China Launches Safeguard Investigation into Imported Beef

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On 27 December 2024, China's Ministry of Commerce (MOFCOM) announced the initiation of a safeguard investigation into imported beef. Below, we provide an unofficial English translation of the announcement made by the Ministry of Commerce. You can find the official Announcement in Chinese on MOFCOM's website.

The investigation will examine all beef imported to China under the following HS codes: 02011000 (fresh or chilled carcasses and half carcasses), 02012000 (fresh or chilled unboned bovine meat excluding carcasses), 02013000 (fresh or chilled boneless bovine meat), 02021000 (frozen bovine carcasses and half carcasses), 02022000 (frozen unboned bovine meat excluding carcasses), and 02023000 (frozen boneless bovine meat).

This investigation was prompted by appeals from domestic cattle and beef producers and their associations, who have raised concerns about the influx of low-priced beef imports. The investigation will cover the period from 1 January 2019 to 30 June 2024. Interested parties have 20 days to register for participation. The investigation will use questionnaires and potential hearings.

According to statistics from the General Administration of Customs of the PRC (GACC), the major beef exporters to China in 2023 and the first half of 2024 included Brazil, Argentina, Uruguay, Australia, New Zealand, and the United States.

Currently, 120 companies from the EU (from France, Ireland, Italy, Hungary, Netherlands, Latvia, Lithuania and Poland) are registered for exporting bovine meat to China. Approximately 50% of these companies are from France and 20% from Ireland. However, as of December 2024, due to animal disease concerns and the lack of regionalisation recognition by Chinese authorities, only five EU companies are eligible to export bovine meat to China: two from Latvia and three from Hungary.

Announcement No. 60 of 2024 of the Ministry of Commerce on the Investigation of Safeguard Measures for Imported Beef

Please note that the following text is an unofficial translation into English of the <u>official Announcement published</u> in Chinese by China's Ministry of Commerce.

[Issuing Authority]: Trade Remedy Investigation Bureau
[Document Number] Ministry of Commerce Announcement No. 60 of 2024
[Date of Issue] December 27, 2024

The Ministry of Commerce of the People's Republic of China (hereinafter referred to as the "Ministry of Commerce") received an application for the safeguard measures investigation for the beef industry of the People's Republic of China, officially submitted by the China Animal Husbandry Association, the Jilin Province Animal Husbandry Association, the Liaoning Province Animal Husbandry Association, the Guizhou Province Cattle and Sheep Industry Association, the Sichuan Province Animal Husbandry Association, the Hebei Province Animal Husbandry Association, the Inner Mongolia Animal Husbandry Association, the Shandong Province Animal Husbandry Association, the Henan Province Beef Cattle Industry Association, and the Xinjiang Uygur Autonomous Region Veterinary Association (hereinafter referred to as the "applicants") on behalf of the domestic beef industry on November 22, 2024.

The applicants requested an investigation into safeguard measures for imported beef. In accordance with relevant provisions of the Regulations of the People's Republic of China on Safeguard Measures the Ministry of Commerce examined the qualifications of the applicants, relevant information regarding the products under investigation, similar domestic products and directly competitive products in China, the increase in the quantity of products under investigation, and the impact of the products on domestic industries.

Based on the evidence provided by the applicants and the Ministry of Commerce preliminary examination, the applicants meet the provisions of Articles 3 and 10 of the Regulations of the People's Republic of China on Safeguard Measures regarding the application for safeguard measures investigation filed by the domestic industry.

The application claims that the import quantity of the products under investigation has surged sharply from 2019 to the first half of 2024. In 2023, imports increased by 64.93% compared to 2019, and in the first half of 2024, imports increased by 106.28% compared to the first half of 2019. From 2019 to the first half of 2024, the import quantity of the products under investigation rose from a 20.55% market share in China to 30.90%, and the ratio to China's total production increased from 24.87% to 43.87%. The applicants also argue that the sharp increase in import quantity has adversely affected the domestic industry, causing significant harm, and there is a causal relationship between the increase in imported products and the serious damage to the domestic industry. After examination, the Ministry of Commerce believes that the application contains the content and evidence required for the initiation of safeguard measures investigation.

