



Trade Remedies
Authority

Final Determination

Case AD0012

**Investigation into alleged dumping of aluminium
extrusions from the People's Republic of China**

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Section A: Summary and findings

A1. Introduction

1. This section briefly summarises the legal framework for this Final Determination and the Trade Remedies Authority (TRA)'s main findings.
2. The background to the investigation and further detail on all aspects are explained fully in the remaining sections. It should be read in conjunction with other public documents available for this case on [the public file](#).
3. For further information about our investigations, please see our [public guidance](#).

A2. Legal framework

4. This Final Determination is made pursuant to paragraphs 11(5) and (6) of Schedule 4 to the Taxation (Cross-border Trade) Act 2018 (the Act).

A3. Scope

5. The Notice of Initiation¹ (NOI) sets out the goods subject to investigation (the Goods Concerned) as:

Bars, rods, profiles (whether or not hollow), tubes, pipes; unassembled; whether or not prepared for use in structures (e.g., cut to length, drilled, bent, chamfered, threaded); made from aluminium whether or not alloyed, containing not more than 99.3% aluminium. The product concerned is commonly referred to as 'aluminium extrusions', referring to its most common manufacturing process even if it can also be produced by other production processes such as rolling, forging or casting.

6. The Goods Concerned are subject to the following commodity codes:

7604101011	7604101090	7604109011	7604109019	7604109025
7604109029	7604109080	7604109089	7604210010	7604210090
7604291010	7604291030	7604291040	7604291090	7604299010

¹ Notice of Initiation: <https://www.trade-remedies.service.gov.uk/public/case/AD0012/submission/58db49f3-2ec8-4b8d-9acc-82d85bb69037/>

7604299020	7604299090	7608100011	7608100019	7608100020
7608100080	7608100089	7608208110	7608208190	7608208910
7608208920	7608208930	7608208990	7610909010.	

7. The Goods Concerned are explained in more detail in [Section D1: Goods Concerned](#).
8. The TRA issued a note to the public file on 16 July 2021 regarding the description of the goods.² This note clarified for interested parties that aluminium structures or parts of structures, subassemblies, products that are imported in ‘finished goods kit’, and welded tubes and pipes are not included within the scope of this investigation, as set out in the NOI.
9. Like Goods are goods which are considered like the Goods Concerned (as set out in paragraph 5) in all respects. In identifying Like Goods, the TRA has considered:
 - physical likeness, such as physical characteristics;
 - commercial likeness, including competition and distribution channels;
 - functional likeness, such as end-use or interchangeability;
 - similarities in production, such as method and inputs; and
 - other relevant characteristics.
10. The TRA has concluded that the Goods Concerned and the Like Goods are comparable and that Like Goods are manufactured in the UK, however there are certain Goods Concerned for which there were no Like Goods manufactured in the UK during the POI.

² Note to the file: <https://www.trade-remedies.service.gov.uk/public/case/AD0012/submission/4c0e46d2-96c2-4509-8823-c6328dcdadcd/>

11. The Like Goods, which were not manufactured in the UK during the POI, include goods with a cross-sectional dimension greater than 310mm, or with a weight per metre larger than 14kg.

A4. Dumping

12. In accordance with paragraphs 1(1) and 8(1)(a) of Schedule 4 to the Act, the TRA has examined whether dumping of the Goods Concerned originating in the People's Republic of China (PRC) has occurred.
13. The TRA has concluded that the Goods Concerned are being dumped into the UK by certain overseas exporters.

A5. Injury

14. In accordance with paragraphs 5 and 8(1)(b) of Schedule 4 to the Act, the TRA has examined whether the dumping of the Goods Concerned have caused or is causing injury to the UK Industry of Like Goods.
15. The TRA has concluded that the UK Industry has suffered injury and that the dumping of the Goods Concerned is the cause of this injury.
16. The TRA has concluded that there are Goods Concerned which the UK did not manufacture during the POI, and that the imports of these goods have not or are not causing injury to the UK Industry.

