

DOF: 12/17/2020

RESOLUTION declaring the beginning of the administrative procedure to examine the validity of the compensatory quota imposed on imports of bicycles for children originating in the People's Republic of China, regardless of the country of origin.

In the margin a stamp with the National Shield, which reads: United Mexican States.- Ministry of Economy.

RESOLUTION BY THE WHICH IS DECLARED THE START OF THE PROCEDURE ADMINISTRATIVE OF EXAMINATION OF EFFECTIVENESS OF THE QUOTA COMPENSATORY IMPOSED TO THE IMPORTS OF BICYCLES FOR CHILDREN ORIGINATING IN THE REPUBLIC PEOPLE'S CHINA, REGARDLESS OF THE COUNTRY OF ORIGIN

Seen to resolve in the stage of starting the file administrative E.C. 34/20 radicated in the unit of Practice Commercial International (UPCI) of the Ministry of Economy (the " Department "), is issued the present resolution in accordance with the following

RESULTS

A. Final resolution of the anti-dumping investigation

1. On 21 of December of 2015 was published in the Daily Official of the Federation (DOF) the resolution of the investigation dumping on the imports of bicycles for children originating from the Republic People's China (" China "), regardless of the country of origin. Through this Resolution, the Secretariat determined a final compensatory fee of \$ 13.12 dollars per piece.

B. Notice regarding the validity of countervailing duties

2. The 28 of August of 2019 was published in the DOF the Notice on the effect of quota offsetting. By this means it is communicated to the producers nationals and to any person who has interest law, that the quotas countervailing definitive imposed on the products listed in this Notice are eliminated to starting from the date of maturity that was said in the same for every one, except that one producer National manifested by writing their interest in that was initiated one procedure of examination. The list included on the bikes for children originating of China, the subject of this review.

C. Expression of interest

3. The October to November of 2020 the Association National of Manufacturers of Bikes, AC (ANAFABI) and the producing national distributor of bicycles Benotto, SA de C.V. (Benotto), Motos y Bicycles Goray, SA de C.V. (Goray), Bicycles Mercurio, SA de C.V. (Mercurio), Bicycles Supermex, SA de C.V. (Supermex) (formerl y Grupo Oriental, SA de C.V.), Bicycles Veloci, SA de C.V. (Veloci), Corporativo La Bici, SA de C.V. (La Bici), Bicycles Cinelli, SA de C.V. (Cinelli) and Rebimo de Guadalajara, SA de C.V. (Rebimo) , expressed its interest in that the Secretariat initiate the examination of validity of the quota compensatory final imposed on the imports of bicycles for children originating from China. They proposed as period of examination the understanding of the 1 of July of 2019 to the 30 of June of year 2020.

4. Benotto, Goray, Mercury, Supermex, Veloci, La Bici, Cinelli and Rebimo are companies incorporated pursuant to the laws Mexican. Its main activity consists of the manufacture and sale of bicycles. To prove its quality of producing national of bicycles for children, these companies had one letter from the Association National of Manufacturers of Bikes, AC of the December from November of 2020 that so the credits. For its part, the ANAFABI is one association civil incorporated pursuant to the laws Mexican. Its main activity is to represent the interests general of the manufacturers of bicycles and defend the interests of its members.

D. Product object of examination

1. Product description

5. The product object of examination are the bicycles for children, ruts of October to 20 inches ("), of all the types. A bicycle is one vehicle of two wheels, constituted mainly by one box, scissor wheel (rim and tire), seat, handlebars and brakes, each one of these components consists of several parts. The table is the column vertebral of the bicycle and serves of support to the other parts.

6. The bicycles for children are goods of consumption universal that are differentiated only by their size, materials of construction, models and accessories. The applications and the uses basic of the bicycles are equal and in large measure are interchangeable, for what that models of different categories compete with each other and form a unique product .

2. Tariff treatment

7. The product subject to examination entered into the market national through of the fraction tariff 8712.00.02 of the Rate of the Law of the Tax General of Import and of Export (TIGIE), whose description is the following:

Tariff coding	Description
Chapter 87	Motor vehicles, tractors, velocipedes and other land vehicles ; its parts and accessories.
Item 8712 1	Bicycles and other cycles (including the tricycles of distribution), without motor.
Subheading 8712.00	Bicycles and other cycles (including the tricycles of distribution), without motor.
Fraction 8712.00.02	Bicycles for children.
Fraction 8712.00.04	Bicycles, except as understood in the fractions 8712.00.01 and 8712.00.02.

