

Anti-Dumping Questionnaire for interested parties and contributors

Case TD0010: HFP Rebar exported from the People's Republic of China

Period of Investigation (POI):	1 April 2020 to 31 March 2021
Injury period:	1 April 2017 to 31 March 2021
Deadline for response:	5 July 2021
Contact details:	TD0010@traderemedies.gov.uk
Completed on behalf of:	CHINA CHAMBER OF INTERNATIONAL COMMERCE

When you have completed this form, indicate the **confidentiality status** of this document by placing an X in the relevant box below:

- Confidential
 Non-confidential – will be made publicly available

Please note that you will have to provide a **Confidential** and a **Non-Confidential** version of both the questionnaire and annex, as well as any additional documents you append. All documents should be uploaded to the Trade Remedies Service (www.trade-remedies.service.gov.uk) by 5 July 2021.

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Introduction

About us, this case and this questionnaire

The Trade Remedies Authority (TRA) investigates whether trade remedies are needed to prevent injury to UK industry.

The Trade Remedies Authority (TRA) will carry out a transition review of each trade remedy measure active under the EU system that the UK has decided to maintain after EU exit. This transition review will consider whether the anti-dumping amount is necessary or sufficient to offset dumping of HFP Rebar from the People's Republic of China and whether there would be injury to the UK industry if the measure was removed.

Why should I take part?

We are asking contributors and interested parties to complete this questionnaire to inform our review of whether the current anti-dumping amount should be maintained, varied or revoked.

Please refer to our online guidance to understand more about [how we carry out transition reviews into EU measures](#) and the [differences between interested parties and contributors](#).

How do I respond?

Detailed guidance on how to complete the questionnaire is provided in the [instructions](#) section below.

Please provide all the information requested by 5 July 2021. We may send a notice asking for clarification or supplementary information where necessary. Make sure you provide the sources for any information or data you don't own and clearly state any restrictions on sharing it.

Where can I find more information?

Our [trade remedies guidance](#) provides more information about our investigations and processes we follow.

If you have any specific questions relating to the case, now or while you're completing the questionnaire, please contact the Case Team at TD0010@traderemedies.gov.uk. For general information about trade remedies processes, please see our [online guidance](#).

You can also find out more about the regulatory basis of our investigations. The TRA investigates cases under the provisions of *the Trade Remedies (Dumping and*

Subsidisation) (EU Exit) Regulations 2019 (as amended) and under the Taxation (Cross-border Trade) Act 2018.

Instructions on completing this questionnaire

Preparing your response

This section sets out guidance on how to complete this questionnaire.

If you think you won't be able to complete the questionnaire within the required time, please contact the Case Team ahead of the deadline using the contact details on the cover of this questionnaire. You should outline the length of extension you need and the reasons why. We will notify you of our decision.

If we can accommodate an extension, we will publish a note on our [public file](#) to record both the request and the extension granted.

Preparing confidential and non-confidential copies

You will need to submit one confidential version and one non-confidential version of your questionnaire by the due date. We will publish the non-confidential version on the public file. **Please ensure that each page of information you provide is clearly marked either “Confidential” or “Non-Confidential” in the header.**

Please see our guidance on [how to submit information](#) for further details on what can be considered confidential and how to prepare a non-confidential version of this questionnaire.

In preparing your response, please note the following:

- It is your responsibility to ensure that the non-confidential version does not contain any confidential information.
- Remember to include a statement explaining why information obtained in your response should be treated as confidential e.g. the data is commercially sensitive.
- Provide the source for all information or data you don't own and clearly state any restrictions on sharing it.
- If you do not provide a non-confidential summary (or a statement of reasons why you cannot provide this) each time you provide confidential information, the TRA may disregard the information you give us.
- Please ensure that you remove or redact any personal data (including but not limited to names, signatures, contact details and job titles) from the non-confidential version of the questionnaire, which is to be uploaded to the public file by the TRA. Where personal data has been removed, please note this in the non-confidential summary/version of the questionnaire.

All information provided to the TRA in confidence will be treated accordingly and only used for this investigation (except in limited circumstance as permitted by regulation 46 of the *Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019*) and will be stored in protected systems. The non-confidential version of your submission will be placed on the public file, which is available on www.trade-remedies.service.gov.uk/public/cases.

How to complete this questionnaire

All statements should be substantiated with relevant data, information and the sources of these. You may be asked to attach supporting documents in appendices to supplement your responses. To help us verify your information, please retain all your supporting documents, including any calculations made when developing your responses.

Please also note the following points:

