

**Comments of the Ministry of Foreign Affairs of Belarus
on a transition review of the anti-dumping measures applying to certain
welded tubes and pipes of iron or non-alloy steel originating from Belarus**

The Belarusian side carefully analysed the Statement of Essential Facts (hereinafter referred to as ‘SEF’) of the UK Department for International Trade, its main findings and the intended preliminary decision to maintain the anti-dumping duty of 38.1% for certain welded tubes and pipes of iron or non-alloy steel (hereinafter referred to as ‘WTP’) originating from Belarus.

We would like to oppose the view of the Department for International Trade that “the UK might be an attractive market for Belarusian producers, as the relatively high prices in the UK means that it may be possible for Belarusian producers to offer competitive prices on the UK market”.

First of all, the UK market has never been attractive for Belarusian producers of WTP, even long before the initial imposition of the EU anti-dumping measure¹. In particular, exports of Belarusian WTP to the UK have not been investigated, at least, since 2000. This information was provided by the State Customs Committee of the Republic of Belarus and cross-checked with the publicly available UK trade statistics².

Secondly, the UK market is characterized by the geographical remoteness from Belarus resulting in high transport costs which are considered to be the key reason of its unattractiveness for exports of Belarusian WTP.

Paragraph 7.45 of the SEF states that the total cost per ton of transport from Minsk to the UK is approximately 105 British pounds.

We verified this information. Upon our demand, the Belarusian main producers of WTP requested some private logistics companies from Belarus and Poland to provide offers for transportation of WTP by one tented trailer fully loaded (22.5 tons) from Belarus to the UK. The commercial offers are confidential (reason: commercial information of private logistics providers). Their non-confidential versions are enclosed.

The offers demonstrate that transport costs were underestimated by the Department for International Trade and account for 20% of the Belarusian WTP price on the UK market.

Thirdly, it is highly arguable that the UK market would automatically become attractive for Belarusian exports of WTP, should the anti-dumping measure be lifted in the UK, due to relatively high prices in the UK and maintenance by the European Union of the anti-dumping duties.

¹The initial anti-dumping duty on imports of WTP, originating from Belarus, was imposed in December 2008 by Council Regulation (EC) No 1256/2008. The initial investigation covered the period from 1 July 2006 to 30 June 2007. <https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX%3A32008R1256>

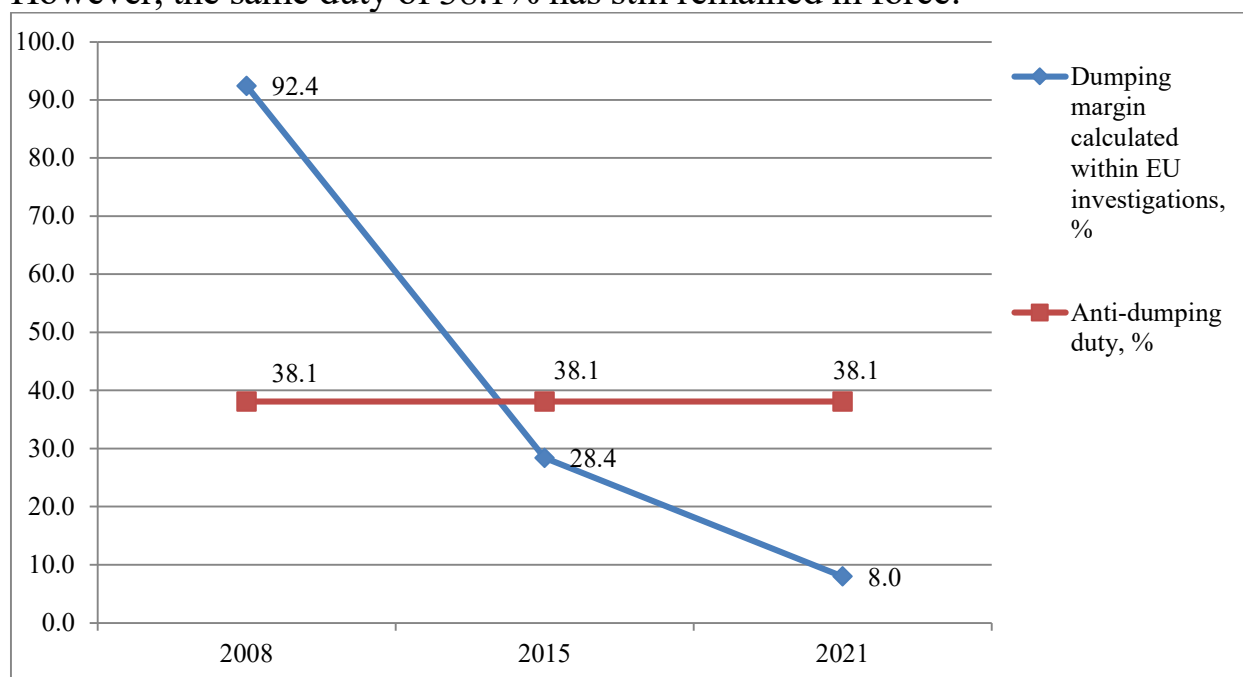
²UK Trade info HMRC import data for 7306 30 41, 7306 30 49, 7306 30 72, 7306 30 77 <https://www.uktradeinfo.com/trade-data/ots-custom-table/> accessed 24/05/2021

