



Trade Remedies
Authority

PROVISIONAL AFFIRMATIVE DETERMINATION

**Optical Fibre Cables imported into the United Kingdom from the
People's Republic of China**

**Provisional affirmative determination in a dumping investigation
and a recommendation to require a guarantee**

Investigation No. AD0021

Table of Contents

Section A: Introduction.....	3
Section B: Preliminary Findings	4
Section C: Next Steps	7
Section D: Background.....	8
Section E: The Goods and Like Goods	11
Section F: The UK Industry	14
Section G: Preliminary Findings on Dumping	16
Section H: Preliminary Findings on Injury	38
Section I: Economic Interest Test.....	59
Section J: Preliminary findings and recommendation of a guarantee	74
Annex A: Summary of information received from interested parties	77

Section A: Introduction

1. This provisional affirmative determination (PAD) and recommendation to require a guarantee is made pursuant to paragraphs 11(3) and 13(3)(a) and 13(8) of Schedule 4 to the Taxation (Cross-border Trade) Act 2018 (the Act).
2. The PAD has been made based on the evidence before the Trade Remedies Authority (TRA) in accordance with paragraph 11(3) of Schedule 4 to the Act.
3. This report includes:
 - a) summary of the facts considered during the investigation to date and an explanation of how the TRA has used the information supplied by interested parties in reaching its PAD and making a Recommendation.
 - b) details of the analysis forming the basis of the PAD and Recommendation.
4. It should be read in conjunction with other public documents available for this case on the public file.
5. This investigation covers single mode optical fibre cables (the goods concerned) imported from the People's Republic of China (PRC). A description of the goods subject to this PAD and recommendation (the goods) can be found in **The Goods and Like Goods**.

A1. Period of Investigation and Injury Period

6. The period of investigation (POI) is 01 January 2021 to 31 December 2021.
7. To assess injury, the TRA has chosen to examine the period from 01 January 2018 to 31 December 2021 as the injury period (IP).

Section B: Preliminary Findings

B1. Preliminary Determination

8. The TRA has determined, based on the evidence before it, in accordance with paragraph 11(1) of Schedule 4 to the Act, that the goods have been or are being dumped in the United Kingdom (UK) and the dumping of the goods has caused or is causing injury to a UK industry in those goods. As a result, the TRA has made a PAD in accordance with paragraph 11(3) of Schedule 4 to the Act.

B2. Recommended Guarantee

9. In line with paragraph 13(3) of Schedule 4 to the Act, the TRA recommends to the Secretary of State for Business and Trade (the Secretary of State) that all importers of the goods concerned should be required to give a guarantee in respect of any additional amount of import duty which would have been applicable, or potentially applicable, to the goods concerned if an anti-dumping amount had been applied to the relevant goods based on the PAD (an estimated anti-dumping amount).
10. This means that the importer who would be liable for the duty must provide a guarantee that they are able to pay the estimated anti-dumping amount if it becomes payable.
11. The TRA is satisfied that, in accordance with paragraph 13(4) of Schedule 4 to the Act, the guarantee is necessary to prevent injury being caused during the investigation to the UK industry of the like goods (defined in **Section Like Goods**), and that it meets the economic interest test.
12. In accordance with paragraph 14(1) of Schedule 4 to the Act we recommend that the guarantee should take the form of either a bank guarantee, a bond or cash. It is expected HM Revenue and Customs (HMRC) will administer the guarantee.

13. We recommend the following estimated anti-dumping amount in relation to the goods concerned stated in Table 1, which includes the non-sampled, cooperating exporters/producers.

Table 1: Estimated anti-dumping amount	
Overseas exporter/producer	Duty amount
SDG Group	31.5%
Suzhou Furukawa Power Optic Cable Co.,Ltd.	31.5%
Shanghai Wanbao Optical Technologies Co. Ltd	31.5%
Ningbo Geyida Cable Technology Co.,Ltd	31.5%
XDK Communication Equipment Huizhou Co., Ltd.	31.5%
Jiangsu Fasten Optical Cable Co., Ltd.	31.5%
Hengtong Optic-Electric co. Ltd.	31.5%
ZheJiang JinYuan WanBao Optical Fiber Co. Ltd.	31.5%
FibreHome Telecommunication Technologies Co Ltd	31.5%
All other overseas exporters (residual amount)	47.2%

Please see [Section D3.1. SDG Group](#) for further description of the SDG Group

14. We recommend that the guarantee should be calculated by applying the estimated anti-dumping amount as ad-valorem duties to the cost of insurance and freight (CIF) import value of the goods concerned.
15. If the TRA's recommendation to apply a guarantee is accepted, the Secretary of State will publish a Taxation Notice, in line with paragraph 15(5)(b) of Schedule 4 to the Act. This will give effect to the imposition of the guarantee. Affected importers will be notified that they need to set up the guarantee when first importing the goods concerned into the UK.
16. We recommend that the requirement to give a guarantee ends six months from the day after the date of the publication of the Taxation Notice, or when the definitive remedy is implemented, whichever is the sooner.

17. Further information in respect of the guarantee can be found in the Taxation Notice published by the Secretary of State for Business and Trade and further guidance on guarantees is available on [GOV.UK](https://www.gov.uk).

Section C: Next Steps

18. The purpose of publishing this report is to inform interested parties of how the decision to make a PAD and recommendation to require a guarantee were reached during the course of the investigation to date, the basis upon which the provisional dumping margins have been calculated (including a particular market situation (as specified in **Preliminary Findings on Dumping**)), and the basis on which the estimated anti-dumping amounts relevant to the recommended guarantee have been calculated.
19. Interested parties are invited to make submissions in response to this report. Any submissions received prior to the deadline for submission of comments on the Statement of Essential Facts (SEF) will be considered when reaching the Final Determination for this investigation. In line with the case timeline at the time of making the PAD, the SEF is to be published alongside the PAD. This is subject to the Secretary of State's acceptance of the recommendation to apply a guarantee, and there being no delays to the case timeline. Please refer to the [public file](#) for this investigation.
20. Submissions should be sent via our [Trade Remedies Service](#). Submissions should be accompanied by a [non-confidential version](#) which will be made available to other parties on the case's public file.

Section D: Background

D1. Initiation

21. On 11 March 2022 the TRA received an [application](#) lodged by Prysmian Cables & Systems Ltd (the Applicant), alleging that single mode optical fibre cables imported into the UK from the PRC are being dumped and are causing injury to the UK industry.
22. Additional UK producers/distributors of single mode optical fibres do not support this application. These include AFL Europe, Leviton Manufacturing UK Limited and TE Connectivity Ltd and they have not participated in the investigation.
23. The application is considered to be made by or on behalf of UK industry since the Applicant has a collective output which constitutes at least 25 per cent of the total production in the UK of the like goods and is not opposed by other UK producers of the like goods whose collective output is greater than or equal to that percentage.
24. The application contained evidence of dumping and of resulting injury that was sufficient to justify the initiation of the investigation. The case was initiated by the TRA on 26 April 2022, and the [Notice of Initiation](#) was published on that date.

D2. Participation in the investigation

25. The TRA invited interested parties to register in order to participate in the investigation.

D3. Overseas Exporters/Producers

26. A full list of all participating overseas exporters and producers can be seen in table 23 in Annex A. Due to the number of responses received during the registration period, the TRA has limited its examination of overseas exporters. The TRA published a notice of [proposed sample](#) on 20 June 2022.
27. The names of the overseas exporters selected to be within the sample at that time were:

- Yangtze Optical Fibre and Cable Joint Stock Limited Company (YOFC)
- ZTT Group (including Jiangsu Zhongtian Technology Co. Ltd & Zhongtian Power Optical Cable Co., Ltd)
- SDG Group (including Shenzhen SDG Information Co. Ltd & Shenzhen SDGI Optical Network Technologies Co., Ltd.)

D3.1. SDG Group

28. Shenzhen SDG Information Co., Ltd. (SDG) is an exporting producer of the goods concerned registered in the PRC.
29. Shenzhen SDGI Optical Network Technologies Co., Ltd., (SDGI) is an associated party of SDG (a subsidiary of which SDG holds 51% of the shares) and also acts as an exporting producer of the goods concerned.
30. For the purposes of the investigation all companies related SDG to will be collapsed into the 'SDG Group' with any subsequent tariff rate covering the overall SDG Group.

D3.2. Non-cooperative overseas exporters

31. As a result of the published sample notification, YOFC contacted the TRA on 28 June 2022 to state that they did not wish to respond to our request for information. The TRA, pursuant to regulation 49 of the Trade Remedies (Dumping and Subsidisation) Regulations 2019 (the Regulations), therefore deem YOFC to be a non-cooperative party with regard to the investigation.
32. Additionally, on the 27 July 2022, after initially requesting an extension to the deadline, ZTT informed the TRA that they also did not wish to respond to our request for information. The TRA therefore deem ZTT Group to be a non-cooperative party with regard to the investigation.

D4. Importers

33. During the registration period two importers of the relevant goods, Mayflex UK Limited (Mayflex) and BT Telecommunications plc (BT) registered their interest in the case and provided completed pre-sampling questionnaires.
34. Mayflex decided not to continue supporting the investigation through the Questionnaire submission stage and was notified on 14 October 2022 that they are deemed to be a non-cooperative party, since the TRA determined that they have not acted to the best of their ability to cooperate with the investigation due to their failure to respond to a reasonable request for information.
35. BT are a significant user of the relevant goods in the UK market and import the relevant goods through their logistics partners. BT's submitted questionnaire was deemed to be incomplete and could not be used within the investigation. The last correspondence the TRA had with BT was 16 September 2022 and they failed to respond to correspondence sent on 5 October 2022.

D5. Other Interested Parties

36. Other Interested Parties include:
 - Ministry of Commerce, PRC
 - China Chamber of Commerce for Import and Export of Machinery and Electronic Products (CCCME)
37. Annex A contains a summary of information received from interested parties.

D6. Verification of Data

38. This PAD and recommendation are based on information available to the TRA at the time of publication, and the TRA deems this information sufficient to reach a provisional determination and to make a recommendation.
39. Verification of sampled parties' information is ongoing to assess the completeness, relevance, and accuracy of their data. Any additional relevant information obtained

will be incorporated into the Statement of Essential Facts (SEF) and the TRA's final determination.

Section E: The Goods and Like Goods

E1. Legislative Framework

40. The TRA refers to the goods we are investigating as the 'goods concerned' as per regulation 2 of the Regulations.
41. In accordance with paragraph 13(2) of Schedule 4 to the Act, the goods concerned which are the subject of this PAD and recommendation are referred as the 'relevant goods'. Since the goods subject to this PAD and recommendation are the same goods as defined in Section E2, this PAD and Recommendation will hereafter only refer to the 'goods concerned'.
42. In accordance with paragraph 7 of Schedule 4 to the Act for the purposes of the PAD and recommendation, the TRA refers to 'like goods' as those which are like the goods concerned in all respects or have characteristics which closely resemble them and are produced by the UK Industry.

E2. The Goods Concerned

43. The investigation is in respect of single mode optical fibre cables from the PRC, described as:

Single mode optical fibre cables, made up of one or more individually sheathed fibres, with protective casing, whether or not containing electric conductors; excluding cables in which all the optical fibres are individually fitted with operational connectors at one or both extremities and plastic insulated cables for submarine use containing a copper or aluminium conductor in which fibres are contained in metal module(s).
44. Optical fibre cables (OFC) are made up of optical fibres; fibre module(s); a construction core; cable jacket(s) and reinforcements not in the cable jacket. Types of optical fibre used are typically G.652 (D) and G.657 (A1 / A2). Reinforcements

can include aramid yarn, polyester or coated steel wires. Polymers such as polyethylene can form the basis for the cable jacket. Other inputs include coating materials and energy.

45. OFC are used for data transmission, namely in:

- 1) outdoor applications, which include underground cables (loose tube, flexible tube and ribbon) and aerial cables (Optical Power Ground Wire, and All Dielectric Self Supporting) and
- 2) indoor applications (riser cables and drop cables).

46. These optical fibre cables are currently classified within the following commodity code: 8544700010

E3. Like Goods

47. The like goods produced by UK industry are optical fibre cables that have the same general construction as the goods concerned. They are also used for the same applications named in **section E2. The Goods Concerned**

48. In identifying like goods, the TRA has considered:

- physical likeness, such as physical characteristics;
- commercial likeness, including competition and distribution channels;
- functional likeness, such as end-use or interchangeability;
- similarities in production, such as method and inputs;
- other relevant characteristics.

49. Optical fibre cables comply with customer technical specifications often stipulated within the tenders and must meet the relevant international standards established for this product sector. These standards are set by The International Telecommunication Union (ITU), the specialised agency of the United Nations that is responsible for issues pertaining to information and communication technologies and assists in the development and coordination of technical standards. Therefore,

the TRA has determined that the goods concerned, and the like goods are comparable.

E4. Product Control Numbers

50. The TRA use product control numbers (PCNs) to match exported goods with identical or mostly comparable domestically sold goods.

51. PCNs are created on the basis of the main physical characteristics differentiating the goods, providing that the characteristics have an impact on price.