- Do not leave any questions blank. If the question is not relevant to your organisation, please explain why. If the answer to a question is “zero”, “no” or “none”, please write this.
- Please provide all formulas and calculations used within your questionnaire response.
- If there is insufficient space in any part of the questionnaire to provide the details requested, or we ask for copies of additional information, please submit this information as appendices. Please ensure that any attachments are given a corresponding appendix reference in the title of the document and that these are referenced in the boxes provided.
- Any documents not in English should be accompanied by an English translation.
- Please provide all dates in the format DD/MM/YYYY (e.g. 23/05/2019).
- Unless otherwise stated, ‘year’ or ‘calendar year’ refers to the period 1 January – 31 December and ‘quarter’ refers to the associated three-month periods e.g. 1 January – 31 March, 1 April – 30 June, etc.
- Identify all units of measurement and currencies used in tables, calculations and lists, if not provided by the corresponding instructions, and use units of measurement consistently (e.g. do not use kg and metric tonnes interchangeably).
- For all numerical figures, where appropriate please express every third number with a comma (e.g. ‘1,300’ for one-thousand three hundred, ‘1,300,000’ for one million and three-hundred thousand). Please ensure that all numbers which represent increasing costs and sales are reported as positive figures, and decreasing costs and sales are reported as negative figures.
- Please limit all sales/currency/income figures to two decimal places, apply a full point as a decimal separator and use the appropriate currency symbol or abbreviation (e.g. £1,300.00).
- Provide all costing figures as actual amounts. Where actual amounts cannot be provided and you have reported standard costing instead, please indicate this in the relevant answer, and explain the variance from actual costs, if any.
- All figures should be reported net of recoverable tax unless otherwise stated.
- Please refer to the case number, TD0010, in any correspondence with the TRA.

What happens next

Once you have completed your questionnaire responses, you must upload confidential and non-confidential versions along with any additional documents you're providing through our [Trade Remedies Service](#). Following this:

- you will receive an email confirming the documents have been uploaded successfully;
- the Case Team will contact you if further information is required; and
- the non-confidential responses will be placed on the public file.

For further information please refer to our guidance on [how we carry out transition reviews into EU measures](#).

The scope of this review

Goods subject to review

This review covers **HFP Rebar** exported from **the People's Republic of China**, described as:

High fatigue performance iron or steel concrete reinforcing bars and rods made of iron, non-alloy steel or alloy steel (but excluding of stainless steel, high-speed steel and silico-manganese steel), not further worked than hot-rolled, but including those twisted after rolling. These bars and rods contain indentations, ribs, grooves or other deformations produced during the rolling process or are twisted after rolling; The key characteristic of high fatigue performance is the ability to endure repeated stress without breaking and, specifically, the ability to resist in excess of 4.5 million fatigue cycles using a stress ratio (min/max) of 0.2 and a stress range exceeding 150 MPa.

These **goods subject to review** are currently classifiable within the following commodity code(s):

7214200010
7228302010
7228304110
7228304910
7228306110
7228306910
7228307010
7228308910

These commodity codes are only given for information.

In this questionnaire, these goods will be referred to as '**the goods subject to review**'. Any reference to 'goods subject to review' in this questionnaire refers to the goods description above, regardless of the commodity code under which they are exported.

SECTION A: About the case

A1 General information

1. Please complete the table below. Make sure the point of contact you name has the authority to provide this information.

Name (point of contact):	<i>[Confidential Treatment Requested – Personal information]</i>
Address:	No.2, Huapichang Hutong, Xicheng District, Beijing 100035, China
Telephone No:	<i>[Confidential Treatment Requested – Personal information]</i>
Email:	<i>[Confidential Treatment Requested – Personal information]</i>
Website:	http://www.ccoic.cn/

If you are representing a company, please also fill in the information below:

Company registration number:	<i>[Confidential Treatment Requested – Business Proprietary information]</i>
Place of registration:	No.2, Huapichang Hutong, Xicheng District, Beijing 100035, China
Legal name of organisation:	China Chamber of International Commerce
Legal structure (e.g. limited company, sole trader, partnership etc):	Professional association
Position in the organisation:	Legal Representative
Year of establishment:	1988
Other operating names:	None

2. Please explain your interest in this review.

China Chamber of International Commerce (hereinafter referred to as the CCOIC) submits that as a national commerce organization, many members in CCOIC were involved in the current transition review. Hence, CCOIC would like to serve as a consultant on behalf of the Chinese producers and exporters, to promote economic and trade exchanges and cooperation between China and foreign countries and facilitate enterprises to participate in international competition and cooperation.

Appendix reference:

A2 Information about this review

For each question, please give any information you feel is relevant to the case. If you have no information, please say so in your answer. This transition review will consider whether the current anti-dumping amount is necessary or sufficient to offset dumping and whether there would be injury to the UK industry if the measure was removed.

1. Please provide any information about the goods subject to review that you consider relevant.

CCOIC submits that the export rebates for the products under the two sets of 6-digit HS Codes, i.e., 721420 and 722830, with all referenced HS codes relating to the goods subject to review included have been canceled by the Chinese authority. Specifically, as early as 2007, the Ministry of Finance (MOF) and State Administration of Taxation of China (SAT) announced that the export tax rebate of certain steel products would be canceled from April 15, 2007¹, including the products under HS Code 72142000. Further, on December 31, 2014, MOF and SAT announced that the export tax rebate of boron steel would be canceled from January 1, 2015², which includes the products under HS Code 72283010. Recently, the two authorities again issued notice to cancel the VAT rebates for most steel products from May 1, 2021³, which includes the products under HS Code 72283090. Therefore, in accordance with the three notifications, from May 1, 2021, all the products under these two HS codes will no longer be eligible for an export rebate ranging from 11% to 13%. Please refer to the chart below for more details:

¹ Ministry of Finance, State Administration of Taxation. (2007, April 9). Announcement on the Cancellation of Export Tax Rebates for Certain Steel Products. Central People's Government of the People's Republic of China.

<http://www.chinatax.gov.cn/chinatax/n377/c1099/content.html>.

² Ministry of Finance, State Administration of Taxation. (2014, December 31). Announcement on the Cancellation of Export Tax Rebates for Certain Steel Products. Central People's Government of the People's Republic of China.

