

Subsidy Questionnaire (UK Producer)

Case TS0036: Certain pneumatic tyres used for buses or lorries exported from People's Republic of China

Period of Investigation (POI):	1 January 2022 – 31 December 2022
Injury Period (IP):	1 January 2019 – 31 December 2022
Deadline for response:	10 August 2023
Contact details:	TS0036@traderemedies.gov.uk
Completed on behalf of:	MICHELIN TYRE PLC

When you have completed this form, indicate the **confidentiality status** of this document by placing an X in the relevant box below:

☐ Confidential
☒ Non-Confidential – will be made publicly available

Your completed response must comprise this questionnaire and the corresponding annex. Please note that you will have to provide a **Confidential** and a **Non-Confidential** version of both the questionnaire and annex, as well as any additional documents you append. All documents should be uploaded to the Trade Remedies Service (www.trade-remedies.service.gov.uk) by 10 August 2023.

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Introduction

About us, this case, and this questionnaire

The Trade Remedies Authority (TRA) investigates whether trade remedies are needed to prevent injury to UK industry. The TRA has been established to provide the UK with its own independent trade remedies system.

This case is a transition review of the UK trade remedies measure set out in [the taxation notice](#) which gave effect to the EU trade remedies measure specified in the [notice of determination](#). The TRA's role is to consider whether the subsidization of the goods continue to cause injury to the UK industry if the anti-countervailing measures were to be revoked.

A subsidy exists if there is:

- a financial contribution by a foreign authority which confers a benefit on the recipient (usually an industry or business manufacturing goods); or
- a form of income or price support.

Not all subsidies are countervailable (meaning they can be offset through trade remedies). A subsidy is countervailable if it is specific to certain companies or industries and granted either directly or indirectly for the manufacture, production, export or transport of goods.

Why should I take part?

We are asking domestic producers to complete this questionnaire to help us understand the industry and market for this product and assess if a measure is needed. We need to establish whether the alleged subsidisation has occurred and has caused injury to the UK industry.

The information your company provides will help us to reach a fair and proportionate decision.

How do I respond?

Detailed guidance on how to complete the questionnaire is provided in the [instructions](#) section below.

Please provide all the information requested by 10 August 2023. We may need to issue a deficiency notice if we determine that the information supplied in the questionnaire is incomplete or inadequate. We may also send a notice requesting clarification or supplementary information if necessary. Therefore, please provide as much detail as possible in your responses.

Where can I find more information?

Our [trade remedies guidance](#) provides general information about our investigations and processes we follow.

If you have any specific questions relating to the case, now or while you're completing the questionnaire, please contact the Case Team at TS0036@Traderemedies.gov.uk.

You can also find out more about the regulatory basis of our investigations. The TRA investigates cases under the provisions of *Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019 as Amended by the Trade Remedies (Amendment) (EU Exit) Regulations 2019* and under the *Taxation (Cross-border Trade) Act 2018*.

Instructions on completing this questionnaire

Preparing your response

This section sets out guidance on how to complete this questionnaire.

If you think you won't be able to complete the questionnaire within the required time, please contact the Case Team ahead of the deadline using the contact details on the cover of this questionnaire. You should outline the length of extension you need and the reasons why. We will notify you of our decision.

If we can accommodate an extension, we will publish a note on our [public file](#) to record both the request and the extension granted.

How to answer the questions

Please read and follow all the instructions carefully. Your company will need to substantiate all claims with relevant data and information. You may be asked to attach supporting documents in appendices to supplement your responses. To help us verify your information, please retain all these documents, your completed spreadsheet annex, and any calculations you made when developing your responses.

Please also note the following points:

- i. Do not leave any questions blank. If the question is not relevant to your organisation, please explain why. If the answer to a question is "zero", "no" or "none", please write this.

- ii. Please complete the spreadsheet annex as requested. If you feel you cannot present the information as requested, please contact your Case Team as soon as possible.
- iii. Please provide all formulas and calculations used within your questionnaire response.
- iv. If there is insufficient space in any part of the questionnaire to provide the details requested, or we ask for copies of additional information, please submit this information as appendices. Please ensure that any attachments are given a corresponding appendix reference in the title of the document and that these are referenced in the boxes provided.
- v. Any documents not in English should be accompanied by an English translation.
- vi. Please provide all dates in the format DD/MM/YYYY (e.g., 23/05/2019).
- vii. Unless otherwise stated, 'year' or 'calendar year' refers to the period 1 January – 31 December and 'quarter' refers to the associated three-month periods e.g., 1 January – 31 March, 1 April – 30 June, etc.
- viii. Identify all units of measurement and currencies used in tables, calculations, and lists, if not provided by the corresponding instructions, and use units of measurement consistently (e.g., do not use kg and metric tonnes interchangeably).
- ix. For all numerical figures, where appropriate please express every third number with a comma (e.g., '1,300' for one-thousand three hundred, '1,300,000' for one million and three-hundred thousand).
- x. Please limit all sales/currency/income figures to two decimal places, apply a full point as a decimal separator and use the appropriate currency symbol or abbreviation (e.g. £1,300.00).
- xi. Provide all costing figures as actual amounts. Where actual amounts cannot be provided and you have reported standard costing instead, please indicate this in the relevant answer, and explain the variance from actual costs, if any.
- xii. All figures should be reported net of recoverable tax unless otherwise stated.
- xiii. Please refer to the case number, TS0036, in any correspondence with the TRA.

Preparing confidential and non-confidential copies

You will need to submit one confidential version and one non-confidential version of your questionnaire and the corresponding spreadsheet annex by 10 August 2023. We will publish the non-confidential version on the public file. **Please ensure that each page of information you provide is clearly marked either “Confidential” or “Non-Confidential” in the header.**

Please see our guidance on [how to submit information](#) for further details on what can be considered confidential and how to prepare a non-confidential version of this questionnaire.

In preparing your response, please note the following:

- i) It is your responsibility to ensure that the non-confidential version does not contain any confidential information.
- ii) Remember to include a statement explaining why information obtained in your response should be treated as confidential e.g. the data is commercially sensitive.

- iii) Provide the source for all information or data you don't own and clearly state any restrictions on sharing it.
- iv) If you do not provide a non-confidential summary (or a statement of reasons why you cannot provide this) each time you provide confidential information, the TRA may disregard the information you give us.

All information provided to the TRA in confidence will be treated accordingly and only used for this review (except in limited circumstance as permitted by regulation 46 of the *Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019*) and will be stored in protected systems. The non-confidential version of your submission will be placed on the public file, which is available on www.trade-remedies.service.gov.uk/public/cases.

Providing information from subsidiaries or associated parties

Section A of this questionnaire includes detailed questions about your company structure. Although this questionnaire is intended for your company, our review covers all subsidiaries and any other associated companies involved in the import, production, sale, R&D, distribution and/or supply of the like good and/or goods subject to review.

Please note, both natural persons (individuals) and legal persons (e.g. companies) are considered to be associated where they meet the definition of 'Related Persons' in [Regulation 128 of the Customs \(Import Duty\) \(EU Exit\) Regulations 2018](#).

- If any of your subsidiaries or associated companies are also a UK producer of like goods, they should **also** complete a Producer questionnaire. Please make sure you provide your subsidiaries with access to it.
Where your subsidiaries or associated companies are not producers but are involved in the sales of the like goods, your questionnaire response should include information from those companies.

If you have any queries about this part of the process, please contact the Case Team using the details provided on the cover of this questionnaire.

What happens next

Once you have completed your questionnaire responses including the corresponding annex(es) and any additional documents requested, you must upload both confidential and non-confidential versions through our [Trade Remedies Service](#). Following this:

- you will receive an email confirming the documents have been uploaded successfully
- the Case Team will contact you if further information is required
- the non-confidential responses will be placed on the public file; and
- the Case Team may contact you to arrange a visit to verify the information contained in your responses.

Verifying the information you supply

We will verify, as far as possible, the information provided to us. As part of this process, we may conduct verification visits. If we need to verify information that you provide by visiting your premises, the Case Team will contact you to arrange this.

Visits in most cases will last several days, during which we will want to speak to the author of the submission as well as someone with detailed working knowledge of the Company’s financial systems, to help establish the completeness, relevance and accuracy of the information provided.

Please keep a record of formulae and steps used in your calculations and other related material/documentation as it may be asked for during verification.

In rare circumstances verification visits may be conducted remotely.

