

中倫津師事務所 ZHONG LUN LAW FIRM



THE UK TRANSITION REVIEW OF ANTI-DUMPING DUTIES ON CERTAIN CERAMIC TILE PRODUCTS ORIGINATING IN THE PEOPLE'S REPUBLIC OF CHINA

(TD0027)

ON BEHALF OF

GUANGDONG OVERLAND CERAMICS CO., LTD.

(OVERLAND)

Dentons Europe LLP Zhonglun Law Firm

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1. INTRODUCTION

- [1] On 22 September 2022, a notice of initiation of a transition review of the antidumping duties on certain ceramic tiles¹ originating in the People's Republic of China was published by the UK Trade Remedies Authority (TRA).
- [2] The UK transition review is related to the existing anti-dumping measures adopted in the European Union (EU).² Subsequent to the UK's withdrawal from the EU, the UK Secretary of State periodically publishes determination notices ³, authorizing the UK Trade Remedies Authority (TRA) to conduct transition reviews to determine if the existing EU trade remedy measures should be maintained, varied or revoked in the UK.
- [3] This submission is made on behalf of Guangdong Overland Ceramics Co., Ltd. (hereinafter referred to as "Overland" or the "Company"), a Chinese exporting producer of ceramic tiles fully participated and cooperated in the current review proceeding.
- [4] Since April 2023 there have been communications between the TRA's case team and Overland concerning a potential remote verification of Overland questionnaire response. Possible dates, i.e., between end of May and beginning of June 2023 were discussed during the communications. It is understood that by the date of this submission no further timeline has been provided by the TRA.
- [5] While whether or not to conduct such a verification, being an on-spot or a remote one, rests with the discretion of the TRA, in this submission, Overland would like to emphasize that an individual examination of its questionnaire response and a

¹ The goods subject to review are described as (i) glazed and unglazed ceramic flags and paving, hearth or wall tiles, (ii) Glazed and unglazed ceramic mosaic cubes and the like, whether or not on a backing, having the following commodity codes: 6907 2100 00; 6907 2300 00; 6907 400 00; 6907 2200 00; and 6907 3000 00.

² Provisional measures were imposed by way of Commission Regulation (EU) 258/2011 of 16 March 2011 (OJ L 70, 17.03.2011, p. 5). On 15 September 2011, the EU imposed definitive duties by way of Council Implementing Regulation (EU) No 917/2011 of 12 September 2011 imposing a definitive anti-dumping duty and collecting definitively the provisional duty imposed on imports of ceramic tiles originating in the People's Republic of China (OJ L 238, 15.9.2011, p. 1). These measures were continued following an expiry review concluded by way of Commission Implementing Regulation (EU) 2017/2179 of 22 November 2017 imposing a definitive anti-dumping duty on imports of ceramic tiles originating in the People's Republic of China following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council (OJ L 307, 23.11.2017, p. 25).

³ It is noted that the determination notices for transitioning the EU measure imposed on these specific goods has been published. See Notice of determination 2020/18: anti-dumping duty on ceramics tiles originating in the People's Republic of China, Published on 31 December 2020, at <u>https://www.gov.uk/government/publications/trade-remedies-notices-anti-dumping-duty-on-ceramic-tiles-from-china/notice-of-determination-202018-anti-dumping-duty-on-ceramics-tiles-originating-in-the-peoples-republic-of-china</u>

varied and individual anti-dumping amount will be fully warranted as a result of the current transition review proceeding.