A6. Economic Interest Test (EIT)

17. The TRA has considered the evidence before it and the following factors set out under paragraph 25(4) of Schedule 4 to the Act:
- injury caused by the dumping of the Goods Concerned to the UK industry in the goods and the benefits to that industry of removing the injury;
 - economic significance of affected UK industries and consumers;
 - likely impact on affected UK industries and consumers;
 - likely impact on particular geographic areas or groups in the UK;

- likely consequences for the competitive environment and the structure of UK markets for these goods; and
- such other matters as the TRA considers relevant.

18. The TRA has concluded that the EIT is met in relation to the application of an anti-dumping remedy.

A7. Final Determination and recommended measure

19. For the purposes of making a final determination in relation to each of the goods subject to this investigation under paragraph 11(6) of Schedule 4 to the Act, the TRA may make different final determinations in relation to different goods under paragraph 11(7) of Schedule 4 to the Act. Our final determinations are set out below.

20. The TRA makes a final affirmative determination under paragraph 11(6)(a) of Schedule 4 to the Act in relation to Goods Concerned originating from the PRC that fall under commodity codes:

7604101011	7604101090	7604109011	7604109019	7604109025
7604109029	7604109080	7604109089	7604210010	7604210090
7604291010	7604291030	7604291040	7604291090	7604299010
7604299020	7604299090	7608100011	7608100019	7608100020
7608100080	7608100089	7608208110	7608208190	7608208910
7608208920	7608208930	7608208990	7610909010.	

21. The TRA has determined that the Goods Concerned have been or are being dumped into the UK in accordance with paragraphs 1(1) and 8(1)(a) of Schedule 4 to the Act and the dumping of the Goods Concerned has caused or is causing injury to UK Industry in Like Goods in accordance with paragraphs 5 and 8(1)(b) of Schedule 4 to the Act. The TRA has determined that the EIT is met in relation to the application of an anti-dumping remedy in accordance with paragraphs 25(2) and (4) of Schedule 4 to the Act.

22. The TRA makes a final negative determination in accordance with paragraph 11(6)(b) of Schedule 4 to the Act in respect of the Goods Concerned originating from the PRC that have a maximum cross-sectional dimension of greater than 310mm, or a weight per metre of greater than 14kg and fall under commodity codes:

7604101011	7604101090	7604109011	7604109019	7604109025
7604109029	7604109080	7604109089	7604210010	7604210090
7604291010	7604291030	7604291040	7604291090	7604299010
7604299020	7604299090	7608100011	7608100019	7608100020
7608100080	7608100089	7608208110	7608208190	7608208910
7608208920	7608208930	7608208990	7610909010.	

23. The TRA has determined that the Goods Concerned subject to the final negative determination were not manufactured by the UK Industry during the POI and these goods have not or are not causing injury to the UK Industry.
24. In accordance with paragraphs 17(3), 18(2)(a), and 18(5) of Schedule 4 to the Act, the TRA therefore recommends that the Secretary of State for International Trade (the Secretary of State) impose an ad-valorem anti-dumping duty for a period of five years on the Goods Concerned which are the subject of the final affirmative determination.
25. The TRA has determined that Shandong Nanshan has not dumped during the POI, and we recommend that a zero rate of anti-dumping duty is applied to its goods.
26. The rate of anti-dumping duties the TRA recommends are set out in Table 1. These rates differ from the intended duties set out in the Statement of Essential Facts (SEF), as they have been adjusted to reflect comments made on the SEF. For further information please see [Section G. Dumping](#).

