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CIRCULAR Nº 3, DATED JANUARY 15, 2025

THE SECRETARY OF FOREIGN TRADE, OF THE MINISTRY OF DEVELOPMENT, INDUSTRY, TRADE AND SERVICES, under the terms of the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade - GATT 1994, approved by Legislative Decree No. 30, of December 15, 1994, and promulgated by Decree No. 1,355, of December 30, 1994, in accordance with the provisions of art. 5th of Decree No. 8,058, of July 26, 2013, and taking into account what is stated in the Process of SEI Processes No. 19972.002078/2024-85 (Restricted) and 19972.002079/2024-20 (Confidential) and Opinion No. 174, 15

January 2025, prepared by the Department of Commercial Defense - DECOM of this Secretariat of Foreign Trade - SECEX, considering that there are sufficient elements indicating that the extinction of the anti-dumping duty applied to imports of the product covered by this Circular would most likely lead to the continuation or resumption of dumping and the resulting damage to the domestic industry, decides:

1. Initiate review of the antidumping duty established by GECEX Resolution No. 3, of January 14 of 2020, published in the Official Gazette of the Union on January 16, 2020, applied to Brazilian imports of new rubber tires for passenger cars, radial construction, series 65 and 70, rims 13" and 14", and bands 165, 175 and 185, commonly classified in subitem 4011.10.00

Common Nomenclature of MERCOSUR - NCM, originating from Thailand and Chinese Taipei, subject of SEI Processes nos. 19972.002078/2024-85 (Restricted) and 19972.002079/2024-20 (Confidential)

1.1. Make public the facts that justified the decision to initiate the review, as per Annex I.
circular gift.

1.2. The review will begin on the date of publication of this circular in the Official Gazette of the Union.
D.O.U.

1.3. Make public the decision not to initiate the review for South Korea, given that the anti-dumping duty applied to imports from that country has been suspended for the last five years, pursuant to art. 109 of Decree No. 8,058/2013. In this context, it was considered that there was no likelihood of the damage being resumed, since, during the period of suspension of the measure, no significant volume of imports from this origin was verified during the period in which the duty remained suspended.

2. The analysis of the probability of continuation or resumption of dumping considered the period from July 2023 to June 2024. The analysis of the probability of continuation or resumption of damage considered the period from July 2019 to June 2024.

3. I hereby inform you that, in accordance with SECEX Ordinance No. 162, of January 6, 2022, the participation of interested parties in the course of this review of the antidumping measure must necessarily be carried out through intercurrent petitioning in SEI Proceedings No. 19972.002078/2024-85 (Restricted) and 19972.002079/2024-20 (Confidential) in the Electronic Information System, available <https://www.gov.br/economia/pt-br/aceso-a-informacao/sei/usuario-externo-1>.

3.1. Please note that access to the Electronic Information System by external users who are not yet registered must necessarily be preceded by a registration procedure, in accordance with the guidelines contained in the electronic address referred to in the previous paragraph.

3.2. Access is granted after initial registration after analysis of the submitted documentation, which is carried out within the period informed in the electronic address stated in § 3 of this Circular.

3.3. It is the sole responsibility of the interested parties to carry out all procedures necessary to release access to the Electronic Information System in a timely manner for the filing of documents in the investigation records within the deadlines provided for in trade defense legislation, considering the time required to analyze the documentation required for registration, as well as any additional measures that may be requested.



4. In accordance with the provisions of the aforementioned Ordinance and under the terms of art. 17 of Law No. 12,995, of June 18, 2014, all procedural acts of investigations and trade defense procedures must be digitally signed using a digital certificate issued within the scope of the Brazilian Public Key Infrastructure - ICP-Brasil.

5. In accordance with the provisions of § 3 of art. 45 of Decree No. 8,058 of 2013, the period of twenty days must be respected, counted from the date of publication of this circular in the DOU, for other parties that consider themselves interested and their respective legal representatives to request, through the SEI processes, their qualification in the aforementioned processes.

6. Interested parties must participate in the course of this review of a trade defense measure through a legal representative authorized by DECOM, by submitting the relevant documentation to SEI. Intervention in trade defense proceedings by legal representatives who are not authorized will only be permitted in the cases provided for in SECEX Ordinance No. 162 of 2022. The authorization of representatives who perform these acts must be regularized within 91 days after the start of the review, with no possibility of extension. Failure to regularize the representation within the deadlines and conditions provided for will result in the acts referred to in this paragraph being deemed non-existent.

7. Representation of foreign governments shall be carried out through the head of the representation. official in Brazil or through a representative designated by him. The designation of representatives must be registered, through SEI, with DECOM in an official communication of the corresponding representation.

8. In accordance with the provisions of art. 50 of Decree No. 8,058 of 2013, questionnaires will be sent to known producers or exporters, known importers and other domestic producers, as defined in § 2 of art. 45, who will have thirty days to return them, through SEI processes, counted from the date of notification. Notifications and other communications made within the scope of the administrative process will be transmitted electronically, in accordance with SECEX Ordinance No. 162 of 2022. Documents transmitted electronically will be presumed to be notified 3 (three) days after the date of transmission, in accordance with art. 19 of Law No. 12,995 of 2014. Specifically, in the case of the deadline for responding to questionnaires from foreign producers or exporters, the deadline for notification shall be 7 (seven) days from the date of transmission, in accordance with footnote 15 of the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 contained in the Final Act that incorporated the results of the Uruguay Round of Multilateral Trade Negotiations of the GATT, promulgated by Decree No. 1,355 of December 30, 1994.

9. In accordance with the provisions of articles 49 and 58 of Decree No. 8,058 of 2013, interested parties will have the opportunity to present, through the SEI, the evidence they consider relevant. The hearings provided for in art. 55 of the aforementioned decree must be requested within five months from the date of commencement of the review, and the requests must be accompanied by a list of the specific topics to be addressed. It should be noted that only duly authorized representatives may have access to the venue of the hearings related to trade defense proceedings and speak on behalf of interested parties on such occasions.

10. As provided in § 3 of art. 50 and sole paragraph of art. 179 of Decree No. 8,058 of 2013, if an interested party denies access to the necessary information, does not provide it in a timely manner or creates obstacles to the review, DECOM may prepare its final determinations based on the available facts, including those available in the petition to initiate the review, which may result in a determination less favorable to that party than it would have been if it had cooperated.

11. If it is found that an interested party has provided false or erroneous information, such information will not be considered and the available facts may be used.

12. All statements submitted within the scope of the process must contain an executive summary of the arguments presented.

13. In light of the provisions of art. 112 of Decree No. 8,058 of 2013, the review must be completed within ten months, counting from its start date, and this period may be extended by up to two months, in exceptional circumstances.



14. In accordance with the contents of § 2 of art. 112 of Decree No. 8,058 of 2013, the measures antidumping as set out in CAMEX Resolution No. 1 of January 15, 2014 and GECEX Resolution No. 3 of January 14, 2020, will remain in force during the course of this review.

15. Further information can be obtained by calling +55 61 2027-7357 or by email address defesacomercial.cgmc@mdic.gov.br.

TATIANA PLEASURES

ANNEX I

1. BACKGROUND

1.1. From the original investigation

1. On December 29, 2011, the National Tire Industry Association, hereinafter ANIP or petitioner, filed a petition with DECOM to open a dumping investigation in exports to Brazil of new rubber tires for passenger cars, originating from Korea of the South, Thailand, Chinese Taipei and Ukraine, and damage to domestic industry resulting therefrom practice. The investigation was initiated through Circular SECEX No. 34, dated July 19, 2012, published in the Official Gazette of the Union (DOU) on July 20, 201

2. By means of CAMEX Resolution No. 1, of January 15, 2014, published in the DOU on January 16, January 2014, the above-mentioned investigation was closed with the application of anti-dumping duty, considering the positive finding of dumping and the damage resulting from such practice. The anti-dumping duty definitive was applied in the amounts specified in the table below

Applied Antidumping Law - Other sources		
Origin	Producer/Exporter	Anti-dumping duty (US\$/kg)
South Korea	Hankook Tire Co. Ltd.	0,24
	Kumho Tire Co., Inc.	0,61
	Nexen Tire Corporation	0,14
	Too much	2,56
Thailand	Sumitomo Rubber (Thailand) Co. Ltd.	1,32
	Svizz-One Corporation Ltd.	1,35
	Too much	1,35
Chinese Taipei	All	1,43
Ukraine	All	1,23

1.2. From the first review

3. On September 13, 2018, ANIP filed, through the then DECOM Digital System (SDD), petition to initiate end-of-period review in order to extend the anti-dum right applied to Brazilian imports of new rubber tires for passenger cars, originating from South Korea, Thailand, Chinese Taipei and Ukraine to Brazil.

4. This review was initiated by SECEX Circular No. 1, dated January 15, 2019, published in the DOU, of January 16, 2019.

5. Through GECEX Resolution No. 3, of January 14, 2020, published in the DOU on January 16, January 2020, the first review of the anti-dumping duty for the aforementioned origins was completed, extending the application of the definitive anti-dumping duty, for a period of up to 5 (five) years, Brazilian imports of new rubber tires of the types used in passenger cars, of radial construction, from series 65 and 70, rims 13" and 14", and bands 165, 175 and 18, commonly classified item 4011.10.00 of the Common Nomenclature of Mercosur (NCM), originating from the Kingdom of Thailand, Republic of Korea and Chinese Taipei.

6. The definitive anti-dumping duty, to be collected in the form of a specific fixed rate US dollars per kilogram, has been extended in the amounts specified below

Anti-dumping Law Defined		
Origin	Producer / Exporter	Anti-dumping Law Defined (US\$/kg)
South Korea	Hankook Tire Co. Ltd.	0,24*
	Kumho Tire Co., Inc.	0,61*



	Nexen Tire Corporation	0,14*
	Other producers/exporters	2,56*
Thailand	Sumitomo Rubber (Thailand) Co. Ltd.	1,32
	Svizz-One Corporation Ltd.	1,35
	Other producers/exporters	1,35
Chinese Taipei	All producers/exporters *Extension with immediate suspension, under the terms of art. 109 of Decree No. 8,058 of 2013.	0,67

7. It is noted that the same Resolution No. 3/2020 suspended the application of anti-dumping duty to South Korea immediately after its extension, due to the existence of doubts regarding the likely future evolution of imports of the product subject to anti-dumping duty, pursuant to art. 109 of Decree No. 8,058/2013 - hereinafter also referred to as Brazilian Regulation, as per the justification presented in item 10 of Annex I of GECEX Resolution No. 3/2020.

8. It should be mentioned that there was no extension of the aforementioned anti-dumping measure for Ukraine, under the terms of Circular No. 2, of January 15, 2020, published in the DOU on January 16, 2020, since there was no proof of the likelihood of a resumption of dumping in exports from Ukraine to Brazil of new rubber tires of the types used in passenger cars, of radial construction, of the 65 and 70 series, 13" and 14" rims, and bands 165, 175 and 185, commonly classified under code 4011.10.00 of the Common Nomenclature of Mercosur (NCM), and of the damage to the domestic industry resulting from such practice, if the anti-dumping measure in question were to be terminated, under the terms of art. 106 of Decree No. 8,058 of 2013.

1.3. Investigation into exports of car tyres from China

9. On January 9, 2008, ANIP filed a petition on behalf of its associates Goodyear do Brasil Produtos de Borracha Ltda., Bridgestone do Brasil Indústria e Comércio Ltda. and Pirelli Pneus Ltda., to open an investigation into dumping in exports from the People's Republic of China to Brazil of new rubber tires for passenger cars, radial construction, series 65 and 70, rims 13" and 14" and bands 165, 175 and 185, and damage to the domestic industry resulting from such practice.

10. The investigation was initiated by means of SECEX Circular No. 46, of July 8, 2008, published in the DOU, of July 10, 2008, and was concluded by means of CAMEX Resolution No. 49, of September 8, 2009, published in the DOU of September 9, 2009, with the application, for 5 years, of definitive antidumping duty in the form of a specific rate of US\$ 0.75/kg to imports of the product in question.

11. CAMEX Resolution No. 49 of 2009 itself also established the suspension, for up to six months from the date of its publication, of the application of the aforementioned antidumping duty for manufacturers of passenger vehicles, in view of the national interest expressed in the government policy of encouraging the acquisition of popular automobiles, through the reduction of the Tax on Industrialized Products (IPI).

1.3.1. From the first review - exports of automobile tires from China

12. On December 28, 2011, ANIP, on behalf of its associates Goodyear do Brasil Produtos de Borracha Ltda., Bridgestone Firestone do Brasil Indústria e Comércio Ltda., Sociedade Michelin de Participação, Indústria e Comércio Ltda. and Pirelli Pneus SA, filed a request for review of the antidumping duty applied to imports of automobile tires originating in China, based on art. 58 of Decree No. 1,602 of 1995, since the duty in force was not being effective in nullifying the harmful effects resulting from the practice of dumping.

13. The aforementioned review was initiated by means of SECEX Circular No. 39, of August 23, 2012, published in the Official Gazette of August 24, 2012 and amended on August 29, 2012 and September 12, 2012. The review was initiated in the third year after the application of the right and, considering the legal term of twelve months for its conclusion, any change in the right would occur four years after the application of the original right. In this scenario, such change in the right would remain in force for approximately only one year, since art. 57 of Decree No. 1,602 of 1995 established that all definitive anti-dumping duties would be extinguished within a maximum of five years after their application. In order to circumvent such limitations, the review of the anti-dumping duty was initiated under § 1 of art. 57 of Decree No. 1,602 of 1995.



Definitive Anti-Dumping Duty - Chi	
Producer/Exporter GITI	Anti-dumping duty (US\$/kg)
Radial Tire (Anhui) Company Ltd.	1,31
Shandong Jinyu Industrial Co.,Ltd.	1,08
Shandong Yongsheng Rubber Group Co. Ltd.	1,30
South China Tire & Rubber Co. Ltd.	2,17
Apollo International FZC	1,54
Beijing Capital Tire Co., Ltd.	
Cheng Shin Tire & Rubber (China) Co. Ltd.	
Cooper Chengshan (Shandong) Tire Company Ltd.	
Double Coin Holding Ltd.	
Federal Tire (Jiangxi) Ltd.	
Goodfriend Tyres Co., Ltd.	
Guangzhou Bolex Tyre Ltd.	
Hangzhou Zhongce Rubber Co., Ltd.	
Kenda Rubber Co., Ltd.	
Kumho Tire (Chang Chun) Co., Inc.	
Kumho Tire (Tianjin) Co., Ltd.	
Kumho Tire Co., Inc.	
Kumho Tire (Nanjing) Co., Ltd.	
Liaoning Permanent Tyre Co. Ltd.	
Pneuma Overseas Co. Ltd.	
Qingdao Cenchelyn Tyre Co., Ltd.	
Qingdao Jianfu Tire Co., Ltd.	
Sailun Co., Ltd.	
Shandong Changfeng Tyre Co., Ltd.	
Shandong Fenglun Tyre Co., Ltd.	
Shandong Guofeng Rubber Co., Ltd.	
Shandong Hengfeng Rubber & Plastic Co., Ltd.	
Shandong Linglong Rubber Co., Ltd.	
Shandong Linglong Tyre Co., Ltd.	
Shandong Shuangwang Rubber Co., Ltd.	
Shandong Yongtai Chemical Group Co., Ltd.	
Shengtai Group Co., Ltd.	
Sichuan Tyre & Rubber Co. Ltd.	
Triangle Tyre Co., Ltd.	
Zhao Qing Junhong Co., Ltd.	
Other companies	2,17

1.3.2. From the second review - exports of automobile tires originating from China

15. On March 28, 2018, ANIP, on behalf of its associates Bridgestone, Continental and Pirelli, filed a request for review of the anti-dumping duty applied to imports of car tires originating in China.

16. The second review was initiated by Circular SECEX No. 32, of July 26, 2018, published in the Official Gazette of July 27, 2018. During the review, it was demonstrated that the extinction of the anti-dumping duties applied to Brazilian imports of automobile tires originating in China would most likely lead to the continuation of dumping and the resumption of the damage to the domestic industry resulting therefrom.