Please indicate any dates when you would be unable to host a verification visit.

<i>[Confidential information: internal organisation]</i>	
	Appendix reference:

Once verification is complete, the TRA will prepare a report and share a draft with you. We will then ask you to prepare a non-confidential copy of the report for the public record. If you feel some information in the report should be kept confidential, please provide your reasons for this.

The scope of this review

Goods subject to review

This review covers Certain pneumatic tyres used for buses or lorries exported from People's Republic of China, described as:

Certain pneumatic tyres, new or retreaded, of rubber, of a kind used for buses or lorries, with a load index exceeding 121.

These certain pneumatic tyres used for buses or lorries are currently classifiable within the following commodity codes:

- 4011 20 90 00;
- 4012 12 00 10.

These codes are only given for information.

Any reference to '**goods subject to review**' in this questionnaire refers to the goods description above, regardless of the commodity code under which they are exported.

Like goods

This questionnaire asks for information about your company's production and sales of goods which are **like** the goods subject to review. Any reference to '**like goods**' in this questionnaire refers to goods produced in the UK or imported to the UK from a country other than People's Republic of China which are like the goods subject to review in all respects, or with characteristics closely resembling them.

Please follow the instructions for each question to provide the appropriate information regarding the like goods or goods subject to review. Instructions relating to the completion of the annexes can be found within the relevant annex.

Product Control Numbers

The TRA uses Product Control Numbers (PCNs) to define and distinguish the different types of products that fall under the goods description above.

PCNs, which come in the form of an **alphanumeric code**, help to create a categorisation system so that comparisons can be made between goods produced in the domestic UK market and those produced in foreign markets.

Our PCN table is provided overleaf.

PCN Table

The PCN we are suggesting is created from product information using the following methodology:

Category:	Section Width (in mm or inches)	Aspect Ratio (% of section width)	Construction	Rim / Wheel Diameter (inches)	Tyre Position	Winter Tyre	Tubeless or Tube type Tyre
Expected input:	numerical measurement	numerical measurement	R - radial, B- Bias	numerical measurement	F - front, D - drive, T - trailer, Z - multi-position	Y - yes, N - no	TL - tubeless, TT - with tube

Considering four potential real-world examples:

- 1) Front all season tubeless radial tyre, 315mm wide, aspect ratio of 80%, 22.5 diameter.
- 2) Trailer all season tubeless radial tyre, 10 inches wide, aspect ratio of 100, 22.5 diameter.
- 3) Multi-position all season tubed radial tyre, 13 inches wide, aspect ratio of 100, 19.5 diameter.
- 4) Drive winter tubeless radial tyre, 275mm Wide, aspect ration of 70, 22.5 diameter.

This information feeds into the final PCN in the following manner:

Example	Section Width (in mm or inches)	Aspect Ratio	Construction	Rim/Wheel Diameter	Tyre Position	Winter	Tubeless or Tubed	PCN
1	315	80	R	22.5	F	N	TL	315/80R22.5FNTL
2	10	100	R	22.5	T	N	TL	10/100R22.5TNTL
3	13	100	R	19.5	Z	N	TT	13/100R19.5ZNTT
4	275	70	R	22.5	D	Y	TL	275/70R22.5DYTL

1. Please provide details of any technical or physical characteristic not included in the PCN structure that may affect the price comparison between products.

Specifically for retreaded tyres, there is no need to manufacture a casing, as there is with new tyres.

2. Please comment on the suitability of the PCN structure regarding your product range. This may include areas such as:
- Categorisation of features
 - Number of Products included under “Other” which may exclude a fair comparison
 - Specialised products which may unduly influence the comparison

Generally suitable.

3. Please provide details of any manufacturing process differences which you feel may influence the PCN structure and the price comparison between the goods subject to review and the like goods.

Specifically for retreaded tyres, there is no need to manufacture a casing, as there is with new tyres.

SECTION A: Company structure and operations

A1 Identity and contact details

1. Please complete the table below, ensuring that the point of contact given has the authority to provide this information:

Legal name of company:	Michelin Tyre PLC
Legal structure (e.g., <limited company, sole trader, partnership> etc):	Public Limited Company
Year of establishment:	1905
Other operating names:	None
Company registration number:	00084559
Place of registration:	England and Wales
Name (point of contact):	[Confidential information - personal data]
Position:	Director
Address:	Campbell Road, Stoke on Trent, Staffordshire ST4 4EY
Telephone No:	[Confidential information - personal data]
Email:	[Confidential information - personal data]
Website:	Michelin.co.uk

A2 About your company

1. Describe the role of your company in the UK market for the like goods (e.g., producer, producer/exporter, producer/importer, or producer/distributor).

Michelin Tyre plc produces retreaded truck and bus tyres at its factory in Stoke-on-Trent. It also sells like goods imported from other Michelin Group factories.

Appendix reference:

2. Please provide details of any changes in the legal form of your business over the past 5 years, for example, mergers, acquisitions and/or sales.

Date	Legal form	Explanation of change
		No changes

+Add additional rows as required.

3. List and explain all authorisations your company has been required to obtain to produce, sell, or to export the like goods. These may include licences, permits, permissions or mining concessions. Indicate if your company is subject to any direct or indirect, quantitative or other, restrictions on any of these activities.

Environment Agency Waste Recycling Centre Permit: to accept, check, remanufacture, store and scrap product.

Local authority Solvent Emissions and Adhesive Coating permit: originally needed because we applied solvent and solution to the casing, now almost redundant.

Appendix reference:

4. List all international production standards (BS / EN etc) your company currently conforms to, for the like good.

ISO 9001: 2015 : International Standard for Quality Management.

Regulation 109 : Approval of the Production of Retreaded Pneumatic Tyres for Commercial Vehicles and their Trailers.

Appendix reference:

5. State whether your company is a member of any representative organisations. If so, provide a copy of the relevant documentation.

Michelin Tyre is a member of the British Tyre Manufacturers' Association, the National Tyre Distributors' Association, the Society of Motor Manufacturers and Traders, the Aldersgate Group, Zemo, the Tyre Recovery Association, Tyresafe and Roadsaf.

Appendix reference:

A3 Organisational structure

Please answer the questions below about the internal structure of your company and any associations with other companies. Both natural persons (individuals) or legal persons (e.g., companies) are associated where they meet the definition of 'Related Persons' in Regulation 128 of the *Customs (Import Duty) (EU Exit) Regulations 2018*.

1. Please the section: **1) Associated companies** in the Annex for your company's worldwide corporate structure and affiliations.

[Confidential Information - business sensitive information on the internal organization of the Michelin Group. Associated companies involved in the production and sales in the UK of the goods are listed in Annex 1.]

2. Please explain, or demonstrate in a diagram, the legal structure of your company showing the internal hierarchical and organisational structure, all sites/locations and departments which are involved in the production, sales, R&D, supply and distribution of the like goods for domestic and export markets.

Structure is shown in the diagram in **Appendix 2** in the separate appendices document

Appendix reference: **Appendix 2**
[CONFIDENTIAL]

A4 Board members and principal shareholders

1. Please complete the section: **2) Shareholdings** in the Annex. Please see additional notes in the Annex for assistance on how to complete it.

A5 Operational links with other companies or persons

1. Complete the table below if your company has established long term agreements and/or relationships with any non-associated company/companies located in the UK, People's Republic of China or in third countries for the production (e.g., sub-contracting), supply and sale of the like goods, or other licensing, technical patent or compensatory agreements.

If your company has long-term agreements and/or relationships with other companies for the supply of goods destined for internal sale, e.g., captive use, please provide the contract to demonstrate this.

Company name and address	Nature of agreement	Company registration number and place of registration	Appendix Number of contract
[Confidential information - Business sensitive information on the operational links of the company, long-term agreements and/or relationships with other companies for the supply of goods]			

+Add additional rows as required

A6 Accounting practices

1. Give the address where your company's accounting records are kept. If records are maintained in different locations, please indicate which records are kept at which location. If records are digital and do not have a physical location, please mark as N/A.

Records address	What records are held?
	<p><i>[Confidential information relating to the internal organization of Michelin accounting and management operation, the disclosure of which could cause damage to the company and its associated companies]</i></p>

+Add additional rows as required

2. Please give the financial year convention your company uses for its accounts (e.g., 1 January – 31 December). If any changes have occurred with respect to this period or in your accounting practices over the last four financial years, please describe these changes.

