

NOTICE OF INITIATION

Optical Fibre Cables

Imported into the United Kingdom from the People's Republic of China

Initiation of an Investigation into Alleged Subsidisation

Investigation No. AS0022

The Trade Remedies Authority (TRA) makes the following Notice under paragraph 9(5) of Schedule 4 to the Taxation (Cross-border Trade) Act 2018 (the Act) to initiate an investigation into alleged subsidisation.

The date of initiation of the investigation is 26 April 2022.

The Application was made on behalf of the UK industry in optical fibre cables (the Application).

A non-confidential copy of the [Application](#) is available on our public file relating to this investigation.

HOW TO TAKE PART IN THE INVESTIGATION

Registration period

Anyone who wants to participate in the investigation can register their interest through the Trade Remedies Service at <https://www.trade-remedies.service.gov.uk/> by **13th May 2022**

Please contact AS0022@traderemedies.gov.uk if you have any difficulties using this service.

Anyone registering their interest after 13 May 2022 may not be able to participate fully in the investigation process.

Interested parties and contributors

Once registered, interested parties and contributors can submit comments on any issues relevant to the investigation through the Trade Remedies Service.

Interested parties may include:

- the government of the People's Republic of China;
- any overseas exporter or importer of the goods concerned;
- any trade or business association of overseas producers, overseas exporters or importers of the goods concerned;
- any producer of the like goods in the UK; and
- any trade or business association of UK producers of the like goods.

Contributors are those, other than interested parties, who have notified us that they would like to participate in the investigation.

SUMMARY OF THE INVESTIGATION

The Goods

The goods subject to investigation (the Goods Concerned) are:

Single mode optical fibre cables, made up of one or more individually sheathed fibres, with protective casing, whether or not containing electric conductors and hybrid cables, which are fitted both with optical fibres and electrical conductors. This product is commonly referred to as “optical fibre cables”.

The following product types are excluded:

- Multimode optical fibre cables due to differences in construction, applications and costs
- Cables in which all the optical fibres are individually fitted with operational connectors at one or both extremities; and
- Cables for submarine use because they have different applications and are designed differently from land cables. More specifically, unlike land cables, submarine cables 1) have different constructions because they are subject to different external environmental constraints (e.g., water pressure); 2) use different types of fibres (typically G.654 fibres); 3) include a conductor to feed the optical repeaters, which generally contain copper or aluminium; 4) are priced higher than land cables; and 5) are usually sold inside turnkey projects, which include installation. Submarine cables are laid out on the seabed by using specially modified ships.

The Goods Concerned are subject to the following commodity code:
8544 70 00.

The applicant considers that the following are Like Goods for the purposes of this investigation:

The like goods produced by the UK industry are optical fibre cables that have the same general construction, namely optical fibres, fibre module(s), a construction core, cable jacket(s) and reinforcements not in the cable jacket; the same choice of type of optical fibre, including G.652 (D) fibres and G.657 (A1 / A2) fibres; the same applications, namely 1) outdoor applications, which include underground cables (loose tube, flexible tube and ribbon) and aerial cables (Optical Power Ground Wire, figure 8 and All

Dielectric Self Supporting) and 2) indoor applications (riser cables and drop cables), currently falling within CN code 8544 70 00.

Allegations of subsidisation and injury

The Application alleges that the Goods Concerned imported into the United Kingdom from the People's Republic of China were in receipt of countervailing subsidies provided by the Government of China and other state-owned entities, including banks and insurance companies. Broad categories of these subsidies include directly transferred funds; government revenue forgone or not collected; preferential financing through equity and other capital instruments; and provision of preferential export credit and insurance.

The applicant claims that the alleged subsidised imports have caused and are causing material injury to the applicant through:

- reduced market share;
- reduced sales volume;
- price undercutting;
- reduced profitability; and
- reduced investment.

SUMMARY OF THE INVESTIGATION PROCESS

The period of investigation is 1 January 2021 to 31 December 2021. In order to assess injury, we will examine the period from 1 January 2018 to 31 December 2021.

The investigation will involve the following process:

- inviting parties to register their interest in the investigation;
- issuing questionnaires, where practicable, to:
 - all interested parties (including the Government of the People's Republic of China) who have registered an interest in the investigation;
 - all contributors who have registered an interest in the investigation;
 - all UK producers, importers and overseas exporters identified in the Application; and
 - any trade or business association of UK producers, importers and overseas exporters identified in the Application.
- carrying out verification visits to further assess and examine information;
- analysing information gathered;
- determining whether subsidised goods are being imported into the UK and the importation of these goods is causing injury to the UK industry;

- determining the subsidy amount;
- determining an amount adequate to remove injury;
- considering whether applying a countervailing amount would be in the economic interest of the UK;
- publishing a Statement of Essential Facts. On publication, we will set a period of time, which will be no longer than 30 days, during which parties will be able to comment on the Statement of Essential Facts; and
- at the end of the investigation we will make a recommendation to the Secretary of State for International Trade (the Secretary of State) which may include provision for a countervailing amount to be applied. The Secretary of State will then decide whether to accept or reject that recommendation.

Our [Trade Remedies Guidance](#) provides more information about the investigations process.

Provisional affirmative determination

If, at any time during the investigation, we are satisfied that there are sufficient grounds for recommending imposition of a countervailing amount, we may make a provisional affirmative determination under paragraph 11 of Schedule 4 to the Act and make a recommendation to the Secretary of State under paragraph 13 of that Schedule that importers of the goods concerned are required to give a guarantee in respect of an estimated countervailing amount. We will only require a guarantee where we are satisfied that it is necessary to prevent injury being caused during the investigation to UK industry in the relevant goods, and that it meets the economic interest test.

Parties are invited to comment on the issue of making a provisional affirmative determination and requiring a guarantee throughout the investigation.

Sampling

Depending on the number of parties registering an interest in the investigation, we may consider it appropriate to limit examination to a sample of:

- overseas exporters;
- importers;
- categories of goods;
- UK producers;
- transactions for the purchase of the like goods in the UK; or
- anything else we consider it appropriate to sample.

Hearings

Interested parties can request a hearing by using the Trade Remedies Service at <https://www.trade-remedies.service.gov.uk/>.

For further information about hearings during an investigation, please see our [Meetings, Hearings and Visits Guidance](#).

Confidential information

Information provided during an investigation may be treated as confidential. Anyone requesting that information be treated as confidential must demonstrate why and provide:

- a non-confidential summary of that information; or
- where that is not possible, a statement of reasons explaining why the information should be treated as confidential, and why it cannot be summarised.

FURTHER INFORMATION

Our [Trade Remedies Guidance](#) provides more information about the investigations process, including our requirements for [submitting and summarising confidential information](#).

Oliver Griffiths
Chief Executive Officer
Trade Remedies Authority

26 April 2022