17. Thus, through the publication of SECINT Ordinance No. 505, of July 23, 2019, published in the DOU of July 25, 2019, the extension of the antidumping duty was determined, in the form of a specific rate set in US dollars per ton, in the amounts specified below.



Producer/Exporter	Anti-dumping law (US\$/kg)
GITI Radial Tire (Anhui) Company Ltd, GITI Tire (Fujian) Company Ltd., GITI Tire (Hualin) Company Ltd. e GITI Tire Global Trading Pte. Ltd. (GTT).	1,25
Shandong Linglong Tyre Co., Ltd.	1,54
Zhongce Rubber Group Co., Ltd.	1,54
Shandong Changfeng Tyres Co. Ltd.	1,29
Shandong Haohua Tire Co., Ltda.	
Shandong Longyue Rubber Co., Ltd.	
Shaanxi Yanchang Petroleum Group Rubber Co. Ltd.	
Shandong Hengfeng Rubber & Plastic Co., Ltd.	
Triangle Tyre Co., Ltd.	
Zhaoqing Junhong Co Ltd Kumho	
Tire Tianjin Co Inc Shandong	
Huasheng Rubber Co., Ltd.	
Sailun Group Co., Ltd.	
Shandong Yogntai Group Co. Ltd.	
Other companies	1,77

1.3.3. From the third review - exports of automobile tires originating from China

18. On April 1, 2024, ANIP, on behalf of its associates Continental do Brasil Produtos

Automotivos Ltda., Bridgestone do Brasil Indústria e Comércio Ltda. and Pirelli Pneus Ltda., filed, in the Electronic Information System of the Ministry of Development, Industry, Commerce and Services (SEI), a petition to initiate an end-of-period review of the antidumping duty applied to imports of new rubber tires for passenger cars, radial construction, series 65 and 70, rims 13" and 14", and bands 165, 175 and 185, originating from China Common Nomenclature of Mercosur (NCM), under the terms of SECINT Ordinance No. 505/2019. commonly classified under subitem 4011.10.00

19. This review was initiated by Circular SECEX No. 35, of July 24, 2024, published in the DOU, of July 25, 2024, and is ongoing on the closing date of this opinion. According to the contents of §2 of art. 112 of Decree No. 8,058 of 2013, the anti-dumping measures referred to in SECINT Ordinance No. 505 of 2019 will remain in force during the aforementioned review.

2. OF THIS REVIEW

2.1. Of the petition

20. On September 13, 2024, ANIP, on behalf of its associates Continental do Brasil Produtos Automotivos Ltda. (hereinafter "Continental"), Bridgestone do Brasil Indústria e Comércio Ltda. (hereinafter "Bridgestone") and Pirelli Pneus Ltda. (hereinafter "Pirelli"), filed, in the Electronic Information System of the Ministry of Development, Industry, Commerce and Services (SEI), a petition to initiate an end-of-period review of the antidumping duty applied to Brazilian imports of new rubber tires for passenger cars, radial construction, series 65 and 70, rims 13" and 14", and bands 165, 175 and 185, commonly classified in subitem 4011.10.00 of the Common Mercosur Nomenclature.

(NCM), originating from South Korea, Thailand and Chinese Taipei, under SECINT Ordinance No. 505/2019

21. On December 9, 2024, through Official Letter No. 8375/2024/MDIC, the petitioner was asked to provide additional information to that contained in the petition, based on §2 of art. 41 of Decree No. 8,058 of July 26, 2013. The petitioner, after requesting an extension, submitted such information, in a timely manner, on December 23, 2024.

22. Therefore, the information detailed in this document takes into account the original petition and the additional information presented.

2.2. Interested parties

23. According to § 2 of art. 45 of Decree No. 8,058 of 2013, interested parties were identified, in addition to the petitioner, as well as the producing companies that make up the domestic industry and other national producers, Chinese producers/exporters, Brazilian importers of the product subject to the antidumping duty and the Government of Thailand and Chinese Taipei.



identified, through detailed data on Brazilian imports, provided by Secretar

Special from the Brazilian Federal Revenue Service (RFB), from the Ministry of Finance, companies producers/exporters and importers of the product subject to the anti-dumping duty during the period of continuation/resumption of damage review.

25. [RESTRICTED].

2.3. On-site verification in the domestic industry

26. It should be noted that this end-of-period review of anti-dumping measures will involve an analysis of the likelihood of a resumption of damage to the domestic industry, as detailed in item 8. from document.

27. In this sense, given the peculiarity of the case in question and in view of the principle constitutional efficiency, under the terms of art. 37 of the Federal Constitution of 1988, and the principles of reasonableness, proportionality and purpose, under the terms of art. 2nd of Law No. 9,784, of 1999, which governs administrative process within the scope of the Federal Public Administration, it is reported that it will not be carried out on-site verification in the domestic industry for the aforementioned review, as there is no need to analyze the damage caused.

2.4. From South Korea as the investigated origin

28. In the petition to initiate the end-of-period review, ANIP presented a statement respect of the trade defence measure applied to imports of car tyres originating in Republic of Korea.

29. ANIP highlighted the history of the suspension of the measure for the aforementioned origin in the terms of the art. 109 of Decree No. 8,058/2013. He also commented that he presented on July 29, 2024 request for reapplication of the anti-dumping duty, through SEI Process No. 19972.001629/2024-93, "given the observed increase in imports from Korea and, in view of the already proven probability of resumption of dumping and damage from that source", in the words of the petitioner.

30. According to ANIP, the suspension would not prevent the end-of-period review from being carried out, which should assess whether the conditions that justified the application of the measure still remain. valid.

31. Therefore, the claimant requested that the measure be reapplied and that it remain in force. during the end-of-period review, given the significant increase in imports from South Korea after suspension of the measure and the high probability of resumption of dumping.

32. DECOM records that GECEX Resolution No. 3/2020 suspended the application of law antidumping applied to Brazilian imports of new rubber tires, commonly classified in item 4011.10.00 of the Common Nomenclature of Mercosur, originating in the Republic of Korea immediately after its extension, due to the existence of doubts regarding the probable evolution future imports of the product subject to anti-dumping duty, pursuant to art. 109 of Decree No. 8,058/2013, as per the justification presented in item 10 of Annex I of GECEX Resolution No. 3/202

33. During the period in which the anti-dumping duty was suspended, imports originating from South Korea had the following evolution:

Total Imports (in t) [RESTRICTED]	P1	P2	P3	P4	P5	P1-P5
South Korea [RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]
Variation		6706,0% 5,9%		26,8%	-61,0%	+3.467%

34. From P1 to P2, there was significant growth of 6,706%, taking into account the low initial volume. in P1. From P2 to P3 and from P3 to P4, increases in the imported volume were also noted: 5.9% and 26.8%, respectively. From P4 to P5, a drop of 61% was observed. When considering the extremes of the periods, there was growth of 3,467%.

35. When comparing the volume of South Korea's imports with total imports Brazilians in the period of analysis, it is clear that those represented 0.03%; 2.5%; 2.4%; 1.7% and 0.5%, respectively, of the total of these imports.



36. When compared to the Brazilian market, the representativeness of South Korean imports of car tires reached in each analysis period: 0.001%; 0.3%; 0.4%; 0.5% and 0.2%, also respectively.

37. Based on the data presented, it was observed that the significant growth in P1 did not continue in the same magnitude or in a relevant proportion throughout the period of analysis, even having presented a drop of 61% from P4 to P5. The largest proportion of total imports was in P2, where it reached 2.5%. Regarding the Brazilian market, the largest representation was reached in P4, when it represented 0.5%.

38. In this context, five years after the anti-dumping duty was suspended, it was observed that the volume imported from the aforementioned origin showed insignificant shares both in relation to total Brazilian imports and to the Brazilian market, and the sole paragraph of art. 109, which states that "The collection of the duty will be immediately resumed if the increase in imports occurs in a volume that may lead to the resumption of damage", was not triggered.

39. Thus, DECOM understands that, after five years since the suspension of the measure and given the evolution of the volume of imports from South Korea, doubts regarding the future evolution of imports of the product subject to the duty originating in that country have been dispelled.

40. Regarding ANIP's statement on the aforementioned topic, DECOM emphasizes that there was no evidence, during the period analyzed, of a significant increase in imports from South Korea in volume that could lead to the resumption of damage, in accordance with art. 109.

41. Furthermore, it is worth mentioning that, on November 12, 2024, ANIP filed a statement withdrawing the request for reapplication of the suspended antidumping measure, according to SEI Process No. 19972.001629/2024-93. The request for withdrawal was granted by DECOM through SEI Official Letter No. 8045/2024/MDIC on November 25, 2024.

42. Given the failure to observe a significant increase in the volume of imports of car tires from South Korea and the low representativeness of the imported volume in relation to the total imported and the Brazilian market, even after five years had passed since the suspension of the anti-dumping duty applied to imports from that country, it was considered that there was no likelihood of the damage resuming, since, during the period of suspension of the measure, no significant volume of imports from this origin was verified during the period in which the duty remained suspended.

3. PRODUCT AND SIMILARITY

3.1. The product subject to the anti-dumping duty

43. As provided in SECINT Ordinance No. 505 of July 23, 2019, published in the DOU on July 25, 2019, the product subject to the antidumping duty is new rubber tires for passenger cars, of radial construction, of the 65 and 70 series, 13" and 14" rims, and bands 165, 175 and 185, hereinafter referred to as "car tires", originating from South Korea, Thailand and Chinese Taipei.

44. It should be noted that the tires covered by the specifications in the previous paragraph, including of the extra load ("XL") type, are within the scope of the anti-dumping duty in question.

45. Construction tyres are excluded from the scope of the anti-dumping duty in force.
diagonal and tires with rims, series and bands other than those specified

46. Regarding the production process and distribution channels, the product subject to the anti-dumping duty has raw materials and a production process similar to the process described in item 3.2 of this Opinion, having the same distribution channels.

47. The bands (165, 175 and 185) indicate the nominal width of the tire expressed in millimeters. The series 65 and 70 indicate the approximate percentage quotient between the section height and the nominal width of the tire. The letter R indicates that the tire construction type is radial and rims 13 and 14 indicate the internal diameter of the tire expressed in inches.

48. It should be noted that in research into the procedures adopted in previous investigations, it was identified that new rubber tires for passenger cars, radial construction, series 65 and 70, rims 13" and 14", and bands 165, 175 and 185, mounted on wheels, accompanied by wheels, parts or accessories are included in the scope of this review, having been duly treated in the calculation of the prices presented. Likewise, the scope of the product covered by this review includes tires that are sold in kit form.

3.2. Product manufactured in Brazil



49. The product manufactured in Brazil is the new rubber tire for passenger cars with radial construction, series 65 and 70, rims 13" and 14", bands 165, 175 and 185, with the following designations: 165/65 R 13, 165/65 R 14, 175/65 R 13, 175/65 R 14, 65 R 13, 185/65 R 14, 165/70 R 13, 165/70 R 14, 175/70 R 13, 175/70 R 14, 185/70 R 13 and 185/70 R 14.

50. According to ANIP, the main raw materials for the production of tires are natural rubber, synthetic rubber, carbon black, sulfur, antioxidants, mineral oils, various pigments, accelerators and retarders, zinc oxide, cords for the carcass and steel wires.

51. The petitioner reported that the tires produced by the domestic industry consist of beads, plies, stabilizing belts, tread, sidewall, shoulder, shock absorbers, liner, stripes, grooves, anti-friction, bead covers, sub-tread and compounds, having detailed the following parts:

a) Tread: part of the tire made of elastomers that has the function of entering into contact with the ground;

b) Plies: layers of metal or textile cables, impregnated with elastomers, which constitute the resistant structure of the tire;

c) Carcass Ply: the inner part of the resistant structure of the tire whose cords extend from one heel to the other;

d) Protective Canvas: also called "Protective Belt", is the outer part of the structure resistant to the tire, which has the purpose of protecting the work canvases

e) Working Canvas: also known as "Working Belt" or "Stabilizing Canvas", is the part of the resistant structure of the radial tire that has the purpose of stabilizing the tire

f) Sidewall: also called "Side or Lateral", is the lateral part of the tire, comprising between the tread and the bead;

g) Beads: parts located below the sidewalls, made up of metal rings covered with elastomers and wrapped in canvas, with a shape and structure that allow the tire to be fitted to the

attention:

h) Carcass: resistant structure of the tire, consisting of one or more superimposed layers of plies. It is the part of the tire that supports the load, as soon as it is inflated

i) Cable or Cord: result of the twisting of one or more metal or textile threads that make up the canvas; and

j) Shoulders: external parts of the tread at the intersections with the sidewalls

52. Furthermore, regarding support, tires can be classified and

a) Tubeless tire: tire designed for use without a tube; and

b) Inner tube tire: tire designed for use with air dimmer.

53. As for the use category that indicates the type of application for which the tire is intended, the tires can be classified and

a) Normal tire: tire designed for predominant use on paved roads;

b) Reinforced tire: one whose carcass is more resistant than that of an equivalent normal tire, being able to support more load;

c) Mixed-use tire: tire suitable for use on vehicles that travel alternately by paved or unpaved roads; and

d) Tire for off-road use: tire with special tread for off-road use. public highways.

54. Regarding the structure (or construction), which indicates the form of construction and the arrangement of the plies of the tire's tough structure, tires can be classified and

a) Bias tire: a tire whose structure has the cords of the plies extended to the beads and are oriented in such a way as to form alternating angles, significantly less than 90° in relation to the median line of the tread. However, Brazilian production of bias-ply automobile tires is decreasing (according to the petitioner, this would only occur in "old designs") and is being replaced by the production of radial-ply tires due to performance and user safety issues; and



b) Radial tire, one whose structure consists of one or more plies whose threads are arranged from bead to bead and placed approximately 90° in relation to the median line of the tread, this structure being stabilized circumferentially by two or more essentially inextensible plies. According to the petitioner, the radial tire is characterized by the use of differentiated raw materials and has a more complex production process, providing better quality and performance.

55. Regarding the tread design, tires can be classified and

a) Symmetrical Tread Design: design that presents, in relation to the longitudinal axis, similarity of sculpture;

b) Asymmetrical Tread Design: design that does not present, in relation to the axis longitudinal, similarity of sculpture, linked to specific carcass structure or not;

c) Tread Design with Direction of Rotation: design conceived for a single direction of rotation, linked to the specific casing structure or not.

56. Tires may be mounted or not on wheels, accompanied by wheels, parts or accessories or unaccompanied by wheels, parts or accessories. Likewise, tires may be presented in the form of kits.

57. The main functions performed by tires are to support the load statically and dynamically, ensure the transmission of engine power, ensure drivability, ensure vehicle braking and guarantee stability and grip.

58. Tires manufactured by the domestic industry are intended for passenger cars and are sold both to the primary market (car manufacturers) and to the secondary or replacement market.

59. Tires produced by the domestic industry consist of beads, plies, stabilizing belts, tread, sidewall, shoulder, shock absorbers, liner, ribs, grooves, antifriction, bead covers, sub-tread and compounds. The main raw materials are natural rubber, synthetic rubber, carbon black, sulfur, antioxidants, mineral oils, various pigments, accelerators and retarders, zinc oxide, cords for the carcass and steel wires.

60. The domestic industry produces radial passenger tires for exclusive tubeless use. The product line consists of tires for city use (on-road) and mixed use (on/off road).

Regarding the tread design, the models are symmetrical, asymmetrical and with a direction of rotation.

61. The production process of tires manufactured in Brazil can be divided into three phases. The first phase of tire manufacturing is the preparation of the compound. It is made up of various types of natural and synthetic rubber, carbon black, accelerators, and chemical pigments, which are placed in a mixer (banbury), where the elements are homogenized (mixed). For each part of the tire there is a specific compound, that is, with different physical and chemical properties.

62. Once the compound is ready, the components are produced. These components are: tread, sidewall, bead, body plies, stabilizing plies and waterproof.

63. The tread (the part of the tire that comes into contact with the ground) and the sidewall are produced by the extrusion process. A machine called an extruder, a type of screw, rotates, heats and pushes the compound into a mold, in which the components take on their final shapes.