52. The PCN structure used in this case can be seen in Table 2:

Table 2: PCN structure		
Description	Value	Comments
Type of single mode optical fibre in the cable	A	Type G.652D
	B	Type G.657 A1
	C	Type G.657 A2
	D	Type G.654
	E	Other types of single mode optical fibre
Number of fibres in the cable	NNNNN	An optical fibre cable with 48 fibres would be marked as 00048
First (innermost) cable jacket	A	polyethylene (PE) + embedded radial strength member (RSM)
	B	polyethylene (PE) sheath
	C	Halogen Free Flame Retardant (HFFR)
	D	Other type of jacket

53. No comments on the PCN structure were received from interested parties.

54. In our calculations, we used the methodology of conducting a PCN-by-PCN margin calculation. PCN-by-PCN calculations were possible for PCNs that were both sold in the UK as domestically produced like goods and exported from PRC to the UK as the goods concerned. We determined that the PCNs included in our calculations were sufficiently representative to proceed with this methodology.

Section F: The UK Industry

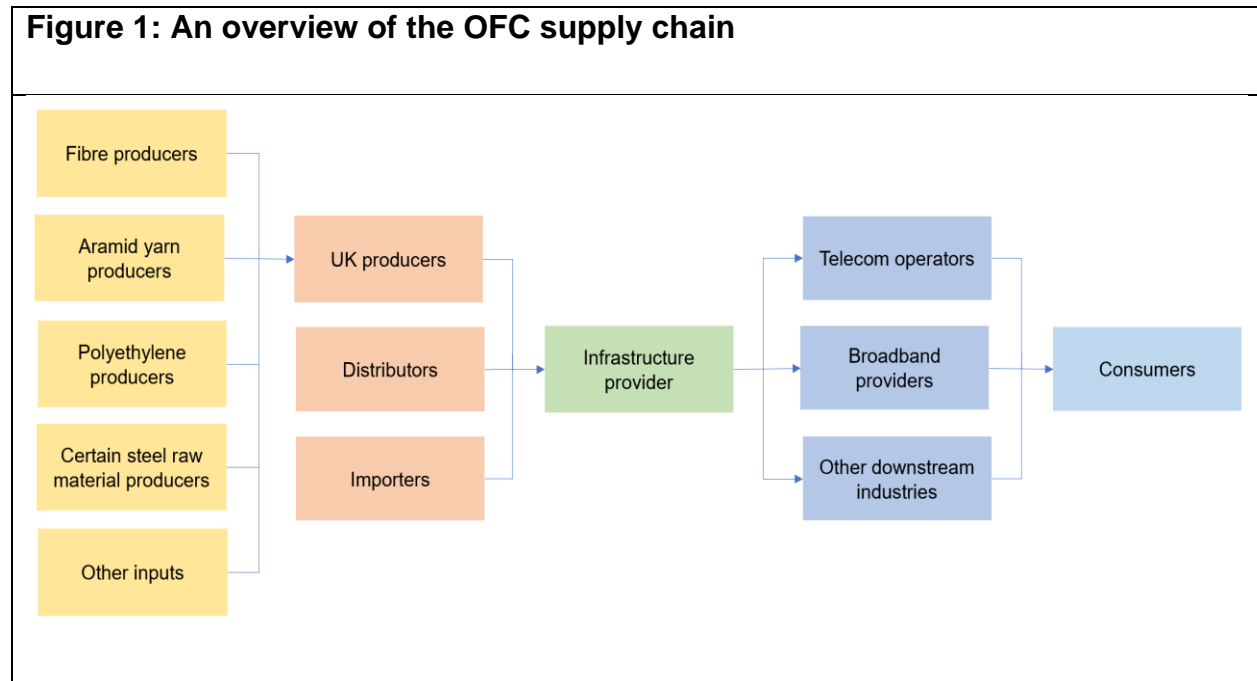
F1. Overview

55. In accordance with paragraph 6 of Schedule 4 of the Act, the UK industry is defined as all the producers in the UK of like goods or those of them whose collective output of like goods constitutes a major proportion of the total production of those goods in the UK. For the purpose of this investigation, we have defined the applicant as the 'UK industry'. When referring to the UK producers including all other known UK producers, we use 'UK total production' or 'all UK producers'.

F2. Scope of the UK Industry

56. The applicant's volume of production is estimated to be much larger than the estimated production quantities for the other identified UK producers (AFL Europe, Leviton Manufacturing UK Limited and TE Connectivity) during the period of investigation. It is estimated that the applicant's production accounted for more than 50% of the overall UK production in 2021. Estimated production per facility was provided by CRU International Limited (CRU). CRU provides business intelligence on the world and UK optical fibre market and is recognised as a reliable data source within the OFC industry. The underlying data is part of a subscription and has therefore not been disclosed due to confidentiality.
57. The applicant therefore meets the definition of "UK industry" under paragraph 6(1)(b) of Schedule 4 of the Act and will therefore be treated accordingly for the purposes of this investigation.

F3. Supply Chain



58. Figure 1. illustrates the supply chain for OFCs in the UK. This is a simplified version of a complex supply chain, due to some businesses falling into more than one category. For example, the UK producers also import and distribute OFC. Importers can also act as distributors, and some telecom operators also import OFC.

59. As discussed previously, there are four known domestic producers of OFC in the UK and several distributors and importers.

60. There are two main sales distribution channels for OFC. Most sales are made through the tender process, in which telecom operators purchase OFC. The available evidence suggests tenders are generally awarded based on price. The second sales channel involves distributors and installers in the general market, whereby OFC are purchased as needed or in relation to particular projects. Questionnaire responses suggest 70% of sales are through tenders and 30% of sales through distribution.

61. The OFC infrastructure needs to be installed and maintained as it is essential for downstream industries to provide services to final consumers. Although the

infrastructure provider usually operates separately whilst working closely with downstream users, in some case the downstream user industries install and maintain the infrastructure.

62. The main downstream user industries include telecommunications and broadband service providers, who use OFC to carry information as a service to final consumers. Other downstream uses of OFC include cable TV, underground cabling, aerial cables and power cables.
63. While OFC are not considered to be a consumer product, consumers purchase services that use them as an input, such as broadband.

Section G: Preliminary Findings on Dumping

64. As defined in paragraph 1(1) of Schedule 4 to the Act, goods are 'dumped' in the UK when goods are imported into the UK and their export price is less than their normal value.
65. The TRA has assessed whether the goods concerned are being dumped in accordance with paragraphs 1(1) and 8(1)(a) of Schedule 4 to the Act.
66. Paragraph 1(2) of Schedule 4 of the Act defines the 'normal value' of goods as:
 - a) the comparable price, in the ordinary course of trade, for Like Goods when destined for consumption in the exporting foreign country or territory, or
 - b) such other price or value as may be determined in accordance with provision made by regulations for specified cases where it is not appropriate to use the price in paragraph (a)
 - c) The dumping margin is the difference between the export price and the normal value of the goods being dumped, described as a percentage of the export price at a level of the cost of insurance and freight (CIF).
67. The TRA has calculated dumping margins in accordance with paragraph 2 of Schedule 4 to the Act and regulation 6(2) of the Regulations. In our preliminary determination, calculating the dumping margin involved the following stages:

- calculating the normal value of the goods concerned;
- determining the export price;
- ensuring a fair comparison between the normal value and the export price;
- calculating the dumping margins.

G1. Normal value

68. In accordance with regulation 6(1) of the Regulations, Part 2 of the Regulations applies where the TRA is required to determine whether goods have been or are being dumped into the UK in accordance with paragraph 1 of Schedule 4 to the Act. To make such a determination the TRA must determine the normal value of the goods concerned in accordance with regulation 6(2)(a) of the Regulations.
69. In accordance with regulation 7(1) of the Regulations, the TRA must use the comparable price to determine the normal value unless it is not appropriate to use that price.
70. Regulation 7(2) of the Regulations sets out the circumstances in which it is not appropriate to use the comparable price to determine the normal value of the goods concerned. This includes where, because of a particular market situation or the low volume of sales in the domestic market of the exporting country or territory, such sales do not permit a proper comparison between the like goods destined for consumption in the exporting country or territory and the goods concerned.
71. Regulation 7(4) of the Regulations sets out that for the purposes of paragraph 7(2)(b) a particular market situation (PMS) includes situations where prices are artificially low, there is significant barter trade, or prices reflect non-commercial factors.
72. The Applicant made allegations of a PMS in the OFC domestic market in the PRC, on the basis that prices reflect non-commercial factors arising from the price of inputs. The TRA investigated these allegations to determine if a PMS exists in the PRC optical fibre cable market and whether this prevents a proper comparison. The TRA's detailed assessment of each specific input can be seen in **Section G2: Particular Market Situation**.

73. Following these assessments, we conclude that a PMS exists in the PRC domestic market for OFC and reflects the price of optical fibre input and loan interest expenses, as the prices are set artificially low.
74. The TRA considered whether the PMS in the PRC OFC market prevents a proper comparison between the like goods in the PRC and the goods concerned (i.e., OFC imported into the UK from the PRC).
75. The TRA determine that the prevailing conditions of competition are different between the UK OFC market (the PRC export market) and the PRC domestic OFC market, because of the PMS which is reflected in the factors mentioned in paragraph 73. This prevents a proper comparison due to the domestic prices not being reflective of market conditions, while the export prices are affected by the market conditions within the UK.
76. The differing conditions of each market are highlighted via the import and export levels of each country. In the UK market there is a relatively large amount of competition through imports, conservatively estimated at around 50% of the UK market during the POI. This was calculated using the Commodity Research Unit's (CRU) 'Telecom Cables Market Outlook 2021' report, together with HMRC import data.
77. The PRC market, by contrast, exports well over 100% more goods traded under the harmonised system (HS)8 code, than it imports, supported by the fact that the PRC is the world's largest producer of OFCs, consistently above 50% of global output. The HS is a standardised numerical method of classifying traded products.
78. OFC producers in the PRC appear to consistently make more product than is demanded in their domestic market. When factored in with the subsidy programs (as mentioned in Section G.2.) that are available to PRC OFC producers that result in lower prices, there is little incentive for companies or government authorities to import OFCs into the PRC.
79. Any competition that is present within the PRC market benefits from access to the artificially low-priced inputs as well as the other subsidies and non-commercial

factors that are present. Competition within the PRC is different to that which is present in the UK OFC market in which the goods concerned are competing, with the PRC domestic market not responding to the same market forces. Prices in the PRC are not driven solely by consumer demand, but also by government industrial strategy and economic plans which give different incentives to those operating in the market (as mentioned in Section G.2.) This leads to excess of production over and above the PRC domestic needs in OFC.

80. Since almost all the OFC supply in the PRC is domestic and producers have access to many of the same (or equivalent) artificially low-priced inputs (as mentioned in G.2.7. Raw material costs) and subsidies (as mentioned in Section G.2.), there is less scope to make a profit when competing against other domestic suppliers. When competing internationally, these reduced prices allow PRC producers to gain market share abroad, before then selling at levels that allow them to make profit through the reduced cost of production in their domestic market.
81. The TRA concluded that the export price and comparable price are driven by different considerations which means it is not possible to conduct a proper comparison.
82. Where it is not appropriate to use the comparable price the TRA must determine the normal value of the goods in accordance with regulation 8 of the Regulations.
83. The TRA calculated the normal value of the goods concerned by determining the costs of production plus a reasonable amount for administrative selling and general (AS&G) costs and profit in accordance with regulation 8(1)(a) of the Regulations. Full details can be seen in **Section G3. Constructed Normal Value.**

G2. Particular market situation

84. As set out in paragraph 61 the applicant made allegations of a PMS and evidence was provided to support these allegations.
85. The allegations were in relation to;
 - Government support;

- State influence and control;
- Land;
- Bank loans;
- Energy cost;
- Labour cost and policy;
- Raw material cost.

86. PMS questions were included in the questionnaires to overseas exporters in the PRC. The TRA invited the Government of the PRC (GOC) to respond to a questionnaire concerning the alleged existence of non-commercial factors affecting the OFC market in the PRC. No response to the questionnaire was received prior to the deadline passing.

87. The TRA investigated the allegations to assess the validity of the claims and determine whether the overseas exporters' prices are artificially low and cause a PMS in the PRC domestic OFC market to the extent that they do not permit a proper comparison.

G2.1. Government support

88. There is significant evidence that the GOC provides direct forms of government support to producers of OFCs in the forms of grants and other subsidies such as low interest loans and reduced taxation rates. These are detailed both in the financial reports of OFC companies in the PRC, as well as legislation that underpins various grant programmes.

89. There are various GOC plans and industrial strategies that provide the political basis for these support programs. Although these are generally phrased in terms of aims and ambitions for the GOC rather than explicit actions, they form the basis for government support in the PRC.

90. The applicant has referred to the [European Commission \(EC\) Working Document on Significant Distortions in the Chinese Economy \(EC Working Document\)](#) to

support these assertions. As detailed on page 18, these plans and industrial strategies function as performance benchmarks for lower-level regional authorities. These authorities are required to spend the budget they receive from the GOC in a way that best achieves these outcomes.