Table 1: Level of anti-dumping duty		
Country	Exporter/Producer	Anti-dumping duty
The PRC	The Press Metal Group of Companies	15.6%
The PRC	Shandong Nanshan Aluminium Co Ltd	0%
The PRC	The Haomei Group	11.4%
The PRC	Non-sampled, cooperating overseas exporters	15.4%
The PRC	All other exporters	35.1%

Section B: Provisional measures

27. On 20 May 2022 the TRA published the Provisional Affirmative Determination³ (PAD) and the SEF.⁴
28. The PAD and recommendation to require a guarantee were made pursuant to paragraphs 11(3) and 13(3)(a) of Schedule 4 to the Act. The provisional measures came into effect on 17 August 2022.⁵
29. The SEF was published in accordance with regulation 62 of the Trade Remedies (Dumping and Subsidisation) (EU Exit) 2019⁶ (the Regulations). The SEF set out:
 - the final determination that the TRA intended to make;
 - a summary of the facts considered during the investigation; and
 - details of the analysis forming the basis of the intended Final Determination.
30. Following the publication of the PAD and the SEF, the TRA invited interested parties, contributors and any other person who supplied information to the TRA to make submissions in response.
31. The TRA received submissions from:
 - Hydro Aluminium UK Ltd (the Applicant);
 - Garner Aluminium Extrusions (Garnalex);
 - The Press Metal Group of Companies composed of Press Metal International Ltd (PMI), Press Metal International Technology Ltd (PMIT) (referred to collectively as PMI (PRC)), and Press Metal UK Limited (PMUK);
 - Shandong Nanshan Aluminium Co. Ltd. (Shandong Nanshan);

³ Provisional Determination: <https://www.trade-remedies.service.gov.uk/public/case/AD0012/submission/79f1c62f-47c4-403c-9f29-3da84b79f19e/>

⁴ Statement of Essential Facts: <https://www.trade-remedies.service.gov.uk/public/case/AD0012/submission/5721e900-0c2a-47f7-a61d-1d6196e2d7b5/>

⁵ Taxation Notice: <https://www.gov.uk/government/publications/trade-remedies-notices-provisional-anti-dumping-duty-on-certain-aluminium-extrusions-from-china/taxation-notice-202203-provisional-anti-dumping-duty-on-certain-aluminium-extrusions-originating-from-china#annex-1>

⁶ Statutory Instrument No. 2019/450, as amended.

- The JMA Group composed of Foshan JMA, Guangdong JMA Aluminium Profile Factory (Group) Co Ltd, JMA (HK) Company Limited (the JMA Group);
 - 3o Limited; and
 - The Ministry of Commerce, People's Republic of China (MOFCOM).
32. These submissions are summarised and addressed in this Final Determination to the extent possible.
33. These submissions were published to the public file and interested parties were given the opportunity to respond. The TRA received a response to these published submissions from the Applicant.
34. The TRA gave interested parties and contributors the opportunity to meet to answer any questions on the SEF or to discuss their submissions. The TRA received a request from the Applicant for a meeting.
35. In addition, the TRA offered parties the opportunity to request a hearing in accordance with regulation 61 of the Regulations. The TRA did not receive any requests for a hearing.

B1. Additional requests for information

36. Following publication of the SEF the TRA received requests for further information on the dumping calculations from the sampled overseas exporters. The TRA granted these requests and provided each sampled overseas exporter with their individual dumping calculation.
37. The TRA also received a request from the Applicant for further information on the dumping calculations. This request was rejected to prevent sharing confidential information. The TRA did provide additional information on the dumping methodology used in the SEF, and this was published to the public file on 6 July 2022.⁷

⁷ SEF Dumping Calculations Methodology: <https://www.trade-remedies.service.gov.uk/public/case/AD0012/submission/68a8c592-5361-4c10-8388-f049bed8bb25/>

38. The TRA received a request from the Haomei Group for further information on the injury calculations. This request was rejected to prevent sharing confidential information.
39. Following disclosure of its individual dumping calculation, Shandong Nanshan requested the underlying cost data used in the dumping calculations, which the TRA provided.
40. Shandong Nanshan identified an error in its cost data caused by the reclassification of Product Control Numbers (PCNs) following verification. Shandong Nanshan requested an updated dumping calculation using the corrected cost data, and the opportunity to meet to discuss the dumping calculations.
41. The TRA rejected the request to share the updated dumping calculation in the interest of fairness to all interested parties. The final dumping margins are made available to all interested parties in this Final Determination. Shandong Nanshan did not make a further request for a meeting to discuss the dumping calculations.