64. Body and watertight sheet plies are formed on the calender. There are three or more cylindrical rollers that produce the rubber sheets. These sheets are joined to polyester and nylon fabrics (also used as reinforcement), forming the body canvases.

65. In the formation of stabilizing canvases (made by the extrusion process), several threads of steel receive the rubber layer and form a tape with a determined width. These tapes are then cut at angles, concluding the production of the component. It is important to differentiate one canvas from another: body canvases are those formed by polyester and nylon; stabilizing canvases are formed by steel threads; and the waterproof canvas, in turn, is formed only by rubber (composed of



66. The head (the part of the tire that connects to the wheel) passes through a small extruder, which applies a layer of rubber over steel wires. These wires are wound onto cylinders that form component.

67. The second phase comprises the construction process, in which the carcass is produced. (skeleton of the tire that supports the load). A part of the components (watertight, body canvas and heel) is applied to a machine, similar to a drum, forming the casing. Then, the stabilizing canvas and tread.

68. The third phase consists of vulcanization, a process that gives shape to the tire. For this purpose, the tire is placed in a press under a certain temperature, pressure and time. In this press there is a mold with the specific characteristics of each product, in which the shape and design are determined of the tread.

69. After being vulcanized, the tire undergoes final inspection, where all inspections and tire release tests are carried out, thus ensuring consistency and reliability in the tire. performance.

70. The production process is common to all types of tires similar to the tire subject to the right, covering all stages of this process, that is, from the receipt of raw materials, preparation of the compounds, preparation of the components and, finally, the construction of the tire which, after final stage of production, is destined for the finished product warehouse

3.3. Classification and tariff treatment

71. Car tires are commonly classified under tariff subitem 4011.10.00 Common Nomenclature of Mercosur (NCM/SH), which covers products other than the product subject to the anti-dumping duty, such as tires with diagonal construction or rims, series and bands different from those specified

72. The description of the abovementioned tariff subitem belonging to the Common Nomenclature of Mercosur (NCM/SH):

Tariff Classification	
4011	New rubber tires
4011.10.00	Of the type used in passenger cars (including station wagons) wagons) and racing cars)

73. The Import Tax rate remained unchanged at 16% for the NCM subitem mentioned above until October 15, 2024, when its rate was increased to 25%, in terms of Gecex Resolution No. 648, of October 14, 2024.

74. It should be noted that the aforementioned subitem is subject to the following tariff preferences, granted by Brazil/Mercosur, which reduce the Import Tax rate applicable to similar product/subject of investigation:

Tariff Preferences		
Country/Block	Legal Basis	Tariff Preference
Argentina	ACE18 - Mercosur	100%
Uruguay	ACE18 - Mercosur	100%
Paraguay	ACE18 - Mercosur	100%
Chile	ACE35-Mercosur-Chile	100%
Bolivia	ACE36-Mercosur-Bolivia	100%
Mexico	ACE55-Mexico-Brazil	100%
Peru	ACE58-Mercosur-Peru	100%
Colombia	ACE59-Mercosur-Colombia	100%
Ecuador	ACE59-Mercosur-Ecuador	55%
Venezuela	ACE569-Mercosur-Venezuela	100%
Cuba	APTR04-Brazil-Cuba	28%
Israel	ALC-Mercosur-Israel	90%
Egypt	ALC-Mercosur-Egypt	87,5%*

*Tariff preference for Egypt follows a tariff reduction schedule covering the period 2020 to 2026, having varied from 20%, on 09/01/2020 to 87.5%, on 09/01/2023.



75. § 1 of art. 9 of Decree No. 8,058 of 2013 establishes a list of objective criteria based on which similarity must be assessed. § 2 of the same article establishes that such criteria do not constitute an exhaustive list and that none of them, individually or together, will necessarily be capable of providing a decisive indication.

76. Thus, the petitioner points out that there are no differences in the uses and applications of the product subject to this review and the similar national product, so that the products have significantly similar physical characteristics, following the same international quality standards, technical standards in Brazil, as indicated in item 3.2 of this document.

77. The information presented in the petition corroborates the conclusions regarding similarity achieved in the original investigation and in previous reviews.

78. Therefore, it was considered, for the purposes of initiating the review, that the product manufactured in Brazil similar to that imported from the investigated origin, under the terms of art. 9th of Decree No. 8,058 of 2013.

4. DOMESTIC INDUSTRY

79. Art. 34 of Decree No. 8,058 of 2013 defines domestic industry as the totality of producers of the domestic like product. In cases where it is not possible to include all of these producers, the term "domestic industry" shall be defined as the group of producers whose joint output constitutes a significant proportion of the total national production of the domestic like product.

80. Although ANIP emphasized that it represents all national producers of the product under review, data necessary to determine the continuation of damage to three national producers were presented: Bridgestone do Brasil Ind. e Comércio Ltda., Continental do Brasil Produtos Automotivos Ltda. and Pirelli Pneus Ltda.

81. The petitioner also presented a letter of support from two other national producers - Goodyear do Brasil Produtos de Borracha Ltda. and Sumitomo Rubber do Brasil Ltda., which presented production and sales volume data during the damage analysis period.

82. In this sense, the domestic industry was defined for the purposes of initiating the review as the automobile tire production lines of the companies Bridgestone, Continental and Pirelli, which represented approximately 41% of Brazilian production in P5, as reported by ANIP, the representative of producers in the sector.

5. INDICATIONS OF CONTINUATION OR RESUMPTION OF DUMPING

5.1. Existence of evidence of dumping during the period of validity of the right for the purposes of initiation revision

83. According to art. 7 of Decree No. 8,058 of 2013, the introduction of a good into the Brazilian market, including under drawback terms, at an export price lower than the normal value, is considered a dumping practice.

84. According to art. 107 combined with art. 103 of Decree No. 8,058 of 2013, the determination that the termination of the right would very likely lead to the continuation or resumption of dumping must be based on an objective examination of all relevant factors, including the existence of dumping during the period in which the measure was in force (item 5.1); the performance of the producer or exporter (item 5.2); changes in market conditions, both in the exporting country and in other countries (item 5.3); and the application of trade defense measures on the like product by other countries and the consequent possibility of trade diversion to Brazil (item 5.4).

85. For the purposes of initiating the review, the period from July 2019 to June 2024 was used in order to verify the existence of evidence of the likelihood of continuation or resumption of the practice of dumping in exports to Brazil of car tires originating from Thailand and Chinese Taipei.

86. It should be noted that, as will be seen in item 6 below, imports of car tires originating from the investigated origins were carried out in non-representative quantities, and the likelihood of the resumption of dumping practices was analyzed.

5.1.1. Thailand's normal value

87. For the purposes of initiating the review, the constructed normal value was determined for Thailand, since there is no more precise information available to date about the prices charged in that country. The constructed normal value was determined specifically for the like product, which makes the information more accurate.



reliable, in relation to other methodologies, such as exports to third countries, which, more than are sometimes based on broader tariff classifications than the similar product

88. The normal value assigned to Thailand for the purposes of initiating the review was constructed from publicly available information and, where sufficient publicly available information is not available, from a value obtained from the cost of the petitioning companies, determining, for this purpose, the specific consumption of the main items related to the cost of manufacturing automobile tires. All these consumptions were calculated per ton of final product, so that the calculation of the normal value was carried out in this unit

89. Thus, the normal value was constructed from the reasonable value of the production costs, increased by the amount for general, administrative, financial and sales expenses, as well as the amount for profit, from the following items:

- a) raw materials and inputs;
- b) utilities
- c) labor
- d) other variable costs;
- e) other fixed costs
- f) general, administrative and commercial expenses; and
- g) profit.

90. The construction of the normal value was based on the technical coefficients of production of the tires, best-selling by the three national producers that make up the domestic industry, having been used simple average of the individual coefficients of each company/product. The values of the various cost items were adjusted to reflect the costs relevant to Thailand, aiming for greater accuracy and adherence market reality. Below are the technical coefficients applied to the main raw materials used

Material (kg)	Bridgestone		Continental				Pirelli Tires				Coefficient Technical (kg/kg tires)	
	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]		
Rubber Synthetic	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	
Rubber Natural	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	
Black of smoke	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	
Arames	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	
Fabrics	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	
Chemicals, Others	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	
TOTAL MATERIAL	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	

91. In relation to the values of such headings, the main Harmonized System subheadings were identified for the materials used in production, with the exception of the group "Chemicals and Others". For each of these subheadings, the average import price from Thailand was calculated, using TradeMap statistical data for the P5 period.

92. The applicable import tax was added to the average import price, obtained by consulting the Market Access Map website, and values relating to hospitalization expenses and domestic freight, calculated based on information available on the Bank's Doing Business website World. In this way, the final prices of raw materials in Thailand were established, to be considered in constructing the normal value:

Material Prices in Thailand	
Material	Subheading Average Price CIF US\$/kg
Synthetic Rubber 4002.19	1,84
Natural Rubber 4001.22	1,84



Carbon Black 2803.90.1.87		
Wires	7217.30	1,14
Fabrics	5902.10	4,25

93. Next, the average prices of the materials in ex-factory condition were obtained, that is, including all necessary expenses for the material to be available at the factory door consumption. These prices were then multiplied by the technical coefficients of each material, reflecting the specific quantity used in the production of the PNE

94. In the case of raw materials categorized as "Chemicals and Others", the cost was calculated based on the share of this item in the total cost of raw materials of the three producers nationals that make up the domestic industry. This participation represented [CONFIDENTIAL]% of this cost.

95. This methodology allowed estimating the costs of each material in the process. construction of normal value:

Cost of Materials			
Materials	Raw Material Price (US\$/kg)	Technical Coefficient (kg/kg tires)	US\$/kg tire
Synthetic Rubber 1.89		[CONF.]	[CONF.]
Natural Rubber 1.67		[CONF.]	[CONF.]
Carbon Black 1.33		[CONF.]	[CONF.]
Metal Reinforcement 1.19		[CONF.]	[CONF.]
Fabrics	4,53	[CONF.]	[CONF.]
Chemicals and Others			[CONF.]
TOTAL			[CONF.]

96. To determine the cost of utilities in calculating the normal value, the Petitioner also used technical coefficients from each of the national ID producers, determining the average. These technical coefficients were

- Electric energy: [CONFIDENTIAL]kWh per kg of tire; and
- Natural gas: [CONFIDENTIAL]m³ per kg of tire

97. For electricity prices in Thailand, the Global Petrol platform was consulted. Prices, with data referring to March 2024, which indicates US\$0.124/kWh.

98. In the case of natural gas, the average import price from Thailand to the subheading 2711.11 of the Harmonized System, with TradeMap data for the period July 2023 to June 2024, plus hospitalization and domestic freight expenses, obtained from information from the World Bank Doing Business website. It is noted that there was no increase in import tax, as Thailand applies a 0% rate on tariff codes under subheading 2711.11, according to data from OMC.

99. To convert the price of natural gas from US\$/kg to US\$/m³, a factor of conversion of 1 m³ = 0.829 kg, based on data presented by the Statistics Institute of the United States Low. The costs of other utilities were also determined, based on the average proportion of such costs of ID companies, with such participation representing [CONFIDENTIAL]% of the costs with utilities. Using this methodology, the prices of utilities in Thailand were determined, to be applied in the construction of the normal value:

Utilities Cost			
Materials	Price Utility	Technical Coefficient (kg/kg tires)	Cost US\$/kg of pn
Electricity US\$0.12/kWh	[CONFIDENTIAL]		[CONFIDENTIAL]
Natural gas	US\$0,52/m ³ [CONFIDENTIAL]		[CONFIDENTIAL]
Other utilities			[CONFIDENTIAL]
TOTAL			[CONFIDENTIAL]

100. For the cost of labor in Thailand, the average wage in the labor sector was used. manufacturing, according to data from the Bank of Thailand, which indicated an average salary of THB\$22,187.05 in P5, or US\$ 620.22. Then, the average productivity of the ID companies (employees) was used.



Direct/indirect costs in production per kg of tires produced), resulting in a coefficient [CONFIDENTIAL] employees per kg of tire produced, totaling a cost of US\$

[CONFIDENTIAL] per kg of tire produced.

101. For the other production cost items - other variable costs and other fixed costs (excluding direct labor and depreciation) -, its participation in the cost of production of materials (synthetic rubber, natural rubber, carbon black, wires, fabrics and chemicals) of the tire of the national producers considered: [CONFIDENTIAL]% and [CONFIDENTIAL]% respectively, in P5. Thus, the manufacturing cost/kg of tire was obtained:

Other Costs	
	US\$/kg
Other variable costs	[CONF.]
Fixed Costs (excl. ODM and Depreciation) [CONF.]	

102. After determining the cost of production, for the purposes of determining the normal value, amounts relating to depreciation, operating expenses and profit margin were added, calculated based on the financial statement of the Cheng Shin Rubber Ind. Co. Ltd. group, of which it is a part MAXXIS International (Thailand) Co. Ltd., a manufacturer of automobile tires in Thailand, compliant with Tire Business 2023.

103. The values of expenses and operating profit were obtained by applying a percentage of participation of these items, calculated in relation to the cost of the product sold at the company Cheng Shin Rubber, on the value of the production cost resulting from the sum of the amounts referred to in paragraphs previous.

Income Statement Summary - Cheng Shin Rubber Company		
	\$	%/Cost
1. Sales revenue	17.446.799	
2. Operating costs 3.	-12.259.953	
CPV (2. operating cost - 6. depreciation and amortization) -10,819,446		
4. Gross profit from operation 5.138.501 47,		
5. Operating expenses (5.1. + 5.2. + 5.3. + 5.4.)	-3.476.956	32,1%
5.1. Selling expenses 5.2.	-1.428.992	
General and administrative expenses 5.3. Research and development expenses	-975.723	
5.4. Finance costs	-722.274	
6. Depreciation and amortisation 7.	-349.967	
Operating profit	1.440.507	13,3%
	2.020.789	18,

104. Thus, the amounts listed below were obtained for the highlighted headings:

Items	US\$/kg
Operating Expenses + Depreciation 0.88	
Operating profit	0,36

105. Based on this data, the constructed normal value was determined, in the delivered condition. Thailand:

Constructed normal value of automobile tire [CONFIDENTIAL][RESTRICTED]	
	US\$/kg
1. Materials	[CONF.]
Synthetic rubber	[CONF.]
Natural rubber	[CONF.]
Carbon Black	[CONF.]
Wires	[CONF.]
Fabrics	[CONF.]
Chemicals and Others	[CONF.]

2. Utilities	[CONF.]
Electric Energy	[CONF.]
Natural gas	[CONF.]
Other utilities	[CONF.]
3. MDO (CV and CF)	[CONF.]
- Direct and indirect MDO	[CONF.]
4. Other Variable Costs	[CONF.]
5. Fixed Costs (excl. ODM and Depreciation) [CONF.]	
6. Manufacturing Cost 7.	[RESTRICTED]
Operating Expenses + Depreciation 8.	[RESTRICTED]
Operating Profit	[RESTRICTED]
9. Constructed Normal Value	[RESTRICTED]

106. Therefore, for the purposes of initiating the review, the normal value determined for Thailand corresponded US\$ [RESTRICATED] /kg ([RESTRICATED] per kilogram), in delivered condition.

5.1.1.1. Of the normal value interned from Thailand in the Brazilian market

107. In order to determine the likelihood of a resumption of dumping, an attempt was made to internalize the normal value of Thailand in the Brazilian market, to enable its comparison with the average price of sale of the similar domestic product in the same market, since the volume of exports of Thailand to Brazil was considered insignificant in the period of analysis of continuation/resumption of dumping.