<http://www.chinatax.gov.cn/chinatax/n810341/n810765/n1465977/201501/c1671744/content.html>.

³ Ministry of Finance, State Administration of Taxation. (2021, April 26). Announcement on the Cancellation of Export Tax Rebates for Certain Steel Products. Central People's Government of the People's Republic of China.

http://www.gov.cn/zhengce/zhengceku/2021-04/28/content_5603588.htm.

HS CODE	Name of Goods	VAT Rate	VAT Rebate Rate
72142000	铁或非合金钢的热加工条、杆(带有轧制过程中产生变形,热加工指热轧、热拉拔或热挤压) Hot working bars and rods of iron or non-alloy steel (with deformation during rolling, hot working refers to hot rolling, hot drawing or hot extrusion)	13% (Start from 01/04/2019)	0% (Start from 15/04/2007)
72283010	含硼合金钢热加工条、杆(除热轧,热拉拔或热挤压外未经进一步加工的) Hot working bars and rods of boron containing alloy steel (not further processed except hot rolling, hot drawing or hot extrusion)	13% (Start from 01/04/2019)	0% (Start from 01/01/2015)
72283090	其他合金钢热加工条、杆(除热轧,热拉拔或热挤压外未经进一步加工的) Other alloy steel hot working bars and rods (not further processed except hot rolling, hot drawing or hot extrusion)	13% (Start from 01/04/2019)	0% (Start from 01/05/2021)

CCOIC submits that the cancellation of the rebate, which has been seen as a major stimulus to export, will significantly discourage Chinese exporters from exporting the goods subject to review.

In addition, the MOF 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, 2021. At the same time, export duties on ferrosilicon, ferrochrome, high purity pig iron, and other products have been increased by about 5%.⁴ “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. This was also confirmed by the market intelligence report that the price of some steel products in Europe surged this week with some sources attributing this to China’s cancellation of an export tax rebate.⁵ Therefore, even if the measures were removed, it is not likely that the dumping and injury would occur.

On top of that, CCOIC submits that the impact of this measure goes far beyond the current investigation itself. It shows that China tends to assume international

⁴ State Administration of Taxation. (2021, April 27). Announcement of the State Administration of Taxation on the Adjustment of Tariffs on Certain Steel Products. Central People’s Government of the People’s Republic of China. http://www.gov.cn/zhengce/zhengceku/2021-04/28/content_5603591.htm.

⁵ Mb, F. (2021, May 7). EUROPE STAINLESS STEEL: Prices surge on end to China’s export tax rebate | Metal Bulletin.com. Fastmarkets MB. <https://www.metalbulletin.com/Article/3988234/EUROPE-STAINLESS-STEEL-Prices-surge-on-end-to-Chinas-export-tax-rebate.html>.

obligations and responsibilities that match the country's level of economic and social development and growing comprehensive national power. Moreover, it echoes with the speech delivered by President Xi Jinping at the general debate of the 75th United Nations General Assembly that “China will increase its nationally determined contribution, adopt more powerful policies and measures, and strive for carbon dioxide emissions. Reach the peak before 2030, and strive to achieve carbon neutrality by 2060.”

Appendix reference:

2. Provide any information which you think could help us assess the likelihood of dumping occurring if the existing anti-dumping measure for the goods subject to review no longer applied.

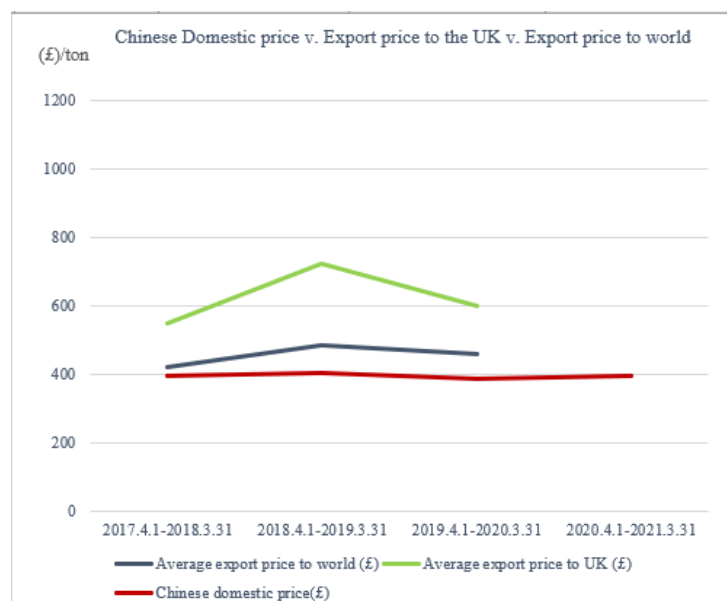
According to the Guidance on carrying out transition review into EU measures, the TRA may consider several factors. In this regard, CCOIC submits the following:

- The volume of Chinese imports is negligible during the injury period.

Items/Year	2017.4.1-2018.3.31	2018.4.1-2019.3.31	2019.4.1-2020.3.31	POI
Imports from PRC (tonnes)	873	6,962	3,582	3,617
Imports from World (tonnes)	482,009	444,151	446,769	314,308
Share of PRC's Import (%)	0.18%	1.57%	0.80%	1.15%

Source: UK Customs Statistics (8-digit HS code level)

Pursuant to UK Customs Statistics, during the injury investigation period, the Chinese producers hardly exported the goods subject to review to the UK. CCOIC submits that this volume is lower than the threshold of 3% defined in the ADA and the Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019.



