6th January 2022

Dear Trade Remedies Authority,

|  |
| --- |
| In response to your inquiry, it is NEG's view that the AD and AS measures should be maintained on imports of glass fiber in product groups A, B & C from China, with paramount importance placed on retention of parity in product groups A & B. for the following reasons:    **Rovings**    There are two forms of rovings, multi-end rovings (MER) and single-end rovings (SER).  NEG did not produce MER during the investigation period (IP) because it is too difficult to compete with dumped and subsidised Chinese products but NEG could re-start MER production at any point if the AD and AS are maintained.    The AD and AS measures on MER should also be maintained for the following reasons:     * MER and SER fall under the same customs code, i.e. 7019 1200. * MER are merely a subgroup of one product type (rovings) of the product concerned. * MER and SER have the same physical characteristics and appearances.  It would not be possible for a person that is not an expert in the field to distinguish MER and SER. * Therefore, there is a clear risk of circumvention if MER were not included within the product scope of the investigation.  Indeed, Chinese exporters would likely import SER as MER if MER were excluded from the product scope.  As both sub-product types fall under the same CN code, it would not be possible to monitor and remedy this.  It would also be highly difficult and extremely work-intensive for customs officials to detect such fraud in customs inspections due to the close similarity of the products. * MER and SER also have a not insignificant level of overlap in terms of applications and customer perception. * UK demand for MER is rather low.  Therefore, there is no significant user interest to exclude MER from the product scope (an exclusion of MER would only open the door for circumvention and therefore massively increase the workload of the customs authorities).     **Chopped Strands**    Chopped strands can be used in dry form, dry-use chopped strands (DUCS) and in wet form, wet-use chopped strands (WUCS).  XXX XXX XXX XXXX XXXX XXXXXX XXX XX.  XXXXXXX XXX XXXXXXXXX XXXXXXX XXXX cannot be excluded from the product scope of the AD and AS measures:     * DUCS and WUCS are the same product.  The only difference is that DUCS undergo a drying process.  This cannot be considered as sufficient technical difference to treat DUCS as a product differently from WUCS. * DUCS and WUCS also fall under the same customs code, i.e. 7019 1100. * XXX xxxx xxxx xxxxxx xxxxxxxxxx.  xxx xxxxxx xx xxxxxxx xxxx xxxxx xxxxxx xx xxx xxxx xxxxx xxxxxxxx xxxx xxxxxxx xxxx. * The market sets prices for chopped strand (not per wet or dry use).  WUCS have a slight premium because wet products can normally not easily be shipped over longer distances due to shorter shelf-lives.  However, if the DUCS are excluded from the AD and AS measures, imports from China will re-increase and drive down the prices for chopped strands overall.     Further to above points, our understanding is that the UK and its 2030 obligations have technical development within its scope of thinking, failing to maintain the current tariffs on all products would incentivise retention or older technologies or from the other side disincentivise technical development.    We hope this submission provides you with the necessary technical and market background required for your decision to maintain the AD and AS measures on the full range of rovings and chopped strands. |

Should have any questions please don’t hesitate to contact me.

Yours Sincerely

XXXX XXXXXX XXXXXX