91. The GOC 2013 [Broadband China Strategy](#) says that by 2020 “[t]he penetration rate of fixed broadband households [will reach] 70%, the penetration rate of 3G/LTE users [will reach] 85%, and the ratio of broadband access to administrative villages [will exceed] 98%.” This would guide regional authorities to invest their budget to meet those goals and would inevitably involve funds being transferred to producers of OFCs. Government support in this form can cause the market to reflect non-commercial factors by increasing the domestic supply beyond that demanded by the market, lowering the normal value and encouraging export.
92. As stated within in page 18 of [the EC Working Document](#), the PRC has over 750,000 distinct regional divisions of various levels, all of whom have the power to issue subsidies and other support programs on an ad hoc basis as they see fit to meet the targets outlined in the industrial and other political plans.
93. The TRA has found that OFCs are listed in numerous catalogues issued by the GOC including the [Catalogue of Industries for Foreign Investment Guidance 2017](#) and the [Catalogue of Guidance for Industrial Structure Adjustment Guidance 2019](#). This status is relevant to OFC producers receiving some state support.
94. The TRA has determined that there is evidence that OFC companies within the PRC received substantial state support and this evidence is explained in more detail in the sections below.

G2.2. State influence and control

95. The TRA found evidence that the GOC has a controlling stake in a sampled overseas exporter within the PRC. [The website](#) (accessed on 02/02/2023) of the overseas exporter, states that they are “a state-controlled high-tech enterprise”. Their 2020 financial statements also note that the “Supervision of State-owned Assets of Shenzhen Municipal People’s Government” is the actual ultimate

controller of the company. There is also at least one leading PRC politician and a senior member of the GOC either holding a director position or being a member of the board. The TRA determined that the GOC would have influence and control over company decisions.

96. Additional evidence of the state influence in the PRC OFC sector comes from market analysis provided by CRU's 'Telecom Cables Market Outlook 2021'. CRU provides business intelligence on the world and UK optical fibre market and is recognised as a reliable data source within the OFC industry. This market analysis was provided to us by the Applicant.
97. The CRU market analysis shows three State Owned Enterprise (SOE) buyers make up around 85% of the OFC demand in the PRC market. This suggests that the GOC has indirect control over domestic OFC producers, even those who are not themselves SOEs.
98. Government influence and control over company decision making could lead to prices reflecting non-commercial factors, including, but not limited to:
 - Price setting by the government directly via SOEs.
 - Price setting by the government indirectly through the de facto monopsony on purchases of OFCs.
 - Goods produced being dictated by industrial strategy or international trade considerations rather than the market (e.g., producing an unprofitable product in order to gain market dominance overseas), resulting in artificially low pricing or which reflect non-commercial factors.
99. Despite evidence to suggest that there is significant state influence and control in the PRC OFC market, it has not been possible for the TRA to assess the impact of government control and influence over company decision making against the cost of production or the final price of OFCs. As it is not possible to assess the impact the TRA has not made an adjustment for this factor. Specific individual factors are examined in more detail below.

G2.3. Provision of land

100. Under the provisions set out in article 2 of the GOC's 2019 [Land Administration Law](#), it states that the PRC "implements socialist public ownership of land, that is, ownership by the whole people and collective ownership by the working masses." In practice this would mean that land is not owned by a private citizen or company within the PRC, and instead land is leased by local authorities to the users of that land for a fixed term.
101. The system would lead to land prices and rent rates that are artificially low if the practice is not a relatively open process that any interested parties would be able to access and participate in. There is evidence that this practice is not an open process, such as the [EC investigation into imports of certain organic coated steel products originating in the PRC](#), where it was found that in some cases leases were agreed without any bidding process at all.
102. The process can be dictated by the local government's economic and industrial planning. As article 5 of the 2007 '[Order of the Ministry of Land and Resources of the People's Republic of China](#)' states, "The land and resources administrative department of the people's government of the city or county shall, in accordance with the economic and social development plan, industrial policy, overall land use plan, annual land use plan, urban planning and land market conditions, formulate an annual plan for the assignment of state-owned construction land use rights, and report it to the same level."
103. There is a high potential for the market to reflect non-commercial factors, as market conditions are not the only factor considered in the allocation of land use rights.
104. Although there is evidence that the land market in the PRC reflects non-commercial factors, further work will be conducted by the TRA within this investigation, to establish if it affects the production costs of OFC in the PRC.

G2.4. Provision of bank loans

105. The TRA has found evidence of the predominance of state-owned banks within the PRC, and in particular the existence of the Export-Import Bank of China, which provides loans to support the export of goods produced in the PRC, including OFCs. This area has been researched and presented by the Applicant through the [EC Working Document](#).
106. As discussed on pages 115-117 of the [EC Working document](#), it is apparent that the GOC has a controlling stake in most of the large PRC banks, giving them the ability to dictate the investment practices of these institutions and reflect non-commercial factors on the market.
107. The TRA has further researched this area and found that where a bank is not wholly state owned it is typically a joint-stock enterprise where the government holds a significant number of shares, as shown in [the list of China's systemically important banks 2022](#) or [the reference to the four biggest Chinese banks](#).
108. The PRC's [General Rules on Loans](#) 1996 gives local authorities the legal right to support preferential loans for preferred industries. Article 15 states that “[i]n accordance with the State’s policy, relevant departments may subsidise interests on loans, with a view to promoting the growth of certain industries and economic development in some areas.” Similarly, article 12(5) of the PRC's [Regulations on the Administration of Corporate Bonds \(January 2011\)](#), states that all funds raised must be “in line with the national industrial policy,” indicating that they are not issued according to market demand.
109. As discussed in articles published by the South China Morning Post in 2020-2021 on [reform](#) and [bond defaults](#), the credit rating system in the PRC also appears to be reflecting non-commercial factors, offering far lower credit ratings than would be found elsewhere. For instance, at the end of 2020, 98.49% of PRC bonds were rated as AA or higher compared to only 6% in the US. This allows OFC companies based in the PRC to receive better rates than they would otherwise. One reason for this much higher average rating may be the relatively high number of credit rating

agencies, which stood at 13 at the end of the POI. As pointed out in the [EC Working Document](#), page 128, this allows borrowers “to choose whichever rating agency can give them a higher rating.”

110. Additionally, the [EC Working Document](#) states that risk is perceived differently within the PRC, particularly with SOEs, where the risk of default has been historically viewed as essentially non-existent. [Recent high-profile SOE defaults](#) have brought this assumption into question and prompted reform, however the fact reform was still required at the end of the POI suggests that it was still an issue throughout the period.
111. The SDG Group commented against the claim that the loan market reflects non-commercial factors. The SDG Group state that government policies only operate as recommendations, and that banks still have to evaluate a company on an individual basis. Submissions from members of the SDG Group state that it did not have any knowledge that the rates they were negotiating may have been influenced by non-market forces.
112. Both comments made by the SDG Group do not offer any counter to the suggestion that the market generally reflects non-commercial factors.
113. The TRA determined that there is sufficient evidence of non-commercial factors in the provision of loans that has meant the cost of loans associated with the PRC domestic OFC market are artificially low. To establish the effect the cost of loans had on the price of OFC, the TRA conducted a price comparison of the SDG Group’s loan costs against an international benchmark for loan costs. For further detail see **Section G5. PMS Adjustment**.

G2.5. Energy costs

114. The GOC policy documents that the TRA examined that are mentioned in paragraphs 115 -117, suggest an intention to introduce liberalising market reforms within the PRC energy sector. Although this suggests that the market is less reflective of non-commercial factors, this indicates that the PRC energy market may

currently offer artificially low prices, or at least potentially reflect non-commercial factors at the time these policy documents were written and within the POI.

115. The GOC, in [Several Opinions of the Central Committee of the Communist Party of China and the State Council on Further Deepening the Reform of the Power System \(Zhong Fa \[2015\] No. 9\)](#) during 2015 described its domestic energy market in the following terms, “[T]he price relationship has not been straightened out, and the market-based pricing mechanism has not been fully formed. The current electricity price management is still dominated by government pricing, and electricity price adjustment often lags behind cost changes, making it difficult to timely and reasonably reflect electricity costs, market supply and demand, resource scarcity and environmental protection expenditures”.
116. More recent policy documents such as [the Circular of the National Development and Reform Commission and the National Energy Administration on Actively Promoting the Market-Oriented Power Transactions and Further Improving the Trading Mechanism \(Fa Gai Yun Xing \[2018\] No. 1027\)](#), suggest that in situations where energy user and provider are unable to reach agreement “the user price is temporarily determined according to the local catalogue electricity price standard,” confirming that some market controls may still exist. The TRA are unable to determine whether this particular situation is an exception or the rule. Similarly, although a report titled [a Notice on Fully Liberalizing the Electricity Generation and Consumption Plan for Commercially Operational Users \(National Development and Reform Commission \[2019\] No. 1105\)](#), from 2019 is written in a way that makes it clear that market reforms are still on-going, all the reforms listed are pro-liberalisation.
117. The policy document a [Circular of the National Development and Reform Commission on Reducing Electricity Cost of Enterprises to Supporting Restoration of Work and Production Development and Reform Price \[2020\] No. 258 \(EN\)](#), sighted during the 2020 COVID pandemic stated that, ‘electricity users other than those in high energy-consuming industries’ could pay 95% of the original tariff. However, this does not indicate the presence of non-commercial factors in the OFC

market as it appears to be a temporary measure intended to help PRC companies deal with the economic impact of the pandemic, rather than indicative of a long-term policy shift to provide certain industries with reduced energy costs.

118. Evidence provided during the investigation indicates, at least in certain circumstances, free market conditions should (or are encouraged to) prevail within the energy sector of the PRC. However, there is decisive publicly available information that confirms that energy prices in the PRC reflected non-commercial factors during the POI.
119. The World Trade Organisation (WTO) published its [Trade Policy Review](#) of the PRC in September 2021. This WTO report sets out the products or services that were subject to price controls by the central Government in 2021. This includes electricity transmission and distribution.
120. Price control can either be in the form of “government-set prices” or “government guided prices”. This causes artificially low prices caused by non-commercial factors.
121. The products or services subject to price controls are also available on the PRC’s Central Government Pricing Catalogue. The relevant authority is the Department of Pricing, which sits within the National Development and Reform Commission (NDRC).
122. The TRA considers there is enough evidence to suggest energy prices are subject to non-commercial factors and will conduct a comparison of the overseas exporter’s energy costs against an international benchmark. The work will establish if there is a price difference.

G2.6. Labour cost and policy

123. There appears to be two factors that could contribute to the artificially low cost in the PRC labour market which are, the laws on household registration known as the *hukou* system and the laws on unionisation. Both of these areas have been researched and presented by the Applicant in the [EC Working Document](#).

124. As stated in [Hayward, J. \(2022\). 'Reorganising Chinese Labour: The Establishment of the Household Responsibility System', in C. Sorace, & I. Franceschini \(Eds.\), Proletarian China: A Century of Chinese Labour \(Verso: London\), p. 295](#), the *hukou* registration system, or Regulations on Household Registration of the PRC (1958), historically arose as part of the PRC's system of collective work units, which separated the population into agricultural and non-agricultural workers in an attempt to enable the country to become self-sufficient.
125. This system was reformed in 2020, as detailed in the ['New-type urbanization construction and urban-rural integration development in 2020 \(Development and reform planning\)' notice](#). Under the reformed system city authorities are urged "to abolish restrictions on settlement of key groups of people such as the agricultural transfer population who have been living in the city for more than 5 years and moving their families." However, as stated it only forms a recommendation, and explicitly excludes the largest cities, like Shenzhen where SDG is located. For these cities the rural population should only be settled "as much as possible."
126. Even with recent reforms, the same structure still applies. Restricted movement for rural workers will artificially create a pool of underprivileged labourers who are willing to work for less than their urban counterparts. Although there does not appear to be any publicly available research after the 2020 reforms, reports such as that from the [Hong Kong University of Science and Technology](#) and [the China Development Research Foundation](#) from 2013-2015 suggest that the pay differential between agricultural and non-agricultural *hukou* registrations for public and non-public workers is between 5-13%.
127. The laws on unionisation also indicate that the labour market reflects non-commercial factors. There are many limitations to the theoretical guarantee of the free association of workers within the PRC. On a national scale, [Article 33 of the CCP constitution](#) states that unions within non-public sector entities shall be controlled by CCP organisations in order to implement government policy.
128. SDG responded to each of these claims in their questionnaire response. They suggest that the *hukou* system does not in fact reflect non-commercial factors in the

labour market since “the Company is free to hire anyone with any *hukou*” and the government does not get a say in this. However, the TRA has determined that the impact of the *hukou* system is external to the hiring practices of any given company. Having a two-tier system of citizenship where certain workers can only reside in the wealthier urban areas on a temporary basis conditional on them working, creates a pool of cheap labour, since the only alternative to accepting such wages would be a return to the deprived rural areas.

129. SDG also suggest that their workers have the right to participate in labour unions, and that they are able to “stage activities independently in accordance with law”. However, as shown above, the constitution itself states that labour unions are to be overseen by CCP organisations, and so would not appear to be independent. There is also no longer an official recognition of the right to strike, which was removed in 1982, according to [the ITUC Global Rights Index](#) which removes a key element of workers collective bargaining power on wages.
130. Taking all of these elements into consideration, the TRA considers that there is sufficient evidence to suggest that labour costs within the PRC domestic OFC market is subject to non-commercial factors and conducted a price comparison against an international benchmark.
131. The international benchmark came from [Turkstat](#), which gives data for the average monthly cost of labour for two-digit NACE codes for the year 2020.
132. Due to the data being available for 2020 only, an adjustment was applied to the figure based on a separate [report](#) by Turkstat that reports a 32.3% annual increase in hourly labour cost over the POI.
133. Although there is evidence that the labour market within the PRC reflects non-commercial factors, the cooperating overseas exporter’s data did not appear to be artificially low in comparison to our chosen benchmark.