If it was the case, two other markets in Europe with relatively high prices, not applying anti-dumping measures, as Switzerland and Norway, would become attractive for the Belarusian exporters of WTP. However, exports from Belarus to these two countries are negligible.

Exports from Belarus under CN codes 7306 30 41, 7306 30 49, 7306 30 72, 7306 30 77, kg ³				
To/Year	2016	2017	2018	2019
Switzerland	0	0	0	32
Norway	0	0	0	0

Fourthly, the Belarusian producers of WTP made a significant progress in reducing dumping margin.

The dumping margin determined within the EU initial investigation (Council Regulation (EC) No 1256/2008) was 92.4%. The likely dumping margin calculated within the first EU expiry review (Commission Implementing Regulation (EU) 2015/110) was 28.4%. Whereas the likely dumping margin calculated within the last EU expiry review (Commission Implementing Regulation (EU) 2021/635) was only 8%. Thus, the dumping margin decreased significantly (by 84.4 percentage points if compared with the initial investigation). However, the same duty of 38.1% has still remained in force.



According to Article 9.3 of the WTO Anti-dumping Agreement, the amount of the anti-dumping duty shall not exceed the margin of dumping.

In accordance with Article 11(6) of the EU basic Regulation the European Commission has only two options of decisions which could be taken as a result of

³Data provided by the State Customs Committee of the Republic of Belarus

an expiry review – the measures may be repealed or maintained, whereas the UK Department for International Trade has also an option to vary the measure.

In our view, the intended preliminary decision of the UK Department for International Trade to maintain the anti-dumping duty at rate of 38.1% on imports from all exporting producers in Belarus is not duly justified and doesn't comply with the WTO Anti-dumping Agreement.

Finally, there are two main sales markets for Belarusian producers of WTP – the Belarusian domestic market and the Russian one.

The Russian Federation is the main importer of the Belarusian WTP (more than 90% of Belarusian exports went to Russia during the investigation period). That is explained by its geographical proximity, stable business ties between our countries, our common free trade market and co-membership in the Eurasian Economic Union. None of these characteristics could be applied to the UK market.

Moreover, the Belarusian domestic and Russian markets are expected to stay attractive in the medium term due to an increasing demand for WTP caused by the approval of Belarusian and Russian government programs aimed at modernization of transport infrastructure.

The information on the Russian government program is provided in Paragraph 7.165 of the SEF⁴. The government of the Republic of Belarus also approved two programs, both for the period of 2021–2025 – “Transport Complex” and “Roads of Belarus”. These programs involve large investments into transport infrastructure projects aimed at the construction/reconstruction of the country's highways, railways, subway lines, airport/airfields, inland water infrastructure.

Conclusion.

The UK market is not attractive for the Belarusian exporters of WTP. This finding is explained by:

- the lack of WTP exports from Belarus to the UK even long before the initial imposition of the EU anti-dumping measure;
- the geographical remoteness of the UK and resulting high transport costs which account for 20% of the Belarusian WTP price on the UK market;
- the lack of exports of Belarusian WTP to the European countries which are not EU Members and don't apply anti-dumping measures, with relatively high prices, like in the UK;
- the significant progress of the Belarusian producers of WTP in reducing the dumping margin;
- the availability of two attractive sales markets for the Belarusian WTP (Belarusian domestic and Russian ones) and expected increasing demand on these markets within the next 5 years.

⁴Paragraph 7.165 of the SEF: “... Russian government plans to invest into large-scale infrastructure projects and pursue modernization plan to revamp the country's highways, regional airports, railways, seaports, and other transport infrastructure within the next five years”.

Although the Belarusian producers of WTP may make some sporadic, non-regular sales, if the UK measures were removed, they are unlikely to have the incentive to dump in order to gain a market share due to the unattractiveness of the UK market.

The Belarusian side kindly requests the UK Department for International Trade to take the above-mentioned information into consideration and revoke the application of the anti-dumping duty for Belarus. We are at your disposal to provide additional information, if needed.

Enclosures: offers of logistics providers (non-confidential versions), 6 files.

May 27, 2021