108. Values relating to export expenses, obtained through the Doing Business platform; international freight and insurance, considering data from the Organization for Economic Cooperation and Development (OECD), as per suggested by the petitioner, since there were no exports in representative volume during the period analysis; the Import Tax, considering the application of the 25% rate on the CIF price; the AFRMM calculated by applying the percentage of 8% on the value of international freight, and expenses of hospitalization, calculated by applying the percentage of [RESTRICATED] on the CIF value, same percentage considered in the last end-of-period review

109. The conversion of the CIF price in US dollars to reais was performed using the average exchange rate for the period of investigation of continuation/resumption of dumping, obtained with based on the official daily exchange rates published by the Central Bank of Brazil (average exchange rate BRL-US\$ of R\$5.00/US\$1.00). Thus, for the purposes of initiating the review, the standard value was obtained built under CIF conditions, internalized in the Brazilian market, presented in the following table:

Internalized Normal Value in the Brazilian Market - Thailand [RESTRICATED]	
	US\$/kg
(A) Delivered price of the product sold in the market of the exporting country [RESTRICATED]	
(B) Internal freight in the exporting country	[RESTRICATED]
(C) Export Expenses	[RESTRICATED]
(D) FOB Price (A+B+C)	[RESTRICATED]
(E) International Shipping and Insurance	[RESTRICATED]
(F) CIF Price (D+E)	[RESTRICATED]
(G) Import Tax (25%)	[RESTRICATED]
(H) AFRMM (8% w/o sea freight)	[RESTRICATED]
(I) Hospitalization Expenses	[RESTRICATED]
(J) CIF Price (F+G+H+I)	[RESTRICATED]
Average exchange rate in period P5	[RESTRICATED]
CIF Price (R\$/kg)	[RESTRICATED]

110. Therefore, for the purposes of initiating this review, the normal value for Thailand was determined internalized in the Brazilian market of R\$[RESTRICATED]/kg ([RESTRICATED] per kilogram).

5.1.1.2. Average sales price of a similar product in the Brazilian market



111. For the purposes of comparison with the internalized average normal value, as provided for in item I of §3 of art. 107 of Decree No. 8,058 of 2013, the average sales price of automobile tires of the domestic industry in the Brazilian market for the period from April 2023 to March 2024 was used.

112. To ensure a fair comparison, the price of car tires was determined by dividing the net operating revenue of the domestic industry by the net quantity sold of the investigated product, as follows:

Selling price of similar product in the Brazilian market [RESTRICTED]			
	Net revenue (in R\$)	Volume (kg)	Average price (R\$/kg)
Price ID [RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]

113. The sales price determined during the period of analysis of the resumption of dumping, in the ex-factory condition, corresponded to R\$ [RESTRICTED].

5.1.1.3. Comparison between the normal value imported from Thailand and the average selling price of similar domestic product in the Brazilian market

114. For the purposes of initiating the review, it was considered that the domestic industry price, on a factory basis, would be comparable to the normal value under the CIF inbound condition. This is because both conditions include the expenses necessary to make the goods available at a point in Brazilian territory, for collection by the customer, without taking into account the internal freight in Brazil. The table below shows the result of the comparison between the aforementioned prices.

115. The calculation carried out to assess whether there is a likelihood of a resumption of dumping is presented below.

Comparison between internalized normal value and domestic industry price [RESTRICTED] In R\$/kg			
Normal value CIF interned (a)	Domestic industry price (d) = (c) / (b)	Absolute Difference (US\$/t) (%) (b) (c) = (a) - (b)	Relative Difference
[RESTRICTED]	[RESTRICTED]	2,70	8,9

116. Thus, for the purposes of initiating this review, it was found that the difference in the comparison between the normal value internalized from Thailand in the Brazilian market and the price of the domestic industry was R\$2.70/kg (two reais and seventy cents per kilogram), demonstrating, therefore, that, if the anti-dumping duty is extinguished, in order for Thai imports to be competitive in relation to the similar national product, there will most likely be a resumption of the practice of dumping in exports of automobile tires from Thailand to Brazil.

5.1.2. Normal value for Chinese Taipei

117. For the purposes of initiating the review, the normal value for Chinese Taipei was similar to that set out for Thailand in the previous item, since there is currently no more precise information available on the prices charged for that origin. In this context, the constructed normal value was determined specifically for the similar product, which makes the information more reliable, in relation to other methodologies, such as exports to third countries, which, more often than not, are based on broader tariff classifications than the similar product.

118. The normal value attributed to Taipei, for the purposes of initiating the review, was constructed from publicly available information and, when sufficient publicly available information was not available, from values obtained from the cost of the petitioning companies, determining, for this purpose, the specific consumption of the main items related to the cost of manufacturing automobile tires. All these consumptions were calculated per ton of final product, so that the calculation of the normal value was carried out in this unit.

119. Thus, the normal value was constructed from a reasonable value of the production costs, increased by the amount for general, administrative, financial and sales expenses, as well as the amount for profit, from the following items:

- a) raw materials and inputs;
- b) utilities

- c) labor
- d) other variable costs;
- e) other fixed costs
- f) general, administrative and commercial expenses; and
- g) profit.

120. The construction of the normal value was based on the technical production coefficients of the PNEs. best-selling by the three national producers that make up the domestic industry, having been used simple average of the individual coefficients of each company/product, as already explained

Material (kg)	Bridgestone		Continental				Pirelli Tires					
	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	Coefficient Technical (kg/kg tires)
Rubber Synthetic	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	
Rubber Natural	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	
Black of smoke	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	
Arames	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	
Fabrics	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	
Chemicals, Others	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	
TOTAL MATERIAL	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	

121. In relation to the values of such headings, the main Harmonized System subheadings were identified for the materials used in production, with the exception of the group "Chemicals and Others". For each of these subheadings, the average import price from Thailand was calculated, using TradeMap statistical data for the P5 period.

122. The applicable import tax was added to the average import price, obtained by consulting the Market Access Map website, and values relating to hospitalization expenses and domestic freight, calculated based on information available on the Bank's Doing Business website World. In this way, the final prices of raw materials were established in Chinese Taipei, to be considered in constructing the normal value:

Material Prices in Chinese Taipei		
Material	Subposition	Average Price CIF US\$/kg
Synthetic Rubber	4002.19	2,39
Natural Rubber	4001.22	1,57
Carbon Black	2803.00 1.69	
Wires	7217.30	1,80
Fabrics	5902.10	3,36

123. Next, the average prices of the materials in ex-factory condition were obtained, that is, including all necessary expenses for the material to be available at the factory door consumption. These prices were then multiplied by the technical coefficients of each material, reflecting the specific quantity used in the production of the PNE

124. In the case of raw materials categorized as "Chemicals and Others", the cost was calculated based on the share of this item in the total cost of raw materials of the three producers nationals that make up the domestic industry. This participation represented [CONFIDENTIAL]% of this cost.

125. This methodology allowed the estimation of the costs of each material in the process. construction of normal value:

Cost of Materials



	Raw Material Price (US\$/kg)	Technical Coefficient (kg/kg tires)	US\$/kg tire
Synthetic Rubber 2.39		[CONF.]	[CONF.]
Natural Rubber 1.57		[CONF.]	[CONF.]
Carbon Black 1.69		[CONF.]	[CONF.]
Metal Reinforcement 1.80		[CONF.]	[CONF.]
Fabrics	3,36	[CONF.]	[CONF.]
Chemicals and Others			[CONF.]
TOTAL			[CONF.]

126. To determine the cost of utilities in calculating the normal value, the Petitioner also used technical coefficients from each of the national ID producers, determining the average. These technical coefficients were

- a) Electric energy: [CONFIDENTIAL]kWh per kg of tire; and
- b) Natural gas: [CONFIDENTIAL]m³ per kg of tire

127. For electricity prices in Chinese Taipei, the Global platform was consulted Petrol Prices, with data referring to December 2023. In the case of natural gas, the same was used source Global Petrol Prices, which indicates US\$0.024/kWh. To convert the natural gas price from US\$/kWh for US\$/m³, a conversion factor of 1 m³ = 0.1023 kWh was used, based on the data presented in National Energy Balance 2010 by the Energy Research Company, a Brazilian public company. Costs for other utilities were also determined, based on the average proportion of such costs. of ID companies, with such participation representing [CONFIDENTIAL]% of utility costs. Using this methodology, utility prices in Chinese Taipei were determined to be applied in the construction of normal value:

Utilities Cost			
Materials	Price Utility	Technical Coefficient (kg/kg tires)	Cost US\$/kg of pn
Electricity US\$ 0.16/kWh	[CONF.]		[CONF.]
Natural gas	US\$ 0,23/m ³ [CONF.]		[CONF.]
Other utilities			[CONF.]
TOTAL			[CONF.]

128. For the cost of labor, the average salary of employees was used, according to data from the National Bureau of Statistics of Chinese Taipei, which indicated an average salary of NT\$44,461.00/month in P5, or US\$ 1,397.36. Then, the average productivity of the ID companies (employees) was used. direct/indirect in production per kg of tires produced), coefficient of [CONFIDENTIAL] employed per kg of tire produced, totaling a cost of US\$ [CONFIDENTIAL] per kg of tire produced.

129. For the other production cost items - other variable costs and other fixed costs (excluding direct labor and depreciation) -, its participation in the cost of production of materials (synthetic rubber, natural rubber, carbon black, wires, fabrics and chemicals) of the tire of the national producers considered: [CONFIDENTIAL]% and [CONFIDENTIAL] % respectively, in P5. Thus, the manufacturing cost/kg of tire was obtained:

Other Costs	
	US\$/kg
Other variable costs	[CONF.]
Fixed Costs (excl. ODM and Depreciation) [CONF.]	

130. After determining the cost of production, for the purposes of determining the normal value, amounts relating to depreciation, operating expenses and profit margin were added, calculated also based on the financial statement of the Cheng Shin Rubber Ind. Co. Ltd. group. It is recorded that This group also has a car tire production plant in Chinese Taipei, according to Tire Business of 2023.

131. The values of expenses and operating profit were obtained by applying a percentage of participation of these items, calculated in relation to the cost of the product sold at the company Cheng Shin Rubber, on the value of the production cost resulting from the sum of the amounts referred to in paragraphs previous.



	\$	%/Cost
1. Sales revenue	17.446.799	
2. Operating costs 3.	-12.259.953	
CPV (2. operating cost - 6. depreciation and amortization) -10,819,446		
4. Gross profit from operation 5.138.501 47,		
5.1. Selling expenses 5.2.	-1.428.992	
General and administrative expenses 5.3. Research and development expenses	-975.723	
	-722.274	
5.4. Finance costs	-349.967	
5. Operating expenses (5.1. + 5.2. + 5.3. + 5.4.)	-3.476.956	32,1%
6. Depreciation and amortisation 7.	1.440.507	13,3%
Operating profit	2.020.789	18,

132. Thus, the amounts listed below were obtained for the highlighted headings:

Items	US\$/kg
Operating Expenses + Depreciation 1.10	
Operating Profit 0.46	

133. Based on this data, the constructed normal value was determined, in the delivered condition.

Chinese Taipei:

Constructed normal value of automobile tire [CONFIDENTIAL][RESTRICTED]	
	US\$/kg
1. Materials	[CONF.]
Synthetic rubber	[CONF.]
Natural rubber	[CONF.]
Carbon Black	[CONF.]
Wires	[CONF.]
Fabrics	[CONF.]
Chemicals and Others	[CONF.]
2. Utilities	[CONF.]
Electric Energy	[CONF.]
Natural gas	[CONF.]
Other utilities	[CONF.]
3. MDO (CV and CF)	[CONF.]
- Direct and indirect MDO	[CONF.]
4. Other Variable Costs	[CONF.]
5. Fixed Costs (excl. ODM and Depreciation) [CONF.]	
6. Manufacturing Cost 7.	[RESTRICTED]
Operating Expenses + Depreciation 8.	[RESTRICTED]
Operating Profit	[RESTRICTED]
9. Constructed Normal Value	[RESTRICTED]

134. Therefore, for the purposes of initiating the review, the normal value determined for Chinese Taipei corresponded to US\$ [RESTRICTED] /kg ([RESTRICTED] per kilogram), in the delivered condition.

5.1.2.1. Of the normal value of Chinese Taipei imported into the Brazilian market

135. In order to determine the likelihood of a resumption of dumping, an attempt was made to internalize the normal value of Chinese Taipei in the Brazilian market, to enable its comparison with the average price of sale of the similar domestic product in the same market, since the volume of exports of origin for Brazil was null in the period of analysis of the continuation/resumption of dumping.

136. Values relating to export expenses, obtained through the Doing Business platform; international freight and insurance, considering data from the Organization for Economic Cooperation and Development (OECD), as per



suggested by the petitioner, since there were no exports in representative volume during the period analysis; the Import Tax, considering the application of the 25% rate on the CIF price; the AFRMM calculated by applying the percentage of 8% on the value of international freight, and expenses of hospitalization, calculated by applying the percentage of [RESTRICED] on the CIF value, same percentage considered in the last end-of-period review

137. The conversion of the CIF price in US dollars to reais was performed using the average exchange rate for the period of investigation of continuation/resumption of dumping, obtained with based on the official daily exchange rates published by the Central Bank of Brazil (average exchange rate BRL-US\$ of R\$5.00/US\$1.00). Thus, for the purposes of initiating the review, the standard value was obtained built under CIF conditions, internalized in the Brazilian market, presented in the following table:

Internalized Normal Value in the Brazilian Market - Chinese Taipei [RESTRICED]	
	US\$/kg
(A) Delivered price of the product sold in the market of the exporting country [RESTRICED]	[RESTRICED]
(B) Internal freight in the exporting country	[RESTRICED]
(C) Export Expenses	[RESTRICED]
(D) FOB Price (A+B+C)	[RESTRICED]
(E) International Shipping and Insurance	[RESTRICED]
(F) CIF Price (D+E)	[RESTRICED]
(G) Import Tax (25%)	[RESTRICED]
(H) AFRMM (8% w/o sea freight)	[RESTRICED]
(I) Hospitalization Expenses	[RESTRICED]
(J) CIF Price (F+G+H+I)	[RESTRICED]
Average exchange rate in period P5	[RESTRICED]
CIF Price (R\$/kg)	[RESTRICED]

138. Therefore, for the purposes of initiating this review, the normal value for Thailand was determined internalized in the Brazilian market of R\$[RESTRICED]/kg ([RESTRICED] per kilogram).

5.1.2.2. Average sales price of a similar product in the Brazilian market

139. For the purposes of comparison with the internalized average normal value, as provided for in item I of §3 of art. 107 of Decree No. 8,058 of 2013, the average selling price of tires was used. automobiles of the domestic industry in the Brazilian market for the period from April 2023 to March of 2024.

140. To ensure a fair comparison, the price of the car tire was determined, obtained by division between the net operating revenue of the domestic industry and the net quantity sold of the investigated product, as follows:

Selling price of similar product in the Brazilian market [RESTRICED]			
	Net revenue (in R\$)	Volume (kg)	Average price (R\$/kg)
Price ID [RESTRICED]	[RESTRICED]	[RESTRICED]	[RESTRICED]

141. The sales price determined in the period of analysis of resumption of dumping, under the ex condition factory, corresponded to R\$ [RESTRICED].

5.1.2.3. From the comparison between the normal value interned in Chinese Taipei and the average price of sale of similar domestic product in the Brazilian market

142. For the purposes of initiating the review, it was considered that the domestic industry price, on a factory-to-factory basis, would be comparable with the normal value in the CIF landed condition. This is because both conditions include the expenses necessary to make the goods available at a point in Brazilian territory, for collected by the customer, without counting the internal freight in Brazil. The following table shows the result from the comparison between the aforementioned prices.

143. The calculation carried out to assess whether there is a likelihood of a resumption of dumping is presented below.



Comparison between internalized normal value and domestic industry price [RESTRICTED] In R\$/kg			
Normal value CIF interned (a)	Domestic industry price (d) = (c) / (b)	Absolute Difference (US\$/t) (%) (b) (c) = (a)	Relative Difference (b)
[RESTRICTED]	[RESTRICTED]	10,96	36,2%

144. Thus, for the purposes of initiating this review, it was found that the difference in the comparison between the normal value internalized from Chinese Taipei in the Brazilian market and the price of the domestic industry was R\$10.96/kg (ten reais and ninety-six cents per kilogram), demonstrating, therefore, that, if the anti-dumping duty is extinguished, in order for Thai imports to be competitive in relation to the similar national product, there will most likely be a resumption of the practice of dumping in exports of automobile tires from Chinese Taipei to Brazil.