G2.7. Raw material cost

134. A series of policy and guidance documents issued by the Zhejiang regional authority (where a number of optical fibre manufacturing facilities are located) focus on supporting manufacturing industries, especially the production of optical fibre that is the central input of OFC production.
135. The [‘Implementation Plan for the Transformation and Upgrading of Chemical Fibre Manufacturing Industry \(2017-2020\)’](#), suggests that the government should “[s]elect high-tech fibre R&D and manufacturing enterprises with strong technological innovation capabilities... [and] carry out targeted cultivation [of these firms].” As with state influence, these government plans form the basis of subsidy distribution within the PRC, and so should be taken to indicate a reflection of non-commercial factors as stated on page 18 of the [EC Working Document](#).
136. The PRC has over 750,000 distinct regional divisions of various levels, all of whom have the power to issue subsidies and other support programs on an ad hoc basis. In the case of the SDG Group, it appears that the Group purchase from local companies based in Shenzhen. A similar plan can be found published by the Shenzhen government in 2002, which is titled, [‘Shenzhen Municipal People’s Government on the issuance of the Shenzhen industrial restructuring implementation plan notice’](#). In this plan they explicitly list “optical fiber communication systems” as a “key product encouraged to develop.”
137. Although the implementation plan was stated to apply up to 2020 just before the POI began, the TRA have been presented with no evidence that this policy has been superseded and can find no evidence that it has been. The plans such as [‘Made in China 2025’](#) and the [‘Internet Plus’](#) strategy would indicate that the GOC will encourage regional authorities to support the production of the raw materials required to realise these plans until at least 2025.
138. There is evidence of such programmes applying nationally, in the form of elevated optical fibre inventories that existed in the period leading up to the POI. Although this is partially explained by the downturn in demand due to the COVID pandemic,

the extent of the excess of PRC production over domestic demand leading to these elevated inventories when compared to other countries, was likely made possible by the existence of such support, as producers did not have to respond to market demand in the same way.

139. The TRA determined that there is sufficient evidence of non-commercial factors on optical fibre costs in the PRC domestic OFC market. To establish the effect that this had on optical fibre costs, the TRA conducted a price comparison against an international benchmark. For further detail please see [Section G5. PMS Adjustment](#).

G3. Constructed Normal Value

140. As set out in **Section G1. Normal Value**, the TRA found that it is not appropriate to use the comparable price to determine the normal value of the goods concerned.
141. The TRA has determined the normal value of the goods in accordance with regulation 8(1)(a) of the Regulations, which sets out that the TRA must determine the costs of production of plus a reasonable amount for administrative, selling and general costs and for profits, as detailed in regulations 11 and 12 of the Regulations.
142. Regulation 11(2) of the Regulations sets out that where regulation 11(3) of the Regulations applies, the TRA will normally calculate the costs of production of the like goods on the basis of records kept by the overseas exporter.
143. Regulation 11(3) of the Regulations applies when the records of the overseas exporter are in accordance with Generally Accepted Accounting Principles (GAAP) in the PRC and reasonably reflect the costs associated with the production and sale of the like goods in the PRC. The TRA is still conducting verification of the SDG Group's submitted data and is not yet in a position to determine whether regulation 11(3) is met. Please see **Section D6. Verification of data**. The TRA consider the cost of optical fibre and loan expenses to reflect non-commercial factors due to the findings set out in **Sections G.2.4 and G.2.7**. above, therefore this is not a normal situation as described in Regulation 11(2).

144. As set out in regulation 11(6) of the Regulations the TRA has powers to make adjustments in accordance with regulation 13 of the Regulations in certain circumstances. The TRA has used the SDG Group's cost of production data and made an adjustment to cost of optical fibres as set out in **Section G4. PMS Adjustments**.
145. In accordance with regulation 12(1) of the Regulations the TRA must determine a reasonable amount for AS&G costs and for profits.
146. Regulation 12(2) of the Regulations sets out that where regulation 12(3) of the Regulations applies, the TRA must determine the AS&G costs on the basis of actual data submitted by the SDG Group pertaining to the production and sales of the like goods, in the ordinary course of trade in the PRC.
147. The TRA has determined the AS&G costs using the SDG Group's submitted actual AS&G data, with the exception of the loan interest costs, which reflect non-commercial factors. The TRA has made adjustments to the loan interest expenses in accordance with regulation 12(4) of the Regulations, as set out in **Section G4. PMS Adjustments**.

G4. PMS Adjustments

148. In accordance with regulations 11(6) and 12(4) of the Regulations, the TRA may make adjustments to costs of production or AS&G costs in accordance with regulation 13.
149. The TRA may make adjustments where paragraph 13(3) of the Regulation applies, and for the purpose of paragraph 13(2) of the Regulations.
150. In accordance with regulation 13(2) of the Regulations, the purpose of making adjustments is to calculate what the SDG Group's costs would be in the market in the PRC, if costs were substantially determined by market forces.
151. In accordance with regulation 13(3) of the Regulations, the TRA considers the optical fibre and loan interest costs to be unrepresentative because the costs reflect

non-commercial factors, and so do not reasonably reflect the costs in a market, if those costs were substantially determined by free market forces.

152. The TRA made an adjustment to the SDG Groups' optical fibre and loan interest costs, to bring them in line with a benchmark that reflects competitive market costs.
153. In making adjustments to these two inputs the TRA has had regard to corresponding costs in an appropriate representative country, in accordance with regulation 13(4)(a) of the Regulations.
154. Regulation 13(5) of the Regulations sets out what should be considered when selecting a representative third country or territory under regulation 13(4)(a) of the Regulations.
155. The TRA determined that the Republic of Türkiye is an appropriate representative country as it has a similar level of economic development to the PRC, in accordance with regulation 13(5)(b) of the Regulations. Both countries are classified as upper-middle income countries by the World Bank, and have a similar level of GDP per capita, life expectancy at birth, and literacy rate.
156. In addition, the Republic of Türkiye has production of the like goods and is a competitive market which is demonstrated by the high number of Turkish producers, and significant imports from third countries. The like goods in the PRC and the Republic of Türkiye are identical with respect to applications, physical, technical and chemical characteristics. OFCs are also required to meet international standards, as specified by the International Telecommunication Union and International Electrotechnical Commission.
157. As set out in **Section G2. Particular Market Situation** the TRA is continuing to investigate whether non-commercial factors in land and energy costs affect the cost to make, or the final price of the goods concerned.

G4.1. Optical Fibre Benchmark

158. To establish the benchmark cost of optical fibre, benchmark values have been created using Turkish import data for optical fibre, imported under HS10 Code

9001109091. [GTAS](#) and Turkstat were used for the cost benchmark information. The TRA has used the weighted average import value of optical fibre that entered Türkiye. For the purposes of creating a benchmark, imports from the PRC have not been included in this calculation. The TRA converted the import data recorded in kilograms to fibre kilometres, one of the industry standard measurements for OFCs in order to make a comparison possible.

159. The difference between the SDG Group's optical fibre costs and the benchmark was used to uplift the SDG Group's optical fibre costs.

G4.2. Loan Interest Expenses Benchmark

160. To calculate the difference between the PRC and the benchmark, an average of the 1-year and 5-year loan prime rates (LPR) presented by the PRC Foreign Exchange Trade System & National Interbank Funding Centre have been used for the PRC benchmark. The LPR presents the average rate that would be given to those companies with the highest credit rating. Given that in 2020 98.49% of PRC companies were rated AA or above, this rate is likely more representative of the general rates available for companies than it would be elsewhere.
161. To establish the benchmark of loan interest expenses, the overnight rate (ONR) presented by the Central Bank of the Republic of Türkiye was used. Although this is not an identical data set, the ONR is directly related to the LPR. The ONR refers to the rate at which banks lend to each other, and so sets the base line against which the LPR is set. In the case of the US, the LPR is generally 3% above the ONR, however, for the benchmark no adjustment will be made to the ONR in order to better approximate the LPR.
162. The difference between the loan interest expenses in the PRC and the benchmark was used to uplift the SDG Group's loan interest expenses.

G5. Reasonable Level of Profit

163. The TRA found that it could not reasonably determine a level of profit based on actual profit levels pertaining to the production and sales of the SDG Group during the POI.
164. The TRA determined that production and sales of the SDG Group were not made in the ordinary course of trade in accordance with regulation 12(2) of the Regulations.
165. The TRA determined a reasonable level of profit using any other reasonable method in accordance with regulation 12(3)(c) of the Regulations.
166. A profit level of 15% was used to mark up the costs of production and AS&G costs. A profit level of 15% is in line with historical data from the UK Industry and what the TRA believe is expected by the OFC industry under normal competition. A 15% level of profit is consistent with the level of profit used in calculating the Injury margins within this investigation.

G6. Export price

167. In accordance with regulation 15(1) of the Regulations, the export price is the price the goods concerned are sold for, or the agreed price at which they are to be sold, to either an importer in the UK or a third party outside of the UK for export to the UK.
168. The TRA found that the SDG Group export sales were all made to non-associated importers in the UK. We therefore used the export sales submitted by the SDG Group for the export price in accordance with regulation 15(1)(a) of the Regulations.

G7. Fair Comparison

169. To ensure a fair comparison, the normal value and export price need to be compared at the same level of trade; normally on an ex-factory level and in respect of sales made as near as possible the same time, in accordance with regulation 16(1) of the Regulations.

170. In accordance with regulation 16(2) of the Regulations the TRA may make adjustments for any differences which affect price comparability including differences relating to:

- a) conditions and terms of sale
- b) taxation
- c) levels of trade
- d) quantities
- e) physical adjustments

171. The SDG Group reported fair comparison adjustments to their sales data.

172. The TRA determined that the fair comparison adjustments made to the export price were necessary to bring the export price to an ex-factory level. The following fair comparison adjustments were deducted from the export price:

- Credit
- Sales Service Fee
- Domestic Freight
- Ocean Freight / Insurance

173. The TRA considered whether the fair comparison adjustments made to the domestic sales would need to be made to the constructed normal value to be able to compare to the export price at the same level. Fair comparison adjustments for credit and sales service fee were deducted from the constructed normal value in accordance with the data received by the participating overseas exporters. As the constructed normal value is calculated without domestic freight, an adjustment for this factor was not necessary.

G8. Dumping Margins

174. In accordance with regulation 17(1)(a) of the Regulations, the TRA compared a weighted average normal value with a weighted average export price for prices for all comparable export transactions from the sampled overseas exporters to calculate the dumping margin.

175. The TRA calculated a combined dumping margin for the two sampled overseas exporters who cooperated in the investigation, SDG and SDGI (the SDG Group), due to the close nature of their business and governance. Due to the lack of participation within the investigation from other sampled overseas exporters it has not been possible to calculate a weighted average for the overseas exporter amount. Therefore, this rate will be the same as the sampled overseas exporter rate.
176. The TRA calculated a dumping margin for all other non-participating overseas exporters from the PRC. This is known as the residual amount.
177. The TRA has preliminarily determined that the sampled overseas exporter and non-sampled overseas exporters from the PRC have dumped optical fibre cables into the UK at the following margin:

Table 3: Dumping Margins		
Country	Overseas Exporter/Producer	Dumping Margin
PRC	SDG Group	31.5%
PRC	Non-sampled Exporters	31.5%

178. In accordance with regulation 38(4)(b) of the Regulations the TRA has determined the residual amount taking account of information provided by overseas exporters. The residual amount has been set by using a method of selecting the highest dumping margin established for a PCN that had a high sales volume when compared to the total export volume during the POI.

Table 4: Dumping Margins		
Country	Overseas Exporter/Producer	Dumping Margin
PRC	Residual amount	47.2%

179. These margins have been calculated based on the data submitted to the TRA. Once verification has been completed to assess the completeness, relevance and accuracy of the data, these margins may change in the Final Determination if

applicable.

Section H: Preliminary Findings on Injury

180. In accordance with Paragraph 11(1) Schedule 4 to the Taxation (Cross-border Trade) Act 2018 (the Act), in order to make an affirmative determination, the TRA is required to determine whether:
- a) goods have been or are being dumped in the United Kingdom, and
 - b) the dumping of the goods has caused or is causing injury to UK industry in those goods.
181. Additionally, in accordance with Paragraph 11(3) Schedule 4 of the Act, the TRA may make a provisional affirmative determination at any stage during an investigation based on the evidence then before it, in relation to goods subject to the investigation.
182. In accordance with paragraph 13(4)(a) Schedule 4 to the Act, the TRA may make a recommendation under paragraph 13(3) only if it is satisfied that requiring a guarantee in accordance with its recommendation (a) is necessary to prevent injury being caused during the investigation to a UK industry in the relevant goods.
183. Injury is the term used when there is evidence of a UK industry being harmed by dumped or subsidised goods. Paragraph 5 of Schedule 4 to the Act defines 'injury' to a UK industry in particular goods as:
- a) material injury, or the threat of material injury, to the industry, or
 - b) material retardation of the establishment of the industry
184. In accordance with regulation 27(2) of the Regulations, as the TRA has determined that goods have been or are being dumped into the United Kingdom, it must determine whether:

- a) UK industry has suffered or is suffering injury in accordance with regulation 30 (determination of injury); and
- b) the dumped goods have caused or are causing that injury to that UK industry.