1 January to 31 December

Appendix reference: N/A

3. For your company and any associated parties involved in the production, marketing, or sales of your goods, please attach a copy of your annual reports, covering the injury period, including the financial statements and audit report.

2019/2020/2021/2022 accounts attached in separate appendices document.

Appendix reference: **Appendices 3, 4, 5 and 6**

Michelin accounts for 2020 signed version
 Michelin Tyre PLC Limited - Signed FS @
 31.12.2022 Michelin Tyre
 Public Limited Company Limited - Signed
 FS @ 31122021 MTPLC
 2019 stats - final signed

4. If your accounts are unaudited, please attach a copy of your unaudited financial statements for the Injury Period (IP) 1 January 2019 – 31 December 2022, together with an explanation as to why they remain unaudited.

Accounts are audited

Appendix reference:

5. Please attach a copy of your company's trial balance (in original and spreadsheet form) covering the POI: 1 January 2022 – 31 December 2022. If your financial year is fully aligned with the POI, this is all that is required.

Where your financial year is not aligned with the POI, please additionally provide three trial balances (in original and spreadsheet form) to cover a continuous period from the beginning of the financial year which ends during the POI to the end of the POI without overlaps.

This includes:

- the trial balance for the period starting at the beginning of the financial year and ending 31 December 2021;
- the trial balance which starts on 1 January 2022 and finishes at the end of the next financial year; and
- the trial balance which starts at the beginning of the following financial year and ends on 31 December 2022.

[Confidential information relating to the internal organization of Michelin accounting and management operation, the disclosure of which could cause damage to the company and its associated companies]

Appendix reference: **Appendices 7 [CONFIDENTIAL], 8 [CONFIDENTIAL], 9 [CONFIDENTIAL], 10 [CONFIDENTIAL] and 11 [CONFIDENTIAL]**

6. For your company and any associated parties involved in the production, marketing or sales of the like goods, please attach copies of relevant management accounts and associated reports (e.g., profit and loss statement) for the profit centre that includes the like goods. Please provide these reports for the (i) POI and (ii) most recently completed financial year.

[Confidential information relating to the internal organization of Michelin accounting and management operation, the disclosure of which could cause damage to the company and its associated companies]

Appendix reference: **Appendices 7 [CONFIDENTIAL] and 13 [CONFIDENTIAL]**

7. If your company is part of a group of companies, please also attach a copy of the consolidated accounts of the group for your most recently completed financial year.

Ultimate parent company is Compagnie Générale des Etablissements Michelin Group accounts attached.

Appendix reference: **Appendix 1**

8. Please provide a detailed description of your financial accounting system, explaining how sub-ledgers (e.g., costing, debtors, creditors) and other sales or production systems integrate with the general ledger. Please provide a description of how they link to the management accounting system, including any manual interventions. Please also attach:
- your company's chart of accounts;
 - Any systems that interface with your accounting system (i.e. payroll); and
 - your company's cost centres.

[Confidential information relating to the internal organization of Michelin accounting and management operation, the disclosure of which could cause damage to the company and its associated companies]

Appendix reference: **Appendices 12 [CONFIDENTIAL] and 13 [CONFIDENTIAL]**

9. Have you changed your financial policies during the injury period (1 January 2019 – 31 December 2022)? Please explain the changes (including dates and the reasons for them) along with the financial impact of those changes against the like goods.

Implementation of IFRS 16 on leases on 1 Jan 2019. *[Confidential information relating to the internal financial policies of Michelin accounting and management operation, the disclosure of which could cause damage to the company and its associated companies]*

Appendix reference:

SECTION B: About your goods

B1 Understanding your like goods

The goods subject to review are defined in ‘the scope of this review’.

We use a PCN number to help us compare the goods subject to review and the domestic like goods. When you are completing this section, you must apply the PCN system set out above to describe your goods consistently throughout your responses. If you don’t use the PCN table correctly, this could limit the TRA’s ability to use the information you provide.

2. Explain the internal coding system your company uses to classify your range of like goods.

Technical documentation (such as sales catalogues, safety standards, technical data, etc.) should be attached for each model where available.

[Confidential information relating to the internal production code of Michelin, the disclosure of which could cause damage to the company and its associated companies]

Marketing material for all new Michelin truck and bus tyres can be found through the link below. Technical information for each is available through the “Technical Information” tab when you select the “View This Tyre” option.

<https://business.michelin.co.uk/tyres/all-our-tyres#truck-range>

More information on Michelin retreaded tyres can be found through the link below

<https://business.michelin.co.uk/tyres/retreading-service>

Technical specifications of Michelin retreaded tyres can be found through the links below and the in Michelin truck tyre technical handbook, which is in the separate Michelin Tyre Appendices document as **Appendix 14**.

<https://dcadprod.azureedge.net/b2b-experience-production/attachments/clgz7asp703k001kqwaojx47t-michelin-brochure-remix-2023-uk.pdf>

<https://dcadprod.azureedge.net/b2b-experience-production/attachments/ckd5wi0gv008w01koj1j3gqlk-2020-encore-final.pdf>

Marketing material and other data for BFGoodrich truck and bus tyres can be found through the links below.

<https://cdn-prod-eu.yepgarage.info/upload/demo-tructyre/image/downloads/tyre-brands/range-data-bf-goodrich-tyres.pdf>

<https://truck.bfgoodrich.co.uk/tyres-list/route-control-s2-heavy-truck>

<https://truck.bfgoodrich.co.uk/tyres-list/route-control-d2-heavy-truck>

<https://truck.bfgoodrich.co.uk/tyres-list/route-control-s-heavy-truck>

<https://truck.bfgoodrich.co.uk/tyres-list/route-control-d-heavy-truck>

<https://truck.bfgoodrich.co.uk/tyres-list/route-control-t-low-bed-trailer>

<https://truck.bfgoodrich.co.uk/tyres-list/route-control-t-high-volume>

<https://truck.bfgoodrich.co.uk/tyres-list/route-control-t-heavy-truck>

More details about Tigar truck and bus tyres can be found through the link below

<https://cdn-prod-eu.yepgarage.info/upload/demo-tructyre/image/downloads/tyre-brands/tructyre-tigar-pc.pdf>

More details about Orium truck and bus tyres can be found through the link below

<https://truck.orium-tyres.com/en/>

Appendix reference: **Appendix 14**
[CONFIDENTIAL]

3. Please complete the section: **3) PCN Comparison** in the Annex. If your company manufactures a range of like goods, list this information for each product in the range.

Please see additional notes in the annex for assistance on completion.

4. If there are differences in characteristics within your range of like goods which cause distinguishable differences in price, explain those differences and the effect they have. Attach any evidence you have that is relevant. This could take the form of sales brochures, input costs, research papers or any other relevant documentation.

Michelin new truck and bus tyres are Tier 1 products that feature the latest technologies, many of them patented, aimed at constantly improving rolling resistance, resource efficiency, noise, durability, grip and environmental impact. Examples are Michelin Infinicoil and Michelin Regenion. Infinicoil features continuous steel wire wrapped around the circumference of the tyre, which provides a higher load index and enhances durability. Regenion features self-regenerating tread which evolves as the tyre wears. When new, it is closed and rigid to reduce fuel consumption and boost longevity. As the tyre is used, hidden grooves appear to maintain the same grip performance throughout its lifetime. In general terms, developing and then incorporating these technologies into the manufacturing process increases costs, although they may reduce the total cost of ownership for the user.

Michelin retreaded tyres deliver performance at least comparable to the original new tyre along with environmental benefits in terms of resource efficiency and CO2 emissions. Because the retreaded tyre is built on an existing casing from a used tyre, the manufacture of the casing is not reflected in production costs.

BFGoodrich truck tyres are considered to be Tier 2, while Tigar truck tyres are considered to be Tier 3. In general, development and production costs for new tyres will decrease between Tier 1 and Tier 3.

See the links in B1-1 for more detail on the differences between our brands and ranges.

Appendix reference:

5. Indicate in the box below any physical, commercial, or functional differences between your products and the goods subject to review. If these differences cause distinguishable variations in price, explain those differences and the effect they have. Attach any evidence you have that is relevant.

Michelin new truck and bus tyres are designed to be regroovable and retreadable, offering multiple lives, reducing environmental impact and encouraging circularity. Many Chinese-made truck and bus tyre imports are marked as regroovable, but they have no instructions from the manufacturer about how to achieve that. Many new Chinese truck and bus tyre imports cannot be retreaded because the casing is not of sufficient quality.

