

Open Copy

Letter to TRA

XXXXX
XXXXX
XXXXX
XXXXX

June 2024

Dear Sir/Madam,

Re : Review No. TS 0038

Transition review of countervailing duties applying to electric bicycles originating in the People's Republic of China (PRC)

I am writing as a major importer of electric bicycles into the UK, to comment on the Statement of Essential Facts ('Statement') in the above-mentioned investigation. Our company imports annually into the UK a volume of about 15,000 - 25,000, with a total consumer value of £33m - £56m

We note and support the Statement findings that it is likely that

- 1) subsidization of the goods subject to review from the PRC would recur if the measure were no longer applied, and
- 2) injury would recur if the measure were no longer applied.

In this situation, the only remaining question (in order to conclude in favor of maintaining the existing measures) is whether "the application of the remedy is in the economic interest of the United Kingdom" ("the EIT").

The Statement's conclusion on this point is that "Overall we consider the negative impacts on the UK economy of imposing the measure to be disproportionate to the benefits of extending the measure."

In the attached analysis, we explain why

- 1) the EIT analysis is wrong, in particular the serious underestimation of the likely massive impact of the removal of the measure, and overestimation of the benefits of removing the measures, and
- 2) the conclusion of the EIT analysis should rather be that the negative impacts on the UK economy of imposing (actually, extending) the measure are not disproportionate to the benefits of extending the measure.

In other words, we believe that a correct application of that test would lead to the conclusion that it is in the best interests of the UK to extend the current measure.

Indeed, the UK would be making a major mistake to remove the existing measure simply on the basis of a relatively small percentage price consideration (with no out-of-pocket impact) for what is a higher-priced consumer item, while ignoring other considerations of equal importance

Open Copy

Letter to TRA

for consumers, as well as the dislocation and other harm the removal of the measure would bring about, not least to the livelihood of those making or importing the product in the UK, to further UK investments in e-bike production, and to the innovations and synergies with other precision manufacturing sectors in the UK.

We hope our voice will be heard and that the TRA will revise its final recommendation.

Of course, we remain at your disposition for any further information you may find useful.

Sincerely,

XXXXX

XXXXX

XXXXX