

Transition Review Anti-Dumping Questionnaire for Contributors

Case TD0035: TD0035: 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:	24 August 2023
Contact details:	TD0035@traderemedies.gov.uk
Completed on behalf of:	China Rubber Industry Association ("CRIA")

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

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 24 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 will carry out a transition review of each trade remedy measure active under the EU system that the UK has decided to maintain after EU exit. This transition review will consider whether the anti-dumping amount is necessary or sufficient to offset dumping of Certain pneumatic tyres used for buses or lorries from Peoples Republic of China and whether there would be injury to the UK industry if the measure was removed.

Why should I take part?

We are asking contributors and interested parties to complete this questionnaire to inform our review of whether the current <anti-dumping amount should be maintained, varied or discontinued.

Please refer to our online guidance to understand more about [how we carry out transition reviews into EU measures](#) and the [differences between interested parties and contributors](#).

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 24 August 2023. We may send a notice asking for clarification or supplementary information where necessary. Make sure you provide the sources for any information or data you don't own and clearly state any restrictions on sharing it.

Where can I find more information?

Our [trade remedies guidance](#) provides more 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. For general information about trade remedies processes, please see our [online guidance](#).

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.

Preparing confidential and non-confidential copies

You will need to submit one confidential version and one non-confidential version of your questionnaire by the due date. 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:

- It is your responsibility to ensure that the non-confidential version does not contain any confidential information.
- Remember to include a statement explaining why information obtained in your response should be treated as confidential e.g. the data is commercially sensitive.
- Provide the source for all information or data you don't own and clearly state any restrictions on sharing it.
- 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 investigation (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.

How to complete this questionnaire

All statements should be substantiated with relevant data, information and the sources of these. You may be asked to attach supporting documents in appendices to supplement your responses. To help us verify your information, please retain all your supporting documents, including any calculations made when developing your responses.

Please also note the following points:

- 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.
- Please provide all formulas and calculations used within your questionnaire response.
- 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.
- Any documents not in English should be accompanied by an English translation.
- Please provide all dates in the format DD/MM/YYYY (e.g. 23/05/2019).
- 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.
- 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).
- 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).
- 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).
- 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.
- All figures should be reported net of tax unless otherwise stated.
- Please refer to the case number, TD0035, in any correspondence with the TRA.

What happens next

Once you have completed your questionnaire responses, you must upload confidential and non-confidential versions along with any additional documents you’re providing 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; and
- the non-confidential responses will be placed on the public file.

For further information please refer to our guidance on [how we carry out transition reviews into EU measures](#)

The scope of this review

Goods subject to review

This review covers **Certain pneumatic tyres** new or retreaded, of rubber, of a kind used for buses or lorries, with a load index exceeding 121, exported from the People's Republic of China (PRC).

These **Certain pneumatic tyres used for buses or lorries** are currently classifiable within the following CN code(s):

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

These codes are only given for information.

In this questionnaire, these goods will be referred to as '**the goods subject to review**'. 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

Any reference to '**like goods**' in this questionnaire refers to goods which are like the goods subject to review in all respects, or with characteristics closely resembling them and which are sold on the domestic market of the Peoples Republic of China, the UK market or to third countries.

Please follow the instructions for each question to provide the appropriate information regarding the like goods and goods subject to review.

SECTION A: About the case

A1 General information

1. Please complete the table below. Make sure the point of contact you name has the authority to provide this information.

Name (point of contact):	[confidential information removed]
Address:	5 th Floor, Kinglong International Building, Unit B, No.9 Fulin Road, Chaoyang District, Beijing, China (Post code: 100107)
Telephone No:	[confidential information removed]
Email:	[confidential information removed]
Website:	http://www.cria.org.cn/

If you are representing a company, please also fill in the information below:

Company registration number:	51100000500001077B
Place of registration:	Room 502, Unit B, 4 th Floor, No.9 Fulin Road, Chaoyang District, Beijing, China
Legal name of organisation:	China Rubber Industry Association
Legal structure (e.g. limited company, sole trader, partnership etc):	Social Organisation
Position in the organisation:	Head of Public Relation Department
Year of establishment:	1991
Other operating names:	None

2. Please explain your interest in this review.

Answer: Some members of CRIA are involved in exporting the goods subject to review to the UK, and thus CRIA raises concerns about this investigation. Therefore, as the industry association of the Chinese exporters of the goods under review, we represent the interests of the Chinese industry in this case.

