

Email sent from representatives of Chinese Chamber of International Commerce to the TRA on 18 June 2021:

Dear Madam/Sir,

Good day.

On behalf of CCOIC, we would like to draw your attention to the announcement published by the government of China in April 2021 regarding the cancelation of export tax rebates for certain steel products, including the goods subject to review. CCOIC submits that the implementation of the measures would significantly reduce the likelihood of occurrence of dumping as far as the goods subject to review from China are concerned and alleged injury caused.

To be specific, it is noted that the Ministry of Finance and State Administration of Taxation of China has announced on April 26, 2021, **that the export rebates for most steel products will be cancelled from May 1, 2021** (http://www.gov.cn/zhengce/zhengceku/2021-04/28/content_5603588.htm). Most of these products were enjoying a full rebate of 13% VAT on export. **CCOIC notes that some of the goods subject to review are under the HS Codes which have had the rebates cancelled.** Please refer to the chart below for more details:

HS CODE	Name of Goods	VAT Rebate Rate before 2021.5.1	VAT Rebate Rate from 2021.5.1
73063011	其他铁或非合金钢圆形截面焊接管外径≤10毫米,壁厚≤0.7毫米(细焊接管指外径不超过406.4mm) Other welded tubes and pipes, of iron or non-alloy steel, of circular cross-section and of an external diameter not exceeding 10mm and having a wall thickness of 0.7mm or less (Fine welded tubes and pipes refers to welded pipe with outer diameter not exceeding 406.4mm)	13% (start from 2013.1.1)	0%
73063019	其他铁或非合金钢圆形截面焊接管外径≤10毫米,壁厚>0.7毫米(细焊接管指外径不超过406.4mm) Other welded tubes and pipes, of iron or non-alloy steel, of circular cross-section and of an external diameter not exceeding 10mm and having a wall thickness more than 0.7mm (Fine welded tubes and pipes refers to welded pipe with outer diameter not exceeding 406.4mm)	13% (start from 2020.3.20)	0%
73063090	其他铁或非合金钢圆形截面焊接管,外径>10毫米(细焊接管指外径不超过406.4mm) Other welded tubes and pipes, of iron or non-alloy steel, of circular cross-section and of an external diameter exceeding 10mm (Fine welded tubes and pipes refers to welded pipe with outer diameter not exceeding 406.4mm)	13% (start from 2020.3.20)	0%

As provided in the announcement, almost all steel products were covered by the rebate adjustment. **CCOIC notes that although certain steel products, including some of the goods subject to review, are excluded from the policy, the export rebate rate will be cut to 4% or 9% from the current 13% according to market sources** (<https://www.metalbulletin.com/Article/3986628/NEWSBREAK-China-to-cancel-some-steel-export-tax-rebates-from-May-1.html>). Hence, there is no doubt that the cancellation of the rebate, which has been seen as a major stimulus to export, will greatly discourage Chinese companies from exporting the above steel products.

In addition, **the Ministry of Finance announced another policy to remove the import duties on pig iron, DRI, steel scrap, ferrochrome, carbon steel billets, and stainless-steel billets with effect from May 1. At the same time, export duties on ferrosilicon, ferrochrome, high purity**

pig iron, and other products have been increased by about 5% (http://www.gov.cn/zhengce/zhengceku/2021-04/28/content_5603591.htm).

“The measures are conducive to reducing the export of steel products, expanding the import of steel resources, supporting the reduction of domestic crude steel production, and promoting the transformation, upgrading, and high-quality development of the steel industry,” the ministry said.

In this case, CCOIC submits that this would likely lead to an increase in export prices and a decrease in the volume of exports of steel products, including the goods subject to review. Therefore, even if the measures were removed, it is not likely that the dumping and injury would occur.

To sum up, CCOIC respectfully requests the TRA to take the above measures into consideration at the stage of the final determination.

Best regards,

[Name Redacted]