subject to review are certain bicycle parts, in quantities of 300 or more units per month (per type), including brake levers, coaster braking hubs, complete wheels with or without tubes, tyres and sprockets, crank-gear, derailleur gears, frames (painted, anodised, polished or lacquered), free-wheel sprocket-wheels, front forks (painted, anodised, polished or lacquered), handlebars, and hub brakes.

28. The goods are subject to tariff classifications:

87 14 91 10 31

87 14 93 00 19



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87 14 99 10 99
87 14 91 10 35
87 14 94 20 99
87 14 99 50 91
87 14 91 10 39
87 14 94 90 19
87 14 99 50 99
87 14 91 30 35
87 14 96 30 90
87 14 99 90 19
87 14 91 30 39
87 14 99 10 89

29. The reason for the recommendation is that the UK measure applies an EU trade remedies measure that was extended following an EU circumvention review. The TRA is satisfied that the Applicant is not related to an overseas exporter which is subject to the measure and is not engaged in circumvention of the UK trade remedies measure.