Assisting and coordinating Chinese exporters in response to trade remedy investigations initiated by foreign countries and firmly defending industry's interests is one of the key responsibilities of CRIA, as stipulated in its articles of association. Article 6(8) states "CRIA's scope of business include: ...(8) Help members to explore the international market, carry out industry early warning and foreign trade consultations, cooperate with government departments, participate in the coordination of foreign trade disputes, organize and coordinate anti-dumping, countervailing and safeguard measures to respond to, appeal, protect the interests of the industry and maintain industrial safety..."

In light of the above, CRIA has interests in the review.

Appendix reference: N/A

A2 Information about this review

For each question, please give any information you feel is relevant to the case. If you have no information, please say so in your answer. This transition review will consider whether the dumping of the goods subject to review would be likely to continue or recur if the anti-dumping amount were no longer applied and whether there would be injury to the UK industry.

1. Please provide any information about the goods subject to review that you consider relevant.

Answer: CRIA notes that the product scope of the transitional review covers certain pneumatic new and retreaded tyres used for buses and lorries (including goods under 40 11 20 90 00 and 40 12 12 00 10, hereinafter being referred to as “Truck and Bus Radial Tyres” or “TBR”) and does not exclude any products. CRIA considers the scope of the goods too broad and requests the TRA to treat new tyres and retreaded tyres as two different products, and therefore exclude new tyres from the scope of the goods subject to this review.

CRIA’s opinion is based on the following two reasons:

1. Only retreaded TBRs are produced domestically in the UK, and the retreaded tyre industry is in good condition and is not fragile.

- Through researching public information, no manufacturer of new TBRs exists in the UK. This indicates that there is no industry of new TBR industry but only retreaded TBR industry in the UK.
- The retreaded tyre industry in the UK, including the retreaded TBR industry, is in positive development condition and is not fragile. This opinion is consistent with observations made in many news reports. A report by BTMA ([Appendix 1](#)) supposes the retreaded tyre industry contributes around £230 million to the UK economy each year and provides 5,500 jobs. The reports of Bridgestone ([Appendix 2](#)) and Continental ([Appendix 3](#)) also indicate that in 2023, the UK retreaded tyre industry is currently flourishing and is expected to make further breakthroughs in research and development. Furthermore, Continental’s (one of the UK domestic retreaders) response to the pre-sampling questionnaire demonstrates the positive development trend of the industry, which is expected to be reflected in the responses of other retreaders.

2. New tyres are significantly different from retreaded tyres, and they are not replaceable. This conclusion is based on usage, quality, price and other factors considered. Thus, new TBRs imported from China will not negatively influence the UK’s retreaded tyre industry. For further detailed descriptions and explanations, please refer to the comments to be submitted afterwards.

Appendix reference:

Appendix 1
Appendix 2
Appendix 3

2. Provide any information which you think could help us assess the likelihood of dumping occurring if the existing anti-dumping measure for the goods subject to review no longer applied.

Answer: CRIA considers that after revoking the existing anti-dumping measures, dumping of TBRs will not likely occur, based on the following reasons:

1. Chinese producers do not have excess capacity to dump into the UK. The majority of Chinese manufacturers have no plans to expand production capacity in recent years, which means that the production capacity of Chinese TBRs will remain stable. Even if a limited number of individual companies have relevant statement that they will expand production capacity, at the same time they have clarified that their plan for expansion is not for the UK market but for other regions.

2. Chinese manufacturers are market-oriented, and the UK market is less attractive to Chinese exporters and manufacturers. According to statistics from UN Comtrade and Trade Map (Appendix 4), in 2022, the UK market only ranked 31st in the markets for TBRs exporting from China. Further, the trade between China and nearly 20 other countries can individually reach more than twice of that between China and the UK. On the other hand, the ratio of China's exports to the UK has also declined in the past five years. At the same time, Chinese exporters and manufacturers indicated to CRIA that the UK market is not within the top five target markets for them.