5.1.3. Conclusion on evidence of dumping during the period in which the measure was in force

145. The calculations demonstrated in item 5.1. demonstrate the existence of evidence of likelihood of resumption of dumping practices by Thailand and Chinese Taipei in exports of automobile tires.

5.2. Producer/exporter performance 146. Thailand is one of

the main tire production centers in Asia, benefiting from its position as the world's largest producer of natural rubber. In 2020, Thailand was the largest exporter of tires to the United States, demonstrating its ability to compete in demanding, high-volume markets.

147. Thai passenger tire exports continue to grow, supported by a robust raw material supply infrastructure and a strong industrial base.

148. In Thailand's automotive market, passenger cars hold a significant share significant. In 2023, Thailand's production of passenger car tires was approximately 1.5 million units, with passenger car tires accounting for about 90% of total passenger car tire production.

149. Thai tire production, according to the Petitioner, will continue to increase, with passenger car tire production projected to reach 96.31 million units by 2033, achieving a compound annual growth rate (CAGR) of 5.2%.

150. All major global tire companies such as Bridgestone, Michelin, Goodyear, Yokohoma, Sumitomo, Pirelli and Continental have manufacturing facilities in Thailand. The country also has several domestic companies such as Deestone, Vee Rubber, Otani, SR Tyres and Superstone, which serve the domestic market and a considerable export market.

151. According to data from Trade Map, Thailand's total exports of radial car tires were 926 thousand tons during the period of analysis of the resumption of dumping (July 2023 to June 2024), which corresponds to more than 7 times the Brazilian market (126 thousand tons).

152. Chinese Taipei has a solid and competitive tire industry, having shown constant growth in recent years and expected growth of 5.97% from 2023 to 2028, especially in the passenger tire segment.

153. Companies like Cheng Shin and Nankang Rubber are important players on the global stage and have shown flexibility in relocating part of their production to other countries in order to circumvent anti-dumping tariffs imposed by the United States. US tariffs on Chinese Taipei tires range from 20.04% to 101.84%, which has led some companies to seek alternatives to continue competing globally.

154. It is clear that a substantial portion of tire production in Chinese Taipei is destined for the export market. This export-oriented approach has helped to consolidate the country's manufacturers in the global market.

155. According to data from Trade Map, Chinese Taipei's total exports of radial tires for automobiles were 78 thousand tons during the period of analysis of the resumption of dumping (July 2023 to June 2024), which corresponds to a volume equivalent to 62% of the Brazilian market.

5.3. Changes in market conditions



156. Article 107, combined with item III of Article 103, of Decree No. 8,058 of 2013, establishes that, in order to determine that the termination of the anti-dumping duty in force would very likely lead to the continuation or resumption of dumping on the domestic industry, it must be examined whether any changes have occurred in market conditions in the exporting country, in Brazil or in third markets, including any changes in the supply and demand of the similar product.

157. Although the petitioner commented that there were no changes in market conditions, DECOM highlights that, as detailed in the following item, after the end of the first end-of-period review, the US applied trade defense measures on imports from South Korea, Thailand and Chinese Taipei.

5.4. Application of trade defense measures

158. Article 107, combined with item IV of Article 103 of Decree No. 8,058 of 2013, establishes that, in order to determine that the termination of the anti-dumping duty in force would very likely lead to the continuation or resumption of dumping on the domestic industry, it must be examined whether there was the application of trade defense measures on the similar product by other countries and the consequent possibility of trade diversion to Brazil.

159. In research on the website of the Integrated Commercial Intelligence Portal (Integrated Trade Intelligence Portal (I-TIP) of the World Trade Organization (WTO), it was found that there was an application of trade defense measures by the USA on imports of tires originating in South Korea, Thailand and Chinese Taipei on July 19, 2021.

160. There are also applications of trade defense measures by Brazil and the USA against China of the same product.

5.5. Conclusion of evidence of continuation or resumption of dumping

161. In view of the above, it was concluded, for the purposes of initiating the current end-of-period review, that, the anti-dumping measures in force are extinguished, there are indications that, most likely, there will be a resumption of dumping practices in exports from Thailand and Chinese Taipei to Brazil.

6. IMPORTS AND THE BRAZILIAN MARKET

162. This item will analyze Brazilian imports and the Brazilian tire market. automobiles. The analysis period corresponds to the period considered for the purposes of determining the existence of evidence of continuation/resumption of damage to the domestic industry, as provided for in §4 of art. 48 of Decree No. 8,058 of 2013.

163. Therefore, for the purposes of initiating the review, the period from July 2019 to June 2024 was considered, divided as follows:

P1 - July 2019 to June 2020;

P2 - July 2020 to June 2021;

P3 - July 2021 to June 2022;

P4 - July 2022 to June 2023; and

P5 - July 2023 to June 2024.

6.1. Imports

164. For the purposes of determining the values and quantities of car tires imported by Brazil in each period, import data relating to subitem 4011.10.00 of the Common Nomenclature of Mercosur (NCM), provided by the RFB, were used.

165. Although the petitioner indicated that imports of automobile tires assembled or accompanied by wheels were included in the scope of the anti-dumping duty, no data on imports of these assemblies were presented, nor were other NCMs that would contain imports of the product subject to the anti-dumping duty cited. In fact, for the purposes of initiating this review, only imports made under NCM 4011.10.00 were considered.

166. From the detailed description of the goods, it was found that they are classified referred to subitem of the NCM are imports of car tires subject to anti-dumping duty and similar products exported by third countries. However, they are also classified under the same code



tariff for imports of other products, distinct from the product subject to the review. For this reason, a debugging of imports contained in this data, in order to obtain information regarding the analyzed product and similar products.

167. Therefore, products that did not correspond to the descriptions were disregarded.

presented in item 3.1, such as bias-ply tires and tires with rims, series and bands distinct from those that characterize the product subject to the anti-dumping duty, which constituted the most of the imported products under this NCM.

6.1.1. Import volume

168. The following table shows the volumes of total imports of car tires in analysis period for continuation/resumption of damage to domestic industry.

Total Imports (in t) [RESTRICTED]	P1	P2	P3	P4	P5	P1 - P5
Thailand	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]
Taiwan	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]
Total (under analysis)	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]
Variation		(67,4%)	(100,0%)		62,0%	+21.608,9%
Vietnam	100,0	126,4	101,6	623,8	1035,6	[RESTRICTED]
India	100,0	141,8	316,2	242,1	319,1	[RESTRICTED]
Mexico	100,0	34,2	17,5	80,9	143,7	[RESTRICTED]
Malaysia	100,0	48,2	0,1	64,5	86,3	[RESTRICTED]
Indonesia	100,0	54,1	39,5	62,2	63,5	[RESTRICTED]
Sri Lanka	100,0					[RESTRICTED]
China	100,0	71,9	275,0	938,0	1697,8	[RESTRICTED]
Argentina	100,0	31,0	26,8	10,7	30,6	[RESTRICTED]
Türkiye	100,0	119,5	1030,9	1439,0	500,8	[RESTRICTED]
Peru	100,0					[RESTRICTED]
South Korea	100,0	6806,0	7204,5	9138,8	3567,2	[RESTRICTED]
Others(*)	100,0	157,0	185,3	45,7	113,4	[RESTRICTED]
Total (except under analysis)	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]
Variation		(31,4%)	11,0%	71,8%	47,8%	+93,4%
Grand total	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]
Variation		(31,4%)	11,0%	72,4%	47,8%	+94,2%

(*) Other Countries: Cambodia, Algeria, Russia, Ukraine, Philippines, Hong Kong, Japan, United States, Portugal, France, Poland, United Kingdom, Serbia, Czechia (Czech Republic).

169. It was observed that the indicator of volume of Brazilian imports from the origins investigated decreased by 67.4% from P1 to P2. There were no exports in P3. In the subsequent period, occurred again, in a volume much higher than that observed in the first two periods. Considering the interval from P4 to P5, there was growth of 62.0%. When considering the entire analysis period, the indicator of volume of Brazilian imports from the investigated origins revealed a positive variation of 21,609.1% in P5, compared to P1.

170. Regarding the variation in the volume of Brazilian imports of the product from other origins over the period under analysis, there was a reduction of 31.4% from P1 to P2, while, from P2 to P3, from P3 to P4 and from P4 to P5, it is possible to detect magnification of 11.0%; 71.8%, and 47.8%, respectively. When if you consider the entire series analyzed, the indicator of the volume of Brazilian imports of the product of other origins showed an expansion of 93.4%, considered P5 in relation to the beginning of the period evaluated (P1).

171. The variation in total Brazilian imports in the period analyzed followed the trend of behavior of imports from other sources, with a drop in the first interval followed by continuous growth throughout the period: -31.4% from P1 to P2; 11% from P2 to P3; 72.4% from P3 to P4 and 47.8% from P4 to P5. Analyzing the entire period, total Brazilian imports of origin showed expansion of the order of 94.2%, considered P5 in relation to P1



172. In order to make the analysis of the value of imports more uniform, considering that the international freight and insurance, depending on the origin considered, have a relevant impact on the price competition between products entering the Brazilian market, the analysis was carried out on a CIF basis.

[RESTRICTED]

173. The following tables show the evolution of the total value and CIF price of imports of car tires during the period of analysis of signs of continuation/resumption of damage to the industry domestic.

Value of Total Imports (in CIF USD x1,000)						
[RESTRICTED]						
	P1	P2	P3	P4	P5	P1 - P5
Thailand	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]
Taiwan	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]
Total (under analysis)	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]
Variation	-	(84,0%)	(100,0%)	-	73,8%	+21.512,6%
Vietnam	100,0	132,3	136,1	789,2	1147,0	[RESTRICTED]
India	100,0	145,3	445,5	328,5	380,9	[RESTRICTED]
Mexico	100,0	33,9	23,0	107,5	157,1	[RESTRICTED]
Malaysia	100,0	47,7	0,1	88,8	111,1	[RESTRICTED]
Indonesia	100,0	57,5	50,3	82,1	74,8	[RESTRICTED]
Sri Lanka	100,0	-	-	-	-	[RESTRICTED]
China	100,0	77,8	319,7	961,7	1593,6	[RESTRICTED]
Argentina	100,0	28,9	26,5	13,2	32,2	[RESTRICTED]
Türkiye	100,0	133,3	1300,0	1871,1	604,9	[RESTRICTED]
Peru	100,0	-	-	-	-	[RESTRICTED]
South Korea	100,0	6029,2	7692,3	9512,1	3881,3	[RESTRICTED]
Others(*)	100,0	156,5	225,9	57,0	129,0	[RESTRICTED]
Total (except under analysis)	100,0	65,4	92,1	159,2	205,8	[RESTRICTED]
Variation	-	(34,6%)	40,9%	72,8%	29,2%	+105,8%
Grand total	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]
Variation	-	(34,6%)	40,9%	73,3%	29,3%	+106,4%

(*) Other Countries: Cambodia, Algeria, Russia, Ukraine, Philippines, Hong Kong, Japan, United States, Portugal, France, Poland, United Kingdom, Serbia, Czechia (Czech Republic).

174. It was observed that the CIF value indicator (thousand US\$) of Brazilian imports from the origins investigated decreased 84.0% from P1 to P2. In P3, these imports ceased to occur. In the periods subsequent ones, occurred again, and, considering the interval from P4 to P5, there was a growth of 73.8%. When if you consider the entire analysis period, the CIF value indicator (thousand US\$) of Brazilian imports from investigated origins revealed a positive variation of 21,512.6% in P5, compared to P1.

175. Regarding the variation in the CIF value (thousand US\$) of Brazilian imports of the product of other origins throughout the period under analysis, there was a reduction of 34.6% from P1 to P2. In the periods following there was continuous growth: 40.9% from P2 to P3; 72.8% from P3 to P4 and 29.3% from P4 to P5. When considering the entire series analyzed, the CIF value indicator (thousand US\$) of Brazilian imports from product from other sources showed an expansion of 105.8%, considered P5 in relation to the beginning of the period evaluated (P1).

176. The variation in the total CIF value (thousand US\$) of Brazilian imports in the period analyzed followed the trend of imports from other sources, with a drop in the first interval and continuous growth in the others: -34.6% from P1 to P2; 40.9% from P2 to P3; 73.3% of P3 for P4 and 29.3% from P4 to P5. Analyzing the entire period, total CIF value (thousand US\$) of imports Brazilian companies showed an expansion of around 106.4%, considered P5 in relation to P1.

177. Regarding price, it was observed that:

Price of Total Imports (in CIF USD/t)	
[RESTRICTED]	

	P1	P2	P3	P4	P5	P1 - P5
Thailand	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC
Taiwan	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC
Total (under review)	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC
Variation		(51,0%)	(100,0%)		7,3%	(0,4%)
Vietnam	100,0	104,7	133,9	126,5	110,8	[RESTRIC
India	100,0	102,4	140,9	135,7	119,4	[RESTRIC
Mexico	100,0	99,1	132,0	133,0	109,3	[RESTRIC
Malaysia	100,0	99,0	144,4	137,7	128,7	[RESTRIC
Indonesia	100,0	106,3	127,3	131,9	117,9	[RESTRIC
Sri Lanka	100,0					[RESTRIC
China	100,0	108,2	116,2	102,5	93,9	[RESTRIC
Argentina	100,0	93,3	98,8	123,3	105,3	[RESTRIC
Türkiye	100,0	111,5	126,1	130,0	120,8	[RESTRIC
Peru	100,0					[RESTRIC
Others(*)	100,0	101,6	123,8	129,5	116,3	[RESTRIC
Total (except under analysis)	100,0	95,3	120,9	121,7	106,4	[RESTRIC
Variation		(4,7%)	26,9%	0,6%	(12,5%)	+6,4%
Grand total	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC
Variation (*)		(4,7%)	26,9%	0,5%	(12,5%)	+6,3%
Other Countries: Cambodia, Algeria, Russia, Ukraine, Philippines, Hong Kong, Japan, United States, Portugal, France, Poland, United Kingdom, Serbia, Czechia (Czech Republic).						

178. It was observed that the average price indicator (CIF US\$/t) of Brazilian imports of investigated origins decreased by 51.0% from P1 to P2. No imports from these origins were recorded in P3. In subsequent periods, they occurred again, and, considering the interval from P4 to P5, there was growth of 7.3%. When considering the entire analysis period, the average price indicator (CIF US\$/t) of Brazilian imports from the investigated origins revealed a negative variation of 0.4% in P5, compared to P1.

179. Regarding the variation in the average price (CIF US\$/t) of Brazilian imports of origin of other origins over the period under analysis, there was a reduction of 4.7% from P1 to P2, while, from P2 to P3 and from P3 to P4, it is possible to detect magnification of 26.9% and 0.6%, respectively. From P4 to P5, the indicator fell by 12.5%. When considering the entire series analyzed, the average price indicator (CIF US\$/t) of Brazilian imports from other sources showed an expansion of 6.4%, considered P5 in relation to the beginning of the period evaluated (P1).

180. The variation in the average price of total Brazilian imports of origin in the period analyzed followed the trend observed in prices from other sources: reduction of 4.7% from P1 to P2; followed by increases of 26.9% and 0.5% from P2 to P3 and from P3 to P4, respectively; From P4 to P5, there was a drop of 12.5%. Analyzing the entire period, the average price of total Brazilian imports of origin showed expansion of around 6.3%, considered P5 in relation to P1.

6.1.3. The Brazilian market and the evolution of imports

181. To determine the size of the Brazilian car tire market, the following were considered: quantities, net of returns, sold by the domestic industry in the market, as well as the imported quantities determined based on import data provided by the RFB, presented no previous item.

182. For the purposes of initiating this review, it was considered that the Brazilian market and the consumer apparent national were equivalent, given that there was no captive consumption by the petitioner.