All Michelin truck and bus tyres, across all its brands, comply with all European regulations, confirmed by local testing. Regulatory testing on truck and bus tyres imported from China is less transparent.

Truck and bus tyres imported from China tend to be less technologically advanced. This means they can include more material and be heavier. This in turn decreases fuel efficiency and increases scrap and end of life material.

Appendix reference:

6. Please describe all the other products (not including the goods subject to review / like goods) produced or sold by your company in the UK.

Michelin Tyre sells products made at other Michelin factories. These include tyres for bicycles, motorbikes, cars, off-highway vehicles, military vehicles and aircraft. Other products include inner tubes and automotive accessories. We also sell services based around fleet and tyre management.

Appendix reference:

B2 Understanding the UK market

1. Provide a general description of the nature of competition within the overall UK market for the goods subject to review and the like goods.

The UK truck and bus tyre market is very fragmented with a large number of brands present. *[Confidential information relating to Michelin internal intelligence on the structure and dynamic of the UK tyre market, it shows that the market is split in three tiers (T1, T2, T3), the volume of sales on that market and the evolution of the share of each tiers for new and retreaded tyres. It also shows that imports of tyres from China are mainly present on the tier 3 market.]*

Appendix reference: **Appendix 15**
[CONFIDENTIAL]

2. How price-sensitive is demand for the goods subject to review and like good? In other words, to what extent will the overall demand for bus and lorry tyres change in response to changes in price?

Tier 3 buyers buy on price with little or no brand advocacy, they are buying what their dealer has available and proposes on the day based on spot rates. Tier 1 buyers will be more interested in longevity, safety and cost per km of a tyre but nevertheless they are very price conscious. We see this in most tenders that price is key even with the large fleets. Economic challenges push T2 customers to T3.

Appendix reference:

3. Do you assess that consumers buy bus and lorry tyres primarily on price, or are there other factors that influence their decision such as quality, environmental concerns, and/or service?

As above. Larger fleets will give more weight to quality and cost per km potential of a tyre, whereas smaller fleets tend to buy based on price and availability. *[Confidential information relating to Michelin internal intelligence on the structure and dynamic of the UK tyre market]*

These small fleets' main point of contact is the tyre dealer and their main driver of satisfaction with the dealer is price.

Appendix reference: **Appendix 14**
[CONFIDENTIAL]

4. To what extent is it feasible for producers to change their level of production in response to changing market conditions such as increases in prices?

Michelin employee agreements and production practices mean we can be relatively agile when responding to changes in demand in terms of volume or dimension. However, such changes will still generally have an impact on productivity and cost.

Appendix reference:

5. Provide a general description of the trends and drivers of demand within the UK market for the goods subject to review and the like goods, including causes of demand fluctuations and any factors contributing to overall market growth or decline.

The UK transport industry is quite resilient, in that the UK is very dependent on road transport for the movement of goods. Passenger transport has seen declines due to Covid and falling passenger numbers. Both sectors have faced big financial shocks following Brexit, Covid and then the Ukraine conflict. For the transport industry, driver shortages and energy inflation have driven up their two biggest cost inputs: driver salaries and fuel. As they have been unable to pass much of this inflation on to their end users, they have instead looked to take cost out of operation and this has affected their tyre purchasing habits. At the same time European tyre manufacturers have themselves seen big cost inflators due to the war in Ukraine driving up raw material, energy and transportation costs leading to a string of price rises. The net result of downward price pressure by customers and increasing T1 pricing has seen a shift to cheaper T3 brands. We see evidence of this in 'Down-Tiering' of the UK Truck Tyre Market where we have seen Tier 3 brands taking share away from Tiers 1 and 2. We have also seen a big fall in the retread market, more so than in other European markets, which we believe is largely as a result of an influx of cheap, use-once tyres from Asia. This is especially true in 2023 where we see container prices from Asia to Europe fall, making the import of Chinese tyres very attractive for wholesalers and dealers. See appendix.

Appendix reference: **Appendix 15**
[CONFIDENTIAL]

6. What are the major distribution and marketing channels within the UK market for the goods subject to review and the like goods?

T1 and T2 manufacturers tend to work with a smaller network of partner dealers and secure a large part of their business through contracts with larger fleets. In the case of Michelin we rely on our 4 lives package of New/Regroove/Retread/Regroove to provide the best Total Cost of Ownership of a product as well as sustainability of reusing the casing multiple times, so reducing use of raw materials, waste products and CO2 emissions. Chinese tyres tend to enter the UK Market in containers and are

distributed via a range of wholesalers and large to small dealers around the UK, with little marketing or brand representation. It is very much a price-led offer and they are much less likely to be suitable for regrooving or retreading and they are therefore less environmentally-responsible.

Appendix reference:

7. Who are the general users/consumers/customers within the UK market for the goods subject to review and the like goods?

Road Transport operators large and small as well as Bus and Coach operators. Bus fleets tend to be more T1 and T2 than truck fleets.

Appendix reference:

8. Do the goods subject to review and like goods compete directly with one another?

[Confidential information relating to Michelin internal intelligence on the structure and dynamic of the UK tyre market]

Appendix reference: **Appendix 15**
[CONFIDENTIAL]

9. Provide a general description of any government regulations or tax incentives affecting the production or sale of the goods subject to review and the like goods.

- Consumer protection act 1987
- General product safety Regulations 2005

Appendix reference:

10. Provide a general description of developments in technology affecting the characteristics, demand or the production process of the goods subject to review and the like goods.

Michelin has technologies, many of which are patented, that affect such performances as:

- Fuel efficiency (Rolling resistance)
- Grip both in the wet and dry
- External noise
- Tyre wear rates
- The effect of manufacturing processes upon the environment

Appendix reference:

11. Are there any goods which could be substituted for the goods subject to review and the like goods?

No

Appendix reference:

12. Provide a comment on any other factors which influence the market for the like goods and goods subject to review (e.g., seasonality).

There is no significant seasonality. The main factor influencing the market is the economic context, such as growth and inflationary pressures. The cost of shipping from China to Europe has an impact, as do interest rates. A stronger pound and cheaper container pricing will make Chinese imports more attractive, as would unfair trading practices. See appendix.

We believe that, without countervailing duties, the economic shocks of the last few years would have had an even greater impact on UK and European-produced truck and bus tyres.

There is significant risk that, should the countervailing duties be maintained in the EU, but removed in the UK, there would be even further rises in the number of truck and bus tyre imports from China.

Appendix reference: **Appendix 15**
[CONFIDENTIAL]

SECTION C: Costs and production

C1 Cost to make and sell

1. Please complete **4) Cost to Make and Sell** for the POI for your like goods sold on the domestic market. All figures should be reported net of recoverable tax.

Please see additional notes in the annex for assistance on completion.

2. Describe the individual components of the costs included in the cost to make and sell section of the Annex, provide detail on how these costs are paid, and provide

a breakdown of the composition in percentage terms (e.g., labour 25%, materials 60% etc).

Our manufacturing costs are split between direct and indirect costs as per the annex.
[Confidential information relating to the costs to make and sales of Michelin and their reporting in the tables. These are business confidential elements, the disclosure of which could cause damage to the company and its associated companies]

Appendix reference:

3. If your company is vertically integrated, please provide details of how the product cost is transferred from one production process to another (e.g., at cost, internal transfer).

[Confidential information relating to the organisation of Michelin's group production and costs. These are business confidential elements, the disclosure of which could cause damage to the company and its associated companies]

Appendix reference:

4. If some of the inputs (e.g., raw materials, energy) used in the production of your like goods are produced by an associated party, provide details of this arrangement, and attach documentation demonstrating any agreements you have.

[Confidential information relating to the purchase of inputs from associated companies. These are business confidential elements, the disclosure of which could cause damage to the company and its associated companies]

Appendix reference:

5. If your company incurred any extraordinary costs (such as start-up or ramp up costs) during the POI, please provide details of these costs, explaining why they were extraordinary and how they have been included and amortised/depreciated in your accounts.

[Confidential information relating to extraordinary costs of Michelin. These are business confidential elements, the disclosure of which could cause damage to the company and its associated companies]

Appendix reference:

6. Please explain how you finance your production of like goods, your sources of finance, whether there is any cost of finance associated with the production of like goods, and how you have reported this in the cost to make figures and company accounts.