185. To determine whether a UK industry is suffering or has suffered injury from imports of the goods concerned, in line with regulation 30 of the Regulations, the TRA has examined four factors:

- the volume of the dumped goods during the injury period;
- the effect of the imports on prices in the UK market for like goods during the injury period;
- the consequent impact of the dumped goods on UK industry during the injury period;
- any other factors we consider relevant.

186. To determine whether the dumped goods have caused or are causing injury to UK industry, in line with Regulation 35 we have also examined whether any known factors other than the dumped goods (other known factors) have caused or are causing injury to a UK industry. We considered the following factors:

- third country imports and prices
- the economic impact of the COVID-19 pandemic

H1. Considerations of the injury and causation analysis

H1.1. HMRC Import Statistics

187. The TRA used the official import statistics published by HMRC for our analysis. The official import statistics published by HMRC report import volumes in kilograms (kg). Interested parties stated that this unit of measurement is not suitable for a proper measurement of the volumes of the goods.

188. Additionally, while HMRC import statistics provide an accurate picture of the trend of UK imports of OFC from the PRC, an adjustment was made to more accurately determine the volume of imports of the goods concerned since the goods imported into the UK under the commodity code 8544 70 00 do not contain only single mode

optical fibre cables. CRU data was used to give an estimate of the size of the UK market in terms of fibre kilometres (fkm) and the percentage of imports that figure contained. In order to evaluate the volume of imports of OFC originating in the PRC in fkm, the ratio of the volume of imports from the PRC was calculated by comparing the import volume from the PRC to the total volume of imports from all countries, as extracted from UK Statistics. In 2021, the volume of imports of OFC from PRC represented 18.8% of total imports. This 18.8% ratio was applied to the volume of imports to estimate the volume of UK imports of OFC from PRC in 2021 in fkm. The same methodology was used to estimate the volume of PRC imports for 2018, 2019 and 2020.

189. CRU provides business intelligence on the world and UK optical fibre market. This data set was provided to us by an interested party as part of a subscription service and therefore cannot be disclosed CRU is recognised as a reliable data source within the OFC industry.
190. The HMRC import statistics provide an illustration of the increasing trend of OFC imports from the PRC.

H1.2. Unit of measurement

191. The industry commonly uses distance as a measurement indicator instead of weight, with the standard unit being either cable kilometres (ckm) or fkm. Where possible, we have used fkm for much of the injury assessment for consistency purposes, with ckm used infrequently, where the trend is able to be shown without need for conversion.

H1.3. Definition of the UK industry

192. Paragraph 6(1)(b) of schedule 4 to the Act allows us to define the 'UK industry' '...as those whose collective output of like goods constitutes a major proportion of the total production in the UK of those goods'. For the purpose of the investigation, the TRA defined the applicant as the UK industry as their total production met this benchmark (Please see Section F.2. Scope of UK the Industry). When referring to

the UK producers including all other known UK producers, we use ‘UK total production’ or ‘all UK producers’. See paragraph 52 for more details.

H2. The volume of the dumped goods

193. In order to confirm if dumped goods may be injuring the UK Industry, the TRA examined the trends in the volume of dumped goods being imported into the UK market (absolute changes), and also compared the volume of dumped goods imported into the UK market to both the size of the UK market and the level of UK production (relative changes). A high level of imports, or increasing levels of imports, may indicate that the injury is being caused by these imports.
194. In accordance with regulation 31 of the Regulations, when considering the volume of dumped imports during the injury period for the purpose of regulation 30(2)(a) of the Regulations, we have considered whether there has been a significant increase in the dumped imports either in absolute terms or relative to domestic production or consumption.
195. The TRA has assessed absolute changes in the volume of imports of the goods concerned from the PRC, and also analysed import volumes as a percentage of UK industry domestic production, UK domestic consumption and UK market share.

Table 5: Absolute change in total import volumes of the goods concerned from the PRC				
	2018	2019	2020	2021
	Year one	Year two	Year three	POI
Import volume (fkm)	120,962	102,868	159,417	535,565
Index	100	85	132	443

Source: HMRC Import Statistics, Questionnaire responses

196. Table 5 shows the trend in absolute volume of imports originating from the PRC. While there was a slight dip in imports in 2019, there was an increase of 55% in import volume from 2019 to 2020 and a much greater increase in 2021. Overall, there was a significant increase of 343% from 2018 to 2021 and therefore the TRA

have concluded that PRC imports have shown significant increased UK OFC market penetration throughout 2020 and 2021.

Table 6: Relative change in total import volumes of the goods concerned into the UK from the PRC				
	2018	2019	2020	2021
	Year one	Year two	Year three	POI
UK Industry production Index	100	92	84	93
PRC Imports relative to UK production (%)	8	8	13	39

Source: HMRC Import Statistics, Questionnaire responses

197. Table 6 above shows the change in total import volumes of OFC from the PRC relative to UK industry production during the injury period. From 2018 to 2020, there was a decline in production volume of 16%. UK industry production has shown an increase in 2021, but it is the PRC imports relative to UK industry production that highlight the growing market influence of imports from the PRC, increasing from 8% to 39% over the injury period.

H2.1. UK Consumption

Table 7: UK Consumption				
	2018	2019	2020	2021
	Year one	Year two	Year three	POI
UK consumption of OFC	4,006,438	4,325,975	4,135,303	5,707,995
Index	100	108	103	142
UK industry sales Index	100	125	110	127
Imports from the PRC (fkm)	120,962	102,868	159,417	535,565
Index	100	85	132	443
Imports from third countries (fkm)	1,912,999	2,029,272	1,892,276	2,318,361
Index	100	106	99	121

Source: HMRC Import Statistics, Questionnaire responses

198. UK consumption is calculated on the basis of HMRC import volumes of like goods from all countries and the domestic sales volumes provided by the UK industry.
199. As shown in table 7, UK consumption of OFC increased by 42% during the injury period. During the same period, UK industry sales increased by 27%, however this increase is clearly at a reduced level in comparison to the growth in overall UK consumption. In contrast, imports from the PRC increased by 343% over the Injury Period (IP). This sharp absolute increase in imports and the resultant significant increase relative to UK production has prevented the UK industry from benefitting from the increase in consumption of OFC over the time period.
200. Table 7 also shows imports of OFC from third countries. The increase in third country imports during the injury period of 21% is similar to sales of the UK industry. This increase is far below the rate at which imports from the PRC have increased and below the rate of overall UK consumption. Therefore, the TRA have concluded that imports from the PRC have benefited from the growth in UK consumption.

H2.2. Market Share

Table 8: UK Market share				
	2018	2019	2020	2021
	Year one	Year two	Year three	POI
Market share of UK industry Index	100	79	82	63
Market share of other UK producers Index	100	160	153	193
Market share of Chinese imports Index	100	72	98	219
Market share of third country imports Index	100	98	96	85

Source: HMRC Import Statistics, Questionnaire responses

201. Market share is calculated by dividing the domestic sales volumes of the UK industry by the total UK consumption figures.
202. Throughout the injury period, imports from the PRC have been shown to more than double their market share as shown in table 8, while the UK industry lost 37% of the

market. The market share of third country imports also decreased but not at the same rate of the UK industry.

203. During verification we were able to clarify that UK industry market share was based on UK production only and excluded any imported like goods. Due to the lack of participation from any other UK producer, 'other UK market share' has been calculated using industry intelligence and we have been unable to verify the components of the data, in particular the proportion arising from imports. Therefore, the TRA can only reliably conclude that the PRC market share has increased considerably at the same time as the UK industry lost a considerable share.

H2.3. The effect of the dumped goods on prices in the UK market

204. In assessing injury, the TRA considered whether the dumped goods affected UK prices of the like goods. In accordance with regulation 32 of the Regulations, we have considered whether:

- a) there has been significant price undercutting by the dumped goods as compared with the price of the like goods produced in the United Kingdom; or
- b) the dumped goods have depressed or suppressed domestic prices of the like goods produced in the United Kingdom to a significant degree.

H2.4. Price undercutting analysis

205. Price undercutting is where the imported goods are consistently sold at a price below that of the like goods in the UK. This is calculated by comparing the UK sales price (ex-factory) with the import price (the landed price) for similar products during the POI. The landed price is the price of the goods concerned when they arrive at a UK port. It equates to the CIF import price plus any relevant import duties and other costs associated with importing.

206. The TRA analysed the submissions from interested parties to establish whether imports were affecting the prices in the UK market. The TRA identified that the overseas exporters exported 24 different PCNs to the UK during the POI. The TRA identified 10 PCNs which were both produced by the UK industry and exported to

the UK by the two participating overseas exporters. The selected 10 PCNs represent 71% of the total import volume and 81% of the total import value of UK sales for the foreign producer. The PCNs represent 12% of the total volume and 4% of the total value of all imports from the PRC. The TRA calculated an average undercutting margin covering the 10 PCNs and found an undercutting margin of 38.71% during the POI. Therefore, when examining the price trends during the injury period, the TRA have concluded that there is significant price undercutting by the goods concerned leading to injury to the UK industry.

H2.5. Price Depression

207. Price depression occurs when the UK industry is forced to reduce its prices to compete against lower priced dumped goods. The UK industry has stated within their submissions that they have had to lower their prices to compete against the dumped goods from the PRC.

208. We compared the average domestic price of the UK industry like goods to the average import price of the goods concerned from the PRC to establish whether there was price depression during the injury period.

Table 9: Average import price from the PRC and Average UK Industry sales price				
	2018	2019	2020	2021
	Year one	Year two	Year three	POI
Average PRC import price Index	100	130	86	56
Average UK Industry price Index	100	93	92	80

Source: HMRC Import Statistics, Questionnaire responses

209. Table 9 shows that the average price of the goods concerned has declined by 44% since the start of the injury period. During the same period, the UK average industry price has declined by a smaller margin of 20%. When taken into consideration alongside the increased volume of PRC imports, it appears that the UK industry is

facing downward price pressure, forcing it to reduce prices to levels that it claims are unsustainable for its business operations.

H3. Impact of dumped goods from the PRC on the UK industry

210. In accordance with regulation 33 of the Regulations, in considering, for the purpose of Regulation 30(2)(c), the consequent impact of the dumped goods on a UK industry, when assessing injury, we must take into account all relevant economic factors that may affect the UK industry. These include:

- a) actual and potential decline in sales, profits, output, market share, productivity, return on investments or utilisation of capacity;
- b) factors affecting domestic prices of the like goods; and
- c) in the case of dumping, the magnitude of the dumping;
- d) actual and potential negative effects on cash flow, inventories, employment, wages, growth, the ability to raise capital or investments.

H3.1. UK Industry sales

211. To assess whether the UK industry has been injured or is being injured, we assessed whether there has been a decline in both the volume and value of sales. A decline in domestic sales may be an indicator that the UK industry is suffering injury.

Table 10: Domestic sales				
	2018	2019	2020	2021
	Year one	Year two	Year three	POI
Sales volume Index	100	125	110	127
Sales value Index	100	116	100	98

Source: Questionnaire responses

212. Table 10 shows the trend in the UK industry's sales figures from the Applicant's submission. There had been an upwards trend in the UK industry sales volume

during the initial stages of the injury period, however there was a decline in 2020 that coincided with a significant increase in goods concerned, up by 47 percentage points from the previous year. Domestic sales volume for the following year, 2021 matched 2019 levels but was short of the level of increase seen in overall domestic consumption, of 39 percentage points, seen in table 7. UK industry sales volume showed only an increase of 17 percentage points from the 2020 level.

213. UK industry sales value also initially followed a similar trend as sales volume increasing from 2018 to 2019, however as sales volume increased in 2021 sales value did not follow a similar trend. As the volume of goods concerned increased significantly during 2021, UK industry sales value dropped below 2018 levels. The decrease in value is an indicator of injury and an indicator that the UK industry have reduced their prices to compete with the dumped goods from the PRC who have the biggest increase in imports over the same period according to HMRC figures.

H3.2. Profitability

214. To assess whether the UK industry has been injured or is being injured, we assessed whether there has been a decline in profit during the injury period.

Table 11: Net profit margin				
	2018	2019	2020	2021
	Year one	Year two	Year three	POI
Net profit margin Index	<i>100</i>	<i>121</i>	<i>107</i>	<i>43</i>

Source: Questionnaire responses

215. Table 11 shows a significant reduction in the profit margin of the UK industry during the POI, when compared with the rest of the injury period. The UK industry aim for a minimum 15% net profit year-on-year, which is the average level shown in the applicant's figures during the 2018-2020 period. This level is necessary due to the industry being heavily investment driven, with significant financial resources spent on research and development. An example of the areas of investment is expanding technologies such as 5G networks.