Section C: Background

C1. Initiation

42. On 30 April 2021 the TRA received an application⁸ for a trade remedies investigation (the Application) lodged by the Applicant. The Applicant alleged that certain aluminium extrusions imported into the UK from the PRC are being dumped and are causing injury to the UK Industry.
43. UK producers supporting this application include Exlabesa Extrusions (Doncaster) Ltd (Exlabesa), Garnalex and Aluminium Shapes Ltd (Aluminium Shapes). The Application was made on behalf of the UK Industry in aluminium extrusions, and the Applicant along with these three producers represented 55%-65% of the total UK production of aluminium extrusions.
44. The Application contained evidence of dumping and of resulting material injury that was sufficient to justify the initiation of the anti-dumping investigation. The case was initiated by the TRA on 21 June 2021, and the NOI⁹ was published on that date.

C2. Investigation parameters

45. The period of investigation (POI) is 1 June 2020 to 31 May 2021.
46. To assess injury, the TRA has chosen to examine the period from 01 June 2017 to 31 May 2021 (the Injury Period).

C3. Participation in the investigation

47. The TRA invited interested parties and contributors to register in order to participate in the investigation.
48. [Annex A: Interested parties and contributors](#) contains a summary of information received from interested parties and contributors.

⁸ Non-confidential Application: <https://www.trade-remedies.service.gov.uk/public/case/AD0012/submission/58db49f3-2ec8-4b8d-9acc-82d85bb69037/>

⁹ Notice of Initiation: <https://www.trade-remedies.service.gov.uk/public/case/AD0012/submission/58db49f3-2ec8-4b8d-9acc-82d85bb69037/>

C4. The domestic industry

49. The following parties registered an interest in the case:

- Exlabesa;
- Garnalex; and
- Aluminium Shapes.

50. Questionnaire responses were received from the Applicant and the three UK domestic producers listed above.

51. The TRA considered information supplied by Exlabesa to be deficient and issued a deficiency notice. The deficiencies were not rectified within the applicable timescales. Any reference to Exlabesa throughout this Final Determination is to publicly available information.

C5. Exporters from the PRC

52. The TRA received a registration of interest in the case from 25 overseas exporters from the PRC. A full list of these overseas exporters is available in [Annex A: Interested parties and contributors](#).

53. Due to the number of parties registering their interest in this investigation, the TRA has limited its examination of overseas exporters in accordance with regulation 56 of the Regulations.

54. The TRA determined the sample of overseas exporters based on the largest volume of exports to the UK in accordance with regulations 56(2) and 56(3)(a) of the Regulations.

55. The TRA published a notice of the proposed sample on 12 July 2021 in accordance with regulation 56(4) of the Regulations.¹⁰ This notice named four groups of overseas exporters as:

¹⁰ Notice of proposed sample: <https://www.trade-remedies.service.gov.uk/public/case/AD0012/submission/439ce90d-0c8d-44ec-87cf-58d58b4d3032/>

- The Press Metal Group of Companies (defined under paragraph 31);
 - Shandong Nanshan;
 - The Haomei Group composed of the two exporting producers Guangdong Haomei New Materials Co. Ltd and Guangdong King Metal Light Alloy Technology Co. Ltd. (Haomei); and
 - The PanAsialum Group composed of PanAsia Enterprises (Nan Yang) Co Ltd. and PanAsia Aluminium (China) Limited.
56. Questionnaire responses were received from three groups of overseas exporters listed in the sample above: PMI (PRC), Shandong Nanshan, and Haomei.
57. The PanAsialum Group did not complete a questionnaire. The PanAsialum Group of companies were therefore deemed non-cooperative and the information they provided was disregarded in accordance with regulation 49(1) of the Regulations.
58. Those overseas exporters from the PRC that registered an interest but were not part of the sample will be subject to the non-sampled cooperating exporters anti-dumping duty.