[Confidential information relating to financing of Michelin and their reporting in company accounts. These are business confidential elements, the disclosure of which could cause damage to the company and its associated companies]

Appendix reference:

7. Please state the cost allocation method used for each cost type listed in cost to make and sell, including an explanation of the allocation under each subheading and to PCNs.

The manufacturing costs are allocated to each PCN

[Confidential information relating to the cost allocation method for the costs reported in the costs to make and sell section of the Annex. These are business confidential elements, the disclosure of which could cause damage to the company and its associated companies]

Appendix reference:

C2 Cost and sales reconciliation

1. Please complete the section: **5) Cost Reconciliation** in the Annex. Start from the bottom of the table and complete only the white cells. This section will help us reconcile the cost data provided in the cost to make and sell section of the Annex.

Appendices 6, 7 and 27 relate. These are referenced in the annex

Please see additional notes in the annex for assistance on completion.

C3 Production process

1. Please provide a written summary and, if available, a diagram/flow chart of your production process. Detail the production stages for the like goods.

The retread manufacturing process can be divided in to two main parts: Casings Acceptance and Casings Retreading. More detailed stages are listed below. Casings (used tyres potentially suitable for retreading) are the core input for the factory.

Casing acceptance:

- Reception
- Tyre wash
- Visual examination
- Shearographie
- X-Ray
- Stock of accepted casings

Casing retreading:

- Detreading
- Preparation for repair
- Repair
- Rubbering sidewalls
- Treadlaying
- Curing
- Visual verification
- Perforation detection
- High inflation check
- Stock of retreaded tyres

Appendix reference:

2. Identify what parts of your production process take place in the UK and explain at what stage the most value is added to your like goods in the production process. If a production process is carried out outside the UK, please explain the nature of the activity and where this process takes place and why it is performed there.

All parts of the process take place at our factory in Stoke-on-Trent. Most value is added during the *[confidential information on production cost summarised as follows: casing retreading]*.

Appendix reference:

3. Please provide the physical addresses (including town/city and county) of all your company's UK sites/facilities involved in the production of the like goods.

Company name	Physical address
Michelin Tyre plc	Campbell Road, Stoke-on-Trent, ST4 4EY

Appendix reference:

+Add additional rows as required

C4 Joint products and by-products

1. Please explain any waste, scrap or by-products related to the production of the like goods. Please explain:
- how you differentiate your waste, scrap and by products
 - what you do with your waste, scrap and by-products
 - how any income or cost from waste, scrap or by-products is recorded
 - the average waste, scrap and by-product ratio resulting from the production process of the like goods.

For the purposes of this question, we will be referring to waste. No by-products are produced. The waste referred to will be waste from the main production process, excluding non-core waste such as IT equipment or office furniture.

Differentiation. Waste includes: rejected casings; rejected tyres; previously cured rubber crumb and parings from the production process; uncured rubber from the production process. All waste is monitored and tracked.

What we do with waste. Rejected casings and tyres are dealt with by specialist unassociated companies. We are charged for this service. The casings and tyres are shredded and the recovered materials recycled. The balance is sold to specialist unassociated companies. Outcomes include material for sports and leisure areas, roads and ship fenders.

Recording. *[Confidential information relating to recording and organisation of waste management of Michelin. These are business confidential elements, the disclosure of which could cause damage to the company and its associated companies]*

Waste ratios. *[Confidential information relating to waste ratios of Michelin. These are business confidential elements, the disclosure of which could cause damage to the company and its associated companies]*

Appendix reference:

2. Please identify any products which share a joint process with the the goods subject to review which you produce. Please indicate at which point in the manufacturing process the products diverge.

None

Appendix reference:

3. Please explain how your costs of production (per unit) differ between the like goods and its joint products, if applicable. Comment on the reason for this difference and explain your method(s) of calculation.

N/A

Appendix reference:

C5 Raw material and input purchases

1. Please complete the section: **6) Raw Materials and Input Purchases** in the Annex.

Please detail by transaction, purchases for cost types used in the production of the like goods which account for more than 5% of total cost to make and sell (or if energy more than 1%), during the POI by your company

[Confidential information relating to business practices, the disclosure of which could cause damage to the company and its associated companies]

Please see additional notes in the annex for assistance on completion.

- Please provide an invoice and any supporting documents for two of your purchases stated within the section **5) Raw Materials and Input Purchases** in the Annex.. Use the box below to give an overview of any supporting documents provided.

[Confidential information relating to examples of purchases of raw material stated in annex 6. These are business confidential elements, the disclosure of which could cause damage to the company and its associated companies]

Appendix reference:	Appendices	36
[CONFIDENTIAL]	and	37
[CONFIDENTIAL]		

C6 Purchases of like goods and/or goods subject to review

- Please complete the section: **7) Purchases of the Goods** the Annex. This should include information relating to your company's total annual purchases of the like goods and/or goods subject to review over the injury period. All figures should be reported net of recoverable tax. Please list for each year every country you have purchased from in a separate row.

Please see additional notes in the annex for assistance on completion.

- Describe how these purchases fit into your business model. Please attach copies of any agreements or contracts that you have relating to your purchases of like goods and/or goods subject to review.

Michelin Tyre plc manufactures retreaded truck tyres in the UK, *[Confidential information relating to purchase of the like good by Michelin and their organisation, which can be summarised as follows: Michelin Tyre plc purchases like goods from associated companies]*.

Appendix reference:

SECTION D: Sales

D1 Domestic sales

1. Please complete the section: **8) T by T Domestic Sales** in the Annex.

Please contact the Case Team if you can't provide the relevant information in sufficient detail.

Please see additional notes in the annex for assistance on completion.

D2 Export sales

1. Please complete the section: **9) Export Sales** in the Annex. Please note that:
 - These should include all your export sales of like goods for the POI (January 2022 – 31 December 2022).
 - you must report your total volume and total value for your export sales by PCN and by country of destination; and
 - All figures should be reported net of recoverable tax.

Please see additional notes in the annex for assistance on completion.

2. Please provide a list of overseas associated customers who purchase like goods. Explain the nature of the association and any effect it has on the terms of sale to that customer.

[Confidential information relating to sales of the like good by Michelin plc to associated companies, the nature of the relationship and modalities of such sales, which can be summarised as follows: Michelin Tyre plc sells the like good to overseas associated companies].

Appendix reference:

D3 Sales reconciliation

1. Please complete the Sales reconciliation table in section: **10) Sales Reconciliation** in the Annex. Start from the bottom of the table.
2. Additionally, please provide quantitative estimates (e.g., projections or forecasts) for the sales revenue and quantity of like goods as well as all other goods you produce on the UK market for the next five years.

Appendices 6, 8, 10, 13, 25 and 26 relate to Annex 10. These are referenced in the annex

A sales forecast for the like goods is attached in the separate appendices document. Appendix 16 relates

D4 Distribution channels and price setting

1. If applicable, please provide copies of price lists for the like goods for 1 January 2022 – 31 December 2022.

Provided.	Appendix reference: Appendix 22 [CONFIDENTIAL]
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2. If any price reductions have been applied to any of your sales of like goods over the POI, please provide a description. This includes discounts, rebates, credit terms, allowances and commissions.
- Explain the terms and conditions that must be met for any price reduction.
 - Indicate any price reduction not included in an invoice price. Explain how the invoice price and the price reduction have been calculated.
 - If you have issued any credit notes that are not reflected in invoice prices, provide details of the criteria for issuing such notes and the impact that they have on prices (both past and future).

[Confidential information relating to prices conditions for the sales of the like goods over the POI. These are business confidential elements, the disclosure of which could cause damage to the company and its associated companies which can be summarised as follows: Michelin Tyre plc applied price reductions of the POI].

Appendix reference:

3. Please provide details of your distribution network for like goods if you have one.

Routes to market include: dealers and wholesalers; direct sales to vehicle manufacturers; direct sales to large fleets.

Appendix reference:

4. Do your sales usually include delivery in the price? If so, please explain how you calculate delivery costs and prices?

[Confidential information relating to conditions for the sales of the like goods and internal reporting. These are business confidential elements, the disclosure of which could cause damage to the company and its associated companies.]

Appendix reference:

5. Does delivery price vary between customers? If so, then please explain what these differences may relate to.

[Confidential information relating to conditions for the sales of the like goods and internal reporting. These are business confidential elements, the disclosure of which could cause damage to the company and its associated companies.]

