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30 September 2024

By TRS

NON-CONFIDENTIAL

Dear Mr. Reith, Dear Case Team,

Re: Transition Review TD0035 — *Certain tyres (China): Comments of Hankook Group on the Statement of Essential Facts (SEF)*

Our Client: Hankook Group (Chongqing Hankook Tire Co. Ltd., Jiangsu Hankook Tire Co. Ltd., Hankook Tyres UK Ltd., and Shanghai Hankook Tire Co., Ltd)

1. This submission is filed on behalf of Hankook Group (**Hankook**) in the framework of the above-captioned transition review initiated by the Trade Remedies Authority (**TRA**) (the **Investigation**), and outlines Hankook's comments with respect to the preliminary findings made by the TRA, as set out in the Statement of Essential Facts (**SEF**) made available in the public file on 27 August 2024.

2. In the SEF, the TRA outlined that it intends to recommend to the Secretary of State (**SoS**) that the application of the anti-dumping amount is varied under Regulation 100A of the Dumping and Subsidisation Regulations (the **Regulations**)¹ so that this applies to the goods subject to review imported to the United Kingdom for a period of five years until 23 October 2028.² The varied measure would have effect from the date on which the original measure would have expired had the Investigation not been initiated (i.e., 23 October 2023). Furthermore, the TRA intends to recommend recalculated anti-dumping rates and duties under Regulation 100A(4)(a) of the Regulations, in light of its findings made with respect to injury and dumping.

¹ The Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019, as amended.
² SEF, para. 574.

3. On the basis of its preliminary findings, Hankook is the only exporter for which the TRA intends to recommend to SoS the application of a *lower* anti-dumping duty than that currently applied under the existing measure. In particular, the TRA concludes that the anti-dumping duty applicable to Hankook should be reduced from £32.62 per tyre to £10.03 per tyre. By contrast, the TRA considers that all other overseas exporters should in fact be subject to a *higher* rate of anti-dumping duty than that applicable under the existing measure — and that this should be increased significantly, from £3.75 per tyre to £45.70 per tyre.

4. Hankook welcomes the TRA's decision to recalculate the individual anti-dumping duty applicable to it, and in a manner that is reflective of its cooperation with the TRA throughout the course of the Investigation. Nevertheless, Hankook respectfully submits that certain findings outlined in the SEF — including certain aspects of the dumping calculation methodology — should be reconsidered and revised by the TRA when formulating its final recommendation to SoS.

1. PARTICULAR MARKET SITUATION

1.1 The method used by the TRA to establish representative benchmarks is unwarranted

5. In Section G2.2 of the SEF the TRA concluded that a particular market situation (**PMS**) existed in the People's Republic of China (**China**) for the industry of the like goods and thus calculated a constructed normal value as set out in Section G2.3 of the SEF. Consequently, as explained in Section G2.4, several adjustments were applied to the costs of production for Chongqing Hankook Tire Co. Ltd. (**CHKT**) and Jiangsu Hankook Tire Co. Ltd. (**JHKT**) — in particular, for natural rubber, synthetic rubber, nylon tyre cord, steel wire rod, carbon black and energy — for the purpose of calculating a constructed normal value that “*reasonably reflect the oversea exporter's production, administrative, selling or general costs or profits in a market if those costs and profits were substantially determined by market forces*” pursuant to Regulation 13(3).

6. The above-discussed PMS adjustments were calculated, as explained in Section G2.4 of the SEF, on the basis of external benchmarks, that is to say, the prices of the relevant inputs in Brazil. This methodology, which appears to be based on Regulation 13(4), nevertheless clearly violates the WTO Anti-Dumping Agreement (**WTO ADA**).

7. In this regard, it should be recalled that according to Article 2.2 of the WTO ADA, when the normal value needs to be constructed due to the existence of a PMS, the investigating authority should use “*the cost of production in the country of origin plus a reasonable amount for administrative, selling and general costs and for profits*” (emphasis added). Therefore, the use of a replacement cost which is not “*in the country of origin*” (in this case, China), clearly violates Article 2.2. of the WTO ADA.