From the Brazilian Market, Apparent National Consumption and Evolution of Imports (in t) [RESTRIC						
	P1	P2	P3	P4	P5	P1 - P5
Brazilian Market						
Brazilian Market {A+B+C}	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC
Variation		(2,5%)	(4,9%)	6,0%	(5,9%)	(7,5%)

A. Inside Sales - Industry Domestic	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC
Variation B.		(8,3%)	(13,7%)	(8,4%)	(30,3%)	(49,5%)
Internal Sales - Others Companies	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC
Variation C.		19,3%	(1,8%)	(5,2%)	(20,5%)	(11,7%)
Total Imports C1. Imports -	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC
Origins under analysis	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC
Variation		(67,4%)	(100,0%)		62,0%	+21.608,9%
C2. Imports - Others Origins	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC
Variation		(31,4%)	11,0%	71,8%	47,8%	+93,4%
Participation in the Brazilian Market						
Sales Share Industry Internals Domestic {A/(A+B+C)}	100,0	94,2	85,5	73,7	54,6	[RESTRIC
Sales Share Internal from Other Companies {B/(A+B+C)}	100,0	122,4	126,4	112,9	95,4	[RESTRIC
Import Participation Totals {C/(A+B+C)}	100,0	70,3	82,1	133,3	209,7	[RESTRIC
Import Participation - Origins under Analysis {C1/(A+B+C)}	100,0	0,0		100,0	200,0	[RESTRIC
Import Participation - Other Origins {C2/(A+B+C)}	100,0	70,3	82,1	132,8	208,7	[RESTRIC
Representativeness of Imports from Origins under Analysis						
Market Share Brazilian {C1/(A+B+C)}	100,0	0,0		100,0	200,0	[RESTRIC
Variation	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC
Participation in Imports Totals {C1/C}	100,0	0,0		100,0	200,0	[RESTRIC
Variation F.	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC
Production Volume National {F1+F2}	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC
Variation		(0,0p.p.)		0,4p.p.	0,0p.p.	+0,4p.p.
F1. Production Volume - Domestic Industry	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC
Variation		4,2%	(4,6%)	(11,2%)	(23,6%)	(32,6%)
F2. Production Volume - Other Companies	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC
Variation		(0,0p.p.)		0,1p.p.	0,1p.p.	+0,2p.p.
Relation to Volume of National Production {C1/F}	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC	[RESTRIC
Variation		(0,0p.p.)		0,1p.p.	0,1p.p.	+0,2p.p.

183. It was observed that the Brazilian tire market indicator decreased by 2.5% from P1 to P2 and 4.9% from P2 to P3. In subsequent periods, there was a 6.0% increase from P3 to P4. Considering the interval from P4 to P5 there was a decrease of 5.9%. When considering the entire period of analysis, the Brazilian car tire market indicator revealed a negative variation of 7.5% in P5, compared to P1.

184. It was observed that the indicator of participation of the investigated origins in the Brazilian market remained stable from P1 to P2, remaining without significant variation from P2 to P3. In the periods subsequent increases in [RESTRICED]. from P3 to P4 and [RESTRICED]. from P4 to P5. When you consider the entire analysis period, the indicator of participation of investigated origins in the market Brazilian revealed positive variation of [RESTRICED] in P5, compared to P1.

185. Regarding the variation in the share of imports from other sources in the market Brazilian throughout the period under analysis, there was a reduction of [RESTRICED] from P1 to P2. From P2 to P3 and from P3 to P4, it is possible to detect magnification of [RESTRICED] and [RESTRICED], respectively. From P4 to P5,

Variation		(8,3%)	(13,7%)	(8,4%)	(30,3%)	(49,5%)
A2. Non-Market Sales External	[RESTRICATED]	[RESTRICATED]	[RESTRICATED]	[RESTRICATED]	[RESTRICATED]	[RESTRICATED]
Variation		18,5%	5,3%	(37,6%)	(19,9%)	(37,6%)
Brazilian Market and Apparent National Consumption (ANC)						
B. Brazilian Market	[RESTRICATED]	[RESTRICATED]	[RESTRICATED]	[RESTRICATED]	[RESTRICATED]	[RESTRICATED]
Variation		(2,5%)	(4,9%)	6,0%	(5,9%)	(7,5%)
C. CNA	[RESTRICATED]	[RESTRICATED]	[RESTRICATED]	[RESTRICATED]	[RESTRICATED]	[RESTRICATED]
Variation		(2,5%)	(4,9%)	6,0%	(5,9%)	(7,5%)
Representativeness of Sales in the Domestic Market						
Participation in Sales Totals {A1/A}	100,0	99,1	98,2	99,8	99,3	
Variation		[RESTRICATED]	[RESTRICATED]	[RESTRICATED]	[RESTRICATED]	[RESTRICATED]
Market Share Brazilian {A1/B}	100,0	94,2	85,5	73,7	54,6	
Variation		[RESTRICATED]	[RESTRICATED]	[RESTRICATED]	[RESTRICATED]	[RESTRICATED]
Participation in CNA {A1/C} 100.0		94,2	85,5	73,7	54,6	
Variation		[RESTRICATED]	[RESTRICATED]	[RESTRICATED]	[RESTRICATED]	[RESTRICATED]
Preparation: DECOM						

194. It was observed that the indicator of domestic industry sales (t) destined for the market internal decreased continuously throughout the period: 8.3% from P1 to P2; 13.7% from P2 to P3; 8.4% of P3 for P4 and 30.3% from P4 to P5. When considering the entire analysis period, the sales indicator of domestic industry (t) destined for the domestic market revealed a negative variation of 49.5% in P5, compared to P1.

195. Regarding the variation in domestic industry sales (t) destined for the market external over the period under analysis, there was an increase of 18.5% from P1 to P2 and of 5.3% from P2 to P3. From P3 to P4 and from P4 to P5, there was a decrease of 37.6% and 19.9%, respectively. When considering throughout the series analyzed, the indicator of domestic industry sales (t) destined for the foreign market showed a contraction of 37.6%, considered P5 in relation to the beginning of the period evaluated (P1).

196. It should be noted that the representation of external sales of the domestic industry was, at maximum, [RESTRICATED]% of the total over the period under analysis.

197. It was observed that the indicator of participation of domestic industry sales in Brazilian market also decreased continuously: [RESTRICATED] pp from P1 to P2; [RESTRICATED] pp from P2 to P3; [RESTRICATED] pp from P3 to P4 and [RESTRICATED] pp from P4 to P5. When considering the entire period analysis, the indicator of participation of domestic industry sales in the Brazilian market revealed negative variation of [RESTRICATED] pp in P5, compared to P1.

7.1.1.2. Production, capacity and stock indicators

198. The following table shows, among other information, the production volume of the product similar manufactured by the domestic industry, as reported by the petitioner.

Production, Installed Capacity and Stock Indicators (in t) [RESTRICATED]						
	P1	P2	P3	P4	P5	P1 - P5
Production Volumes						
A. Production Volume - Similar Product	[RESTRICATED]	[RESTRICATED]	[RESTRICATED]	[RESTRICATED]	[RESTRICATED]	[RESTRICATED]
Variation B.		(8,3%)	(7,6%)	(17,9%)	(27,7%)	(49,7%)
Production Volume - Other Products	[RESTRICATED]	[RESTRICATED]	[RESTRICATED]	[RESTRICATED]	[RESTRICATED]	[RESTRICATED]
Variation in		19,9%	9,1%	(5,2%)	(25,2%)	(7,2%)
Installed Capacity						
D. Installed Capacity Effective	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
Variation E.		1,7%	(6,2%)	(7,1%)	(14,3%)	(24,0%)
Degree of Occupation {(A+B)/D}	100,0	106,1	116,8	114,0	98,5	[CONF.]

Stock	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
Variation						
F. Stock	[RESTRICATED]	[RESTRICATED]	[RESTRICATED]	[RESTRICATED]	[RESTRICATED]	[RESTRICATED]
Variation		(6,5%)	63,7%	(13,8%)	(0,6%)	+31,2%
G. Relationship between Stock and Production Volume {E/A}	100,0	101,1	180,7	188,6	260,2	[RESTRICATED]
Variation	[RESTRICATED]	[RESTRICATED]	[RESTRICATED]	[RESTRICATED]	[RESTRICATED]	[RESTRICATED]
Preparation: DECOM						

199. As with sales in the domestic market, it was observed that the sales volume indicator production of the like product by the domestic industry decreased steadily over the period: 8.3% from P1 to P2; 7.6% from P2 to P3; 17.9% from P3 to P4 and 27.7% from P4 to P5. When considering all the analysis period, the production volume indicator of the similar product of the domestic industry revealed negative variation of 49.7% in P5, compared to P1.

200. The effective installed capacity, when considering the extremes of the analysis period of the review, showed a reduction of 24.0% in P5, compared to P1, with the biggest drop occurred in the last period, with a reduction of 14.3% in relation to the previous period.

201. It was observed that the indicator of the degree of occupation of installed capacity grew [CONFIDENTIAL] pp from P1 to P2 and [CONFIDENTIAL] pp from P2 to P3. In subsequent periods, there was a reduction of [CONFIDENTIAL] pp from P3 to P4 and [CONFIDENTIAL] pp from P4 to P5. When you considering the entire analysis period, the indicator of the degree of occupation of installed capacity revealed negative variation of 1.0 pp in P5, compared to P1.

202. It was observed that the final stock volume indicator decreased by 6.5% from P1 to P2. increased 63.7% from P2 to P3. In subsequent periods, there was a reduction of 13.8% from P3 to P4, and considering the interval from P4 to P5, there was a decrease of 0.6%. When considering the entire period of analysis, the final stock volume indicator revealed a positive variation of 31.2% in P compared to P1.

203. It was observed that the final stock/production ratio indicator grew continuously throughout the analysis period: [RESTRICATED] pp from P1 to P2; [RESTRICATED] pp from P2 to P3; [RESTRICATED] pp from P3 to P4 and [RESTRICATED] pp from P4 to P5. When considering the entire period of analysis, the final stock/production ratio indicator showed a positive variation of [RESTRICATED] pp in P compared to P1.

7.1.1.3. Employment, productivity and wage bill indicators

204. The following table presents, among other information, employment indicators, productivity and wage bill of the domestic industry, as reported by the petitioner.

Employment, Productivity and Wage Mass [CONFIDENTIAL] / [RESTRICATED]						
	P1	P2	P3	P4	P5	P1 - P5
Job						
A. Number of Employees - Total Variation	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
A1. Number of Employees - Production Variation		(15,3%)	1,1%	(18,9%)	(25,9%)	(48,5%)
A2. Number of Employees - Adm. and Sales	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
Variation		(15,2%)	1,5%	(20,6%)	(26,2%)	(49,5%)
Productivity (in t)						
B. Productivity per Employee Production Volume (similar product) / {A1}	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
Variation		8,2%	(8,9%)	3,4%	(2,1%)	(0,3%)
Payroll (in Thousand Reais)						
C. Payroll - Total	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
Variation		(28,3%)	(19,0%)	(0,2%)	(16,5%)	(51,6%)
C1. Wage Mass - Production Variation	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
Variation		(27,4%)	(20,0%)	(2,1%)	(15,7%)	(52,1%)



C2 Payroll - Adm. and Sales	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
Variation		(31,9%)	(14,5%)	7,7%		(19,4%) (49,5%)
Preparation: DECOM						

205. It was observed that the indicator of the number of employees working on the production line decreased by 15.2% from P1 to P2 and increased by 1.5% from P2 to P3. In subsequent periods, there was a reduction of 20.6% from P3 to P4 and of 26.2% from P4 to P5. When considering the entire period of analysis, the indicator of the number of employees working on the production line revealed a negative variation of 49.5% in P5, compared to P1.

206. Regarding the variation in the number of employees working in administration and sales throughout the period under analysis, there was a continuous reduction: from 16.3% from P1 to P2; from 2% from P2 to P3; from 3.6% from P3 to P4; and 24.3% from P4 to P5. When considering the entire series analyzed, the indicator of the number of employees working in administration and sales fell by 40.1%, considered P5 in relation to the beginning of the period evaluated (P1).

207. Evaluating the variation in the total number of employees in the period analyzed, from P1 to P2 there is a drop of 15.3%, with an increase of 1.1% in the following period, from P2 to P3. From P3 to P4 and from P4 to P5, there was a reduction of 18.9% and 25.9%. Analyzing the entire period, the total amount of employees showed a contraction of around 48.5%, considering P5 in relation to P1.

208. It was observed that the productivity indicator per employee linked to production fluctuated during the period: grew 8.1% from P1 to P2 and reduced 8.8% from P2 to P3. In subsequent periods, there was an increase of 3.3% from P3 to P4, and, considering the interval from P4 to P5, there was a decrease of 2.1%. When considering the entire period of analysis, the indicator of productivity per employee linked to the production showed a negative variation of 0.3% in P5, compared to P1.

209. It was observed that the wage mass indicator for production line employees decreased steadily over the analysis period: 27.4% from P1 to P2; 20.0% from P2 to P3; 2.1% from P3 to P4 and 15.7% from P4 to P5. When considering the entire analysis period, the mass indicator wages of production line employees showed a negative variation of 52.1% in P5, compared to P1.

210. Regarding the variation in the salary mass of administrative and sales employees during the over the period under analysis, there was a reduction of 31.9% from P1 to P2 and of 14.5% from P2 to P3. From P3 to P4, there was growth of 7.7%. From P4 to P5, the indicator fell by 19.4%. When considering the entire series analyzed, the salary mass indicator for administration and sales employees presented contraction of 49.5%, considered P5 in relation to the beginning of the period evaluated (P1).

211. The wage bill of all employees in the period analyzed followed the trend of the wage bill wages of production employees, with continuous drops: from 28.3% from P1 to P2; from 19.0% from P2 to P3; 0.2% from P3 to P4 and 16.5% from P4 to P5. Analyzing the entire period, the total wage bill of employees showed a contraction of around 51.6%, considering P5 in relation to P1.

7.1.2. Financial indicators of domestic industry

7.1.2.1. Net revenue and weighted average prices

212. Net revenues earned by the domestic industry refer to the net sales of the similar product manufactured in-house, after deducting discounts, taxes and returns, as well as such as internal freight expenses.

Net Revenue and Weighted Average Prices [CONFIDENTIAL]/ [RESTRICTED]						
	P1	P2	P3	P4	P5	P1 - P5
Net Revenue (in Thousand Reais)						
A. Total Net Revenue Variation	[CONF.]	[CONF.]	[CON[CONF.] [CONF.]	[CONF.]	[CONF.]	[CONF.]
A1. Net		(12,1%)	(4,8%)	0,6%	(33,6%)	(44,1%)
Revenue - Internal Market	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]
Variation		(12,9%)	(4,6%)	1,6%	(34,1%)	(44,4%)
Participation (A1/A)	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
A2. Net Revenue - External Market	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]



Participation		10,8%	(10,4%)	(21,5%)	(17,4%)	(35,6%)
Variation {A2/A}	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
Weighted Average Prices (in Reais/t)						
B. Price in the Domestic Market {A1/Market Sales Internal}	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]
C. Market		(5,1%)	10,6%	10,9%	(5,5%)	+10,1%
Price Variation External {A2/Non-Sales External Market}	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
Variation		(6,5%)	(15,0%)	25,7%	3,2%	+3,1%
Preparation: DECOM						

213. It was observed that the net revenue indicator, in updated reais, referring to sales in the domestic market decreased by 12.9% from P1 to P2 and 4.6% from P2 to P3. In subsequent periods, there was increase of 1.6% from P3 to P4, and considering the interval from P4 to P5 there was a decrease of 34.1%. When consider the entire analysis period, the net revenue indicator, in updated reais, referring to domestic market sales showed a negative variation of 44.4% in P5, compared to P1.

214. Regarding the variation in net revenue obtained from exports of the product similar to the over the period under analysis, there was an increase of 10.8% from P1 to P2, followed by a drop in the others intervals: 10.4% from P2 to P3; 21.5% from P3 to P4; 17.4% from P4 to P5. When considering the entire series analyzed, the indicator of net revenue obtained from exports of the similar product presented contraction of 35.6%, considered P5 in relation to the beginning of the period evaluated (P1).