216. While the total volume of sales for the UK industry was at its highest in the POI, this was not reflected in their profits, meaning a lowering of their prices. This coincided with the large surge of imports of OFC from the PRC. The UK industry stated it has had to set prices so low in some instances that they could only cover costs, which is supported by the low profit margin in the POI.
217. The UK industry state within their application (Page 145) that they have had to accept loss-making parts of tenders to maintain their presence in the UK market as they bid with competition from the Chinese sector. This may become unsustainable for the UK industry in the long term if it continues. The decline in profits during the injury period is a clear indicator of injury suffered by the UK industry.

H3.3. Return on investments, investments and cash flow

218. To assess whether UK industry is suffering injury, we assessed whether there has been a decline in investments, decline in return on investments (ROI) and decline in cash flow during the injury period.
219. ROI measures business performance and earnings arising from investments. Cash flows and cash flow forecasts give us an overview of a business’s capability to invest, maintain operations and grow. A decline in these factors may indicate the UK industry has suffered or is suffering injury.

Table 12: UK industry return on investments and cash flows				
	2018	2019	2020	2021
	Year one	Year two	Year three	POI
Investments Index	100	800	461	333
Cash Flow Index	100	103	868	253
Return on investments Index	100	177	46	-119

Source: Questionnaire responses

220. Investments and cash flow show similar trends throughout the injury period, with a considerable increase in either 2019 or 2020 before a considerable decline in 2021 when PRC imports increased. It should be noted that there was heavy investment in 2019 when PRC imports decreased by 15% from the previous year, as shown in table 5. The TRA concluded that the reason for low investments in 2018 was due to

the wider Prysmian group completing an acquisition of [General Cable Corporation](#). Investments in 2019 were significantly higher due to a drive for increased capacity ahead of anticipated UK consumption increase and enhancement of production capabilities.

- 221. The UK industry state that a drop in profitability in 2021 has affected their ability to invest (see H3.2.). The decrease in investments between 2020-2021 coincides with the drop in profits in 2021.
- 222. Return on investments trend is more severe, increasing in 2019 before decreasing by 219% below the start of the IP by the end of the period. Cash flow did increase overall during the injury period by 153% but is 615 percentage points down in 2021 from the high in 2020.
- 223. Although these three indicators fluctuate, the trend in return on investments is a stronger indicator of injury to the UK industry, coinciding with the large increase in imports of OFC from the PRC. This has significant negative implications for an industry that is heavily investment driven.

H3.4. Inventories

- 224. To assess whether the UK industry is suffering from injury, we assessed whether there has been an increased inventory level that may indicate the UK industry has suffered or is suffering injury.

Table 13: UK industry inventory				
	2018	2019	2020	2021
	Year one	Year two	Year three	POI
Closing stock index	100	214	234	279

Source: Questionnaire responses

- 225. The UK industry assess their stock levels in terms of value and inventory days. Table 13 shows a significant increase in stock levels of 179% across the injury period. This signifies a slower turnover of sales as the period progresses, which could be linked to the increasing difficulty of the UK industry in selling its products within the UK market due to the increased volume of PRC imports. It must be noted that a large proportion of OFC goods are made to order based on precise

specifications through the awarded tendering process. However, a certain proportion of production will be made in anticipation of demand through distribution sales.

H3.5. Output and capacity utilisation

226. To assess whether the UK industry has been injured or is being injured, the TRA assessed whether there has been a decline in output and use of production capacity during the injury period. A decline in these economic factors may indicate that the UK industry is suffering injury.

227. Output is measured by the volume of like goods produced by the UK industry during the injury period. Capacity utilisation is calculated by looking at output relative to capacity. Capacity utilisation allows us to understand whether the UK industry is using its full capacity to produce the like goods during that period.

Table 14: Output, Capacity and Utilisation of capacity				
	2018	2019	2020	2021
	Year one	Year two	Year three	POI
Output Index	100	68	72	92
Capacity Index	100	114	116	139
Utilisation of capacity Index	100	60	62	67

Source: Questionnaire responses

228. Table 14 shows the UK industry increasing their production capacity by 39% throughout the IP in anticipation of increased UK consumption. However, output and capacity utilisation declined during the same period to below 2018 levels. Output saw a decline of 8% and capacity utilisation a decline of 33% from 2018 to 2021. The UK industry has the ability to keep up with increased demand in the UK market, demonstrated by their increased capacity, however they have been unable to utilise this capability during the injury period. Therefore, these areas in table 14 indicate strong evidence that the UK industry is suffering injury from increased PRC imports.

229. The UK industry requires high production utilisation to remain viably profitable. If this current trend continues, the UK industry will face further injury in addition to the current injury levels being suffered.

H3.6. Productivity and employment

230. To assess whether UK industry is suffering injury, we assessed whether there has been a decline in employment and productivity during the IP. A decline in these factors may indicate the UK industry has suffered or is suffering injury.

231. We assessed employment trends by analysing how the number of employees in the UK industry has changed throughout the injury period. Productivity is measured by establishing the output (in this instance the UK industry used cable km (ckm)) per employee during the IP. The number of employees includes employees working on the production of like goods and employees working in operational and administrative roles linked to the production of like goods.

232. Table 15 provides figures of the UK industry’s employment and productivity throughout the injury period.

Table 15: Productivity (ckm) and employment				
	2018	2019	2020	2021
	Year one	Year two	Year three	POI
Number of employees Index	100	91	99	107
Productivity (employees/output ckm) Index	100	75	73	87

Source: Questionnaire responses

233. Over the IP the UK industry saw an initial decrease in the number of employees working on or connected to the production of OFCs, before a recovery to a level 7% above the start of the period. However, as explained in H3.5. capacity for the UK industry increased by a much greater extent, 39%, over the same period and was not utilised by the company as expected in line with the growth in UK consumption of OFCs. There are signs of increasing productivity during the POI, with a 14-percentage point increase between 2020 to 2021 which coincided with the largest

increase in UK industry capacity. However, productivity levels had already dropped 25% in 2019 and continues to struggle with a continuation of low productivity levels at 13% below the 2018 mark at the end of the IP. Therefore, this is a clear indicator that the UK industry’s productivity has struggled throughout the IP due to increased PRC imports and has failed to recover to 2018 levels and improve.

H3.7. Effect on wages

234. Table 16 below provides the median wage of the UK industry. The average wage remained stable throughout the injury period, but did not increase – possibly indicating injury.

Table 16: UK industry wages				
	2018	2019	2020	2021
	Year one	Year two	Year three	POI
Median average wage index	100	107	104	101

Source: Questionnaire responses

H4. Causation and non-attribution

235. In accordance with regulation 35 of the Regulations, we considered whether any other known factors other than the dumped goods caused or are causing injury to UK industry.

H4.1. Volume and price of imports from third countries

236. Imports from third countries to the UK were examined to ascertain whether they break the causal link between the dumped goods from the PRC and injury to the UK industry. Tables 17 and 18 focus on the three largest importing countries into the UK which were Germany, India and Poland.

Table 17: Countries with largest Import volume into the UK and the PRC				
	2018	2019	2020	2021
	Year one	Year two	Year three	POI
PRC (fkm)	120,962	102,868	159,417	535,565
Index	100	85	132	443
Poland (fkm)	265,170	314,184	530,816	716,988
Index	100	118	200	270
India (fkm)	88,331	162,640	167,533	261,407
Index	100	184	190	296
Germany (fkm)	363,856	174,550	97,984	230,012
Index	100	48	27	63

Source: HMRC Import Statistics

Table 18: Average import unit price of top three largest import countries and the PRC				
	2018	2019	2020	2021
	Year one	Year two	Year three	POI
PRC Index	100	130	86	56
Poland Index	100	128	97	66
India Index	100	96	76	79
Germany Index	100	139	313	184

Source: HMRC Import Statistics

237. Table 17 outlines the three countries with the highest volume of like goods imported to the UK and compares those volumes with the PRC. Table 18 shows the average price of those goods as they enter the UK.
238. The level of imports from Germany significantly decreased in volume and increased in average unit price during the injury period making it unlikely that those imports caused the injury felt by the UK industry.
239. India has significantly increased import volumes over the IP, and their average unit price for OFCs had decreased by 21% over the same period. However, India's volume increased by 196% compared to the PRC volume increase of 343%. The Indian unit price reduction progressed at a steady rate, never dropping lower than 20 percentage points year-on-year when compared with the PRC figure that

dropped 74 percentage points from 2019 to 2021. Additionally, the Indian price actually increased in 2021 when the PRC figure was at its lowest price. At the same time the UK industry lost most of its market share, hence the TRA consider that India's imports do not break the casual link and that the PRC imports are causing injury to the UK Industry.

240. Polish import volumes into the UK increased by 170% over the IP, a lower volume than both the PRC and Indian imports. The average unit price of Polish OFCs dropped at a similar rate to the PRC goods but overall 10% less, a 34% decrease through the IP. Whilst these trends may indicate that some injury to the UK industry might be caused by the Polish import volume and prices, there is an absence of any available pricing data that would enable further assessment.
241. Assessing third country import volumes into the UK and average unit price for OFCs at this level of data does not provide a full picture of the true impact the goods have on the UK industry. Telecom operators usually purchase optical fibre cables through tenders which are issued on either a yearly basis, or every two to three years. Participation in tenders is usually by invitation with one, two or several negotiation rounds. The whole process is highly secretive and confidential with bidders having little information on who they are competing against. Therefore, the TRA has found it difficult to assess the country with which the UK industry is in direct competition with. The UK industry has made some effort within its submissions to highlight the fact that Chinese producers are the main drivers for exercising downward price pressure during tender proceedings and that, even if they are not ultimately selected, they nevertheless force the UK industry to significantly decrease their prices to unsustainable levels.
242. The TRA had very little cooperation from the UK importers so no information could be gathered to dispute the above claim from an independent tendering entity. Therefore, the TRA conclude that the causal link between UK industry injury and increased PRC imports has not been broken by third party imports due to the combined PRC effect of significant increased volume and average unit price during the POI.

H4.2. Contraction in demand of the like goods in the UK

243. The COVID-19 pandemic that arose in early 2020 and the subsequent lockdown periods enforced by the UK government caused a reduction in consumption of goods within the UK during this period. However, disruption to production and orders of OFCs in the UK appeared to be limited. This is reflected in table 7, which shows UK consumption of OFCs only dropped by 5 percentage points in 2020. Lack of contraction for demand of OFCs is supported by a report commissioned by [OFCOM](#) in May 2020, that reported that homes that could now access full-fibre broadband in the UK was up by a fifth since September 2019. Additionally, the ability of other high-speed broadband services has continued to increase over the same time period, with the total number of UK homes able to receive superfast broadband having increased by 300,000. This continued demand for improvement may in part be motivated by UK legislation that came into effect in March 2020 that allows a legal right to request an improved broadband service.
244. Comparing the drop in consumption of 5% points in 2020, against UK industry sales figures in table 10, this dropped by a much larger proportion, 15 percentage points in 2020, at a time when PRC OFC increased import volume by 47 percentage points. Therefore, the evidence indicates that COVID-19 had little impact on the UK OFC industry, and it was dumped goods from the PRC that was injuring the UK industry.
245. The TRA conclude that the COVID-19 repercussions in 2020 did not break the link between dumped goods from the PRC and the injury suffered by the UK industry.

H5. Conclusions on Injury

246. After an assessment of the 15 injury factors, we have concluded that the UK OFC industry has suffered injury caused by the increased volume of dumped goods originating from the PRC.
247. We have identified a significant increase in dumped goods from the PRC has coincided with various injury factors including loss of market share, price depression, price undercutting, profitability, return on investments, output utilisation

and productivity. The UK industry has had to forego investment programmes as a result of the price depression caused by the dumped goods. While the reduction in investment costs in 2020 resulted in a slight drop in the level of profit, overall profitability decreased significantly in 2021 in tandem with a reduction again in investment costs in 2021 and increased PRC imports.

248. Other known factors including 3rd country imports and prices have been assessed and it has been concluded that the evidence does not suggest a break to the causal link due to the combined PRC effect of significant increased volume and average unit price during the POI.
249. The TRA therefore concluded that UK industry suffered injury during the IP within the meaning of paragraph 5(1) of schedule 4 to the Act. Substantial undercutting and underselling over an extended period of time by imports originating in PRC, combined with a surge in import volumes, has been evidenced to be the main cause of the injury suffered by the UK industry.

H6. Injury Margin

250. The injury margin is the extent at which the UK industry is being injured. The default methodology is to base the estimate of injury margins for each exporter on underselling margins. This is calculated by comparing a benchmark UK price (the target price) with the import price (the landed price). The target price is the price that a UK producer would expect to sell its like goods at if it were not being affected by the dumped goods.
251. The margin was calculated using both SDG & SDGI cost data. These are the two sampled overseas exporters who cooperated with the investigation. We combined these figures to calculate an individual injury margin for the combined SDG group.
252. We calculated an injury margin for the non-sampled cooperative overseas exporters to be the same as the sampled overseas exporter.
253. We calculated an injury margin for all non-cooperative overseas exporters. This is known as the residual margin.