8. In addition, Article 2.2.1.1 of the WTO ADA provides that “*costs shall normally be calculated on the basis of records kept by the exporter or producer under investigation, provided that such records are in accordance with the generally accepted accounting principles of the exporting country and reasonably reflect the costs associated with the production and sale of the product under consideration*”. This provision has been extensively interpreted by the WTO jurisprudence, which has concluded that investigating authorities cannot disregard the cost of production and sales in the exporting country (in this case, China) and use instead data related to a third country.

9. In this regard, reference is made to the *EU-Biodiesel (Argentina)* case,³ which establishes that investigating authorities must use the input costs actually incurred by producers or exporters for the purpose of constructing the normal value. According to the WTO Appellate Body, the requirement that the records kept by the exporter or producer under investigation reasonably reflect the costs associated with the production and sale of the product under consideration “relates to whether the records of the exporter or producer suitably and sufficiently correspond to or reproduce the costs that have a genuine relationship with the production and sale of the specific product under consideration”.⁴ This requirement, however, does not allow the authorities to consider which costs would pertain to the production and sale of that product in ‘normal circumstances’, i.e., in the absence of the alleged distortions.⁵ Similar findings were made in the Panel Report in *EU – Cost Adjustment Methodologies II (Russia)*.⁶

10. It follows that Regulation 13(4) — in particular the methodology followed by the TRA when constructing the normal values of JHKT and CHKT — is manifestly inconsistent with Articles 2.2 and 2.2.1.1 of the WTO ADA. For this reason, Hankook urges the TRA to accept the domestic prices and costs reported by the cooperating Chinese exporters, namely CHKT and JHKT.

1.2 Brazil is not suitable for use as appropriate representative third country

1.2.1 The selection of Brazil has been untransparent and not properly reasoned by the TRA

11. Hankook notes with concern the decision of the TRA to apply its choice of Brazil as appropriate representative third country for the purposes of constructing normal value in the Investigation. This decision is outlined in only very limited terms at paragraphs 232 – 235 of the SEF and is, in essence, merely a confirmation of the initial position of the TRA at the outset of the Investigation. The TRA had announced in the Note to Public File issued on 21 September 2023 (the **Note of 21 September 2023**)⁷ its provisional decision to use Brazil as appropriate representative third country for the purposes of the Investigation in the event of a finding that a PMS existed in China.

12. In the Note of 21 September 2023, the TRA expressly invited parties wishing to submit comments on the TRA’s provisional choice of Brazil to do so. To this end, Hankook submitted its comments on 9 October 2023 in the good faith belief that, in doing so, the TRA intended to give conscientious consideration to any comments received before making its decision on the selection of appropriate representative third country. However, the TRA provided no meaningful response.

³ DS473: WTO Appellate Body Report, *EU – Biodiesel*, WT/DS473/AB/R.

⁴ *EU – Biodiesel*, para. 6.22.

⁵ *EU – Biodiesel*, paras 6.28, 6.30 and 6.56.

⁶ DS494: WTO Panel Report, *EU – Cost Adjustment Methodologies and Certain Anti-Dumping Measures on Imports from Russia – (Second complaint)*, WT/DS494/R.

⁷ Note to public file – proposed appropriate representative third country, added to the Public File in TD0035 by the TRA on 21 September 2023, available [here](#).

13. Most recently, on 25 April 2024, Hankook submitted additional comments to the TRA regarding the apparent confirmation of its selection of Brazil — as was suggested by the issuance of a Public Notice on 15 April 2024 in which the TRA invited producers in Brazil to participate in the Investigation “to provide certain sales and cost data”. By its submission of 25 April 2024, Hankook highlighted to the TRA its particular concerns with respect to the approach taken by the TRA in managing the selection of the appropriate representative third country. In essence, Hankook pointed to the risks of procedural unfairness of this process, given that the TRA was appearing to reach a definitive decision on the choice of Brazil as appropriate representative third country — and proceeding towards potentially applying Brazilian input cost data to calculate Hankook’s dumping margin — without having addressed any of Hankook’s prior comments on the suitability of Brazil, or indeed having provided any explanation of the reasons underpinning the decision.

14. Despite Hankook’s comments on the selection of appropriate representative third country — and the particular procedural concerns that had been identified with respect to the TRA’s approach — the TRA has now taken the decision to select Brazil as appropriate representative third country. Yet, in the SEF there is no meaningful consideration of the previous comments submitted to the TRA — which clearly identified relevant factors that the TRA was required to take into account when making its decision.

