



Commission investigation provisionally concludes that electric vehicle value chains in China benefit from unfair subsidies

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As part of its ongoing investigation, the Commission has provisionally concluded that the **battery** electric vehicles (BEV) value chain in China benefits from **unfair subsidisation**, which is causing a threat of economic injury to EU BEV producers. The investigation also examined the likely consequences and impact of measures on importers, users and consumers of BEVs in the EU.

Consequently, the Commission has reached out to Chinese authorities to discuss these findings and explore possible ways to resolve the issues identified in a WTO-compatible manner.

In this context, the Commission has **pre-disclosed the level of provisional countervailing duties it would impose on imports of battery electric vehicles ('BEVs') from China**. Should discussions with Chinese authorities not lead to an effective solution, these provisional countervailing duties would be introduced from 4 July by a guarantee (in the form to be decided by customs in each Member State). They would be collected only if and when definitive duties are imposed.

The individual duties the Commission would apply to the three sampled Chinese producers would be:

- BYD: 17,4%;
- Geely: 20%; and
- SAIC: 38,1%.

Other BEV producers in China, which cooperated in the investigation but have not been sampled, would be subject to the following weighted average duty: 21%.

All other BEV producers in China which did not cooperate in the investigation would be subject to the following residual duty: 38,1%.

Procedure and next steps

On 4 October 2023, the Commission formally initiated an ex-officio anti-subsidy investigation on imports of battery electric vehicles for passengers originating in China. Any investigation shall be concluded within maximum 13 months of initiation. Provisional countervailing duties may be published by the Commission within 9 months after initiation (i.e. by 4 July at the latest). Definitive measures are to be imposed within 4 months after imposition of the provisional duties.

Following a substantiated request, one BEV producer in China – Tesla – may receive an individually calculated duty rate at the definitive stage. Any other company producing in China not selected in the final sample that wishes to have its particular situation investigated can ask for an accelerated review, in line with the basic anti-subsidy Regulation, just after imposition of definitive measures (i.e. 13 months after initiation). The deadline for concluding such a review is 9 months.

Information about the intended levels of provisional duties is provided to all interested parties (including Union producers, importers and exporters and their representative associations, Chinese exporting producers and their representative associations, and the country of origin and/or export, i.e. China), and to the EU Member States before any such measures are imposed, in line with the procedures set out by the EU basic anti-subsidy Regulation. This information is also being made public on the <u>Commission's website</u>.

Sampled companies have individually received information about their own calculations and have the possibility to comment on the accuracy thereof. Should these eventual comments provide sufficient counter-balancing evidence, the Commission can revise its calculation in accordance with EU law.

For More Information

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