- [6] Due to the importance of the UK market, Overland fully participated and cooperated in this review from the very beginning of the proceeding, which was initiated on September 22, 2022, and submitted all the required information and questionnaire responses, including the Pre-Sampling Questionnaire (Exporter) response on October 7, 2022, the exporter's questionnaire response on February 6, 2023, and the response to the TRA's deficiency letter on April 14, 2023. As a matter of fact, Overland is the only (fully) cooperating exporting producer in China.
- [7] Overland made tremendous efforts and put together all the resources to fulfill its responsibilities as a cooperating respondent in this review. This was based on its legitimate expectation that having its own individual anti-dumping duty rate, hopefully a lower one, is fully warranted.
- [8] In accordance with regulation 100 A (1) of the Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019 (thereinafter referred to as "the Regulations"), there will be three possible outcomes following a UK transitional anti-dumping review, i.e., to maintain, to revoke, or to vary the original antidumping amount. In case the TRA determines to vary the anti-dumping amount, as provided in regulation 100 A (4), the TRA may recommend:
 - a) a different anti-dumping amount to apply in respect of some of the relevant goods;
 - b) maintaining the anti-dumping amountif it has not been possible for the TRA to recalculate that amount.
- [9] Following the notice of initiation of this transition review, Overland made itself known to the TRA, and fully participated in the proceeding by submitted all questionnaire responses and replied to the TRA's deficiency letters. Therefore, the TRA does have access to Overland's detailed sales table in terms of its UK sales, domestic sales, and sales to third countries. Overland also provided its cost of production data. This enables the TRA to recalculate the applicable dumping duty. Thus, the TRA will be able to recalculate Overland's dumping margin in accordance with the subparagraph (a) of regulation 100 A (4).
- [10] It is noted that in several previous transitional reviews concerning imports from China, there were situations where the original duty rates remain unchanged. In those cases, it was either because there was no export of the subject goods to the UK during the review period, or exporting producers did not cooperate. In the current proceeding, however, Overland did have exports of subject goods to the UK during the review period, *and* fully cooperated with the TRA in the proceeding

by providing all required information and data, which fully justified a varied antidumping amount for Overland, based on regulation 99 A(2) and 100(A)(4).

- [11] Moreover, the TRA's recent practice, as explained below, also supports Overland's conclusion that in UK transition reviews it is possible to vary or even revoke the original anti-dumping duty if there are cooperations on the exporter's side.
- [12] On 9 August 2021, the TRA made its final determination in *TD0001 Transition anti-dumping review on welded tubes and pipes from Belarus, China and Russia.*⁴ In this proceeding, Severstal was the only cooperating exporter in Russia. Although it did not export to the UK during the period of review and therefore was not able to report and UK sales data, Severstal provided other data such as cost of production and sales to other markets. Eventually, the TRA found that dumping from Severstal (and from Russia) is unlikely to occur, and determined to revoke the anti-dumping duty applicable to all Russian exporters including Severstal. Subsequently, the UK domestic industry requested a re-consideration of the TRA's finding, the TRA, on 12 October 2022, in its reconsideration notification, ⁵ recommended to uphold the original decision on excluding Russia from the anti-dumping measures.
- [13] In paragraph 7.233 of the TRA's "Recommendation to the Secretary of State" in TD0001, the TRA found that "considering the lack of imports of goods subject to review from Severstal, we do not consider it appropriate to recalculate the anti-dumping amount...." This implies that if Severstal would have exports to the UK during the period of review and therefore provided such data to the TRA, the TRA would be able to recalculate the dumping margin applicable to Severstal. Overland find that this conclusion directly relevant to its position in TD0027, since the Company has provided a complete exporter's questionnaire response, therefore the TRA will be able to recalculate and reassess its dumping margin. Overland understands that a re-calculation of its dumping margin is in full compliance with Regulation 99A(2)(b) of the Regulations.
- [14] As a conclusion, Overland wishes to reiterate its willingness of full cooperation with the TRA, and its legitimate expectation that it must be entitled to a varied antidumping duty amount.
- [15] Overland hereby reserves its legal rights to submit further arguments and evidence throughout the proceeding.

⁴ https://www.trade-remedies.service.gov.uk/public/case/TD0001/submission/df1ccb43-eba9-42d5-8683-2617a640fa68/

⁵ https://www.trade-remedies.service.gov.uk/public/case/TD0001/submission/bd095a4d-9041-448b-8261-c1c2a29e0679/