Appendix reference:

6. Attach sales contracts for the top five customers by volume, that you have sold like goods to during the POI in the section: **8) T by T Domestic Sales** in the Annex.

[Confidential information relating to examples of sales contract for the like good. These are business confidential elements, the disclosure of which could cause damage to the company and its associated companies]

Appendix reference: Appendix 24
[CONFIDENTIAL] and Appendix 35
[CONFIDENTIAL]

7. Please select two examples of domestic sales of like goods to different customers included in the section: **8) T by T Domestic Sales** in the Annex. Attach as an appendix a complete set of documentation for these sales. Where possible, include purchase orders, commercial invoices, order acceptances, discounts or rebates, credit and debit notes, contracts of sale, freight and insurance details, bank documentation and all other relevant documents.

[Confidential information relating to examples of domestic sales of the like good as reported in annex 8. These are business confidential elements, the disclosure of which could cause damage to the company and its associated companies]

Appendix reference: **Appendices 28 to 42**
[ALL CONFIDENTIAL]

D5 Captive use

1. Please complete the section: **11) Captive Sales and Use** in the Annex. This should include transaction-by-transaction information for 1 January 2022 – 31 December 2022 detailing your company's individual transfers of the finished like good for internal or captive use. You will need to use the [PCN table](#) to categorise each of these transfers by PCN.

[Confidential information relating to information reported in Annex 11. These are business confidential elements, the disclosure of which could cause damage to the company and its associated companies]

Please see additional notes in the annex for assistance on completion.

2. Please comment on whether your captive use of the like goods has changed over time and what has caused any changes. Please attach evidence to support your answer where required.

[Confidential information relating to information reported in Annex 11. These are business confidential elements, the disclosure of which could cause damage to the company and its associated companies]

Appendix reference:

SECTION E: Injury to your company

Injury to UK industry as a result of dumped imports could come in the form of:

- material injury to UK industry;
- threat of material injury to UK industry; or
- material retardation of the establishment of such an industry.

Type of injury	Description
Injury, material	Material injury is where there is evidence of the UK industry being injured by the dumped goods.
Injury, material retardation	This is a type of injury in which efforts to establish an industry have been materially hindered because of dumped goods. It may apply where there has been some production but not at sufficient levels to allow us to consider material injury, or where production has not even begun.
Injury, threat of	Injury which has not yet occurred but is clearly foreseen and imminent.

1. Would your company suffer from injury if the existing anti-dumping measure on the goods subject to review no longer applied? If so, please describe the nature and degree of the injury. If your company is already suffering injury, would the nature or source of the injury change if the measures were to no longer apply?

As is apparent from the information provided in the response to the Annex 12 (see below), the overall situation of the company, with regard to the goods subject to review, has remained fragile over the IP. If the measures subject to review would cease to apply, it is likely that the situation would further degrade due to loss of market shares to imports and difficulties to maintain margins.

Appendix reference:

2. How would your costs to make and sell change if the existing anti-dumping measure on the goods subject to review no longer applied, what measures would your company have to take to remain competitive. If possible, please provide annual estimates (e.g., projections or forecasts) for the next five years for any changes and use the text box below to explain the methods used to calculate these estimates.

Increased competition of imports do not have any direct effect on costs to make and sell. It must however be noted that any decrease in production result in increased

fixed costs and therefore reduce the competitiveness of our product unless adjustment to the production capacity and organization is made.

Appendix reference:

3. Please complete the section: **12) Injury** in the Annex. This should be completed in reference to your UK production of the like goods for the IP 1 January 2022 – 31 December 2019).
4. Please explain how you calculated and apportioned your average net operating profit after tax (NOPAT) for the like goods

[Confidential information relating to the apportionment of profit to the like goods, taxes and internal organisation. These are business confidential elements, the disclosure of which could cause damage to the company and its associated companies.]

Appendix reference:

5. Please explain how you calculated and apportioned your finance costs (e.g., interest) incurred for the like goods.

[Confidential information relating to the apportionment of finance cost to the like goods and internal organisation. These are business confidential elements, the disclosure of which could cause damage to the company and its associated companies.]

Appendix reference:

6. Please explain how you assess your stock levels. Indicate if your stock levels were abnormally high during the injury period. If so, provide an explanation.

[Confidential information relating to the assessment of stocks, internal reporting and analysis. These are business confidential elements which can be summarised as follows: stocks level were not abnormally high during the injury period.]

Appendix reference:

7. Please explain how you estimated your percentage of market share for the like goods.

[Confidential information relating to Michelin's assessment of its market share, market intelligence and resources. These are business confidential elements, the disclosure of which could cause damage to the company and its associated companies.]

Appendix reference:

8. Please explain how you calculated your production capacity and capacity utilisation for the like goods, and the cause of any significant variations.

[Confidential information relating to the calculation of the production capacity of the company. These are business confidential elements, the disclosure of which could cause damage to the company and its associated companies.]

The capacity utilisation is our actual production divided by the maximum capacity.

The major cause of variation is the sales of like goods.

Appendix reference:

9. Please explain how you set your wages, and the causes of any significant variations.

The wages are set taking into account our analysis of how we compare to similar industries in the UK with the objective to remain attractive and competitive.

For operators, we have negotiation with the Union.

Appendix reference:

10. Please explain how your total employees involved in the UK manufacture of like goods are split across different sites/locations.

[Confidential information relating to the organisation of the company's workforce and split across sites and location and allocation to the like good. These are business confidential elements, the disclosure of which could cause damage to the company and its associated companies.]

Appendix reference:

11. For your like goods only, please state what level of profit, before tax and as a percentage of turnover, your company would expect to achieve in the absence of injury and explain how you arrived at this figure.

In the European investigation, it was established that an expected target of profit for the goods subject to review ranged from 17.9% and 9.2% (EU Regulation 2018/1690, recital 904 and 924). Profits toward the upper level of the range should normally be achieved on our tyres on account of their quality.

Appendix reference:

12. Explain how you set your current sales price for your like goods. Is this the same as your target sales price? If not, please explain the reasons for this.

[Confidential information relating to price setting process and negotiation with customers. These are business confidential elements, the disclosure of which could cause damage to the company and its associated companies.]

Appendix reference:

13. Explain any variances between your actual and forecasted budgets over the injury period, with reference to your cash flow statements. Would your forecasted budgets be affected if measures on the goods subject to review were not applied? Please describe the nature of any change and substantiate your claims with evidence.

Forecasted budget do not account for significant variations in the market share of our company. Any increased competition from lower priced imports, such as would happen if measures on the goods subject to review were revoked, is thus likely to affect forecasted budgets, notably in terms of revenues.

Appendix reference:

14. Please complete the section: **13) Investments and ROI** in the Annex.

15. Please provide details of your typical source(s) of finance (e.g., loans, debt, share issues, bond issues etc.) for each category of investment relating to your company-wide investments.

<i>[Confidential information relating to financing and investments of Michelin. These are business confidential elements, the disclosure of which could cause damage to the company and its associated companies]</i>

Appendix reference:

16. Please describe any changes in your company's level and trends of returns on investment over the injury period. Please explain the nature and cause of this change and substantiate with supporting evidence e.g., funding proposals, loan approvals or other relevant financial documents.

<i>[Confidential information relating to the companies levels and trends of returns on investment of the injury period. These are business confidential elements, the disclosure of which could cause damage to the company and its associated companies]</i>

Appendix reference:

17. Please complete the section: **14) Forward Sales Contracts** in the Annex.

Describe and attach copies of all forward sales contracts/ongoing supply agreements for like goods. Comment on these forward sales contracts – are they a usual way of doing business in your industry? Has there been any variation in

the volume and value of forward sales contracts over time? If so, what has caused this variation?

[Confidential information on the organisation of contractual relationship by the Company and recent variations. These are business confidential elements, the disclosure of which could cause damage to the company and its associated companies]

Appendix reference:

18. If your company is suffering from injury, please explain and indicate the degree to which this has been caused by the alleged subsidisation of the goods subject to review. Please also explain and indicate the degree to which any other factors might have caused the injury, for example:

- Volume and prices of imports that have not benefitted from a subsidy
- contraction in demand or changes in patterns of consumption
- restrictive trade practices of, and competition between, third country and UK producers
- developments in technology; and
- export performance and the productivity of the UK

Please substantiate your claim(s) with evidence.

