



21 December 2023

NON-CONFIDENTIAL

BEFORE THE TRADE REMEDIES AUTHORITY

In the Matter of Transition Review of an Anti-Dumping Measure Applying to Certain
Cast Iron Articles Originating in the People's Republic of China

TD0029

Comments on Statement of Essential Facts

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Comments on Statement of Essential Facts

Introduction

- [1] As mandated by Qingdao Everbright Machinery Co., Ltd. (“Everbright”) and Shandong Heshengda Machinery Technology Co., Ltd. (“Heshengda”), we hereby submit Everbright and Heshengda’s Comments on the Statement of Essential Facts in connection with transition review of an anti-dumping measure applying to certain Cast Iron Articles originating in the People’s Republic of China (“SEF”) published by the Trade Remedies Authority (“TRA”) on 27th November 2023. The deadline for comments of interested parties as fixed in the SEF is 21 December 2023.
- [2] These Everbright and Heshengda Comments address the issues of the SEF related to 1) the disclosure in the SEF is not sufficient and 2) the exporters/producers who cooperated in the review should be subject to a recalculated antidumping amount or at least be entitled to choose whether to vary the antidumping amount or not.

Comments on the SEF

1. The disclosure in the SEF is not sufficient

- [3] In SEF, TRA indicated that *“We therefore considered whether it was appropriate, pursuant to regulation 99A(2)(a)(i) of the Regulations, to recalculate the anti-dumping amounts. In doing so, we considered a number of factors including whether the existing measure was affecting the supply of CIA into the UK during the POI and injury period, and therefore potentially distorting any recalculation; whether a methodology for comparing circular to square/rectangular covers would result in a fair comparison in normal value calculations; whether the information available to the case team would allow recalculation of the residual rate; the benefits and difficulties of undertaking face-to-face verification, in particular the additional time required to plan and undertake a visit (following the COVID pandemic, travel to the PRC was not considered an option at the initiation of the review; however, as the review process progressed, the possibility of travelling to the PRC became an option, but not without significantly affecting the timely progression of the transition review process); and the challenges in*

verifying certain areas of data remotely. Taking all of the factors into consideration, it was considered not appropriate to recalculate the anti-dumping amounts.”

[4] However, Everbright and Heshengda failed to find any details of TRA’s analysis, such as the details of the factors considered by TRA, and the justification and reasons why the TRA considered not appropriate to recalculate the anti-dumping amount.

[5] According to Article 62 of The Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019, that before making a final affirmative or final negative determination for the purpose of paragraph 11(5) of Schedule 4 to the Act, the TRA must inform interested parties who have supplied information that has been considered by the TRA —

- (i) how it has used the information supplied by that party in making the intended final determination; and
- (ii) of the details of the TRA’s analysis forming the basis of the intended final determination.

[6] That is to say, the TRA should clarify the process of considering and analyzing a number of factors, the details of the factors and the process of reaching the determination, including the calculation of the each sampled company’s dumping margin, rather than simply indicate TRA has considered and then reached a conclusion without any detailed illustration.

[7] Therefore, Everbright and Heshengda respectfully request the TRA to disclosure more detailed information on which the TRA’s conclusion was based, in particular, the calculation of the dumping margin of Everbright.

2. Everbright and Heshengda should be subject to a recalculated antidumping amount or at least be entitled to choose whether to vary the antidumping amount

[8] In the previous cases, such as TD0017, TRA recommended to vary the application of the anti-dumping amount/countervailing amount but finally decided to maintain the amount on the ground that “*We were unable to calculate an accurate and representative Normal Value in the PRC for comparison with UK prices as we did not receive verifiable transactional data from a Chinese exporter.*” That is to say,

the antidumping amount could be recalculated and varied if there exist cooperative exporters/producers.

[9] Everbright would like to reiterate its comments on the verification report that they have acted to its best to cooperate the review and its data should be accepted. Furthermore, Everbright and Heshengda have provided all the required information for the purpose of recalculation of antidumping amount. Therefore, the information and data provided by Everbright and Heshengda should be accepted and used to recalculate the antidumping amount for the purpose of this review.

[10] Everbright and Heshengda listed its cooperation as follows.

- On 16 December 2022, Everbright submitted Response to Pre-Sampling Questionnaire (Exporter) and Heshengda submitted Response to Other Interested Party and Contributor Registration Form;
- On 6 March 2023, both Everbright and Heshengda submitted Questionnaire Response;
- On 31 March 2023, both Everbright and Heshengda submitted Response to TRA's deficiency notice;
- On 13 July 2023, both Everbright and Heshengda participated in the remote walkthrough of accounting system conducted by the TRA;
- On 31 July and 2 August 2023, both Everbright and Heshengda participated in the online verification conducted by the TRA;
- On 27 September 2023, Everbright submitted non-confidential version of the verification report and comments on the verification report;
- On 2 October 2023, Everbright submitted an updated non-confidential version of the verification report and further comments on the verification report.

[11] According to the SEF, the three sampled Chinese exporters/producers have fully cooperated the review by submitting questionnaire reply and accepting verification, and their data has been verified by the TRA. Also, the UK producers have also cooperated and their data has been verified. That is to say, TRA has sufficient and accurate data to recalculate the dumping margin and injury margin.

[12] Everbright and Heshengda noticed that only few exporters/producers participated or fully cooperated in other transition reviews resulting in that the TRA has no choice but to maintain the measure. The participation and cooperation of exporters/producers are of significant importance to the investigation initiated by the TRA. In order to encourage the participation and cooperation of exporters/producers, the exporters/producers who fully cooperated in the review should have different treatment from other exporters/producers who do not fully cooperate. That is to say, the cooperated sampled exporters/producers should enjoy the same treatment in the original investigation to be subject to a recalculated antidumping amount, or, at least be entitled to choose whether to vary their antidumping amount or not.

Conclusion

[13] In view of the above, Everbright and Heshengda respectfully request the TRA to:

- 1) disclose more detailed information concerning the calculation of dumping margin; and
- 2) grant the cooperated exporters/producers a recalculated antidumping amount or at least the right to choose whether to vary the antidumping amount or not.

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Submitted on behalf of Qingdao Everbright Machinery Co., Ltd. and Shandong Heshengda Machinery Technology Co., Ltd.:



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