C6. Exporters requesting individual treatment

59. In response to the sample notice of 12 July 2021, the TRA received requests for calculations of individual anti-dumping amounts from the following two overseas exporters based in the PRC:
- The JMA Group composed of Foshan JMA, Guangdong JMA Aluminium Profile Factory (Group) Co Ltd, JMA (HK) Company Limited (the JMA Group); and
 - Guangdong Jiangsheng Aluminium Co.Ltd.
60. The TRA rejected the request for calculation of an individual rate from the JMA Group on the grounds that the number of exporters is so large that further

individual examination would be unduly burdensome, in accordance with regulation 56(7) of the Regulations.

61. The TRA rejected the request for calculation of an individual rate from Guangdong Jiansheng Aluminium Co Ltd as they did not provide the necessary information under regulation 56(6) of the Regulations.

C7. Importers

62. The following UK importers registered an interest in the case:

- Aalco Metals (part of Amari Metals Group); and
- 3o Limited.

63. Questionnaire responses were received from both UK importers. However, the response received from Aalco Metals was considered deficient and the TRA issued a deficiency notice. The deficiencies were not rectified. Aalco Metals was therefore deemed non-cooperative and the information it provided was disregarded in accordance with regulation 49(1) of the Regulations.

C8. Downstream users of the Goods

64. The following downstream users of the goods registered an interest in the case:

- Dura Composites Limited;
- Global Extrusion Direct Ltd;
- M. G. Metals Limited;
- Senior Architectural Systems Limited; and
- Sherwood Stainless and Aluminium Ltd.

65. Questionnaire responses were received from Global Extrusion Direct Ltd, Senior Architectural Systems Limited and Sherwood Stainless and Aluminium Ltd.

66. The information supplied by Senior Architectural Systems Limited and Sherwood Stainless and Aluminium Ltd was considered to be deficient and the TRA issued a deficiency notice to the parties. The deficiencies were not

resolved within the applicable time limits. The TRA considered information submitted in their pre-sampling questionnaires and information which is publicly available.

C9. Foreign Government

67. The Ministry of Commerce, PRC (MOFCOM) registered an interest in the case and have made submissions to the TRA during the investigation.

C10. Contributors

68. The following contributors registered their interest in the case:

- ABL (Aluminium Components) Limited (part of the Amari Metals Group);
- Alvanco British Aluminium Ltd;
- European Aluminium;
- GSM Aluminium Limited;
- Hydro Aluminium Deeside Ltd;
- Linar Limited;
- Multi Metals Ltd;
- Parkside Group Limited (The);
- Portland Alloys Limited;
- Richard Austin Alloys Limited;
- Righton and Blackburn Ltd (part of the Amari Metals Group);
- Shackerley (Holdings) Group Limited;
- Sheerline Fabrications Ltd;
- Simmal Ltd.

69. Questionnaire responses were received from:

- Hydro Aluminium Deeside Ltd;

- GSM Aluminium Limited;
- ABL (Aluminium Components) Limited; and
- Righton and Blackburn Ltd.

70. The information received from ABL (Aluminium Components) Limited and Righton and Blackburn Ltd was considered to be deficient and the TRA issued deficiency notices to the parties. The deficiencies were not resolved within the applicable time limits. We therefore considered information submitted in their pre-sampling questionnaires and publicly available information.

C11. Verification of data

71. Verification of the submitted data took place either onsite or remotely with the interested parties listed below.

72. UK producers:

- The Applicant; and
- Garnalex.

73. Overseas exporters:

- Haomei;
- Shandong Nanshan; and
- PMI (PRC) including PMUK.

74. The TRA conducted onsite verification visits at the Applicant's site in Tibshelf UK, and PMI (PRC) at the PMUK site in Wolverhampton UK. Due to ongoing COVID-19 restrictions in the UK, all other verification activity took place remotely.