3. The UK market has limited consumption, which makes it less attractive to Chinese exporters and manufacturers. Based on statistics from UN Comtrade (Appendix 5), the UK's imports of TBRs in recent years ranked about 10th in the world, and the market is slightly smaller than or comparable to other developed countries in Europe and much smaller than that of the United States.

Considering the above comprehensively, Chinese producers have no excess capacity to increase the export volume to the UK, and the UK market is not attractive to the Chinese tyre industry. Therefore, even if the antidumping measure is revoked, dumping will not recur.

Appendix reference:
Appendix 4
Appendix 5

3. Do you think there would be injury to the UK industry if the existing anti-dumping measure for the goods subject to review no longer applied? Provide any information supporting your conclusions including what the cause of this injury would be. You can refer to our [guidance on how we assess injury](#) for a definition of injury.

Answer: CRIA considers that after the revocation of existing anti-dumping measures, imported TBRs will not cause injury to the UK industry.

1. New tyres are significantly different from retreaded tyres and should be considered two different kinds of goods. According to CRIA's response to A2-1 in this questionnaire, new tyres should be considered significantly different from retreaded tyres. Therefore, it is unlikely that new tyres imported from China will cause substantial injury to the UK's retreaded tyre industry.

2. The UK retreaded tyre industry is in good condition, not fragile, and thus is less likely to be injured. As the response in A2-1 in this questionnaire, reports and questionnaire response as reports by BTMA, reports of Bridgestone and Continental, or Continental's response to the pre-sampling questionnaire all support that the UK retreaded tyre industry is in good condition. These reports support the opinion by proving that sales and profits of retreaded tyres in the UK remain stable. The industry also creates enormous wealth and provides many jobs for the UK annually. Therefore, the UK retreaded tyre industry is robust, with good development conditions and a particular stableness.

Appendix reference:

Appendix 1
Appendix 2
Appendix 3

4. Please provide any information about the possible economic effects on the UK if the existing anti-dumping measure on the goods subject to review were no longer applied.

Answer: The CRIA considers that **revoking the existing anti-dumping measures is believed to improve the operating and economic conditions of UK importers, distributors, fleets and consumers. Therefore, it could increase the benefits of the UK economy**, as these interested parties in the UK have all indicated that existing anti-dumping measures have negative effects on them.

The EU's anti-dumping and anti-subsidy (AD/CVD) measures on TBRs have significantly impacted the market. The increased duty pressures tyre importers' and manufacturers' business operations, leading to higher tyre prices and shortages. This negative impact of higher prices would ultimately transfer to transporters, fleets and consumers in the UK. These could be evident by numerous news reports as follows:

1. According to the UK tyre magazine Tyrepress ([Appendix 6](#)) in 2018, based on contributions of industry associations such as the NTDA and ITMA as well as key industry figures, European anti-China truck tire tariffs are already having a marked impact on the shape of the market, where the UK was a part of the EU and thus also have been impacted the same. This impact also puts pressure on affected importers and manufacturers alike, and it could also lead to price increases and product shortages.

2. According to a news report on the UK tyre website Tyrenews ([Appendix 7](#)), European tyre suppliers have expressed the hope that the European Court of

Justice's revocation of the tariff on Chinese TBRs will cause the European Commission to self-reflect, and that the European Commission should recognize that import tariffs on Chinese TBRs will only lead to higher tyre prices, thereby adversely affecting transporters, fleets and finally the consumers.

CRIA notes that **revoking existing anti-dumping measures could effectively eliminate the above-mentioned adverse effects**. For the UK supply chain of TBRs, revoking the current measures would significantly improve the plight of upstream importers and distributors. They will have more choices of tyres, and thus the structure of the UK tyre market will be optimized and improved to create a more competitive environment. For UK downstream vehicle manufacturers, fleets and consumers, they could have a more comprehensive choice range and quantity of tyres and could purchase at a lower price.