Source: ITC Trade Map and CISA

- The Chinese export price to the UK is higher than the domestic price during the injury period.

Moreover, CCOIC submits that there is no dumping regarding the Chinese exports to the UK during the injury period. As demonstrated in the chart above, CCOIC compares the exports price of the goods subject to review under the relevant HS Codes on ITC Trade Map (the information for the POI is not available) with the domestic guiding price of threaded steel (grade III) HRB400 published by China Iron and Steel Association (CISA).⁶ It is noted that the Chinese export price is higher than the domestic price during the whole injury period.

- The Chinese export price to the world is higher than the domestic price during the injury period.

Furthermore, as the export prices to the UK during the injury period are likely to be affected by the now-effective anti-dumping and safeguard measures, CCOIC also compares the Chinese export prices to the world and domestic prices in China for the same period (the information for the POI is not available). As for the Chinese export price to the world, CCOIC bases its analysis on the data of the closest HS codes in the ITC Trade Map. It is noted that China's export prices to the world have always been higher than its domestic prices and this gap kept growing from 2018.4.1 to 2020.3.31. Hence, even though China's export price to the UK during the injury period may have been challenged due to effective trade remedies measures, the fact that China's export prices to the world were still higher than its domestic prices is sufficient to illustrate the fact that the Chinese export price is reasonable, and any alleged dumping (if any) is unsubstantiated in this regard.

Based on the foregoing, it follows that if the existing anti-dumping measure no longer applied to the goods subject to review imported from China, the Chinese export price to the UK shall be a fair market price above their domestic price and it is foreseeable that there would be no likelihood of dumping.

Appendix reference: Appendix 1

3. Do you think there would be injury to the UK industry if the existing anti-dumping measure for the goods subject to review no longer applied? Provide any information supporting your conclusions including what the cause of this injury would be. You can refer to our [guidance on how we assess injury](#) for a definition of injury.

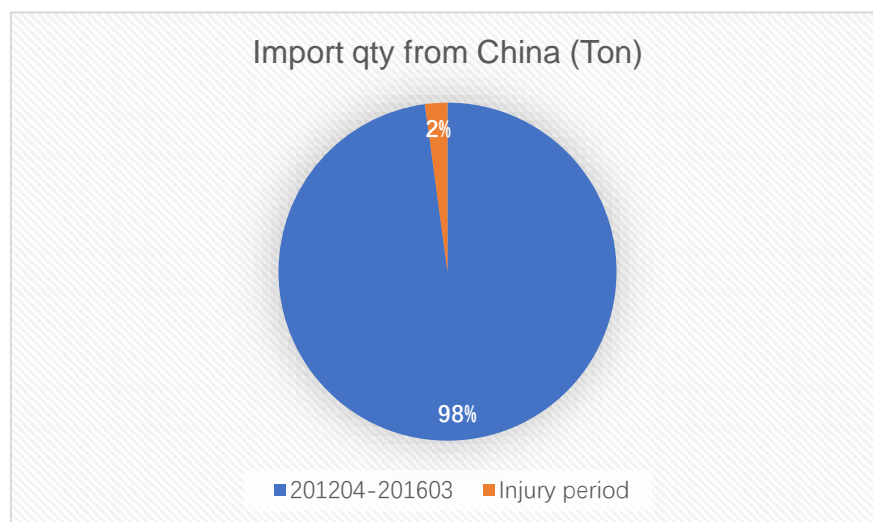
CCOIC submits that there would be no injury to the UK industry if the existing anti-dumping for the goods subject to review from China no longer applied.

⁶ As confirmed by the CISA, the threaded steel (Grade III) HRB400 is usually classified under these three tariff codes, i.e., 72142000, 72283010, and 72283090 when filing for customs declarations. Hence, CCOIC submits that the guiding price published by CISA shall be an appropriate benchmark.

According to the response to Question 2, on the one hand, the volume of imports from China during the injury period is negligible. On the other, both Chinese export prices to the UK and export prices to the world are higher than the domestic sales price in China during the injury period. On this basis, CCOIC submits that there would be no injury to the UK industry if the existing anti-dumping for the goods subject to review from China no longer applied.