15. The SEF refers only very briefly to Hankook’s comments with respect to the unsuitability of Brazil as appropriate representative third country. At paragraph 233, the TRA states that Hankook had suggested that “Brazil was not an appropriate benchmark country due to the implementation of trade remedies measures to protect the Brazilian like goods market.”⁸ This is presented in the SEF as the only specific comment made by Hankook with respect to the suitability of Brazil and is simply dismissed out of hand. While noting that Hankook had suggested that “Thailand was more representative than Brazil on certain metrics”, the TRA decided that “on balance Brazil is more representative across many of the factors considered, while accepting that no benchmark country will be fully representative in all aspects.”⁹

16. The SEF provides no further detail or discussion of the factors and evidence that were taken into account by the TRA in making its decision to apply Brazil as appropriate representative third country for the purposes of the Investigation.

17. However, the picture presented in the SEF is not reflective of the numerous submissions and supporting elements which Hankook has put before the TRA in order to properly inform the process for selecting the most suitable appropriate representative third country for the purposes of the Investigation. None of the highly relevant factors outlined in those submissions are referred to in the SEF and do not appear to have been given any meaningful or conscientious consideration by the TRA in the decision-making process.

⁸ SEF, para. 233.

⁹ SEF, para. 235.

18. As Hankook previously highlighted to the TRA, the selection of an appropriate representative third country for the calculation of the normal value is a decision that has significant ramifications for the outcome of the Investigation, shaping and largely defining the calculations that will underpin the conclusions reached by the TRA. This is why Hankook has emphasised the need for the TRA to take particular care to ensure the procedural fairness of the Investigation when making the final decision with respect to selection of appropriate representative third country.

19. The TRA's failure to give conscientious consideration to the submissions of interested parties in the SEF is particularly unreasonable in light of the fact that a majority of interested parties that submitted comments raised substantial concerns with respect to the suitability of Brazil.¹⁰ Only one interested party — to whom the TRA granted anonymity — argued for Brazil's selection as appropriate representative third country.¹¹ These concerns remain essentially unacknowledged by the TRA.

1.2.2 *Brazil is not a suitable choice for the calculation of the normal value in the Investigation*

20. In stark contrast to the characterisation presented in the SEF, Hankook has consistently drawn the attention of the TRA to numerous factors which weigh heavily against the use of Brazil as appropriate representative third country for the purposes of the Investigation.

21. First, as identified in the SEF, the fact that Brazil applies trade defence measures to imports of the product concerned should certainly be a factor that is taken into consideration given the important role that these measures will play, particularly in affecting selling prices on the domestic market. While this is presented in the SEF as Hankook's key concern with respect to the suitability of Brazil, it must be clarified that Hankook had merely pointed this out in response to the TRA's Note of 21 September 2023, in which the provisional selection of Brazil was justified, *inter alia*, on the alleged "*lack of known market distortions relevant to bus and lorry tyres*".¹²

22. Second, beyond this factor, Hankook has also consistently pointed out that Brazil's industry is in no way meaningfully comparable to that of China. Hankook has previously submitted that the country which will offer the most suitable surrogate for the country of the exporting producer will be the third country that has a market that is closest in comparison to this, with an industry that is closest to that of the target country in scale and complexion. The application of the criteria used by the TRA, and a thorough appraisal of the Brazilian industry, actually lead to the conclusion that Brazil does not offer a suitable comparison with China:

- **Production capacity** — the relevant industry in Brazil is, in relative terms, very small (with a production capacity of 7,130,000 units compared to China's 170,022,387 units in 2022).¹³
- **Limited number of producers of the like goods** — Brazil's industry involved in the production of the like goods is composed of a relatively very limited number of producers (eight, by comparison with 68 for China).¹⁴ The result is a correspondingly less competitive market.

¹⁰ See the submissions of Hankook and CRIA, published in the Public File on 28 November 2023, available [here](#).

¹¹ See the Anonymous submission on appropriate representative third country, published in the Public File on 28 November 2023, available [here](#).

¹² Note of 21 September 2023.

¹³ Source: Based on Hankook's own internal analysis of data acquired from "Tire Business 2022".

¹⁴ Source: "Tire Business 2022".