To sum up, the revocation of existing anti-dumping measures can benefit importers, distributors, fleets and consumers in the UK and can therefore benefit the UK economy in general.

Appendix reference:
Appendix 6
Appendix 7

5. If you have any other information which may help us with this review, please provide it below.

Answer: CRIA affirms and emphasises that:

1. The UK transitional review is non-compliant under the WTO. As a member of the WTO, the UK cannot decide by itself to continue applying EU AD/CVD measures after Brexit domestically, without a substantial investigation to the UK industry or the market. For example, the measures currently applicable in the UK are based on the existing trade remedy measures in the EU, and the determination of dumping, injury, causation and public interest is met by examining the impact of imported products on the EU market as a whole, rather than on the UK market. Directly shifting the measures from the EU to the UK does not meet the requirements implied in the definition of dumping under the WTO.

2. The EU AD/CVD measures have been annulled completely, TRA lacks the basis to initiate a transition review. In 2022, the General Court of the European Union decided that the anti-dumping and anti-subsidy measures should be annulled in their entirety (paragraph 207 of the judgment in EU cases T-30/19 and T-72/19). The basis for the initiation of this transition review therefore does not exist.

Appendix reference: N/A

6. If you have any other information which may be helpful to this investigation, please provide it below. These comments may include, but need not be limited to:

- Whether a Particular Market Situation (PMS) exists in the PRC that affects the goods concerned

Answer: CRIA notes that Regulation 7(4) of the Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019 specifies the scope of Particular Market Situation (PMS):

Regulation 7(4). A “particular market situation” includes situations where—

- (a) prices are artificially low;
- (b) there is significant barter trade;
- (c) prices reflect non-commercial factors.

With respect to the above clauses, CRIA believes that **none of these three scenarios exist in either the TBR market or the upstream market based on:**

- 1) Pricing for all TBR tyres is negotiated by sellers and customers in market conditions. There is no existence of “artificially low prices.
- 2) there is also no barter trade.
- 3) There is also no existence of “non-commercial factors”. The Chinese government is not involved in pricing processes.

At the same time, CRIA understands that there are very few state-owned enterprises in the TBR industry and its upstream raw material supply chain.

However, even if PMS were to exist, it is evident from the provisions that the mere presence of a PMS is insufficient for disregarding domestic sales. TRA must conduct an investigation to see whether the existence of PMS result in incomparability between export prices and domestic prices.

In other words, after identifying a PMS, TRA shall first determine if the PMS inhibits a proper comparison between the domestic sales and the export sales of like goods from the exporting country. **In such instances, TRA shall then apply the “non-comparable price” as defined in Regulation 8(1). This involves the construction of a normal value based on either:**

- (a) the company’s own costs of production plus a reasonable amount for administrative, selling and general costs and for profits; or
- (b) the price of the like goods when exported to an appropriate third country or territory provided that price is representative (see regulation 10).

Only in very exceptional cases where the situation meets the criteria of Regulation 14, can TRA depart from a company’s own book and records and opt for an appropriate third country comparison. This refers to the situation described in Regulation 14(1), where the exporting countries or territories—

- (a) that are not members of the WTO;
- (b) that are members of the WTO but the terms of their membership contain specific provisions regarding the determination of the normal value; or
- (c) where there is a complete or substantially complete monopoly of its trade and where all or substantially all domestic prices are fixed by the government.

CRIA is confident that China does not fall into any of these scenarios. Moreover, CRIA notes that this provision imposes more stringent requirements than PMS. Therefore, the mere presence of a PMS does not inherently validate the use of an analogous methodology.

In summary, CRIA emphasises that:

- (1) PMS does not exist in the Chinese market;**
- (2) Even if PMS were to exist, it does not constitute a direct reason for the TRA to disregard the domestic sales;**
- (3) In any case, PMS itself is not a sufficient reason for the TRA to depart from a company's own book and records and find for an appropriate third country.**

Appendix reference: N/A

SECTION B: Next steps

Next steps

Please submit this questionnaire through the Trade Remedies Service (www.trade-remedies.service.gov.uk) by 24 August 2023.

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