In light of the above examination results and in accordance with Article 3 of the Regulations of the People's Republic of China on Safeguard Measures the Ministry of Commerce has decided to initiate a safeguard measures investigation into imported beef starting from 27 December 2024. Relevant matters are announced as follows:

I. Investigation and Investigation Period

Effective from the date of this announcement, the Ministry of Commerce will initiate a safeguard measures investigation into imported beef. The investigation period is determined to be from 1 January 2019 to 30 June 2024.

II. Products Under Investigation

Name of the investigated product: Beef.

English Name: Meat of bovine animals.

Product description: The investigated product includes beef products from slaughtered cattle (bovine species), including fresh, chilled, or frozen whole and half carcasses, bone-in beef, and boneless beef.

This product falls under the following codes in the "Import and Export Tariff of the People's Republic of China": 02011000, 02012000, 02013000, 02021000, 02022000, 02023000.

III. Registration to Participate in Investigation

Interested parties must register with the Trade Remedy Investigation Bureau of the Ministry of Commerce within 20 days from the date of this announcement to participate in the safeguard measures investigation. Participating parties must provide relevant explanatory materials in accordance with the "Reference Format for Registration to Participate in the Investigation." The "Reference Format for Registration" can be downloaded from the Trade Remedy Investigation Bureau sub-site on the Ministry of Commerce's website.

Interested parties registering to participate in this investigation should submit an electronic version through the "Trade Relief Investigation Information Platform" (https://etrb.mofcom.gov.cn) and, as required by the Ministry of Commerce, also submit a written version. The electronic and written versions must have the same content and maintain consistent formatting.

VI. Investigation Methods

According to Article 12 of the Regulations of the People's Republic of China on Safeguard Measures, the Ministry of Commerce may employ methods such as questionnaires and hearings to gather information from interested parties during the investigation.

If questionnaires are used, the Ministry of Commerce typically distributes them within 10 working days following the deadline for registration to participate in the investigation as specified in this announcement. Interested parties may download the questionnaires from the Trade Remedy Investigation Bureau sub-site on MOFCOM's website. Responses must be submitted within the specified timeframe, and should include all information required by the questionnaire.

Interested parties can also request a hearing with the Ministry and can find relevant information regarding hearings on the Trade Remedy Investigation Bureau sub-site.

VII. Submission and Handling of Information

Interested parties must submit comments, responses, and other materials during the investigation electronically via the "Trade Relief Investigation Information Platform" (https://etrb.mofcom.gov.cn) and also provide a written version as required by the Ministry of Commerce. Both versions must have the same content and consistent formatting.

If any information submitted by the interested parties needs to be kept confidential, they may request confidentiality from the Ministry of Commerce, providing reasons for such a request. If the Ministry agrees to the confidentiality request, the requesting party must also provide a non-confidential summary of the information. This summary should contain sufficient meaningful information to allow other interested parties to understand the confidential information reasonably. If a non-confidential summary cannot be provided, the party must state the reasons. If no confidentiality request is made, the Ministry of Commerce will treat the submitted information as public.

VIII. Consequences of Non-cooperation

During the investigation, interested parties are required to provide truthful information and relevant materials. Such materials should be in standard Chinese; non-Chinese materials must be accompanied by Chinese translations, with the translation serving as the authoritative version. If parties fail to provide truthful information or necessary materials within a reasonable time frame, or obstruct the investigation in other significant ways, the Ministry may make determinations based

on the facts obtained and the best available information.

IX. Investigation Timeframe

This investigation will commence on 27 December 2024, and is typically expected to conclude within eight months; however, it may be extended under special circumstances.

X. Contact Information of China's Ministry of Commerce

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https://trb.mofcom.gov.cn)