H6.1 Target Price

254. The target price is the price that a UK industry would expect to sell its like goods at if it were not being affected by the dumped goods.
255. We calculated the target price by using the UK industry cost of production for the like goods, adding their AS&G costs, and applying a normal rate of profit. The normal rate of profit was set at 15% (profit margin) in this instance, which was based on historical data from the UK Industry and what the TRA believe is expected by the OFC industry under normal competition. This profit margin is higher than might be expected for other industries due to the high-investment nature of the goods and the need to invest in research and development to ensure the business is competitive.

H6.2 Landed price

256. The landed price is the price of the goods concerned as they enter the UK port. It equates to the CIF import price plus any relevant import duties and other costs associated with import.
257. We calculated the landed price by using the sampled exporters CIF UK export price. The CIF value was provided in USD and YUAN, and we have used the HMRC monthly exchange rate to convert the price to GBP.

H6.3. Residual Amount

258. Regulation 38(3) of the Regulations states that the TRA may determine the residual amount using any reasonable means.
259. In line with regulation 38 (4) of the Regulations we determined the residual margin taking into account information contained in the UK producers and overseas exporter questionnaires.
260. The residual margin has been set by using a method of selecting the highest injury margin established for a PCN that had a high sales volume when compared to the total export volume during the POI.

H6.4. Injury Margins

261. Using the approach and data detailed above, the TRA determined the following margins outlined in table 19.

Table 19: Injury Margins		
Country	Exporter	Injury Margin
PRC	SDG group	74%
PRC	Non-sampled	74%
PRC	Residual Amount	90%

Section I: Economic Interest Test

I1. Introduction

262. In accordance with paragraph 13(3)(a) of Schedule 4 to the Act, the TRA may recommend to the Secretary of State all importers of the relevant goods should be required to give a guarantee in respect of any additional import duty which would have been applicable, or potentially applicable, to the goods if an anti-dumping amount had been applied to the goods based on the PAD.
263. In accordance with paragraph 13(4)(b) the TRA may only make that recommendation if it satisfied that requiring a guarantee in accordance with its recommendation meets the Economic Interest Test (EIT).
264. The EIT is set out in paragraph 25 of Schedule 4 to the Act and is, in accordance with paragraph 25(3) of Schedule 4 to the Act, presumed to be met unless the TRA is satisfied that the requirement of the guarantee is not in the economic interest of the UK.
265. In line with paragraph 25 of Schedule 4 to the Act, the TRA has taken account of the following in conducting the EIT:
- the injury caused by dumping of the goods to a UK industry in the like goods and the benefits to that UK industry in removing that injury;
 - the economic significance of affected industries and consumers in the UK;
 - the likely impact on affected industries and consumers in the UK;
 - the likely impact on particular geographic areas, or particular groups, in the UK;
 - the likely consequences for the competitive environment, and for the structure of markets for like goods, in the UK; and
 - such other matters as the TRA considers relevant.
266. As this is a provisional determination, only the period from the implementation of a guarantee until the final determination will be considered for assessing any impacts.

Longer term impacts that may result from the imposition or non-imposition of a final measure will be addressed in the Statement of Essential Facts (SEF).

11.1. Evidence Base

267. The TRA received the following questionnaire responses which contained information relevant to the EIT:

- One response from the Applicant.
- One response from a downstream user and importer of OFC.

268. The TRA has supplemented the questionnaire response with evidence from background research and collated additional information from UK government data sources, and recognised market data providers. The TRA has also conducted research relating to parties that have not participated in this investigation.

269. The sections that follow assess each of the factors of the EIT in turn.

12. Injury caused by dumping and benefits to UK industry in removing injury

270. In the injury section, the TRA found that the UK industry has been suffering injury as a result of the dumped goods from the PRC.

271. An assessment of the 15 injury factors determined that the significant increase in imports of OFC from the PRC coincided with a deterioration of the UK industry. Several factors saw negative trends during the injury period, including profits, sales, market share, productivity and return on investments. We also found evidence of price undercutting with an average margin of 74% during the POI, which has led to price depression for the UK industry. The injury assessment concluded that there would be further injury to the UK industry were a guarantee not imposed.

272. The EIT explores the expected benefits to UK producers and the impact on the rest of the UK supply chain from implementing a guarantee.

13. Economic significance of affected industries and consumers in the UK

273. This section sets out the relative size and significance of the affected industry and consumers within the OFC supply chain. From the available evidence, the TRA identified the following groups in the UK as potentially being affected by the guarantee:

- upstream suppliers of raw materials;
- UK producers of OFC;
- distributors and importers of OFC;
- downstream industries; and
- consumers.

274. It should be noted that there is overlap between these groups. We have attributed all known businesses to one of these groups based on their principal activity to avoid double counting.

13.1. Upstream businesses

275. The TRA did not receive any submissions from upstream businesses, but we identified three upstream businesses based in the UK. These businesses supply raw materials to several industries.

276. Our analysis of the available evidence suggests less than 1% of the turnover of these upstream businesses comes from sales to OFC producers. Therefore, OFC is unlikely to be very important for these businesses.

13.2. UK Producers

277. There are four known UK producers of OFC in the UK. We received a questionnaire response from one producer: the Applicant.

278. In 2021, the Applicant employed 1,035 people and their turnover was £543.3m. Their EDITDA (earnings before interest, taxes, depreciation and amortisation that is

a widely used measure that measures a company's overall financial performance) margin was 6.9%. We estimate that their Gross Value Added (GVA) was £88.0m.

I3.3. Distributors and importers

279. Distributors and importers play a similar role in supplying OFC to downstream industries. Data was available for six of the 14 known distributors and importers of OFC. These firms employed 1,019 people across the UK based on accounts filed for the year 2021 and had a total turnover of £627.6m. They had an EBITDA margin of 1.6%. We estimate that their GVA was £64.5m.

280. The available evidence on purchases of OFC suggests that they are somewhat important to two of the six known businesses and unlikely to be very important for the other four.

I3.4. Downstream businesses

281. We identified 67 downstream businesses and received one questionnaire response. We selected 10 businesses that have the largest proportion of purchases of OFC based on available data. One business was considered an outlier and excluded due to their large employment figures and financial metrics and based on available evidence we concluded that OFC was not very important to this business. The remaining nine businesses employed 5,828 people and their total turnover was £1.4bn based on accounts filed for the year 2021. For the same period, we estimate that their average EBITDA margin was 10.7% and their combined GVA was £465.4m.

282. While OFC is used as an input for the downstream businesses identified, not all their employment can be directly attributed to OFC. For example, OFC is a key part of the infrastructure for fibre broadband, however operations for some businesses extend beyond this. For example, BT sales of TV packages will contribute to its employment and financial figures. The available evidence suggests that OFC is somewhat important to a small number of the sampled firms when considering their purchases of OFC.

283. As OFC are used in various industries, the total number of downstream businesses is likely higher than those identified. We have no evidence to suggest that any of these industries are dependent on OFC imported from the PRC.

13.5. Consumers

284. OFC are themselves not typically regarded as a consumer good. They are a key part of the infrastructure in providing services to consumers, with the most widely used application in fibre broadband for internet connectivity.

13.6. Summary

285. Table 20 presents evidence on the economic significance for segments of the OFC supply chain. Based on the comparative metrics set out in the table, we believe OFC are a somewhat important product for the UK producer, distributors and importers, and downstream businesses.

Table 20: Summary table for the significance metrics for affected industries

	Upstream businesses	UK producer	Distributors and importers	Downstream businesses
Total known businesses	3	4	14	68
Total selected	3	1	6	9
Estimated importance of OFC to this group	Not very important (UK producer raw material costs vs upstream business turnover)	Somewhat important (OFC sales revenue vs whole business turnover)	Somewhat important (value of OFC purchases vs distributor/importer turnover)	Somewhat important (UK producer OFC sales revenue vs downstream business turnover)
Total employment of selected businesses	N/A	1,035	1,019	5,828
Total GVA of selected businesses (£m)	N/A	88.0	64.5	465.4
Total turnover of selected businesses (£m)	N/A	543.3	627.6	1,390.6
Average EBITDA margin for selected businesses (%)	N/A	6.9	1.6	10.7

Sources: Questionnaire responses and Companies House.

Methodology: The importance of OFC to each of the groups was estimated using the comparison metrics set out in brackets for each group. GVA was estimated by summing operating profits, employment costs, depreciation and amortisation. Average EBITDA margin was estimated by dividing the sum of operating profit, depreciation and amortisation by turnover.

14. Likely impact on affected industries and consumers

286. This section assesses how prices and quantities of products throughout the supply chain may differ in two scenarios: one with the imposition of a guarantee, and the other with no guarantee. We then assess the impact of any changes in prices and quantities on affected industries and consumers. Due to limited data, these impacts could not be quantified.

14.1. Prices and quantities in the event a guarantee is imposed

287. The imposition of a guarantee is likely to increase the prices of imports from the PRC by up to the level of the guarantee. While growing domestic demand could see prices increase, especially as the UK producer requires a healthy profit to sustain investment, there is no evidence to suggest that these would be significant. Imports are required to fulfil UK demand for OFC, which indicates there is competition on price from third country imports. A guarantee will allow the UK producer to compete on a level playing field with imports from the PRC.

288. The higher price of imports due to the imposition of a guarantee is likely to lead to a decrease in imports of OFC from the PRC. However, we do not expect an immediate decline if contracts between suppliers have been agreed. Given that the UK producer has some available capacity, the decrease in imports from the PRC could be filled by domestic supply or imports from third countries. We expect demand to remain unchanged even if prices of OFC increase, due to the lack of comparable alternatives.

289. The prices for importers and distributors that source OFC from the PRC will likely increase by up to the level of the guarantee.

290. We expect overall consumption of OFC to either remain unchanged or increase. This is because evidence from questionnaire responses and background research suggests that demand for OFC is relatively insensitive to changes in prices given the importance of fibre broadband and the lack of substitutes for OFC, especially when comparing the speed of fibre broadband to alternatives.

291. Price increases for downstream industries that use OFC will largely depend upon the nature of the product. In many of the industries that use OFC, such as broadband and telecoms industries, they are an essential part of the infrastructure. This means that cost increases could be passed to final consumers, however price increases will depend on factors such as competition, price sensitivity and substitutability of the downstream services. We do not expect price increases in the short term for services, such as fibre broadband, as consumers have agreed contracts with service providers.

14.2. Prices and quantities in the event a guarantee is not imposed

292. Questionnaire responses suggest that UK demand for OFC is expected to increase alongside the overall growth of the fibre broadband sector. An increase in imports will be necessary to facilitate this increase in demand because domestic capacity will not be sufficient. Current nationwide rollouts of fibre broadband are acting as a sustained source of demand for OFC, which would likely continue with or without the imposition of a guarantee.

293. If a guarantee is not imposed, dumped goods from the PRC will continue to displace domestically produced OFC. During the injury period, the volume of imports from the PRC significantly increased. The price undercutting of dumped goods from the PRC will continue to cause injury. Quantities produced by the UK industry are likely to decline due to their inability to reduce prices to compete with the dumped goods. There is the possibility of further price undercutting, which may further depress prices of OFC in the UK market. However, if suppliers exit the market due to their inability to compete with imports from the PRC, the reduced competition may lead to an increase in prices.

294. The UK producer highlighted the risk of further injury due to potential trade deflection from the EU to the UK after the EU's imposition of definitive anti-dumping duty on imports of OFCs on 17 November 2021. This is the risk of increased imports from the PRC that would have been exported to the EU sent

to the UK instead due to the absence of a measure. We acknowledge this risk given the increase in imports of OFC from the PRC during the injury period.

15. Likely impact on affected industries and consumers

15.1. UK Producer

295. The imposition of a guarantee would prevent further injury to the UK industry. In the short-term, the guarantee will allow them to compete with fairly priced imports and thus maintain levels of production required to satisfy a growing domestic market.

296. The non-imposition of a guarantee is likely to see the UK industry continue to lose market share to dumped goods from the PRC due to their inability to reduce prices. This will likely lead to further deterioration of the domestic producers' market position in the long term.

15.2. Distributors and importers

297. If a guarantee were to be imposed, the distributors and importers that source OFC from the PRC are likely to see prices increase by up to the level of the guarantee with no change expected for those who source OFC from third countries. The impact on the firms sourcing from the PRC will depend on the extent to which they can pass any cost increases onto their customers in downstream industries. As OFC are essential for some industries, it is likely that distributors and importers will pass some cost increases on. We do not expect demand for imports to decrease, as they are required to meet UK demand for OFC.

298. We do not expect any significant impacts on distributors and importers in the short-term if a guarantee is not imposed. However, it is possible that they gain the market share lost by the UK producer.

15.3. Downstream businesses

- 299. There is limited information to assess the impact for all downstream industries that use OFC as part of the infrastructure to provide services to consumers. If a guarantee is imposed, costs are likely to increase for some downstream businesses, which may be passed on to final consumers. The extent of this depends upon several factors, including the price sensitivity and substitutability of downstream services.
- 300. If a guarantee is not imposed, we do not expect downstream businesses to be significantly impacted in the short-term.

15.4. Consumers

- 301. Impacts on consumers are likely to be negligible. While there is the possibility of price increases for end-user applications, such as broadband, we have received no evidence that suggests price increases will materialise in the short term.