215. Evaluating the variation in total net revenue in the period analyzed, from P1 to P2 and from P2 for P3 there was a decrease of 12.1% and 4.8%, respectively. From P3 to P4, there was growth of 0.6%. From P4 to P5, the indicator showed a decrease of 33.6%. Analyzing the entire period, net revenue total showed a contraction of around 44.1%, considering P5 in relation to P1.

216. It was observed that the average sales price indicator in the domestic market decreased by 5.1% from P1 to P2 and increased by 10.6% and 10.9% from P2 to P3 and from P3 and P4. Considering the interval from P4 to P5, there was a decrease of 5.5%. When considering the entire analysis period, the average price indicator of domestic sales showed a positive variation of 10.1% in P5, compared to P1.

217. Regarding the variation in the average sales price for the foreign market over the period period under analysis, there was a reduction of 6.5% from P1 and P2 and of 15% from P2 to P3. From P3 to P4 and from P4 to P5, there was growth of 25.7% and 3.2%, respectively. When considering the entire series analyzed, the average sales price indicator for the foreign market showed an expansion of 3.1%, considered P5 in relation to the beginning of the period evaluated (P1).

7.1.2.2. Results and margins

218. The following table shows the results and profit margins obtained from the sale of tires. of automobiles by the domestic industry.

Income Statement in the Domestic Market and Profitability Margins [CONFIDENTIAL] / [RESTRICTED]						
	P1	P2	P3	P4	P5	P1 - P5
Income Statement (in Thousand Reais)						
A. Net Revenue - Market Internal	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]
Variation		(12,9%)	(4,6%)	1,6%	(34,1%)	(44,4%)
B. Cost of Goods Sold - CPV	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
Variation C.		(18,8%)	(6,2%)	3,8%	(18,9%)	(35,8%)
Gross Result {AB}	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
Variation D.		25,6%	2,6%	(7,1%)	(100,3%)	(100,3%)
Operating Expenses	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
Variation		(41,1%)	28,1%	9,5%	(8,0%)	(24,0%)
D1. General Expenses and Administrative	100,0	76,6	67,2	83,8	60,7	[CONF.]
D2. Sales Expenses 100.0		63,2	53,3	64,8	48,0	[CONF.]



D3. Financial Result (RF) 100,0		25,3	222,6	213,1	243,5	[CONF.]
D4. Other Expenses Operating (Revenue) (OD)	-100,0	-112,2	-6,7	-48,9	26,2	[CONF.]
E. Operating Result {CD}	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
Variation F.		493,2%	(27,1%)	(41,1%)	(450,9%)	(492,8%)
Operating Result (except RF) {C-D1-D2-D4}	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
Variation in		623,1%	(15,0%)	(35,4%)	(343,9%)	(601,3%)
Operating Result (except RF and OD) {C-D1-D2}	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
Variation in		192,0%	50,5%	(57,2%)	(450,4%)	(107,6%)
Profitability Margins (%)						
H. Gross Margin {C/A}	100,0	144,7	155,3	142,4	-0,8	
Variation I.		[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
Operating Margin {E/A} -100.0 Variation J. Operating Margin		440,0	335,0	195,0	-1040,0	
(except RF) {F/A}	-100,0	600,0	533,3	340,0	-1253,3	[CONF.]
Variation K.	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
Operating Margin (except RF and OD) {G/A}	-100,0	106,5	167,4	71,7	-376,1	[CONF.]
Variation	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]

219. Regarding the variation in gross income of the domestic industry over the period in analysis, there was an increase of 25.6% from P1 to P2 and of 2.6% from P2 to P3. From P3 to P4 and from P4 to P5, there was a decrease of 7.1% and 100.3%, respectively. When considering the entire series analyzed, the gross result indicator of domestic industry showed a contraction of 100.3%, considered P5 in relation to the beginning of the period evaluated (P1).

220. Evaluating the variation in operating results in the period analyzed, from P1 to P2, we verified if there was an increase of 493.2%, followed by continuous falls in the following intervals: 27.1% from P2 to P3; 41% from P3 to P4; 450.9% from P4 to P5, respectively. Analyzing the entire period, the result operational showed a contraction of around 492.8%, considering P5 in relation to P1.

221. It was observed that the operating result indicator, except for the financial result also showed the same behavior. Increase from P1 to P2 of 623.1%, followed by falls. From P2 to P3, P3 to P4 and P4 to P5, there was a reduction of 15.0%; 35.4% and 343.9%, respectively. When considering throughout the analysis period, the operating result indicator, except for the financial result, revealed negative variation of 601.3% in P5, compared to P1.

222. Regarding the variation in operating results, excluding financial results and others, expenses, over the period under analysis, there was an increase of 192.0% from P1 to P2 and of 50.5% from P2 to P3. From P3 to P4 and from P4 to P5, there was a decrease of 57.2% and 450.4%. When considering the entire series analyzed, the operating result indicator, excluding the financial result and other expenses showed a contraction of 107.6%, considered P5 in relation to the beginning of the period evaluated (P1).

223. It was observed that the gross margin indicator grew [CONFIDENTIAL] pp from P1 to P2 and [CONFIDENTIAL] pp from P2 to P3. In subsequent periods, there was a reduction of [CONFIDENTIAL] pp from P3 to P4 and from [CONFIDENTIAL] pp from P4 to P5. When considering the entire period of analysis, the gross margin indicator revealed a negative variation of [CONFIDENTIAL] pp in P5, compared to Q1.

224. Regarding the variation in operating margin over the period under analysis, there was increase of [CONFIDENTIAL] pp from P1 to P2, followed by drops in the other intervals. From P2 to P3 and from P3 to P4, it is possible to detect retraction of [CONFIDENTIAL] pp and [CONFIDENTIAL] pp, respectively. From P4 to P5, it was revealed that there was a drop of [CONFIDENTIAL] pp. When considering throughout the series analyzed, the operating margin indicator showed a contraction of [CONFIDENTIAL] pp, considered P5 in relation to the beginning of the period evaluated (P1).



225. Evaluating the variation in operating margin, except financial result, in the period analyzed, there was an increase of [CONFIDENTIAL] pp from P1 to P2. In the other intervals, there was that of [CONFIDENTIAL] pp of P2 for P3; [CONFIDENTIAL] pp of P3 for P4 and [CONFIDENTIAL] pp of P4 for P5. Analyzing the entire period, operating margin, except financial result, presents contraction of [CONFIDENTIAL] pp, considered P5 in relation to P1.

226. It was observed that the operating margin indicator, excluding the financial result other expenses increased [CONFIDENTIAL] pp from P1 to P2 and [CONFIDENTIAL] pp from P2 to P3. In subsequent periods, there was a reduction of [CONFIDENTIAL] pp from P3 to P4 and [CONFIDENTIAL] pp from P4 to P5. When considering the entire analysis period, the operating margin indicator, excluding the financial result and other expenses revealed a negative variation of [CONFIDENTIAL] pp in P compared to P1.

Domestic Market Income Statement per Unit (R\$/t) [CONFIDENTIAL] / [RESTRICTED]						
	P1	P2	P3	P4	P5	P1 - P5
A. Net Revenue - Market Internal	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]
Variation		(5,1%)	10,6%	10,9%	(5,5%)	+10,1%
B. Cost of Goods Sold - CPV	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
Variation C.		(11,5%)	8,6%	13,4%	16,5%	+27,0%
Gross Result {AB}	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
Variation D.		36,9%	18,9%	1,4%	(100,4%)	(100,6%)
Operating Expenses Variation D1.	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
General		(35,8%)	48,4%	19,5%	32,1%	+50,4%
Expenses and Administrative	100,0	83,5	84,9	115,5	120,2	[CONF.]
D2. Sales Expenses 100.0 D3. Financial Result (RF) 100.0		68,9	67,4	89,4	94,9	[CONF.]
		27,6	281,1	293,9	482,0	[CONF.]
D4. Other Expenses Operating (Revenue) (OD)	-100,0	-122,3	-8,4	-67,4	51,8	[CONF.]
E. Operating Result {CD}	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
Variation		528,7%	(15,5%)	(35,6%)	(603,6%)	(1.073,6%)
F. Operating Result (except RF) {C-D1-D2-D4}	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
Variation		670,4%	(1,5%)	(29,4%)	(450,0%) (1.288,3%)	
G. Operating Result (except RF and OD) {C-D1-D2}	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
Variation		200,3%	74,3%	(53,3%)	(602,9%)	(311,0%)

227. It was observed that the unit CPV indicator decreased by 11.5% from P1 to P2 and increased by 8.6% from P2 to P3. In subsequent periods, there was an increase of 13.4% from P3 to P4 and of 16.5% from P4 to P5. When considering the entire analysis period, the unit CPV indicator showed a positive variation of 27.0% in P5, compared to P1.

228. Regarding the variation in unitary gross income over the period under analysis, there was increase of 36.9% from P1 to P2, of 18.9% from P2 to P3, and of 1.4% from P3 to P4. From P4 to P5, or indicator fell by 100.4%. When considering the entire series analyzed, the gross result indicator unitary showed a contraction of 100.6%, considered P5 in relation to the beginning of the period evaluated (P1).

229. Evaluating the variation in unitary operating income in the period analyzed, from P1 to P2 an increase of 528.7% is observed. It is also possible to verify a drop of 15.5% from P2 to P3, while from P3 to P4 there was a reduction of 35.6%. From P4 to P5, the indicator showed a retraction of 603.6%. Analyzing the entire period, the unitary operating result showed a contraction of around 1,073.6%, considered P5 in relation to P1.

230. It was observed that the unitary operating result indicator, except for the result financial, increased by 670.4% from P1 to P2 and reduced by 1.5% from P2 to P3. In subsequent periods, there was a reduction of 29.4% from P3 to P4, and considering the interval from P4 to P5

there was a decrease of 450.0%. When considering the entire period of analysis, the result indicator unitary operating, excluding the financial result, revealed a negative variation of 1,288.3% in P compared to P1.

231. Regarding the variation in unitary operating income, excluding the financial result other expenses, over the period under analysis, there was an increase of 200.3% from P1 to P2, while from P2 to P3 it is possible to detect an increase of 74.4%. From P3 to P4, there was a decrease of 53.3%, and from P4 for P5, the indicator fell by 602.9%. When considering the entire series analyzed, the indicator of unitary operating result, excluding the financial result and other expenses, showed a contraction of 311.0%, considered P5 in relation to the beginning of the period evaluated (P1).

7.1.2.3. Cash flow, return on investment and ability to raise funds

232. Regarding the following indicators, it should be noted that they refer to the total activities of the domestic industry and not only to operations related to automobile tires.

Cash Flow, Return on Investment and Ability to Raise Funds [CONFIDENTIAL] / [RESTRICTED]						
	P1	P2	P3	P4	P5	P1 - P5
Cash flow						
A. Cash Flow	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
Variation		(47,5%)	19,4%	(140,2%)	(139,2%)	(160,2%)
Return on Investment						
B. Net Profit Variation	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
		2.864,8%	(24,9%)	10,5%	(125,0%)	(715,8%)
C. Total Assets	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
Variation		(25,7%)	(14,6%)	7,0%	9,4%	(25,6%)
D. Total Return on Investment (ROI)	100.0	5800.0	5100.0	5200.0	-1200.0	[CONF.]
Variation in		[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
Ability to Raise Funds						
E. General Liquidity Ratio (GLI)	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	-
Variation		20,8%	6,9%	43,5%	(2,2%)	+81,3%
F. Current Liquidity Index (ILC)	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	-
Variation		(5,0%)	23,7%	14,9%		+35,0%
Note: ROI = Net Profit / Total Assets; ILC = Current Assets / Current Liabilities; ILG = (Current Assets + Long-Term Realizable Assets)/(Current Liabilities + Non-Current Liabilities)						

233. It was observed that the indicator of total net cash generated in industry activities domestic decreased 47.5% from P1 to P2 and increased 19.4% from P2 to P3. In subsequent periods, there was a reduction of 140.2% from P3 to P4, and considering the interval from P4 to P5 there was a decrease of 139.2%. When considering the entire analysis period, the indicator of total net cash generated in activities of the domestic industry revealed a negative variation of 160.2% in P5, compared to P1.

234. It was observed that the industry's rate of return on investment indicator domestic production grew [CONFIDENTIAL] pp from P1 to P2 and reduced [CONFIDENTIAL] pp from P2 to P3. In subsequent periods, there was an increase of [CONFIDENTIAL] pp from P3 to P4 and a decrease of [CONFIDENTIAL] pp from P4 to P5. When considering the entire analysis period, the rate indicator return on investment of the domestic industry revealed a negative variation of [CONFIDENTIAL] pp in P5, compared to P1.

235. It was observed that the general liquidity indicator grew 20.8% from P1 to P2 and increased 6.9% from P2 to P3. In subsequent periods, there was an increase of 43.5% from P3 to P4, and considering the interval between P4 and P5 there was a decrease of 2.2%. When considering the entire analysis period, the indicator general liquidity revealed a positive variation of 81.3% in P5, compared to P1.

236. Regarding the variation in current liquidity over the period under analysis, there was reduction of 5.0% from P1 to P2, while from P2 to P3 it is possible to detect an increase of 23.7%. From P3 for P4, there was growth of 14.9%, and between P4 and P5, the indicator did not undergo significant variation. When considering the entire series analyzed, the current liquidity indicator showed an expansion of 35.0%, considered P5 in relation to the beginning of the period evaluated (P1).

7.1.2.4. Growth of domestic industry



237. The domestic industry's sales volume for the domestic market in P5 was lower than sales volume recorded in P1 ([RESTRICED]%), as well as being lower than the volume observed in P4 ([RESTRICED]%).

238. The reduction in the sales volume of the domestic industry, in absolute terms, occurred despite the growth of the Brazilian market, which showed expansion of ([RESTRICED]%) from P1 to P5, such growth was led by the increase in the volume of imports from other sources ([RESTRICED]%) in the same period, since imports from the investigated origins were not representative.

239. As a result, the domestic industry saw a reduction in its market share. Brazilian car tires from P1 to P5 ([RESTRICED] pp), having registered its lowest share in the last analysis period ([RESTRICED]% in P5).

240. Thus, it is concluded that, throughout the period analyzed, the domestic industry presented retraction of its sales in the Brazilian market, both in absolute terms and in relation to the market Brazilian car tire manufacturer.

7.1.3. Factors affecting domestic prices

7.1.3.1. Costs and the cost/price ratio

241. The following table shows the cost of production and the comparison between price and cost. of the domestic industry.

Costs and the Cost/Price Relationship [CONFIDENTIAL] / [RESTRICED]						
	P1	P2	P3	P4	P5	P1 - P5
Production Costs (in R\$/t)						
Production Cost (in R\$/t) {A + B}	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
Variation		(15,5%)	2,5%	12,9%	1,7%	(0,6%)
A. Variable Costs	100,0	87,3	91,7	103,6	103,3	[CONF.]
A1. Raw Material	100,0	92,3	99,1	110,2	99,7	[CONF.]
A2. Utilities	100,0	85,2	91,9	96,9	85,7	[CONF.]
A3. Other Variable Costs	100,0	77,5	76,3	91,5	114,4	[CONF.]
B. Fixed Costs	100,0	70,3	61,7	69,0	80,3	[CONF.]
Unit Cost (in R\$/t) and Cost/Price Ratio (%)						
C. Unit Production Cost [CONF.] [CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
Variation (15.5%) 2.5% 12.9% 1.7%						(0,6%)
D. Price in the Domestic Market	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
Variation		(5,1%)	10,6%	10,9%	(5,5%)	+10,1%
E. Cost/Price Ratio {C/D} 100.0	88.9		82,4	83,9	90,3	[CONF.]
Variation	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]	[CONF.]
Preparation: DECOM						

242. It was observed that the unit cost indicator decreased by 15.5% from P1 to P2 and increased 2.5% from P2 to P3. In subsequent periods, there was an increase of 12.9% from P3 to P4 and of 1.7% from P4 to P5. When considering the entire analysis period, the unit cost indicator showed a negative variation. of 0.6% in P5, compared to P1.