Low-priced imports have historically been the prime factor in the degradation of our performances. This is essentially due to the fact that the low priced imports tend to substitute retreaded tyres, affecting both prices and volumes for retreaders. Other factors may adversely affect to the performances of retreaders such as availability of casings, low shipping costs for imports and contraction of demands. However, none of these factors, jointly or separately, have comparable effect.

Appendix reference:

19. Would there be any direct effects on your industry and/or business if the current measures were to be revoked on the goods subject to review? If you assess that your company would suffer injury, please explain and indicate the degree to which you assess this would be caused by a recurrence of dumping of the goods subject to review.

Expected effect if the existing anti-dumping measure on the goods subject to review no longer applied would be a significant increase in imports from China and a reduction in the price of these imports. This is bound to affect the market share of other players on the UK market and is likely to lead to reduction of production in the UK as well as restructuring of activities.

Appendix reference:

SECTION F: Subsidies

F1 General

1. The programmes being considered by this transition review are listed in the table below. Please use this section of the questionnaire to provide any information you have on the programmes listed. You can also provide information on any other subsidy programmes that you believe relate to the production and/or sale of the goods subject to review.

2. Subsidy programmes

No.	Subsidy Name	Subsidy Type
1	Preferential loans	Direct transfer of funds
2	Preferential financing and insurance: bonds	Direct transfer of funds
3	Preferential financing and insurance: support for foreign investment	Direct transfer of funds
4	Preferential financing and insurance: export credit insurance	Direct transfer of funds
5	Provision of electricity for less than adequate remuneration	Government provision of goods and services for less than adequate remuneration (LTAR)
6	Provision of land use rights for less than adequate remuneration	Government provision of goods and services for less than adequate remuneration (LTAR)
7	Enterprise Income Tax ('EIT') reduction for High and New Technology Enterprises	Government revenue foregone or not collected
8	Enterprise Income tax (EIT) offset for research and development expenses	Government revenue foregone or not collected
9	Land use tax exemption	Government revenue foregone or not collected

10	Local tax discounts or refunds	Government revenue foregone or not collected
11	VAT exemptions and import tariff rebates for the use of imported equipment and technology	Government revenue foregone or not collected
12	Import duty drawback scheme for the purchase of natural rubber	Government revenue foregone or not collected
13	Energy saving, conservation and emission grants	Direct transfer of funds
14	Grants related to technological upgrading, renovation or transformation	Direct transfer of funds
15	Ad hoc grants provided by municipal/regional authorities	Direct transfer of funds

F2 Any other subsidy programmes

1. Please complete **Annex 15) Subsidies** providing as much information for each of the subsidies listed as possible. Please substantiate with any evidence if possible

Add additional lines for any further subsidy you would like the TRA to consider into the relevant tables depending on the type of subsidy it is (i.e., grants, loans etc).

2. Please provide any further information on subsidies that you feel is relevant to the review.

We refer to the findings of the European Commission in EU Regulation 2018/1690, recitals 119 to 612.

Appendix reference:

SECTION G: Supplementary questions

G1 Adjustments

1. If you are aware of any factors, other than the provision of subsidies, that could mean costs or profits of the goods subject to review are not substantially determined by market forces, please provide details and any supporting evidence.

We refer to the elements provided in the above section of the questionnaire as well as in the response to the anti-dumping questionnaire.

Appendix reference:

G2 Economic Interest Test

The Economic Interest Test (EIT) helps the TRA assess the economic impact of a measure compared to what would happen should the measures be revoked. There are six factors which the TRA must consider as part of the EIT:

- i) The injury caused by the importation of the dumped goods to UK industry and the benefits to that industry in removing the injury.
- ii) The economic significance of affected industries and consumers in the UK.
- iii) The likely impact on affected industries and consumers in the UK.
- iv) The likely impact on particular geographic areas, or particular groups, in the UK.
- v) The likely consequences for the competitive environment and for the structure of markets for goods in the UK.
- vi) Other matters that the TRA considers relevant.

The questions in this section will contribute to this assessment. Please provide information broken down by each of your company's UK sites/facilities, where relevant and possible.

G3 Background

1. Please provide any known names, legal addresses and telephone numbers of the following domestic companies:
 - Those that produce the like goods in the UK.
 - Those that are involved in the importation, distribution, or sale of the like goods from third countries.

We refer to the parties registered to the investigation directly or via associations.

Appendix reference:

2. Please provide an overview of your upstream supply chain for the like goods, (e.g., producers of raw materials). Where possible, please describe the number, location and size of UK producers at each stage.

The upstream supply chain for the production of the product under investigation is mainly composed of 2 type of products [*Confidential information on value of inputs*]: casing and rubber mix.

[Confidential information relating to the upstream supply chain for the like good, including identity and origin of the suppliers. These are business confidential elements, the disclosure of which could cause damage to the company, its associated companies and suppliers]

Appendix reference: Appendix 18 -
[*Confidential information - suppliers*]
[CONFIDENTIAL]

3. Please provide an overview of your downstream supply chain. Please indicate who the consumers of the like goods are, which industry and level of trade they relate to, and whether they are companies or private individuals. Are the like goods considered to be an intermediate and/or final good?

We work with both end-customers (fleets, original equipment) and resellers (retailers and distributors).

Consumers of the like good, with the exception of the OE segment (truck, buses and trailer producers), are the final consumers of the goods. The consumers are normally companies.

We notably work with public transport services for the provision of retreaded tyres for bus fleets.

Appendix reference: Appendix 19 -
[*Confidential information - Personal information*] **[CONFIDENTIAL]**

G4 Your company

4. Please complete the section: **16) Economic Interest Test** in the Annex. Please provide employment figures in full-time equivalents (FTE) for each of your company's UK sites or facilities.
5. How would these employment figures be affected should the anti-dumping measure be revoked? Please substantiate your claims with evidence.

Should the measures be revoked, it is likely that pressure on employment would significantly increase possibly leading in the short term to redundancy.

As an illustration, it should be noted that, due to the pressure of the imports before the imposition of the original measures, Michelin had to close its activities in Ballymena (NI) and Dundee (Scotland) resulting in +1600 redundancies.

Appendix reference: Appendix 17 - Press releases with regards to the closure of the factories in Ballymena and Dundee

6. How would your domestic sales of the like goods be affected should the anti-dumping measure be revoked? Please substantiate your claims with evidence.

Should the measure be revoked, imports from the subject country will be available at a lower price and in greater quantities on the domestic market. This increase in low-priced imports is likely to exert downward pressure on our prices and volumes, in particular for the clients that are particularly price sensitive.

Appendix reference:

7. How significant is the production of the like goods relative to your company's entire UK production?

Michelin UK produces only the like goods subject to the investigation, which is the company's entire UK Production.

Appendix reference:

G5 Potential impacts of a revocation of the measure

8. Please describe how you would expect a decrease in the import prices of the goods subject to review to affect each of the following. Where possible, please support your claims with evidence:

- i) Domestic prices of the like goods.

As domestic production and imported subject goods are substitutable, a decrease in the import price is likely to result in an increase in volumes of imports and a reduction of the selling prices for the tyres produced in the UK.

This has recently been highlighted with the recent reduction in Freight Container Prices, as these costs reduced, the weight of volumes imported has increased in the UK Market of like goods, resulting in lower volumes for Michelin being produced and sold.

Appendix reference:

- ii) Total UK production of the like goods.

The reduction in price of imports, combined with the increase in volume of imported goods, will lead to a substitution of UK produced tyres for imports as demand for tyres is linked to economic activities rather than availability of tyres.

As retreaded tyres are seldom exported, the reduction of outlets for UK produced tyres will result in a reduction of the UK production of the like goods.

Reduction of UK production may also occur in the event that imports are sold at a price lower than the cost of production in the UK, making any sales unprofitable.

Appendix reference:

- iii) Total imports of the goods subject to review from the People's Republic of China and like goods from third countries to the UK.

Decrease in the import price from China would likely result in an increase in imports of tyres from China, at the expense of UK produced goods and imports from more expensive sources.

Increased competition with imports from third countries, in particular from the Asian countries whose market share increased over the last years, may also lead to further competition on prices.

Appendix reference:

- iv) Total exports of the like goods from the UK.

Effect of a reduction of the price of imports to the UK as a result of a revocation of the measures will not lead to any increase in exports of like goods from the UK. However, a reduction in volumes of production of the UK producers may result in higher fixed costs and lower competitiveness of the like goods from the UK on export markets.