^{1/} The note explanatory of the chapter 87 indicates that the item 8712 includes all the "bicycles for children" and that this term comprises the bicycles with rings of up to 20 " in diameter inside (shot). DOF 2 of July of 2007

to 20

Source: System of Information Tariff Via Internet (SIAVI)

8. In accordance with the SIAVI, the imports of the goods subject to examination are subject to one tariff ad valorem of 15%, with the exception of the imports originating from countries with those which Mexico has concluded treaties of free trade, of which are exempt ; without however, and in accordance with the Treaty Integral and Progressive of Association Transpacific (TPP), the goods originating in Vietnam are subject to one tariff ad valorem of the 12%. Likewise, those originating in Peru and Panama have a tariff of 2% and 6%, respectively.

9. The unit of measure that uses the TIGIE is the piece and in the operations trade are used interchangeably parts or units.

3. Production process

10. The main inputs used in the manufacture of bicycles are tubes of steel of high strength steel alloy and aluminum in different diameters, paint, tires and cameras in different diameters, wheels, beams, seats, systems of brakes , mallets, chains and pedals.

11. The process of manufacture of the product object of examination consists of the following stages:

a. Formation of the box and scissors: In this step of the process is performed the cut, bent and welded to the tube (of steel or aluminum), according to the type of box and scissors to produce.

b. Cleaning and application of paint: In this step is performed the cleaning and washing of the frame and scissors to subsequently be galvanized or painted and finally be sent to the line of assembly of the bicycle.

c. Arming of wheels: In this step is performed the enrayado of the wheels and the placement of adapters, cameras and tires; simultaneously to this process is placed in the box the cup of center axis and the multiplication. In other areas they are installed the cones and the cup of address for the scissors.

d. Assembly of bicycle: All the materials obtained in the steps above are sent to the line of assembly for the reinforced end of the bicycle. At this stage all the other parts of the bicycle are incorporated : gears, pedals, chain, seats, brakes and accessories, among others.

4. Standards

12. The product under examination must comply with the Official Mexican Standard NOM-015-SCFI-2007 on Commercial Information-Labeling for Toys, which establishes the commercial information that toys that are marketed in Mexico must include . Also it is applicable to the standard NMX-D-198 / 1-1984 (Autotransporte-Bikes-Terminology), which establishes the terms and the definitions used in the different types of bicycles.

13. In the field internationally are the standards ISO 8098: 2002 on Requirements for Safety for Bicycles for Children Small (Safety Requirements for Bicycles for Young Children) and the ISO 4210-1996 on Requirements for Safety for Bicycles (Safety Requirements of Bicycles) that establish the requirements of safety, performance (performance) and methods of testing for the design, assembly and testing for bicycles.

5. Uses and functions

14. The bicycles for children object of examination is used as a means of transportation and recreation as well as in

sports activities .

E. Potential parties interested

15. The parties of which the Secretariat is aware and that may have an interest in appearing in these proceedings are the following:

1. National production companies

Distribuidora de Bicycles Benotto, SA de C.V.
Motos y Bicycles Goray, SA de C.V.
Bicycles Mercurio, SA de C.V.
Bicycles Supermex, SA de C.V.
Bicycles Veloci, SA de C.V.
Corporativo La Bici, SA de C.V.
Bicycles Cinelli, SA de C.V.
Rebimo de Guadalajara, SA de C.V.
Martín Mendalde No. 1755-PB
Col. Del Valle
CP 03100, City of Mexico

2. Importer

Comercializadora México Americana, S. de R.L. de C.V.
Road to Nextengo No. 78
Col. Santa Cruz Acayucan
CP 02770, City of Mexico

3. Exporters

Huffy Corporation
Centerville Business Parkway 6551
Dayton
Zip Code 45459, Ohio, USA

Kent International Inc.
60 East Halsey Road 3705
Parsippany
Zip Code 07054, New Jersey, USA

4. Government

Embassy of China in Mexico
Plato No. 317
Col. Polanco
CP 11560, City of Mexico

5. Other

Association National of Manufacturers of Bikes, AC
Martín Mendalde No. 1755-PB
Col. Del Valle
CP 03100, City of Mexico

CONSIDERING

A. Competition

16. The Secretariat is competent to issue the present resolution, pursuant to the Articles 16 and 34 fraction s V and XXXIII of the Law Organic of the Administration Public Federal; 1, 2 section A section II numeral 7 and 19 sections I and IV of the Internal Regulations of the Ministry of Economy; 11.3, 12.1 and 12.3 of the Agreement relating to the Implementation of the Article VI of the Agreement General on Tariffs and Trade of 1994 (the " Agreement as AD "); 5 fraction VII, 70 fraction II, 70 B and 89 F of the Law of Commerce Exterior (LCE), and 80 and 81 of the Regulation of the Law of Commerce Exterior (RLCE).