243. It was observed that the indicator of participation of production costs in the sales price decreased [CONFIDENTIAL] pp from P1 to P2 and [CONFIDENTIAL] pp from P2 to P3. In the periods subsequent, there was an increase of [CONFIDENTIAL] pp from P3 to P4 and of [CONFIDENTIAL] pp from P4 for P5. When considering the entire analysis period, the indicator of participation of production costs in sales price showed a negative variation of [CONFIDENTIAL] pp in P5, compared to P1.

7.2. Conclusion on domestic industry indicators

244. From the analysis of the indicators presented, it was found that, during the analysis period probability of continuation/resumption of damage, the volume of sales in the domestic market of the industry domestic production recorded a reduction of 49.5%, from P1 to P5, reaching its lowest level in P5, with a volume of [RESTRICED] t.



245. In addition to the absolute reduction in the volume of domestic sales by the domestic industry, there was a drop in the share of such sales in the Brazilian market both from P1 to P5 ([RESTRICED] pp) and from P4 to P5 ([RESTRICED] pp), so that the domestic industry reached its lowest share in the Brazilian market in P5. The drop in the volume sold was reflected in the volume produced, which showed a reduction not only from P1 to P5 (49.7%), but also from P4 to P5 (27.7%).

246. The number of employees involved in production fell by 49.5% from P1 to P5, and from P4 to P5 there was a decrease of (26.2%). Productivity per employee, in turn, fell by only 2.1% from P4 to P5, and in the latter period, this indicator was practically equivalent to the value observed in P1.

247. Net revenue obtained by the domestic industry from sales to the domestic market fell by 44.4% from P1 to P5, [CONFIDENTIAL] driven by the reduction in sales volume, despite the increase in the average price of such sales of 10.1% in the same period. A reduction in the cost/price ratio was observed from P1 to P5 ([CONFIDENTIAL] pp) since there was a slight reduction in the unit production cost (0.6% from P1 to P5) concomitant with the increase in prices charged by the domestic industry in domestic sales in the same period.

248. There was growth in gross profit from P1 to P3, followed by a more pronounced drop in the following periods, reaching a negative value in P5. Gross margin showed a similar evolution, with a reduction of [CONFIDENTIAL] pp from P1 to P5.

249. The operating result was negative not only in P5, but also in P1. However, the operating loss in P5 was almost 500% greater than that in P1. When disregarding the financial result and other expenses, a similar evolution is observed in the operating result, with a negative v in P1 and P5 and a much greater loss in the latter period.

250. Thus, it can be seen that there was damage to the domestic industry throughout the period analyzed. However, given that the investigated imports were not representative, this damage cannot be attributed to such imports. Therefore, the next item will assess whether there is evidence of a likelihood of damage to the domestic industry resulting from the investigated imports being resumed.

8. INDICATIONS OF CONTINUATION OR RESUMPTION OF DAMAGE

251. Art. 108, in conjunction with art. 104 of Decree No. 8,058 of 2013, establishes that the determination that the termination of the right will most likely lead to the continuation or resumption of injury to the domestic industry must be based on an objective examination of all relevant factors, including: the situation of the domestic industry during the term of the right (item 8.1); the behavior of imports (item 8.2); the comparison between the price of the product subject to the anti-dumping duty and the price of the like product in the Brazilian market (item 8.3); the impact of imports at prices with indications of continued dumping on the domestic industry (item 8.4); changes in market conditions in the exporting country (item 8.5); and possible other factors causing the continuation of the injury and non-attribution (item 8.6).

8.1. The situation of the domestic industry during the validity of the right

252. Art. 108, together with item I of art. 104 of Decree No. 8,058 of 2013, establishes that, in order to determine the continuation or resumption of damage to the domestic industry resulting from imports subject to the anti-dumping duty, the situation of the domestic industry during the validity of the duty must be examined.

253. As explained in item 7 of this document, it was found that the domestic industry's domestic market sales volume fell continuously throughout the analysis period, with a more pronounced reduction from P4 to P5 (30.3%). From P1 to P5, there was an accumulated drop of 49.5

254. This significant drop observed in the volume of domestic sales contributed to a substantial reduction in the domestic industry's share of the Brazilian market. This share, which represented 43.4% in P1, fell to 23.7% in P5.

255. Net revenue from domestic sales also showed a significant reduction. From P1 to P5, there was a drop of 44.4

256. Profit margins, which had recovered in P2, P3 and P4, deteriorated sharply in P5, so that negative values were observed in this period, including in the gross margin.



257. Art. 108 with item III of art. 104 of Decree No. 8,058 of 2013 establishes that, in order to determination of continuation or resumption of damage to the domestic industry resulting from imports subject to the anti-dumping duty, the likely price of imports at prices of dumping and its likely effect on the prices of the similar product in the Brazilian domestic market.

258. Throughout the period analyzed, imports originating from the countries investigated were not representative. Even in P5, the period in which such imports reached their highest level, the share of these imports in the total volume imported by Brazil of the product in question reached only 0.4%.

8.3. Comparison between the likely price of imports of the dumped product and the price of a similar product in the Brazilian domestic market

259. Art. 108 with item III of art. 104 of Decree No. 8,058 of 2013 establishes that, in order to determination of continuation or resumption of damage to the domestic industry resulting from imports subject to the anti-dumping duty, the likely price of imports at prices of dumping and its likely effect on the prices of the similar product in the Brazilian domestic market.

260. To this end, the effect of the imports subject to the dir must initially be verified. anti-dumping duty on the price of the domestic industry during the review period. In accordance with the provisions of § 2nd of art. 30 of Decree No. 8,058 of 2013, the effect of imports at dumped prices on prices of the domestic industry must be evaluated under three aspects. Initially, the existence of significant undercutting of the price of the imported product at dumping prices in relation to the product similar in Brazil, that is, if the domestic price of the product under review is lower than the price of the product Brazilian. Then, a possible price depression is examined, that is, whether the price of the imported product had the effect of significantly lowering the price of the domestic industry. The last aspect as analyzed is the price suppression. This occurs when imports subject to anti-dumping duty significantly prevent the increase in prices, due to the increase in costs, which would have occurred in absence of such imports.

261. Given the lack of a representative volume of imports originating in Thailand and of Chinese Taipei in P5, when compared to total imports and the Brazilian market, the comparison between the likely price of imports of the dumped product and the price of the dumped product similar national. Likewise, due to the insignificance of such imports in relative terms, there is no possible to examine possible depression and price suppression caused by these imports.

262. The probable price was determined based on data extracted from the Trade Map website. for HS tariff code 401110 - "Radial tribrachs, of a kind used on motor cars (including station wagons and racing cars)", since bias tires are not included in the scope of the review. They were identified the average FOB prices charged by the sources investigated for the world, for the ten ("Top 10") and for the five ("Top 5") main destinations of these exports, as well as the average export prices from these origins to South America. Furthermore, the following tables show the prices of the origins investigated for each of the South American countries and the "Top 5".

263. It should be recalled, however, that HS tariff code 401110 includes products outside the scope of anti-dumping duty, which, as a rule, correspond to tires with larger and more expensive rims than the product subject to the right.

Exports from Thailand (HS 401110) - P5			
Target market	Quantity (kg)	Value (Thousand US\$)	Price (US\$/kg)
Total (World)*	921.379.042	3.507.859	3,81
Top 10**	770.728.847	2.915.722	3,78
Top 5***	683.671.404	2.601.081	3,80
USA	522.774.597	1.880.609	3,60
South Korea	51.764.421	278.677	5,38
Japan	44.986.355	177.528	3,95
Malaysia	35.669.046	131.803	3,70
Australia	28.476.985	132.464	4,65
South America****	9.223.106	25.702	2,79
Chile	2.209.611	6.806	3,08
Colombia	2.104.798	5.470	2,60



Argentina	1.332.884	2.434	1,83
Ecuador	1.324.000	4.117	3,11
Peru	1.186.060	4.190	3,53
Bolivia	547.419	830	1,52
Paraguay	252.564	884	3,50
Venezuela	128.704	509	3,95
Guiana	77.140	123	1,59
Uruguay	59.926	339	5,66
* Exclusive Brazil			
... Top 10: Top 5 + Saudi Arabia, Egypt, Vietnam, UAE and China			
... Top 5: USA, South Korea, Japan, Malaysia and Australia			
**** South America: Chile, Colombia, Argentina, Ecuador, Peru, Bolivia, Paraguay, Venezuela, Guyana and Uruguay			

Chinese Taipei Exports (HS 401110) - P5			
Target market	Quantity (kg)	Value (Thousand US\$)	Price (US\$/kg)
Total (World)*	77.890.321	321.029	4,12
Top 10**	59.317.924	247.006	4,16
Top 5***	50.427.211	208.289	4,13
USA	23.291.662	81.485	3,50
Australia	10.681.328	49.889	4,67
Japan	9.632.065	50.055	5,20
Germany	4.651.933	19.151	4,12
United Arab Emirates	2.170.223	7.709	3,55
South America****	2.240.561	8.773	3,92
Ecuador	932.216	3.764	4,04
Colombia	559.785	1.976	3,53
Peru	342.831	1.396	4,07
Chile	263.014	1.071	4,07
Venezuela	95.621	371	3,88
Argentina	36.572	154	4,21
Guiana	10.233	40	3,91
Uruguay	289	1	3,46
* Exclusive Brazil			
... Top 10: Top 5 + Spain, UK, New Zealand, Netherlands and Saudi Arabia			
... Top 5: USA, Australia, Japan, Germany and UAE			
**** South America: Ecuador, Colombia, Peru, Chile, Venezuela, Argentina, Guyana and Uruguay			

264. It should be clarified that, in the case of Thailand, Trademap export data was reported in units. However, there are, for 82 countries, "mirror" data from the same source with quantities in kilograms. For these countries, such quantities present in the data were considered "mirror". For the other countries, the average conversion rate from units to kilograms was applied calculated based on the data in the two tables for these 82 countries. The conversion rate calculated average was 10.79 kilograms/unit.

265. Since export prices calculated from Trade Map data are under FOB sales conditions, international freight and insurance have been added to these prices, considering OECD data; import tax (25% on CIF price); AFRMM (8% on freight international); and hospitalization expenses, in order to be compared with the price of the similar product national.

269. Regarding hospitalization expenses, the percentage obtained from the information provided by importers in the previous review, equivalent to [RESTRICTED]% of the CIF value.

270. The conversion of the export price into reais was carried out using the rate average exchange rate for the continuation/resumption of dumping review period, obtained on the basis of the official daily exchange rates published by the Central Bank of Brazil, pursuant to art. 23 of Decree No. 8,058, of 2013.



Probable CIF Landed Price and Probable Undercutting - Exports from Thailand (SH 401110) - P5 [RESTRICTED]				
	World*	Top 10**	Top 5***	Am. do Sul****
FOB Price (US\$/kg)	3,81	3,78	3,80	2,79
International Shipping (US\$/kg)	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]
International Insurance (US\$/kg)	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]
CIF Price (US\$/kg)	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]
Import Tax (US\$/kg)	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]
AFRMM (US\$/kg)	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]
Hospitalization expenses (US\$/kg)	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]
CIF Price (US\$/kg)	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]
CIF Price (R\$/kg) [A]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]
Domestic Industry Price (R\$/kg) [B]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]
Probable Undercutting (R\$/kg) (BA)	3,82	3,99	3,84	10,92
* Exclusive Brazil				
**Top 10: Top 5 + Saudi Arabia, Egypt, Vietnam, UAE and China				
***Top 5: USA, South Korea, Japan, Malaysia and Australia				
****South America: Chile, Colombia, Argentina, Ecuador, Peru, Bolivia, Paraguay, Venezuela, Guyana and Uruguay				

Probable CIF Landed Price and Probable Undercutting - Exports from Chinese Taipei (HS 401110) - P5 [RESTRICTED]				
	World*	Top 10**	Top 5***	Am. do Sul****
FOB Price (US\$/kg)	4,12	4,16	4,13	3,92
International Shipping (US\$/kg)	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]
International Insurance (US\$/kg)	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]
CIF Price (US\$/kg)	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]
Import Tax (US\$/kg)	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]
AFRMM (US\$/kg)	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]
Hospitalization expenses (US\$/kg)	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]
CIF Price (US\$/kg)	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]
CIF Price (R\$/kg) [A]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]
Domestic Industry Price (R\$/kg) [B]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]	[RESTRICTED]
Undercutting (R\$/kg) (BA)	1,70	1,41	1,64	3,13
*Exclusive Brazil				
**Top 10: Top 5 + Spain, United Kingdom, New Zealand, Netherlands and Saudi Arabia				
***Top 5: USA, Australia, Japan, Germany and UAE				
****South America: Ecuador, Colombia, Peru, Chile, Venezuela, Argentina, Guyana and Uruguay				

272. From the analyses presented in the tables above, it can be inferred that, in the hypothesis of Thailand and Chinese Taipei return to exporting automobile tires in representative volumes, there are indications that its exports would probably enter Brazil at prices undercutting the price of domestic industry, indicating that, in the event of non-extension of anti-dumping duties, the exports from these origins would exert pressure on the price of the similar product manufactured by the industry domestic. Again, it is important to emphasize that this result was obtained even taking into account considering that the data of the tariff code considered covers products outside the scope of the right anti-dumping, which are more expensive than the products within the scope (rim 13 and 14) of this review.

8.4. The impact of imports at prices showing signs of continued dumping on the domestic industry

273. Art. 108 with section IV of art. 104 of Decree No. 8,058 of 2013 establishes that, for fi determination of the likelihood of continuation or resumption of injury to the domestic industry arising from imports subject to anti-dumping duty, the likely impact of such imports must be examined imports over domestic industry, assessed on the basis of all economic factors and indices relevant defined in § 2 and § 3 of art. 3

274. As previously demonstrated, throughout the period analyzed, representative volumes of the product subject to review were not imported in relative terms, that is, when compared to total imports, the Brazilian market and the volume of domestic sales of the domestic industry. The total volume imported from the investigated origins represented only 0.21% of the Brazilian market and corresponded to an amount equivalent to 1.1% of the domestic sales of the domestic industry in P5, and, in the other periods, these percentages were much lower.

275. Thus, it can be concluded that there is evidence that imports of product subject to review did not cause significant impacts on the behavior of domestic industry indicators.

8.5. Changes in market conditions

276. Article 108, with item V of Article 104, of Decree No. 8,058 of 2013, establishes that, in order to determine the continuation or resumption of damage to the domestic industry resulting from imports subject to anti-dumping duty, changes in market conditions in the exporting countries, in Brazil or in third markets must be examined, including changes in the supply and demand of the similar product, due, for example, to the imposition of trade defense measures by other countries.

277. Although the petitioner commented that there were no changes in market conditions, DECOM highlights that, as detailed in the following item, after the end of the first end-of-period review, the US applied trade defense measures on imports from South Korea, Thailand and Chinese Taipei.

8.6. Conclusion on the indications of the likelihood of damage recurrence

278. In view of all the above, especially considering the analyses of the resumption of dumping, export potential and probable price contained in items 5 and 8.3 above, it can be concluded, for the purposes of initiating the review, that there is evidence that it will be very likely that the damage to the domestic industry resulting from imports of the product subject to the review originating in Thailand and Chinese Taipei will resume if the anti-dumping duty is not extended.

9. RECOMMENDATION

279. In accordance with the foregoing analysis, it can be considered that there is evidence that the termination of the anti-dumping duties would very likely lead to the resumption of dumping practices in exports from Thailand and Chinese Taipei of the product subject to the anti-dumping duty. Furthermore, considering the existence of undercutting of the price of the product subject to the anti-dumping measure in P5, the export performance and the installed production capacity of the origins subject to the review, it was also concluded that there is sufficient evidence as to the likelihood of the resumption of the injury caused by these imports in the event of termination of the anti-dumping duty.

280. It is therefore recommended that a review be initiated to determine whether it is necessary to extend the term of application of the anti-dumping duty on Brazilian imports of new rubber tires for passenger cars, radial construction, series 65 and 70, rims 13" and 14" and bands 165, 175 and 185, when originating from Thailand and Chinese Taipei.

281. It is worth highlighting the maintenance of the rights in force, in accordance with § 2 of art. 112 of the Decree No. 8,058 of 2013, while the review continues.