75. Verification reports were produced for each of the parties where we conducted on-site or remote verification, and non-confidential versions of these reports are available on the [public file](#).

76. The TRA did not conduct remote or onsite verification activities with Aluminium Shapes, however desk-based verification took place to reconcile cost and sales data during the POI with published financial accounts.
77. The TRA also conducted relevant checks on information and data submitted, against independent sources, to satisfy ourselves we can use them for the purpose of the investigation.

Section D: The Goods Concerned and Like Goods

D1. The Goods Concerned

78. The Goods Concerned are defined in regulation 2 of the Regulations as “the goods described in the relevant notice of initiation of a dumping investigation under regulation 65(1) [of the Regulations]”.

79. The Goods Concerned are defined as:

Bars, rods, profiles (whether or not hollow), tubes, pipes; unassembled; whether or not prepared for use in structures (e.g., cut to length, drilled, bent, chamfered, threaded); made from aluminium whether or not alloyed, containing not more than 99.3% aluminium. The product concerned is commonly referred to as ‘aluminium extrusions’, referring to its most common manufacturing process even if it can also be produced by other production processes such as rolling, forging or casting.

80. The Goods Concerned do not include the following:

- aluminium structures or parts of structures (with the exception of bars, rods, profiles (whether or not hollow), tubes, pipes, unassembled, not welded, made from aluminium, whether or not alloyed, containing not more than 99.3% of aluminium);
- subassemblies;
- products that are imported in ‘finished goods kit’; and
- welded tubes and pipes (which means a tube or pipe produced by longitudinally or spirally seam welding a die or roll-formed flat-rolled semi-product (strip or sheet).

81. The TRA defined the Goods Concerned in the NOI, as well as issuing a notice explaining those goods not in scope in the investigation.¹¹ The TRA has added

¹¹ Note to the file: <https://www.trade-remedies.service.gov.uk/public/case/AD0012/submission/4c0e46d2-96c2-4509-8823-c6328dcdadcd/>

further clarity on those goods not in scope in this Final Determination to provide clarity for importers and HMRC in applying the recommended measures.

82. The Goods Concerned are currently classifiable within the following commodity code(s):

7604101011	7604101090	7604109011	7604109019	7604109025
7604109029	7604109080	7604109089	7604210010	7604210090
7604291010	7604291030	7604291040	7604291090	7604299010
7604299020	7604299090	7608100011	7608100019	7608100020
7608100080	7608100089	7608208110	7608208190	7608208910
7608208920	7608208930	7608208990	7610909010.	

83. The TRA is aware that there are goods that fall into the description of the Goods Concerned that may be, or have been, imported under commodity codes outside of those set out in the NOI, including where the end-use qualifies for a lower duty rate. The determinations and applicable rates are set out in [Section J. Final Determination and recommendation](#).

D2. The range of Goods Concerned

84. The Goods Concerned are unique in that they are, for the most part, custom made to order on customer specifications. They can be light or heavy, and highly specialised with differentials in use and pricing.
85. Due to the variation of products within aluminium extrusions, the TRA has limited its examination of the Goods Concerned. This approach was taken at the PAD and SEF stages.
86. The Applicant submitted comments on the TRA's approach taken to sampling of the Goods Concerned in relation to:
- provisions within the Regulations under which the sampling of goods was made;
 - the use of a second level of sampling in addition to sampling of the overseas exporters;

- the TRA’s obligation “to show clear reasons that the types of products involved is so large as to make such a determination impracticable”; and
- the PCN sampling methodology selected.