B. Legislation applicable

17. For the purposes of this procedure are applicable the Agreement AD, the LCE, the RLCE, the Code Prosecutor of the Federation, the Law Federal of Procedure Contentious Administrative, applied supplementally, in accorda

nce with the Article Second Transitory of the Decree of the which is issue said Law, as well as the Code Federal of Procedures Civil, these three last of applying extra.

C. Protection of the information confidential

18. The Secretariat

will not be disclose publicly the information confidential to the parties concerned will occur, or the information confidential of which it itself is Allegue, in accordance with the Articles 6.5 of the Agreement Antidumping, 80 of the LCE and 152 and 158 of the RLCE. No However, the parties concerned will get the access to the information confidential, always and when satisfy the requirements set out in the Articles 159 and 160 of the RLCE.

D. Legitimacy for the start of the examination of validity of fee

19. Pursuant to the Articles 11.3 of

the Agreement Antidumping, 70 fraction II and 70 B of the LCE, the quota compensatory final is eliminated in one term of five years old counted in from of its entry into force, at least that the Secretariat has begun, prior to completion said term, an examination of validity derived from the expression of interest of one or more national producers .

20. In the present case, Benotto, Goray, Mercury, Supermex, Veloci, La Bici, Cinelli and Rebimo, in its quality of producing national of the product subject to examination, expressed in time and form their interest in it will start the examination of validity of the quota compensatory final imposed to the imports of bicycles for children originating from China, for what it is updated the cases provided for in the legislation of the subject and, in consequence, it must start.

E. Period of examination and of analysis

21. The ANAFABI and the producing national Benotto, Goray, Mercury, Supermex, Veloci The bike, Cinelli and Rebimo proposed as period of examination the understanding of the 1 of July of 2019 to the 30 of June of 2020 . In the respect, the Secretariat determined set as period of examination the comprised d the 1 of October of 2019 to the 30 of September of 2020 and as period of analysis the understanding of the 1 of October of 2015 to the 30 of September of 2020 all time that they will adhere to the provided in the article 76 of the RCFT and to the recommendation of the Committee on Practices Antidumping of the Organization World of the Trade (document G / ADP / 6 adopted the 5 of maypole of 2000).

22. By the foregoing, with basis in the articles 11.1 and 11.3 of the Agreement AD, and 67, 70 fraction II, 70 B and 89 F of the LCE, was issued the following

RESOLUTION

23. It declares the start of the procedure administrative of examination of validity of the quota compensatory final imposed on the imports of bicycles for children originating from China, regardless of the country of origin, which entered into through to the fraction tariff 8712.00.02 of the TIGIE , or by any other.

24. It is fixed as period of examination the understanding of the 1 of October of 2019 to the 30 of September of 2020 and as period of analysis of the 1 of October of 2015 to the 30 of September of year 2020.

25. According to what established in the articles 11.3 of the Agreement AD, 70 fraction II and 89 F of the LCE and 94 of the RLCE, the quota compensatory definitive to which is referred the point 1 of the present resolution, continue current while it handles the present procedure the examination of validity.

26. In accordance with the Articles 6.1 and 11.4 of the Agreement Antidumping and 3 last paragraph and 89 F of the LCE, the producers national, importers, exporters, persons moral foreign or any person who certifies to have interest legal in the outcome of this process of exam, will count with one term of twenty - eight days working to prove their interest legal and submit the response to the form officially established for this purpose, as well as the arguments and the evidence they deem appropriate. The term of twenty - eight days business is will to starting of the day next to the publication in the DOF of the present resolution and ending at the 18:00 hours of the day of its expiration. The presentation of the information is made pursuant to the provisions in the "Agreement for the that are established measures administrative in the Ministry of Economy, with reason of the emergency health generated by the coronavirus COVID-19", published in the DOF the 29 of June of 2020 or by diverse that the Secretariat publish with later .

27. The form official to which was referred the point above, you can get to through to the page of Internet <https://www.gob.mx/se/acciones-y-programas/industria-y-comercio-unidad-de-practicas->

comerciales- international-upci, also it is able to apply to through of the account of e
- mail upci@economia.gob.mx.

28. Notifíquese the present resolution to the parties concerned of that is having knowledge.

29. Contact this resolution to the Service of Administration Tributaria, for the purposes legal related.

30. The present Resolution shall enter into force on the day following of its publication in the DOF.

Mexico City, 9 December 2020.- The Ministry of Economy , **Graciela Marquez Colín** .- Signature.

http://dof.gob.mx/nota_detalle.php?codigo=5607859&fecha=17/12/2020