- **Brazil has a relatively much lower proportion of people employed in industry** — while the TRA has previously¹⁵ considered Brazil (21%)¹⁶ to have a similar proportion of people employed in industry to China (28%),¹⁷ there are several other countries among those considered which have a proportion of people employed in industry which is higher than Brazil's and closer to China's, and which therefore offer a more suitable comparison with China for the purposes of benchmarking.
- **Negligible UK imports of the like goods from Brazil** — Brazil does not export any meaningful quantities of the like goods to the UK.¹⁸ Benchmarks should, where possible, be based on conditions in an exporting country which is actually and meaningfully involved in the export of like goods to the UK.

23. Yet, despite the fact that these criteria are of central importance in earlier TRA practice for the purpose of selecting the appropriate representative third country, they do not appear to have been given any consideration in the Investigation and have not been referred to in the SEF at all.

24. Third, Hankook notes that the conclusion reached by the TRA with respect to the suitability of Brazil as an appropriate representative third country is clearly at odds with that reached by the European Commission (the **Commission**) in the context of the ongoing EU expiry review investigation (R802)¹⁹ conducted in parallel to the present transition review.

25. In particular, the Commission determined that Brazil “*is not an appropriate representative third country*”,²⁰ for the purpose of the normal value construction, identifying a number of issues in respect of Brazil's suitability. Notably, the Commission established that Brazil did not import several significant inputs used in the production of the product concerned — including several types of synthetic rubber and iron (plated or coated)²¹ — and was therefore simply not suitable on a practical level. In addition, the Commission established that a particularly high proportion of imports of certain of these key raw materials into Brazil were in fact from China²² — further undermining its suitability as a potential appropriate representative third country.

26. In light of the above findings, the Commission decided to select Türkiye as the representative country to be used in the R802 investigation. In reaching this decision, the Commission had established that Türkiye had sufficient imports of *all* raw materials and that it was — in comparison to Brazil — also less affected by imports originating in China.²³ Furthermore, the Commission also expressly considered that Türkiye should prevail over Brazil, given that the producer identified was more similar to the cooperating Chinese producers in terms of production patterns as there was production of new truck tyres.²⁴

¹⁵ AD0012 (Aluminium Extrusions from China), available [here](#).

¹⁶ Source: World Bank Open Data (as of 25 April 2024), available [here](#).

¹⁷ Source: World Bank Open Data (as of 25 April 2024), available [here](#).

¹⁸ UK official statistics acquired from [uktradeinfo.com](#) indicate that Brazil exports to the UK were 37,502 kg in 2022. Note that the reported figure refers only to goods falling under CN code 40 11 20 90 00 (new tyres), as official UK data relating to CN 40 12 12 00 10 was unavailable at this source.

¹⁹ Notice of initiation of an expiry review of the anti-dumping measures applicable to imports of certain pneumatic tyres, new or retreaded, of rubber, of a kind used for buses or lorries, with a load index exceeding 121 originating in the People's Republic of China (C/2023/379), available [here](#).

²⁰ R802 — Second note on the sources for the determination of the normal value, issued by the Commission on 16 July 2024 (the **Second Note for the File**) (**Annex 2**) [CONFIDENTIAL].

²¹ CN codes “400219”, “400239”, “400280” for natural rubber, and “721730” for iron (plated or coated). See Second Note for the File for further details.

²² R802 — First note on the sources for the determination of the normal value, issued by the Commission on 23 January 2024 (the **First Note for the File**) (**Annex 1**) [CONFIDENTIAL].

²³ See, First Note for the File.

²⁴ See, First Note for the File.

27. Hankook respectfully submits that these very same considerations must also inform the approach of the TRA in formulating its final recommendation. In light of the evident unsuitability of Brazil as appropriate representative third country, either Thailand (as previously suggested by Hankook) or, in the alternative, Türkiye presents a readily applicable analogue for the purposes of making the necessary calculations and determinations.

2. DUMPING MARGIN CALCULATION

2.1 The methodology followed by the TRA to calculate a single dumping margin for Hankook Group is not line with WTO law

28. At paragraph 269 of the SEF, the TRA explained that a combined dumping margin has been calculated for Hankook's two Chinese producers.