87. The TRA has reviewed all the comments made by the Applicant in relation to the sampling of the Goods Concerned and considers that:

- Under regulation 56(2)(c) of the Regulations, the TRA may limit its examination to a sample of categories of goods. Under regulation 57(2)(c) of the Regulations, the TRA may also limit its examination to a sample of categories of goods.
- In limiting the examination to a sample of categories of goods, we selected PCNs that are both manufactured in the UK and exported to the UK from the PRC. We have assessed the volumes of these PCNs both at the total sample level and per exporter. We consider that the PCN sample used is the largest volume of products it would be reasonable to investigate, representing over 80% of exports by volume of the sampled exporters during the POI, and that the sample represents a comprehensive range of the exported goods. [Section D4. Product Control Numbers](#) describes how the TRA uses PCNs.
- This approach to sampling has been taken because of the wide range of the Goods Concerned, the differentials in the uses and pricing of different categories of goods, and resourcing and capacity constraints for the case team.

D3. Like Goods

88. Like Goods are defined under paragraph 7(1) of Schedule 4 to the Act as goods which are like the Goods Concerned in all respects, or goods which, although not alike in all respects, have characteristics closely resembling those of the goods in question.

89. Like Goods produced and sold in the UK domestic market include:

Aluminium extrusions that are supplied to meet customer design needs (usually identified in the form of drawing specifications, tolerance level and

aluminium alloy specification), including but not limited to bars, rods, profiles (whether or not hollow), tubes, pipes; unassembled; whether or not prepared for use in structures (e.g., cut to length, drilled, bent, chamfered, threaded); made from aluminium alloy containing less than 99% of aluminium. The goods are commonly referred to as 'aluminium extrusions', referring to its most common manufacturing process even if the goods can also be produced by other production processes such as rolling, forging or casting.

90. In identifying Like Goods, the TRA has considered:

- physical likeness, such as physical characteristics;
- commercial likeness, including competition and distribution channels;
- functional likeness, such as end-use or interchangeability;
- similarities in production, such as method and inputs; and
- other relevant characteristics.

D4. Product Control Numbers

91. The TRA uses PCNs to match goods exported to the UK from the PRC with identical or mostly comparable domestically produced and sold goods in the UK.
92. PCNs are created on the basis of the main physical characteristics differentiating the goods, providing that the characteristics have an impact on price.
93. The PCN structure used in this case can be seen in [Annex B: PCN Structure](#).
94. The TRA invited parties to comment on its PCN structure. None of the UK producers, overseas exporters, contributors, or UK importers provided comments or suggested amendments to the structure.
95. The TRA tested if parties had allocated PCNs consistently within their submissions, and where anomalies were identified this was addressed with the parties.
96. As noted above, due to the variation of PCNs within aluminium extrusions the TRA has utilised sampling of the Goods Concerned during the investigation. The sampled PCNs used in the dumping and injury calculations are those which

are both manufactured in the UK and exported to the UK from the PRC. We have reviewed the Applicant's comments on our sampling approach and have provided our response above in [Section D2. The range of Goods Concerned](#).

D5. Goods Concerned not manufactured in the UK

97. In the PAD recommendation, the TRA provisionally identified that aluminium extrusions with a maximum cross-sectional dimension of greater than 310mm were not being manufactured in the UK during the POI and that UK producers do not have the capacity to make larger extrusions.
98. In the SEF, the TRA also identified another category of goods that were not produced during the POI: those with a weight per metre of greater than 14kg.
99. In response to the assessment set out in the SEF, MOFCOM commented that these goods should be excluded from the scope and the final measures. MOFCOM did not provide any further detail on scope or evidence in support of the submission.
100. The TRA considered that to revise scope following the publication of the SEF would have impacted on our ability to proceed with the investigation expeditiously. However, in making our Final Determination we have considered those goods that were not manufactured in the UK during the POI and whether injury has been caused in relation to these goods.
101. The Applicant also submitted comments regarding the TRA's rationale for the exclusion of aluminium extrusions with a maximum cross-sectional dimension of greater than 310mm or a weight per metre of greater than 14kg. It submitted that, as the UK was part of the European Union (EU) during part of the POI, the TRA should include data relating to the Applicant's European production and sales in relation to these larger goods. It submitted that Part 12 of the Regulations makes provisions for this.
102. The TRA has conducted this investigation considering the Like Goods produced in the UK and by the UK Industry. We have defined the UK Industry in accordance with paragraph 6 of Schedule 4 to the Act, as set out in paragraph 116. We do not consider that the goods produced by the Applicant in other

countries within Europe during the POI would meet this definition and therefore should not be assessed as part of UK Industry production. Furthermore, we do not consider Part 12 of the Regulations to apply to new investigations, as it applies to UK trade remedies measures transitioned into UK law following the UK's exit from the EU and the conduct of transition reviews.