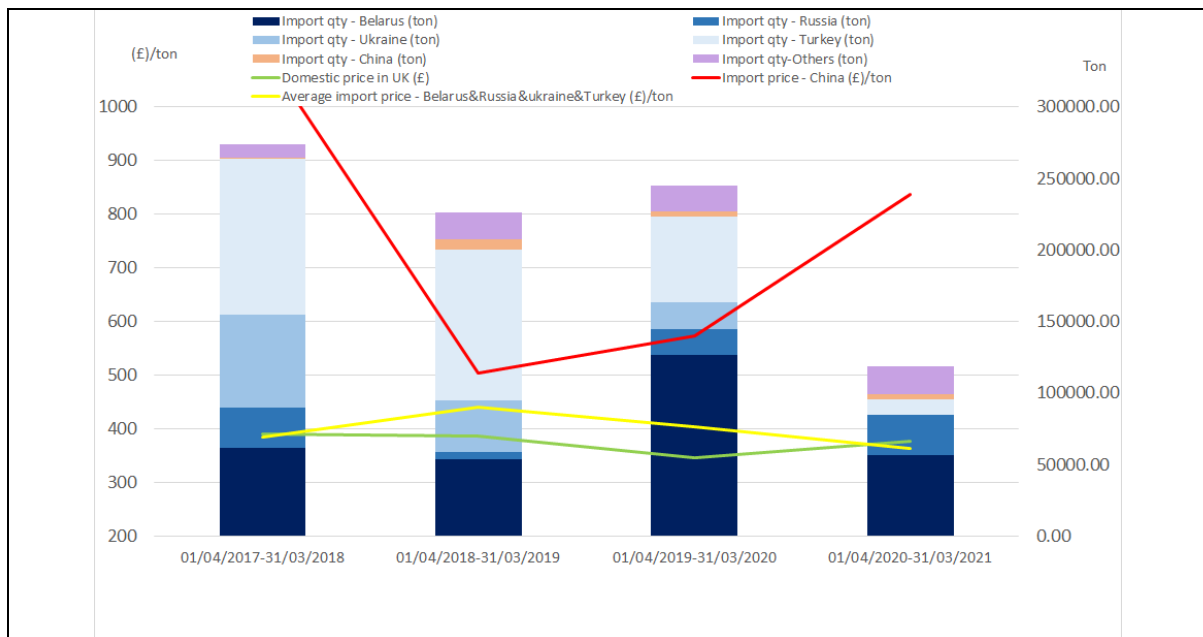
Moreover, CCOIC submits that even if the UK industry would suffer from injury, it shall not attribute to the imports from China.

- The UK domestic price is undercutting by the imports from third countries.



CCOIC notes that in the definitive measures published by the European Commission on July 28, 2016, it states that “*the importers will be able to continue their activity by importing from other sources of supply and also from China at non-injurious prices following the imposition of the duties. The importers are therefore unlikely to suffer substantially negative effects as a result of the measures.*”⁷ However, CCOIC submits that this was not the case. Since the measure was adopted, Chinese imports were virtually excluded from the UK market. As the table above shows, China's imports in the injury period were only 2.18% of the previous four years. Unsurprisingly, imports from other countries have taken over the market.

⁷ COMMISSION IMPLEMENTING REGULATION (EU) 2016/1246 of 28 July 2016 imposing a definitive anti-dumping duty on imports of high fatigue performance steel concrete reinforcement bars originating in the People's Republic of China, recital 112.



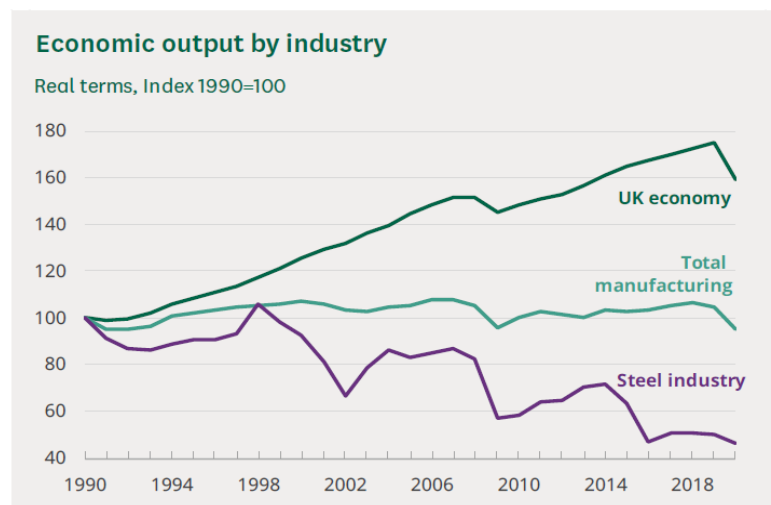
Source: UK investing website and UK Customs Statistics

Furthermore, CCOIC compares the price of steel rebar in the UK and the average import price from other major non-EU exporting countries. As noted, during the injury period, other non-EU countries, i.e., Belarus, Russia, Ukraine, and Turkey exported the goods subject to review to the UK at significant quantities and progressively lower prices. It is worth noting that export prices from these major countries have been lower than the UK domestic prices during the POI and are tending to fall further. On this basis, CCOIC submits that imports from these countries are likely to undercut the domestic selling price of the UK industry in the following years. Thus, even if the UK industry would suffer from injury, it shall not attribute to the imports from China.

- The UK steel industry itself is in a poor state of development.

According to a report published by the House of Commons Library, the UK steel industry has been on a downward trend, with economic output falling by almost 60% since 1990, well before the trade remedy measures were introduced. Moreover, the steel industry's importance to the whole economy has declined over 2019-2020, from 0.3% of total output in 1990 to the current total of less than 0.1%⁸ Although the above table does not directly relate to the goods subject to review, an analysis of the economic output of the UK steel industry as a whole over the last thirty years gives an overview of the economic situation of the UK domestic industry.

⁸ Rhodes, C. (2021, June 22). UK steel industry: statistics and policy. House of Commons Library, page 7. <https://commonslibrary.parliament.uk/research-briefings/cbp-7317/>.