29. In this regard it must be noted that, according to the WTO jurisprudence, in cases where there are two or more related exporting producers in the investigated country, it is possible for the investigating authority to calculate a single anti-dumping duty rate, if it is demonstrated that the structural and commercial relationship between the companies in question is sufficiently close for them to be considered as a single entity.²⁵

30. However, it is submitted that in such cases the investigating authorities should calculate the individual dumping margins for each related exporting producer *before* calculating an average dumping margin for the group of related exporting producers (weighted on the basis of each exporting producer's export quantities of the product under investigation during the investigation period). By contrast, the methodology followed by the TRA consists of consolidating the domestic prices and cost of production data of the related producers, in order to calculate a blended export price and a blended normal value, as if CHKT and JHKT were a single manufacturer.

31. Hankook respectfully disagrees with this methodology consisting of blending the cost and sales data of two different producers. In this regard, it is noted that pursuant to Article 6.10 of the WTO ADA, "*the authorities shall, as a rule, determine an individual margin of dumping for each known exporter or producer concerned of the product under investigation*" (emphasis added). Therefore, while the WTO jurisprudence authorises, as explained, the calculation of a single anti-dumping duty for two or more related exporting producers in the investigated country, the fact remains that the relevant dumping margins should be calculated for each manufacturer individually. Only at a later stage can a weighted average be calculated in order to determine the level of the anti-dumping duty.

32. **[CONFIDENTIAL: business confidential information not susceptible of meaningful summary].**

33. **[CONFIDENTIAL: business confidential information not susceptible of meaningful summary].**

²⁵ WTO Panel Report, Korea – Certain Paper, WT/DS312/R, adopted on 28 November 2005, para. 7.161.

34. This is also the standard practice of the Commission. In cases where there are two or more related exporting producers in the investigated country, the Commission’s practice is to calculate individual dumping margins for each related exporting producer — before calculating an average dumping margin for the group of related exporting producers weighted on the basis of each exporting producer’s export quantities of the product under investigation to the European Union during the investigation period.²⁶

35. In view of the above, Hankook respectfully submits that the dumping margin calculation should be revised accordingly.

2.2 HKTUK’s AS&G and profit should not be deducted from Hankook’s constructed export price

36. As explained in para. 261 of the SEF, the TRA constructed Hankook’s export price under Regulation 15(4)(a). [CONFIDENTIAL: business confidential information not susceptible of meaningful summary].

37. [CONFIDENTIAL: business confidential information not susceptible of meaningful summary].

38. [CONFIDENTIAL: business confidential information not susceptible of meaningful summary].

39. [CONFIDENTIAL: business confidential information not susceptible of meaningful summary].

40. [CONFIDENTIAL: business confidential information not susceptible of meaningful summary].

41. [CONFIDENTIAL: business confidential information not susceptible of meaningful summary].²⁷
[CONFIDENTIAL: business confidential information not susceptible of meaningful summary].²⁸
[CONFIDENTIAL: business confidential information not susceptible of meaningful summary],²⁹
[CONFIDENTIAL: business confidential information not susceptible of meaningful summary].

42. [CONFIDENTIAL: business confidential information not susceptible of meaningful summary]³⁰.
[CONFIDENTIAL: business confidential information not susceptible of meaningful summary],³¹
([CONFIDENTIAL: business confidential information not susceptible of meaningful summary]³², and
[CONFIDENTIAL: business confidential information not susceptible of meaningful summary].³³

43. [CONFIDENTIAL: business confidential information not susceptible of meaningful summary]³⁴ i.e.,
[CONFIDENTIAL: business confidential information not susceptible of meaningful summary],³⁵
[CONFIDENTIAL: business confidential information not susceptible of meaningful summary],³⁶ and
[CONFIDENTIAL: business confidential information not susceptible of meaningful summary]³⁷

²⁶ Certain seamless pipes and tubes, of iron or steel (Russia, Ukraine), 2012 O.J. (L 238) 1, at recital 14; Hollow sections (Turkey), 2003 O.J. (L 175) 3, at recital 56.
²⁷ [CONFIDENTIAL: business confidential information not susceptible of meaningful summary].
²⁸ [CONFIDENTIAL: business confidential information not susceptible of meaningful summary].
²⁹ [CONFIDENTIAL: business confidential information not susceptible of meaningful summary].
³⁰ [CONFIDENTIAL: business confidential information not susceptible of meaningful summary].
³¹ [CONFIDENTIAL: business confidential information not susceptible of meaningful summary].
³² [CONFIDENTIAL: business confidential information not susceptible of meaningful summary].
³³ [CONFIDENTIAL: business confidential information not susceptible of meaningful summary].
³⁴ [CONFIDENTIAL: business confidential information not susceptible of meaningful summary].
³⁵ [CONFIDENTIAL: business confidential information not susceptible of meaningful summary].
³⁶ [CONFIDENTIAL: business confidential information not susceptible of meaningful summary].
³⁷ [CONFIDENTIAL: business confidential information not susceptible of meaningful summary].

