

Final Recommendation

Case NE0024

**New Exporter Review of anti-dumping duties on electric bicycles originating in
the People's Republic of China**

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Introduction

1. Under Regulation 71(1) of The Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019, (“the Regulations”) the TRA may conduct a New Exporter Review (NER). The aim of the NER is to consider whether the application of an anti-dumping amount and/or a countervailing amount to goods should be varied in the case of a new exporter.
2. The goods in question are electric bikes exported from China.
3. In accordance with Regulation 71(2) of the Regulations, as read with regulation 94B(2)(a), a new exporter is “an overseas exporter that did not export the goods subject to review into the EU during the period of investigation in respect of which the application of the relevant anti-dumping amount or countervailing amount is based”.
4. The EU imposed anti-dumping and countervailing duties on electric bikes exported from China duties under [Commission Implementing Regulation \(EU\) 2019/73](#) and [Commission Implementing Regulation \(EU\) 2019/72](#) on 17 January 2019.
5. On 31 December 2020 the UK transitioned the above EU duties into UK law – see [Notice of Determination 2020/24](#) and [Taxation Notice 2020/24](#) for the anti-dumping; and [Notice of Determination 2020/25](#) and [Taxation Notice 2020/25](#) for the countervailing duties.
6. On 8 April 2022, the TRA received an application for a NER (“the Application”). The application was from two Chinese exporters of electric bikes: Jinhua Otmar Technology Co Limited, PRC (“Otmar”) and Jinhua Seno Technology Co Limited, PRC (“Seno”) (together “the applicants”). The applicants made a joint NER application to the TRA despite being separate companies. The joint nature of the application was accepted by the TRA on the basis that the applicants are related entities.
7. The applicants applied for a variation of the anti-dumping tariff from the residual rate, to the non-sampled co-operating rate applied to exporters at the time of the original investigation. This would reduce the anti-dumping duty from 62.1% to 16.2%, the effect on the combined rate of anti-dumping and countervailing duty being a reduction from 79.3% to 33.4%.
8. On 23 June 2022, the Trade Remedies Authority (TRA) initiated a NER under regulation 67(3) of the Regulations to consider whether the anti-dumping amount should be varied in the case of Otmar and Seno. The [Notice of Initiation](#) (“NOI”) was published on 23 June 2022.

9. On 19 August 2022 the TRA published a Statement of Essential Facts (SEF) pursuant to regulation 62 of the Regulations. This included:

- the TRA's intended recommendation on the NER;
- a summary of the facts considered during the NER;
- the basis of the intended recommendation.

About this review

10. This review concerns a request from the applicants to be considered new exporters and for the non-sampled overseas exporter anti-dumping rate to be applied to the goods subject to review, in accordance with regulations 71(4) and 94B(2)(b) of the Regulations.

11. The period of investigation (POI) for this review is 1 June 2021 to 31 May 2022.

12. The applicants for the review are:

- Jinhua Otmar Technology Co Limited, PRC ("Otmar")
101, Unit 1, Building 16, No 168 Kechang Road, Qiubin Street Wucheng District, Jinhua City, Zhejiang Province, PR China, 321016; and
- Jinhua Seno Technology Co Limited, PRC ("Seno")
Unit 2, Building 16, No 168 Kechang Road, Qiubin Street Wucheng District, Jinhua City, Zhejiang Province, PR China, 321016.

The Goods Subject to Review

13. The goods subject to review in this NER are defined in the NOI as:

"Cycles, with pedal assistance, with an auxiliary electric motor".

14. The goods include 2, 3 and 4 wheeled cycles. The definition in the EU case, UK Taxation Notice and United Kingdom Global Tariff (UKGT) codes cover cycles, including 2, 3 and 4-wheeled cycles.

15. The goods subject to review are subject to the following tariff classifications:

87 11 60 10 00
87 11 60 90 10

Responses to the SEF

16. Interested parties were invited to make submissions on the SEF within 21 days of publication. The following parties submitted comments:
17. The applicants supported the TRA's recommendation.
18. Frog Bikes Limited was the only registered interested party to the NER. They objected to the intended recommendation of the SEF but provided no evidence on which the TRA could consider the objections raised. Part of the objection was in relation to the level of duty being applied, which was not a matter over which the TRA have discretion in this NER. Once it is decided that the applicants are new exporters, the rates are set by regulation 71 (4) as the non-sampled overseas exporter amount. This includes the countervailing duty (which has not been changed), as well as the anti-dumping duty. The final recommendation includes details of the countervailing duty to make this clear.
19. A party unregistered to the case objected to the intended recommendation, however provided no evidence on which the TRA could consider the objection raised.