In addition, as indicated in the same report, the recent fall in international demand for steel, combined with continuing growth in production has created a glut of steel on the international market. Further, because of the Covid-19, UK Steel estimated that demand for steel products fell by 45% during the first lockdown in early 2020.⁹ This has pushed steel prices down, magnifying the comparative expense of steel produced in the UK, where overheads are higher than in some other countries.¹⁰

On this basis, CCOIC submits that it would not be fair and reasonable for one to hold the view that the negative performance of the UK Steel industry is caused by the Chinese imports. On the contrary, CCOIC would like to draw the TRA's attention to other factors that could injure the UK domestic industry, such as the structure of the UK economy, the choice of workers, and the restructuring of industries in different countries. CCOIC notes that this situation is also well acknowledged by the UK itself. For instance, the same report stated that the following factors may contribute to the decline of employment in the steel industry in the UK, i.e., "employees in the modern steel industry are likely to work in high value roles which attract higher salaries and require higher skill levels than traditional manufacturing roles. The structure of the UK economy has changed, with the service sector becoming more dominant."¹¹

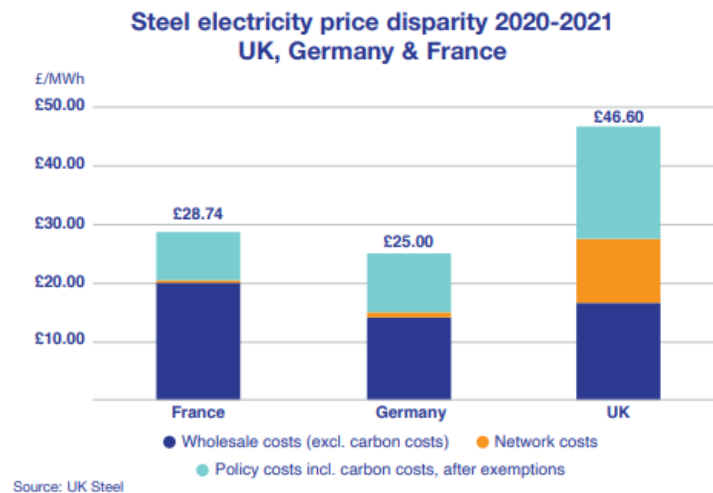
- High cost of electricity exerts a negative effect on the UK steel industry.

⁹ Rhodes, C. (2021, June 22). UK steel industry: statistics and policy. House of Commons Library, page 16. <https://commonslibrary.parliament.uk/research-briefings/cbp-7317/>.

¹⁰ Rhodes, C. (2021, June 22). UK steel industry: statistics and policy. House of Commons Library, page 4. <https://commonslibrary.parliament.uk/research-briefings/cbp-7317/>.

¹¹ Rhodes, C. (2021, June 22). UK steel industry: statistics and policy. House of Commons Library, page 9. <https://commonslibrary.parliament.uk/research-briefings/cbp-7317/>.

CCOIC submits that the high cost of electricity may also be a major concern for the UK domestic industries and its long-term sustainability in the past, present, and future. As provided by UK Steel, the UK's energy-intensive industries face some of the highest industrial electricity prices in the world. This severely damages the steel sector's competitiveness, as it is both electro-intensive and highly exposed to international competition, meaning it cannot pass on additional costs to customers.¹²



As demonstrated in the graph published by UK Steel, there is a significant electricity price disparity the UK Steel sector faces compared to its competitors. Moreover, as confirmed by the director of UK Steel, “electricity is one of the biggest costs for the steel industry, it undermines our competitiveness and it damages our ability to invest when we are consistently forced to pay significantly more than our closest competitors ...All options available to us will hugely increase electricity consumption across the sector – how on earth can companies attract massive investment for such a transition in a country with the highest industrial power prices in Europe?”¹³

Furthermore, it is worth noting that the reform in the UK energy regulator, which will be implemented before 2022, could further increase the electricity cost of the UK steel producers to over £100 m. In this respect, CCOIC submits that this seems to be an issue of far greater momentousness and urgency which would lead to injury to the UK steel industry and jobs it provides in the long run.¹⁴

CCOIC therefore respectfully requests the TRA to make a comprehensive assessment on the causes for the poor economic indicators of the UK domestic industry.

Appendix reference: Appendixes 2 and 3

¹² Make UK. (2021a, February 4). UK Steel Electricity Price Report, page 3.

<https://www.makeuk.org/insights/publications/uk-steel-electricity-price-report>

¹³ Make UK. (2021b, February 4). UK Steel Electricity Price Report.

<https://www.makeuk.org/insights/publications/uk-steel-electricity-price-report>.

¹⁴ Make UK. (2021a, February 4). UK Steel Electricity Price Report, page 4.

<https://www.makeuk.org/insights/publications/uk-steel-electricity-price-report>

4. Please provide any information about the possible economic effects on the UK if the existing anti-dumping measure on the goods subject to review were no longer applied.

Since the TRA has not disclosed any information regarding the performance of the UK domestic industry of the goods subject to review, CCOIC requests the disclosure of such information, and this shall not preclude CCOIC's right to submit comments on this matter as soon as more information is available.

CCOIC would like to draw the TRA's attention to the fact that the UK domestic industry is unlikely to have the capacity to meet the domestic demand. Firstly, as provided by the TRA's Recommendation to the Secretary of State regarding the TF0006 case, the total known average consumption in the UK of rebar products from 2017-2019 is 702 kilotonnes while the average annual import of UK is 394 kilotonnes¹⁵, i.e., more than 56% of rebar products in the UK depend on the imports.