Appendix reference:

9. Do you know of any related industries that would be affected should the anti-dumping measure be revoked?

Please consider in particular:

- i) upstream industries – those who produce inputs (such as raw materials) needed for production of the like goods.

Any negative impact of the revocation of the measures on the UK industry would be mirrored in the upstream activities, in terms of activity and employment notably.

See list of suppliers for the Factory operations, some local suppliers might go out of business. (Examples: reducing casing purchases if less need to be collected, reduced employment for the transportation of like goods).

Appendix reference: Appendix 18 -
[Confidential information - suppliers]
[CONFIDENTIAL]

- ii) downstream industries – those who purchase the like goods and/or the goods subject to review.

For the reason mentioned in the present section, the revocation of the measure is likely to have a negative impact on the fleets that rely on retreaded tyres to optimise their costs of operation and focus on cost per miles and fuel efficiency as they would directly be affected by any event threatening the sustainability of the UK manufacturers supplying them.

As per the attached press release from Michelin's B2B customers, costs would increase buying single use tyres and there would be a negative impact on their green credentials as a company.

Appendix reference: Appendix 19 -
[Confidential information - Personal information] [CONFIDENTIAL]

- iii) industries for complimentary goods – those which would typically be bought alongside the goods subject to review and/or the like goods (such as ink being bought with printers)

Not applicable as there are no complimentary goods for tyres (although tyres are complimentary goods for new vehicles, they typically account for a very marginal portion of their prices)

Appendix reference:

- iv) industries for substitute goods – those which might be bought instead of the goods subject to review and/or the like goods (such as margarine instead of butter).

Not applicable as there are no substitute goods for tyres.

Appendix reference:

10. To what extent would you expect any changes in prices for the goods subject to review and/or the like goods to be passed onto final consumers?

Tyre costs represent around 5% of a typical hauler's cost base, so there would be a negative impact on this element of a company's cost base. Having the right tyre for the right application can have an impact on the fuel efficiency of a vehicle (with fuel typically representing 30% of a company's cost base).

The investment in the philosophy of having multi-life offer by extending/maximizing the use of the original raw materials reduces the cost per mile/km travelled for a hauler and increases the Total Cost of Ownership vs single use tyres.

You can positively add to this the reduction in raw materials per mile/km through regrooving tyres and then retreading tyres vs single use tyres – see example in the appendix

Appendix reference: Appendix 20 - Documentation on Multi-Life philosophy and Hauler cost base analysis

11. Would your plans for investment or expansion in the UK over the next five years be affected if the anti-dumping measure were to be revoked? Please support your claims with evidence.

Michelin continue to invest in the retreading activities in the UK to develop and maintain its operations. Noting, in 2012, Michelin invested over £25m in its operations.

Michelin always reviews investment decisions based on the current and future economic, social, legal and environmental operating conditions and re-assess where and when necessary.

Appendix reference:

12. As a public body, the TRA has an obligation under the Equality Act 2010 to ensure that the possible effects of its activities on different people are considered. This public sector Equality Duty covers:

- age;
- disability;
- gender reassignment;
- marriage or civil partnership;
- pregnancy and maternity;
- race;
- religion or belief;
- sex; and
- sexual orientation.

Please provide any relevant information about whether the continuation, variance, or revocation of the anti-dumping measure might disproportionately affect any of these groups or any other particular group.

Michelin actively demonstrates its commitments to all groups mentioned above.

Michelin runs an engineering apprenticeship scheme which is 3-4 years and done in conjunction with JCB Academy. It is a combination of theoretical & practical classroom learning, along with on the job experience that is built up throughout their apprenticeship. It covers both electrical and mechanical engineering.

Diversity and Inclusion awareness is part of everyday life at Michelin, in conjunction with the attached policies and statement, with physical and e-learning on these topics on a regular basis for all employees.

If Michelin are not in a position to economically perform, our commitments might be difficult to uphold.

Appendix reference: Appendix 21 - D&I policy document and statements
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13. Please explain whether and how revocation of the measure could affect the number or range of suppliers in the bus and lorry tyres market.

The revocation of the measures is likely to result in an inflow of imports from the subject country to the detriment of the domestic producers of the like good. This may result in adjustment or termination of activities or refocus on more profitable activities.

As a result, it is possible that access to retreaded tyres would be affected on the domestic market, potentially affecting the circular economy plans of fleets.
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Appendix reference:

14. Please explain whether and how revocation of the measure could affect suppliers' ability to differentiate their products by price, quality, service or innovation in the bus and lorry tyres market.

Revocation of the measure would result in a lower price of imports from the subject country, essentially on segments where consumers are particularly price-sensitive. As domestic producers would need to remain competitive on prices, efforts to remain competitive are likely to be done at the expense of investments in services and innovation.
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Inflow of low-priced imports may also affect the availability of casing suitable for retreading on the domestic market, thus limiting the volume of retreaded tyres available.
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Appendix reference:

15. Please explain whether and how revocation of the measure could affect the cost of switching between suppliers in the bus and lorry tyres market.

Revocation or maintenance of the measures is unlikely to affect the cost of switching between suppliers, in particular on price-driven segments.
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However, it must be noted that as UK produced retreaded tyres are less exposed to raw material and energy cost variation, and less exposed to variation in freight costs (because they are produced domestically and require much less input than new tyres), they are instrumental to ensure affordable prices on the domestic market in the context of significant increase in the cost of any of the above.
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16. How would the suppliers' ability to set agreed prices between themselves or for certain customers or products be affected if the anti-dumping measure was to no longer apply? Please provide an explanation.

There is no agreed prices between suppliers, for customer or products. Prices are the result of offer, including imports from the subject and third countries, demand and cost and would remain so regardless of maintenance or revocation of the measures.

Appendix reference:

17. How would the choices of goods available to consumers be affected if the existing anti-dumping measure was to no longer apply? Please provide an explanation.

The measures have not led to any restriction on the choice of goods available to consumers domestically due to the continuation of imports from the subject country and the development of substitutable imports, in particular from other Asian countries. As a result, revocation of the measure will not increase the choice of goods available to the consumers.

On the contrary, through potential negative consequences on the viability of retreading operations in the UK (price pressure, availability of casings...), revocation of the measures may reduce availability of retreaded tyres, disrupting the business model of large fleets and ultimately increasing their costs.

Should the volume of import of like goods increase and the impact on Michelin significantly negative, the training and technical support (Example - product technical support, H&S training) Michelin offers the industry would naturally be assessed through the lack of economic viability to support such services.

Appendix reference:

18. Please explain whether and how revocation of the measure could affect the ability of consumers to make informed decisions.

In case of revocation of the measures, it is likely that distributors will increase their focus on the sales of low priced imported new tyres instead of retreaded tyres as it would allow them to increase their margin. This could potentially lead to a lower level of information for consumers on the cost benefits, in terms of prices per mile of like goods and services (Training and Technical support).

Appendix reference:

19. Are there any additional economic factors that you consider to be relevant for the economic interest test in this review?

The TRA should take due account of the impact of a potential revocation of the measures on the circular economy activities relating to the retreading and reuse of tyres for buses and trucks.

That analysis should account for the activity of all businesses involved in that circular economy model, of the public initiative and spending aiming at developing it and of the gains expected, notably in terms of resource efficiency.

Due account should also be taken of the likely additional cost for the communities of collection, treatment and disposal of single life tyres in case of an increase in imports from the subject country.

Appendix reference:

SECTION H: Next steps

Next steps

The questionnaire, spreadsheet annex and any appendices should be submitted through the Trade Remedies Service (www.trade-remedies.service.gov.uk) by 10 August 2023. The checklist in Section I of this questionnaire may help ensure your submission is complete.

A confidential and non-confidential version of the questionnaire and spreadsheet annex(es) must be submitted. You can find guidance on how to complete confidential and non-confidential versions in our guidance on [how to submit information](#).

SECTION I: Checklist and appendices

This section is an aid to ensure that you have completed all sections of this questionnaire.

Section	Please tick if you have responded to all questions
Section A – Company structure and operations	✓
Section B – About your goods	✓
Section C – Costs and production	✓
Section D – Sales	✓
Section E – Injury to your company	✓
Section F – Subsidies	✓
Section G – Supplementary questions	✓
Section H – Next steps	✓

+Add additional rows as required

Please list any appendices that you have referenced in your responses and are attaching with this questionnaire.

Appendix reference	Document title
See Master Appendices document	

+Add additional rows as required

