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## PRESS RELEASE

### **EU: registration of Chinese truck and bus tire imports now mandatory**

*The new provision may lead to countervailing anti-dumping and anti-subsidy measures*

On February 1, the Official Journal of the EU published regulation EU 2018/163 on registration of imports of new and retreaded truck and bus tires originating from China.

Thanks to this important provision, EU customs authorities are now required to register new and retreaded truck or bus tires imported from China. The new regulation relates to ongoing anti-dumping (*dumping is an unfair trade practice occurring when manufacturers export a product to another country at a price below the normal price*) and anti-subsidy proceedings. In fact, the European Commission initiated an anti-dumping investigation on 11 August 2017, following accusations made by a group of European tire manufacturers and retreaders. The decision to make investigations on unfair Chinese tire imports arose from the need to demonstrate that dumping actually took place from 2013 to 2016 and to calculate the losses caused by this practice to European tire manufacturers and retreaders.

The evidence provided by a coalition of European tire operators showed that the prices at which Chinese tires are sold and their sales volumes on the European market have had a negative impact on the market share held by tire manufacturers and retreaders within the EU. Regulation EU 2018/163 reads, *“as regards dumping, the Commission has at its disposal sufficient evidence that imports of the product concerned from PRC are being dumped. The evidence of dumping is based on a comparison of the normal values thus established with the export price (at ex-works level) of the product concerned when sold for export to the Union. As a whole, this evidence provides sufficient support at this stage that the exporters practice dumping”*.

The investigation also aims at finding evidence of state subsidies on tires imported from PRC: *“As regards subsidisation, the Commission has at its disposal sufficient evidence that imports of the product concerned from the PRC are being subsidised. The alleged subsidy practices consist, namely, of direct transfer of funds and potential direct transfers of funds or liabilities, government revenue forgone or not collected, and government provision of goods or services for less than adequate remuneration”*.

Commenting on the proceeding, AIRP President Stefano Carloni said: “This is an important signal for tire retreaders, who have been going through an unprecedented crisis as a result of low-cost, non-retreadable truck tires flooding the market. Evidence has finally proved that dumping and subsidization are unfair practices, and we hope that effective measures will be taken to restore fair market conditions and to enhance the great economic and ecological benefits of tire retreading”.

Over the next few months, possible temporary or permanent countervailing measures against proven cases of dumping and subsidization are expected to be taken. If adopted, these fines should relate with retroactive effect to the amount of tire imports registered from February 2.

Bologna, February 7, 2018