Secondly, it is noted that the definitive measures published by the European Commission on July 28, 2016 pointed to the same conclusion. The Commission clearly stated that the domestic production in the UK is not sufficient to supply the entire consumption, thereby leading to a continuous need of imports.¹⁶

In addition, UK Customs data for the last two years show that the UK is still importing significant quantities of the goods subject to review. For instance, during the POI, the total import of the goods subject to review was 314,710 tonnes and the total export was 46,871 tonnes.¹⁷ Therefore, CCOIC submits that the UK domestic industry's difficulty in meeting domestic demand remains.

Furthermore, on one hand, as stated in the response to Question 2, the Chinese export price to the UK as well as the world is higher than the domestic price during the injury period, substantiating that there is no dumping for the Chinese goods subject to review. On the other, as provided in the response to Question 3, the goods imported from other non-EU countries such as Russia, Belarus, Turkey, and Ukraine are likely to undercut the price of the UK domestic goods during the same period. Most significantly, combining with the predictable effect of the cancellation of the export rebate, the Chinese imports will be the white knight of the UK market, with the possible supply chain risks be avoided.

Based on the foregoing, CCOIC submits that from the perspective of the competition law, an open and fair market with a reasonable level of competition for all players is more conducive to the healthy development of the UK domestic industry, on the one

¹⁵ TRA's Recommendation to the Secretary of State, Transition review TF0006 – Safeguard measure on certain steel products, page 82.

¹⁶ COMMISSION IMPLEMENTING REGULATION (EU) 2016/1246 of 28 July 2016 imposing a definitive anti-dumping duty on imports of high fatigue performance steel concrete reinforcement bars originating in the People's Republic of China, recital 112.

¹⁷ UK Customs Statistics, available at: <https://www.uktradeinfo.com/trade-data/ots-custom-table/?id=6d785c35-73c0-4eb8-9bdb-e56597e9e182>.

hand, and with more abundant and appropriately priced products available to the downstream users on the other.

Appendix reference:

5. If you have any other information which may help us with this review, such as market distortions, please provide it below.

CCOIC provides the following information to assist with the TRA's investigation:

- Competition is an important factor in promoting economic development.

CCOIC notes that in the TRA's Recommendation to the Secretary of State regarding the TF0006 case, the TRA has recommended maintaining the safeguard measures against rebar products. On this basis, CCOIC submits that there is no need for the UK industry to be protected by continuing imposing anti-dumping duties on the imports from China, otherwise, the measure will likely be used as a protectionism tool which would result in market distortion that should have been prevented.

The overprotection will not necessarily promote the progress of domestic industries in the UK but will instead undermine the level playing field to some extent. For instance, protection may be granted to less efficient industries. However, does it mean that less efficient industries should also be protected? The answer is a resounding no. CCOIC notes that this obvious but indispensable rule is well acknowledged by the UK Competition and Markets Authority who indicates in its report just published a few months ago that *"when a market is well-functioning, we would expect it to be possible for new more efficient firms to enter the market and displace older less efficient firms, which exit the market."*¹⁸

As a former EU member state, CCOIC notes that the UK has always advocated a free and open trade policy. For instance, the UK had explicitly opposed the EU's changes to the application of the lesser duty rules in its trade remedy law.¹⁹ Therefore, although balancing the interests of the domestic industry with a competitive environment in the market has always been a challenge for the investigating authorities, CCOIC believes that the TRA will be able to make a reasonable and impartial determination.

- Market distortion

CCOIC is not aware of any market distortions in the domestic market of China which may affect the production of the goods subject to review during the POI. CCOIC explicitly rejects any assertion (if any) regarding the market distortions in the domestic

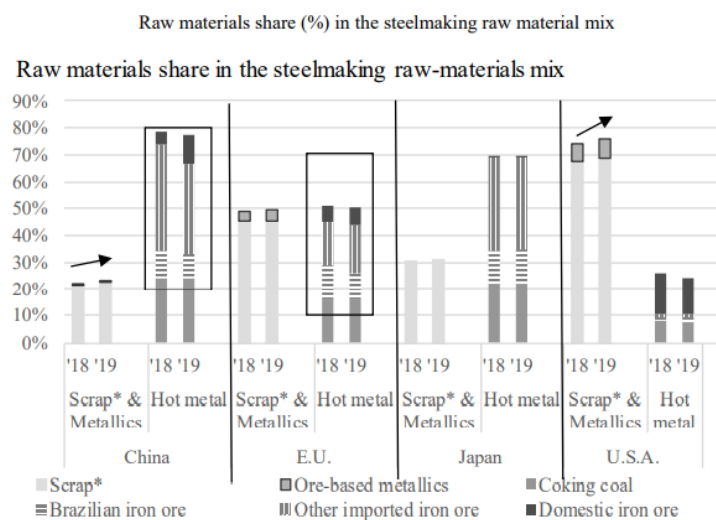
¹⁸ The State of UK Competition, page 31, paragraph 2.56, available at: <https://www.gov.uk/government/publications/state-of-uk-competition-report-2020>.