Table 21: Expected impacts on affected groups if a guarantee is imposed	
Group	Expected impacts
UK producer	Significant positive impact for domestic producer
Distributors and importers	Small negative impact
Downstream businesses	Small negative impact
Consumers	Negligible impact

16. Likely impact on particular geographic areas, or particular groups, in the UK

- 302. This section considers how impacts are likely to be distributed by geography, and whether any particular groups might be disproportionately impacted. We also consider key economic indicators and wider evidence for locations of different elements of the UK supply chain.

16.1. Likely impact on particular areas

303. The TRA considered the geographic areas where UK producers, distributors, importers, upstream and downstream industries were located, as identified through questionnaire responses. The stakeholders included in our analysis are limited to those identified during the investigation and therefore may not represent the complete OFC industry and related industries within the UK.

304. We assessed the significance of affected industries by examining the employment of affected industries as a proportion of total employment in each local area. However, due to the absence of granular data, it was not always possible to attribute employees within a firm to particular sites in the UK.

16.2. UK Producer

305. The UK industry operates four production sites across the UK and provided employment data for three of these sites. One site is located in South England, two sites in Wales and one in North-eastern England. The site that focuses on OFC is located in Eastleigh in South England, however as employment is not a significant proportion of total employment in this area, we do not expect the imposition or non-imposition of a guarantee to have any significant impacts.

16.3. Distributors and importers

306. We considered the locations of the selected distributors and importers using available evidence and found that sites for these companies are located across England. We do not expect significant impacts from the imposition or non-imposition of a guarantee as employment for each site was not a significant proportion of total employment in each area.

16.4. Downstream businesses

307. For downstream businesses, which are predominantly broadband and telecoms providers and installers, we have limited information to analyse regional impacts. Although information on locations of headquarters is available, operation sites

are far more extensive, particularly for larger firms. The pace at which high-speed fibre broadband is being rolled out across the UK also means that operations of downstream industries remain dynamic as they continue to expand.

16.5. Likely impact on particular groups

308. The TRA considered the likely impact on particular groups including those with protected characteristics as defined by the [Equality Act 2010](#).

309. No evidence was provided regarding potential impacts on any particular groups, either as workers or consumers. There is no evidence to suggest that there will be disproportionate impacts on particular groups.

310. We therefore conclude that the imposition or non-imposition of a guarantee is unlikely to have any significant impact on groups with protected characteristics or other groups.

17. Likely consequences for the competitive environment, and for the structure of the market, in the UK

311. The assessment of the likely consequences for the competitive environment and structure of the UK market considers four factors:

- the impact on the number or range of suppliers;
- the impact on the ability of suppliers to compete;
- the impact on the incentives to compete vigorously; and
- the impact on the choices and information available to consumers.

17.2. Background

312. There are four known UK producers and 14 known UK distributors and importers of OFC. There are also a range of suppliers in the PRC and third countries

exporting to the UK. During the POI, the UK imported OFC from 73 countries, including the PRC.

313. We estimated that the UK producers accounted for approximately 50% of total domestic consumption of OFC during the POI. Imports from the PRC, as a percentage of total imports, more-than-doubled during the same period, from 4.3% to 9.4%, demonstrating the increasing influence of imports from the PRC. The unit of measurement for the estimated market shares is fkm. The rest of the market was supplied by imports predominantly from Germany, India and Poland. (See Section H3.8 Volume and price of imports that are not dumped into the UK for more information).

I7.3. The impact on the number or range of suppliers

314. The market for OFC has high barriers to entry in the form of technological expertise and investment. The level of expertise required to efficiently produce OFC at scale means that in the short-term there is unlikely to be an increase in the number of UK producers with the imposition or non-imposition of a guarantee.

315. The imposition of a guarantee may lead to a reduction in the number or range of suppliers from the PRC. This may not materialise in the short-term if contracts have been agreed and outstanding orders need to be fulfilled. We expect the UK market to remain competitive, even if Chinese suppliers exit the market, as there are suppliers from a number of third countries exporting OFC to the UK. A guarantee will allow the UK industry to compete on a level playing field with imports from the PRC. Any reduction of OFC imports from the PRC will likely be fulfilled by domestic production, imports from third countries, or a combination of the two.

316. The number or range of suppliers is unlikely to change in the short-term with the non-imposition of a guarantee.

17.4. The impact on the ability of suppliers to compete

317. The imposition of a guarantee will increase the prices of dumped goods from the PRC, which is likely to reduce the ability of Chinese suppliers to compete. However, the removal of price undercutting will allow the UK industry to compete with imports of OFC from the PRC on a level playing field. The prevalence of imports, which are required to satisfy UK demand, suggests that suppliers in third countries will be able to compete with or without the imposition of a guarantee.

17.5. The impact on the incentives to compete vigorously

318. There is no evidence to suggest that suppliers would face reduced incentives to compete vigorously with the imposition or non-imposition of a guarantee. The tender process requires vigorous competition, as suppliers need to fulfil the requirements of the tender, so we do not expect any significant impacts.

17.6. Impact on the choices and information available to consumers

319. There is limited evidence to suggest that the choices and information available to consumers would be impacted by the imposition or non-imposition of a guarantee. The available evidence on how the market operates indicates that downstream industries have a choice between domestically produced versus imported OFC.

18. Such other matters as the TRA considers relevant

320. As part of the EIT assessment, the TRA can consider any other factors that may be relevant in concluding whether the proposed guarantee is in the economic interest of the UK.

321. We found no evidence of any other relevant factors for this investigation and no evidence was submitted by interested parties.

19. Conclusions

322. In accordance with paragraph 25 of Schedule 4 to the Act, the EIT is met in relation to the requirement of a guarantee if the application of the guarantee is in the economic interest of the UK. This test is presumed to be met unless the TRA is satisfied that the application of the guarantee is not in the economic interest of the UK.
323. As described in previous sections, we determined that the UK industry has been suffering injury due to the dumped goods from the PRC. The injury assessment concluded that there would be further injury were a guarantee not recommended.
324. The economic significance section assessed the financial metrics of the different groups that make up the supply chain for OFC in the UK. We found that OFC was somewhat important to UK producers, distributors and importers, and downstream businesses.
325. In the impacts section we found that the imposition of a guarantee would prevent further injury to the UK industry. While the imposition of a guarantee would increase the price of imports from the PRC up to the level of the measure, it would allow the UK industry to compete on a level playing field. The relative price inelasticity of OFC means that distributors and importers could pass increased costs onto their customers. This means downstream industries, which use the infrastructure OFC is part of, may increase prices for consumers, however this would depend on price sensitivity, competition and substitutability of downstream products and services. There is no evidence to suggest that prices for downstream industries where OFC are a key part of the infrastructure, such as fibre broadband, will increase in the short term. In contrast, not requiring a guarantee would cause further injury to the UK industry. The continued pressure on prices would further squeeze profit margins and could lead to

declines in investment, which is unsustainable for an industry that is heavily investment-driven.

326. We concluded that the imposition or non-imposition of a measure is not expected to have any geographical impacts due to sites being distributed across the UK and employment for each site being a small proportion of total employment in each area. There was no evidence of impacts on particular groups.
327. In the competition section, we determined that the market is competitive given the range of suppliers and due to businesses having to compete for tenders. The imposition of a guarantee would level the playing field by increasing the prices of imports of OFC from the PRC.
328. Having considered the evidence submitted by interested parties and all of the factors listed in the legislation, we conclude that the EIT is met for the proposed requirement of a guarantee.

Section J: Preliminary findings and recommendation of a guarantee

J1. Preliminary findings

329. In accordance with paragraph 11(1) of Schedule 4 to the Act, the TRA determined that:
- a) the goods concerned have been or are being dumped in the United Kingdom; and
 - b) the dumping of the goods concerned has caused or is causing injury to a UK industry in those goods.
330. We are satisfied that, in accordance with paragraph 13(4) of Schedule 4 to the Act, requiring the guarantee in accordance with our recommendation:

- (a) is necessary to prevent injury being caused during the remainder of the investigation to the UK industry in the like goods; and
- (b) Meets the economic interest test.

J2. Recommendation

331. In line with paragraph 13(3)(a) of Schedule 4 to the Act, the TRA recommends to the Secretary of State that all importers of the goods concerned should be required to give a guarantee in respect of the estimated anti-dumping amount given in Table 22 below.
332. In accordance with paragraph 14(1) of Schedule 4 to the Act a recommendation of a guarantee under paragraph 13(3) is required to specify the goods and include; the form of the guarantee; how an estimated anti-dumping amount applicable to the goods should be determined for the purpose of calculating the amount of the guarantee; how the amount of the guarantee should be calculated, and the period during which the requirement to give a guarantee should apply.

J2.1 Form of a Guarantee

333. We recommend that the guarantee takes the form of a bank guarantee, a bond or cash in accordance with paragraph 14(2) of Schedule 4 to the Act.

J2.2. Estimated anti-dumping amount

334. The TRA has compared the dumping and injury margins that we have calculated. In line with paragraph 14(3)(a) Schedule 4 to the Act, the TRA must recommend the estimated anti-dumping amount does not exceed the margin of dumping, as this is less than the amount which the TRA is satisfied would be adequate to remove injury. Table 22 below sets out the estimated anti-dumping amount that each group of exporters is subject to.

J2.3. Amount of guarantee

335. We recommend the following estimated anti-dumping amounts for calculating the amount of the guarantee:

Table 22: Estimated anti-dumping amount	
Overseas exporter/producer	Estimated anti-dumping amount/Amount of guarantee
SDG Group	31.5%
Suzhou Furukawa Power Optic Cable Co.,Ltd.	31.5%
Shanghai Wanbao Optical Technologies Co. Ltd	31.5%
Ningbo Geyida Cable Technology Co.,Ltd	31.5%
XDK Communication Equipment Huizhou Co., Ltd.	31.5%
Jiangsu Fasten Optical Cable Co., Ltd.	31.5%
Hengtong Optic-Electric co. Ltd.	31.5%
ZheJiang JinYuan WanBao Optical Fiber Co. Ltd.	31.5%
FibreHome Telecommunication Technologies Co Ltd	31.5%
All other overseas exporters (residual amount)	47.2%

336. The guarantee should be calculated by applying the estimated anti-dumping amount as ad-valorem duties to the CIF import value of the goods concerned.

337. The commodity code to which the rates will apply and the detailed description of the goods concerned is given in [Section E2 The Goods Concerned](#).

J2.4. Period of the Guarantee

338. If the TRA's recommendation to apply a guarantee is accepted, the Secretary of State will publish a Taxation Notice, in line with paragraph 15(5)(b) of Schedule 4 to the Act. This will give effect to the imposition of the guarantee. Affected importers will be notified that they need to set up the guarantee when first

importing the goods concerned into the UK. A guarantee will be required during the period of the provisional remedy.

339. We recommend that the requirement to give a guarantee ends six months from the day after the date of the publication of the Taxation Notice, or when the definitive remedy is implemented, whichever is the sooner.

Annex A: Summary of information received from interested parties

340. The table below lists the information submitted to the TRA by interested parties to date and the extent to which information submitted has been considered by the TRA in reaching its decisions on the provisional affirmative determination and recommendation (dependent on whether the party has been sampled).

Table 23: Summary of information received from interested parties			
	Interested Party	Information Received	Status
1.	Prysmian Cables & Systems Ltd	Questionnaire	Applicant
2.	Yangtze Optical Fibre and Cable Joint Stock Limited Company (YOFC)	Pre-Sampling Questionnaire	Non-cooperative
3.	Jiangsu Zhongtian Technology Co. Ltd (ZTT)	Pre-Sampling Questionnaire	Non-cooperative
4.	Shenzhen SDG Information Co. Ltd	Questionnaire	Sampled
5.	Shenzhen SDGI Optical Network Technologies Co., Ltd.	Questionnaire	Sampled
6.	Suzhou Furukawa Power Optic Cable Co.,Ltd.	Questionnaire	Non-Sampled Exporter
7.	Shanghai Wanbao Optical Technologies Co. Ltd	Pre-Sampling Questionnaire	Non-Sampled Exporter
8.	Ningbo Geyida Cable Technology Co.,Ltd	Pre-Sampling Questionnaire	Non-Sampled Exporter
9.	XDK Communication Equipment Huizhou Co., Ltd.	Pre-Sampling Questionnaire	Non-Sampled Exporter
10.	Jiangsu Fasten Optical Cable Co., Ltd.	Pre-Sampling Questionnaire	Non-Sampled Exporter

11.	Hengtong Optic-Electric co. Ltd.	Pre-Sampling Questionnaire	Non-Sampled Exporter
12.	ZheJiang JinYuan WanBao Optical Fiber Co. Ltd.	Pre-Sampling Questionnaire	Non-Sampled Exporter
13.	FibreHome Telecommunication Technologies Co Ltd	Pre-Sampling Questionnaire	Non-Sampled Exporter
14.	Ministry of Commerce, PRC (MOFCOM)	Pre-Sampling Questionnaire	Participant
15.	China Chamber of Commerce for Import and Export of Machinery and Electronic Products (CCCME)	Questionnaire response	Participant
16.	BT Telecommunications plc (BT)	Questionnaire response	Non-cooperative
17.	Mayflex	Questionnaire response	Non-cooperative