44. [CONFIDENTIAL: business confidential information not susceptible of meaningful summary].

45. [CONFIDENTIAL: business confidential information not susceptible of meaningful summary].

46. For all the above reasons, the TRA is respectfully requested not to deduct the AS&G and profit of HKTUK from Hankook's CEP.

2.3 The anti-dumping duties paid by HKTUK should not be deducted from Hankook's constructed export price

47. When calculating Hankook's CEP, the TRA deducted the anti-dumping amount paid at importation from HKTUK's sales price to independent customers in the UK. Such anti-dumping amount - equal to £ 32.62 per tyre - was originally determined by Commission Implementing Regulation 2018/1579³⁸ and transitioned into UK law on 31 December 2020 by Taxation Notice 2020/22,³⁹ which gave effect to a determination by the Secretary of State for International Trade set out in Notice of Determination 2020/22.⁴⁰ However, Hankook respectfully submits that the anti-dumping amount should not be deducted from the constructed export price of Hankook.

48. In this regard, it should be noted that pursuant to Regulation 99B, if the TRA constructs the export price in the context of a transition review, *"the TRA may deduct any anti-dumping amount paid if it is not reflected in resale prices and subsequent selling prices in the United Kingdom"*. It follows that, as a rule, in the context of transition reviews, the anti-dumping amount should not be deducted from the constructed export price, unless it is positively determined that it is not reflected in resale prices and subsequent selling prices in the United Kingdom.

49. In the present case, no such determination was reached by the TRA, either in the SEF or in previous stages of the Investigation. In particular, the SEF does not contain any determination and does not provide any reasoning as to whether the deduction of the anti-dumping amount paid by HKTUK is justified in view of the subsequent resale prices, in line with Regulation 99B. Absent this determination, the deduction of the anti-dumping amount from HKTUK's resale price to the first independent customers in the UK is at odds with Regulation 99B.

³⁸ Commission Implementing Regulation (EU) 2018/1579 of 18 October 2018 imposing a definitive anti-dumping duty and collecting definitively the provisional duty imposed on imports of certain pneumatic tyres, new or retreaded, of rubber, of a kind used for buses or lorries, with a load index exceeding 121 originating in the People's Republic of China and repealing Implementing Regulation (EU) 2018/163 ([here](#)).

³⁹ Taxation notice 2020/22: anti-dumping duty on certain pneumatic tyres, new or retreaded, of rubber, of a kind used for buses or lorries and with a load index exceeding 121 originating in the People's Republic of China, 31 December 2020 ([here](#)).

⁴⁰ Notice of determination 2020/22: anti-dumping duty on certain pneumatic tyres, new or retreaded, of rubber, of a kind used for buses or lorries and with a load index exceeding 121 originating in the People's Republic of China ([here](#)).

50. The above clarified, it should be noted that – in any case – the conditions to deduct the anti-dumping amount pursuant to Regulation 99B are not met in this case. In this regard, it should be noted that Regulation 99B mirrors Article 11(10) of Regulation (EU) 2016/1036⁴¹ (the **EU Basic Regulation**), which provides that when the export price is constructed in a review investigation, the constructed export price should be calculated with no deduction for the amount of anti-dumping duties paid when conclusive evidence is provided that the duty is duly reflected in the resale price. According to the Commission’s practice, for the purpose of applying Article 11(10) the resale prices in the original investigation period (i.e. before the imposition of the measures) are compared with the resale prices in the review investigation period (i.e. after anti-dumping duties were imposed). This exercise is conducted with a view to verifying whether the anti-dumping duty has been duly reflected in the resale prices, i.e. whether these prices sufficiently increased in comparison to the original investigation period.