¹⁹ UK Parliament, available at: <https://publications.parliament.uk/pa/cm201719/cmselect/cmeuleg/301-xxi/30110.htm#footnote-021>.

market of China in the absence of any legal and factual evidence. In particular, CCOIC submits that:

The Chinese iron and steel industry is highly competitive, and the price of the goods is based on supply, demand, and prevailing market conditions. As provided in the OECD Steel Market Developments Report for Q4-2019²⁰, the iron ore industry in China is import-oriented, which means that one of the most significant factors which can significantly affect the cost and selling price of steel products (including the goods subject to review) is the import price of iron ore from abroad, particularly from Australian and Brazil.

Figure 14. Raw materials in steelmaking by volume, averages by economy

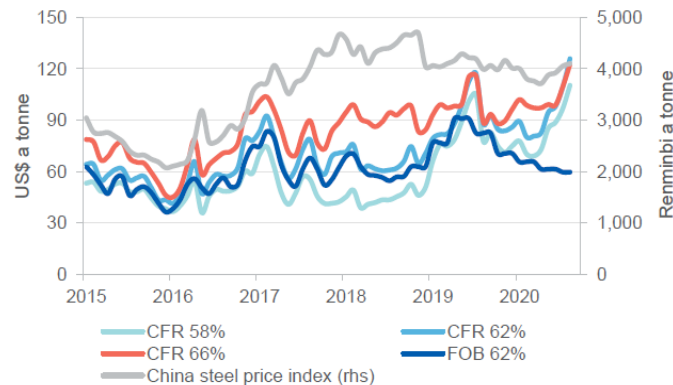


Moreover, as also noted by the authority from Australia, the steel price in China is closely aligned with its benchmark price regarding the main material, iron ore. ²¹

²⁰ OCED Steel Market Developments Report for Q4-2019. <https://www.oecd.org/sti/ind/steel-market-developments-Q4-2019.pdf>.

²¹ Resources and Energy Quarterly. (2020, September). Office of the Chief Economist, Australian Government, page 34. <https://publications.industry.gov.au/publications/resourcesandenergyquarterlyseptember2020/index.html>.

Figure 4.3: Iron ore price by grade and China steel price index

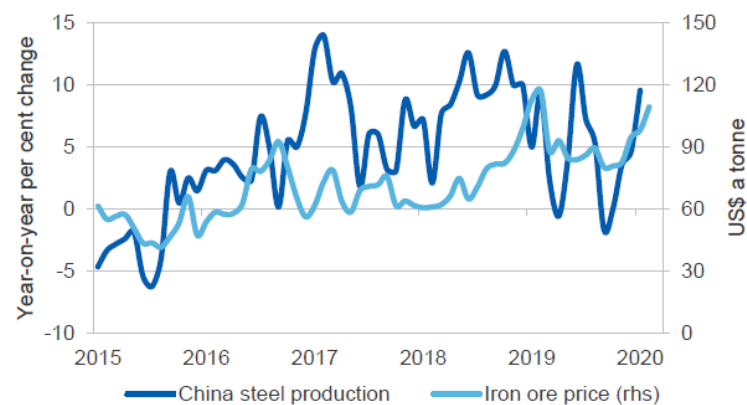


Notes: The OCE forecasts the FOB (free on board) Australia iron ore price, not the benchmark CFR (cost and freight) North China iron ore price.

Source: Bloomberg (2019) Metal Bulletin; Department of Industry, Science, Energy and Resources (2020)

The report further states that Chinese steel price is dependent on the global demand, supply condition, and domestic consumption. For instance, it reads that “*the fundamental driver of price growth remains the nexus between volatile and disrupted supply from Brazil, against robust and consistent demand from China. Seaborne supply remains tight as a result, forcing prices to adjust even as broader global economic conditions remain uncertain.*”²²In this case, it is not surprising to note that the fluctuation of steel prices in China and that of iron ore prices are very similar in recent years.

Figure 4.4: Iron ore price vs China steel production growth



Notes: China import Iron ore fines 62% Fe spot (CFR Tianjin port)

Source: Bloomberg (2020) China import prices; World Steel Association (2020)

Based on the foregoing, CCOIC submits that there is no market distortion in the Chinese steel market and the price and cost of the steel products, including the goods subject to review and other raw materials.

Appendix reference:

²² Resources and Energy Quarterly. (2020, September). Office of the Chief Economist, Australian Government, page 33.
<https://publications.industry.gov.au/publications/resourcesandenergyquarterlyseptember2020/index.html>.

SECTION B: Next steps and declaration

Next steps

Once you have completed all parts of the questionnaire, the declaration below should be signed by an authorised official of your company.

Please submit this questionnaire through the Trade Remedies Service (www.trade-remedies.service.gov.uk) by **5 July 2021**.

Please ensure that you remove or redact any personal data (including but not limited to names, signatures, contact details and job titles) from the non-confidential version of the questionnaire, which is to be uploaded to the public file by the TRA. Where personal data has been removed, please note this in the non-confidential summary/version of the questionnaire.

A confidential and non-confidential version of the questionnaire must be submitted. You can find guidance on how to complete confidential and non-confidential versions in our guidance on [how to submit information](#).

Declaration

By signing this declaration, you agree that all information supplied in this questionnaire is complete and correct to the best of your knowledge and belief and that you understand that the information you submit may be subject to verification by the TRA.

Company name: CHINA CHAMBER OF INTERNATIONAL COMMERCE

2021. 7. 5

Date

Confidential Treatment - Personal Information

Signature of authorised official

Confidential Treatment - Personal Information

Name and title of authorised official