New Exporter requirements

20. The TRA considered whether the applicants met the following criteria for new exporters, as set out in regulation 71(2) and (3) of the Regulations, namely that they:
 - did not export the goods subject to review to the EU during the EU's POI (1 October 2016 – 30 September 2017) (EU POI) on which the current measure is based;
 - are not related to an overseas exporter who is subject to the current measure and who exported the good(s) subject to review to the EU during the EU POI on which the current measure is based and
 - are exporting the goods to the UK or have a contractual obligation to export a significant quantity to the UK.

Goods exported to the UK by the applicants

21. The applicants provided proof of exporting the goods by providing copies of bill of lading and commercial invoices on sales to the UK, which described the goods exported as "electric tricycle".

22. Otmar's website shows that the goods for sale fall within the description of Cycles, with pedal assistance, with an auxiliary electric motor and meet the criteria of the goods subject to the measure (see paragraph 13-15 above).
23. Seno has no online presence, so the TRA considered instead the web page of a key importer of Seno's product. The importer's web page showed they sold electric tricycles both at 250w and 500w. The goods advertised were identical to the goods produced by Seno and fell within the description of the goods subject to the measure.
24. The TRA considered the UKGT code description of the goods (8711601000 & 8711609010). It matched the goods exported. Furthermore, UK trade info web data confirmed that the goods described by the above UKGT codes are subject to the measure. "Bicycle, tricycle or quadricycle with pedal assistance fitted with an electric motor." 871160 10 00 limits the output of the electric motor to 250W, however, 871160 90 10 does not limit the electric motor power output.
25. The TRA is satisfied that the applicants' exports are those goods subject to review.

Previous export activities

26. To be considered a new exporter, the review applicant must not have exported the goods subject to review to the EU during the EU POI on which the current measure is based. The EU POI was 1 October 2016 to 30 September 2017.
27. The TRA has considered whether the Applicants exported into the EU during the EU POI. They have provided statements detailing when they were both established as companies, together with supporting evidence. They have also provided evidence in the form of [PRC establishment](#) certificates. These corroborated the dates of incorporation, confirming that Otmar was established on 25 May 2018 and Seno was established on 8 September 2021, both after the EU POI ended on 30 September 2017.
28. TRA enquires into Otmar showed that, on public facing web sites, Otmar claimed to hold 10 years' research and development and export experience. This appeared to contradict the incorporation dates. However, further TRA enquires showed that this was director experience rather than company experience. This was confirmed by the applicant via email.
29. The TRA is satisfied that the applicants were incorporated after the EU POI expiry date of 30 September 2017, and therefore did not export the goods to the EU during the EU POI on which the current measure is based.

Relation to other companies subject to the measure

30. To be considered a new exporter, the review applicant must not be related to any overseas exporter that is subject to the anti-dumping measure and who exported the goods subject to review to the EU during the EU POI.
31. The application from Otmar and Seno includes signed statements to confirm that they were not related to any Chinese exporter subject to the current measure on electric bicycles into the EU.
32. Details of Otmar's and Seno's directorship and share ownership was provided in the application. The TRA researched the names of the directors and shareholders of the applicants together with the exporters cited in the EU case through the companies' websites. The TRA also cross-referenced the following: phone numbers, addresses, products (via web pages) and proximity to other producers. There was no evidence found of any relationship with an existing company subject to the measure.
33. The TRA is satisfied that the applicants are not related to any company that is subject to the current measure and that exported the goods subject to review to the EU during the EU POI on which the current measure is based.

