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Trade Remedies Authority

☒ Non-Confidential

## Transition Review Subsidy Questionnaire for Contributors

### 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:	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](http://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 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 subsidised importation of Certain pneumatic tyres used for buses or lorries originating in the Peoples Republic of China and injury to the UK industry would be likely to continue or recur if the countervailing amount currently applicable were no longer applied to those goods.

### Why should I take part?

We are asking contributors and interested parties to complete this questionnaire to inform our review of whether the current countervailing measure should be maintained or revoked.

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 10 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](mailto: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](http://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. Please 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.
- 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).
- Identify all units of measurement and currencies used in tables, calculations and lists.
- 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 refer to the case number, TS0036, 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:	5th 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:	<a href="http://www.cria.org.cn/">http://www.cria.org.cn/</a>

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

Company registration number:	51100000500001077B
Place of registration:	Room 502, Unit B, 4th 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..."

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In light of the above, CRIA has interests in the review.
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Appendix reference: N/A
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## A2 Information about this review

1. Please provide any information about the goods subject to review / like goods 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. Do you think there would be injury to the UK industry if the existing countervailing 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 revoking the existing anti-subsidy measures, subsidization of TBRs will not likely occur, based on the following reasons:

**1. Chinese producers do not have excess capacity to sell to 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 31<sup>st</sup> 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 10<sup>th</sup> 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 anti-subsidy measure is revoked, subsidization will not recur.**

Appendix reference:

Appendix 4

Appendix 5

3. Please provide any information about the possible economic effects on the UK if the existing countervailing measure on the goods subject to review were no longer applied.

**Answer:** The CRIA considers that **revoking the existing countervailing 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 and anti-subsidy 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. The jurisprudence of the European Court of Justice on revoking the measures posing on Chinese TBRs in 2022 has led to the self-reflection of the EU on the negative influence on its economy. Take this as a guide, CRIA sincerely wish that TRA could consider and also realize that the imposition of import tariffs on TBRs from China will only lead to higher tire prices. 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-subsidy 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-subsidy 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

4. 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 and subsidization, 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 subsidy 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. The basis for the initiation of this transition review therefore does not exist.

## SECTION B: Subsidies

### B1 General

The subsidies being reviewed 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.

#### 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

+Add/remove additional rows as required.

## B2 Subsidies

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

**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 countervailability and injury is met by examining the impact of imported products on the EU market, 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 subsidy 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. The basis for the initiation of this transition review therefore does not exist.

**If the investigation were to continue, CRIA would like to emphasize that whether the above listed programs are existed and whether they are countervailable should be the focus of the investigation.**

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Appendix reference:

2. Please provide any information you feel relevant related to additional subsidies not listed above

<b>Answer:</b> n/a.
Appendix reference:

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## SECTION C: Next steps

### Next steps

Please submit this questionnaire through the Trade Remedies Service ([www.trade-remedies.service.gov.uk](http://www.trade-remedies.service.gov.uk)) by 10 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](#).