51. [CONFIDENTIAL: business confidential information not susceptible of meaningful summary].

52. [CONFIDENTIAL: business confidential information not susceptible of meaningful summary] (see **Annex 3** [CONFIDENTIAL: business confidential information not susceptible of meaningful summary: Hankook’s landed price calculation and supporting evidence relating to sales prices during the IP of the original EU investigation]).⁴²

53. [CONFIDENTIAL: business confidential information not susceptible of meaningful summary].

2.4 The TRA failed to deduct certain adjustments from the constructed normal value

54. [CONFIDENTIAL: business confidential information not susceptible of meaningful summary].

55. [CONFIDENTIAL: business confidential information not susceptible of meaningful summary].

56. [CONFIDENTIAL: business confidential information not susceptible of meaningful summary].

3. INJURY MARGIN CALCULATION

3.1 The TRA should not use Hankook’s constructed export price for the purpose of the injury margin calculation

57. [CONFIDENTIAL: business confidential information not susceptible of meaningful summary].

58. [CONFIDENTIAL: business confidential information not susceptible of meaningful summary].

59. [CONFIDENTIAL: business confidential information not susceptible of meaningful summary].

60. [CONFIDENTIAL: business confidential information not susceptible of meaningful summary].

61. [CONFIDENTIAL: business confidential information not susceptible of meaningful summary].

⁴¹ Regulation (EU) 2016/1036 of the European Parliament and of the Council of 8 June 2016 on protection against dumped imports from countries not members of the European Union, OJ L 176, 30.6.2016, p. 21.

⁴² [CONFIDENTIAL: business confidential information not susceptible of meaningful summary].

62. [CONFIDENTIAL: business confidential information not susceptible of meaningful summary].

3.2 The TRA's calculation of Hankook's fixed duty appears to be incorrect

63. Finally, Hankook wishes to draw the attention of the TRA to the fact that it has identified potential errors in the calculation of the proposed fixed anti-dumping duty for Hankook (amounting to £10.03/tyre). In this regard, the following should be noted.

64. [CONFIDENTIAL: business confidential information not susceptible of meaningful summary].

65. [CONFIDENTIAL: business confidential information not susceptible of meaningful summary]

Annex 4 [CONFIDENTIAL: business confidential information not susceptible of meaningful summary: Hankook's anti-dumping amount calculation].

66. [CONFIDENTIAL: business confidential information not susceptible of meaningful summary].

4. CONCLUSION

67. In conclusion, Hankook respectfully submits that the TRA should address the following issues when formulating its final recommendation to SoS:

- With regard to the methodology used to construct the normal value:
 - Hankook submits that such an approach is contrary to the UK's obligations under the WTO ADA, namely Articles 2.2 and 2.2.1.1. Instead, the TRA should accept the domestic prices and costs reported by the cooperating Chinese exporting producers CHKT and JHKT;
- With regard to the selection of appropriate representative third country:
 - the TRA must reconsider its decision to select Brazil as appropriate representative third country, given the manifest unsuitability of Brazil for this purpose and the procedural concerns that have been brought to the attention of the TRA with regard to the approach that it has taken;
 - instead, the TRA should use Thailand as appropriate representative third country. Alternatively, it has been established that Türkiye would in all circumstances be more appropriate than Brazil for this purpose;
- With regard to the dumping margin calculation:
 - [CONFIDENTIAL: business confidential information not susceptible of meaningful summary];
 - [CONFIDENTIAL: business confidential information not susceptible of meaningful summary];
- With regard to the injury margin calculation:
 - [CONFIDENTIAL: business confidential information not susceptible of meaningful summary];
 - [CONFIDENTIAL: business confidential information not susceptible of meaningful summary].

Kind regards,

Gabriele Coppo

Enclosure[s]:

1. Annex 1: R802 — First Note for the File [**CONFIDENTIAL**]
2. Annex 2: R802 — Second Note for the File [**CONFIDENTIAL**]
3. Annex 3: [**CONFIDENTIAL**: business confidential information not susceptible of meaningful summary: Hankook's landed price calculation and supporting evidence relating to sales prices during the IP of the original EU investigation]
4. Annex 4: [**CONFIDENTIAL**: business confidential information not susceptible of meaningful summary: Hankook's anti-dumping amount calculation]