Export activities

34. To be considered a new exporter, the review applicant must be exporting the goods subject to review to the UK or have a contractual obligation to export a significant quantity to the UK.
35. Otmar provided a recent bill of lading (including packing list and commercial invoice) dated October 2021 in respect of export sales of the goods subject to review to the UK. Seno provided a recent bill of lading (including packing list and commercial invoice) dated November 2021 in respect of export sales of the goods subject to review to the UK. Both applicants sold their goods to the same UK importer.
36. Both sales were in the POI of the current review and after the conclusion of the EU POI.
37. According to the commercial invoices provided, the goods are described as "electric tricycle".
38. Otmar has provided a confidential written response to our question on their anticipated export sales to the UK and they anticipate continued sales.
39. Seno has provided a confidential written response to our question on their anticipated sales and they are expecting sales of tricycles to continue.

40. The TRA considers the sales to have been commercially significant shipments and not “sample sales”. This understanding is based on commercially sensitive information which is confidential.
41. The TRA has verified evidence that the applicants are exporting to the UK and that the export level is significant, not a sample. The TRA, therefore, considers the applicants to be exporting to the UK.

Findings and Final Recommendation

Findings

42. The TRA finds that Otmar and Seno:
- are new entities who didn't export to the EU in the EU POI;
 - are not related to another company subject to the EU duty measure; and
 - exported to the UK in the period after the EU POI expiry.

Final Recommendation

43. Our recommendation to the Secretary of State for International Trade is:
- that the Applicants are new exporters;
 - that the anti-dumping amount applied to the goods subject to review should be varied from 62.1% to 16.2% (see Table 1), which is the non-sampled overseas exporter amount to be applied under Regulation 71 (4) of the Regulations.
44. The residual rate applied to the Applicants prior to this review is 79.3% which consists of an anti-dumping duty of 62.1% (see Table 2) and a countervailing duty of a 17.2% (see Table 3). The varied rate which is recommended consists of a non-sampled co-operating rate of 33.4%, which is made up of an anti-dumping duty of 16.2% (see “Overseas exporter specified in Annex 1” in Table 2) and a countervailing duty of 17.2% (see “Overseas exporter specified in Annex 2” in Table 3).
45. Table 1 specifies the anti-dumping and countervailing duties to be applied to the goods described, imported under the commodity codes 8711601000 and 8711609010 by the applicants.

Table 1: Anti-dumping and countervailing duties to be applied on the goods subject to review, as recommended in this NER.

Country	Company	Anti-dumping duty rate (%)	Countervailing duty rate (%)	Overall duty rate (%)
PRC	Jinhua Otmar Technology Co Limited, PRC	16.2%	17.2%	33.4%
PRC	Jinhua Seno Technology Co Limited, PRC	16.2%	17.2%	33.4%

Table 2: Anti-dumping duties imposed by [Taxation Notice 2020/24](#)

Company	Anti-dumping duty rate (%)	UK additional TAP code
Bodo Vehicle Group Co., Ltd	58.3%	C382
Giant Electric Vehicle (Kunshan) Co., Ltd	20.7%	C383
Jinhua Vision Industry Co., Ltd	10.3%	C384
Suzhou Rununion Motivity Co., Ltd	62.1%	C385
Yadea Technology Group Co., Ltd	37.4%	C463
Yongkang Hulong Electric Vehicle Co., Ltd	10.3%	C384
Overseas exporter specified in Annex 1	16.2%	see Taxation Notice 2020/24
Overseas exporter specified in Annex 2	24.2%	see Taxation Notice 2020/24
Overseas exporter specified in Annex 3	70.1%	see Taxation Notice 2020/24
All other overseas exporters (residual amount)	62.1%	C999

Table 3: Countervailing duties imposed by [Taxation Notice 2020/25](#)

Company	Countervailing duty rate (%)	UK additional TAP code
Bodo Vehicle Group Co., Ltd	15.1%	C382
Giant Electric Vehicle (Kunshan) Co., Ltd	3.9%	C383
Jinhua Vision Industry Co., Ltd and Yongkang Hulong Electric Vehicle Co., Ltd	8.5%	C384
Suzhou Rununion Motivity Co., Ltd	17.2%	C385
Yadea Technology Group Co., Ltd	10.7%	C463
Overseas exporter specified in Annex 1	9.2%	see Taxation Notice 2020/25
Overseas exporter specified in Annex 2	17.2%	see Taxation Notice 2020/25
All other overseas exporters (residual amount)	17.2%	C999