



31.1.2019

## NOTICE TO MEMBERS

**Subject: Petition No 0635/2018 by G.T. (German) on the use of eBikes and on import taxes on eBikes**

### 1. Summary of petition

The petitioner bought an eBike from China, and contests the provisions of Commission Implementing regulation (EU) 2018/671 of 2 May 2018 making electric bicycles imported from the People's Republic of China subject to registration, and imposing significant taxes on the import of such eBikes. The petitioner highlights the negative consequences of such taxes, i.a. for the environment and public health. The petitioner invites the Committee to ask the Commission to review its regulation on eBikes imported from China.

### 2. Admissibility

Declared admissible on 22 November 2018. Information requested from Commission under Rule 216(6).

### 3. Commission reply, received on 31 January 2019

Following complaints lodged by the European electric bicycle industry, the Commission launched on 20 October 2017 an anti-dumping investigation<sup>1</sup> and on 21 December 2017 a parallel anti-subsidy investigation<sup>2</sup> concerning electric bicycles from China. The Regulation (EU) 2018/671<sup>3</sup> mentioned by the petitioner did not impose duties as a result of any of these investigations. It merely made imports of electric bicycles from China subject to registration

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<sup>1</sup> Notice of initiation of an anti-dumping proceeding concerning imports of electric bicycles originating in the People's Republic of China, OJ C 353, 20.10.2017, p. 19.

<sup>2</sup> Notice of initiation of an anti-subsidy proceeding concerning imports of electric bicycles originating in the People's Republic of China, OJ C 440, 21.12.2017, p. 22.

<sup>3</sup> Commission Implementing Regulation (EU) 2018/671 of 2 May 2018 making imports of electric bicycles originating in the People's Republic of China subject to registration, OJ L 113, 3.5.2018, p. 4.

by customs authorities. In accordance with its legal obligations, the Commission indicated in that Regulation the potential liability to which importers were exposed on the basis of the elements contained in the complaint.

Since 7 July 2018, the date of the petition, there have been a number of developments. On 18 July 2018, the Commission published Regulation (EU) 2018/1012<sup>4</sup> imposing provisional anti-dumping duties on imports of electric bicycles from China ranging between 21.8% and 83.6%. However, the actual level of duty applying to the vast majority of imports from China was at the average of 37% or lower. The Commission on 18 January 2019 imposed both countervailing<sup>5</sup> and anti-dumping<sup>6</sup> duties. The level of the measures was further reduced. The average duty decreased from 37% to 33% of the free-at-frontier price. The figure of 33% includes both the anti-dumping and countervailing duties. As pointed out by the petitioner, imports of conventional bicycles from China are currently subject to duties of 48.5%. In its definitive Regulations, the Commission also indicated that it does not retroactively collect the duties from the date of registration.

The Commission would like to recall that anti-dumping and anti-subsidy investigations are strictly bound by World Trade Organization and EU law as to their initiation, transparency, neutrality and remedial measures. In this instance the Commission, following two thorough investigation, reached clear conclusions that imports of electric bicycles from China were dumped and subsidized. The Commission further concluded that these dumped and subsidised imports caused material injury to the European industry. In such circumstances, the Commission has a legal obligation to restore a level playing field.

It should also be added that the European Cyclists' Federation, the only consumer association that came forward in any of the above-mentioned investigations, provided comments supporting the Commission's view that the long-term viability of an electric bicycle industry in the Union relies on market conditions which allow continued investment in quality, technology and services going forward.

Finally, the Commission would like to point out that the existence of anti-dumping and countervailing duties on conventional bicycles from China did not reduce competition or consumer choice in the EU. The duties imposed seek to re-establish the competitive conditions for operation of a large number of European companies active in the field and subject to unfair trading practices arising from the importation of injuriously dumped and subsidised imports of electric bicycles. These duties do not hinder fair trade flows of electric bicycles, be they from China or not.

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<sup>4</sup> Commission Implementing Regulation (EU) 2018/1012 of 17 July 2018 imposing a provisional anti-dumping duty on imports of electric bicycles originating in the People's Republic of China and amending Implementing Regulation (EU) 2018/671, OJ L 181, 18.7.2018, p.7.

<sup>5</sup> Commission Implementing Regulation (EU) 2019/72 of 17 January 2019 imposing a definitive countervailing duty on imports of electric bicycles originating in the People's Republic of China

<sup>6</sup> Commission Implementing Regulation (EU) 2019/73 of 17 January 2019 imposing a definitive anti-dumping duty and definitively collecting the provisional duty imposed on imports of electric bicycles originating in the People's Republic of China, OJ L 16, 18.1.2019, p 108.

## Conclusion

The imposition of duties on electric bicycles originating in China is expected to support the Union industry's production of electric bicycles by re-establishing the competitive conditions for electric bicycle production on the Union market. At the same time, the measures concerned are expected to establish a healthy economic foundation for the long-term viability of a Union industry for electric bicycles, an important product for mobility and the environment, without reducing consumer choice of electric bicycles.