103. The TRA used the questionnaire data, as well as submissions from interested parties, to assess whether Like Goods with a maximum cross-sectional dimension of greater than 310mm, or a weight per metre of greater than 14kg were manufactured in the UK during the POI and whether the UK Industry have the capacity to make these goods.
104. The TRA's original assessment focused on press sizes, and the publicly available information from PMI (PRC) was used to understand the technical capability of the presses in operation in the UK. The TRA had assessed that the maximum extrusion sizing for a 9-inch press to be between 180mm and 280mm. However, the Applicant and Garnerlex submitted that the TRA had not based the decision on relevant or correct information as press sizes are not the only determining factor in whether they can produce larger sized extrusions, particularly heavier extrusions which are dependent on the strength of the press.
105. Both the Applicant and Garnerlex have provided the TRA with technical information about their presses and different production techniques that would allow them to produce larger extrusions.
106. The TRA assessed the information supplied by the Applicant and Garnerlex and now conclude that the UK Industry could have the capability to make extrusions up to a maximum width of 400mm and maximum weight per metre of 15kg.
107. Whilst submissions from the Applicant and Garnerlex indicate that UK Industry could have the capability to make some larger sized goods, we have not been provided with evidence that this capability is being used or that it will be used in the short to medium term.

D5.1 Assessment of goods with weight per metre above 14kg

108. The Applicant stated that the TRA had not provided sufficient reasoning around the assessment of the goods with a weight per meter above 14kg. It stated there was no way to identify such extrusions in the PCN structure as the largest weight/metre differential was any extrusion above 10kg.
109. The TRA was provided with confidential information from UK producers and overseas exporters during verification that allowed us to test that PCNs were allocated correctly. This information included weight per metre data enabling us to assess all transactions per PCN. We were able to select those PCN assigned a weight per metre as over 10kg and then assess the detailed data behind these goods.
110. Our analysis of data concluded that during the POI the largest weight per metre Like Good produced by two UK producers was less than 14kg. The TRA concluded that goods with a weight per metre over 14kg were not manufactured in the UK during the POI but were imported into the UK from the PRC.

D5.2 Assessment of goods with a maximum cross-sectional dimension greater than 310MM

111. The TRA's analysis of data concluded that there were goods imported from the PRC during the POI with a maximum cross-sectional dimension of greater than 310mm but that none of the Like Goods produced by the UK Industry were assigned this characteristic.
112. The TRA concluded that aluminium extrusions with a maximum cross-sectional dimension of greater than 310mm were not manufactured in the UK during the POI.

D5.3 Assessment of goods with weight per metre below 0.5kg

113. PMI (PRC) and GSM Aluminium Limited also made comments that the UK is not able to manufacture lighter extrusions. We assessed information at the PCN level for those extrusions that were classified as below 0.5kg/m. Our assessment of the data from two UK producers identified that during the POI

there were aluminium extrusions produced in the UK that were classified as below 0.5kg/m and aluminium extrusions produced in the UK with a weight per metre of 0.5kg to <4.5kg.

114. The TRA concluded that the UK Industry can manufacture lighter extrusions.

D6. Conclusion

115. The TRA has determined that certain Goods Concerned and Like Goods are comparable and that Like Goods are manufactured in the UK, however there are certain goods that were not manufactured in the UK during the POI. Even though the UK Industry could technically have the capability to make some larger goods, we have not obtained evidence that the UK Industry is likely to start manufacturing these goods. This does not change our conclusion based on the evidence that goods with a cross-sectional dimension greater than 310mm, or with a weight per metre larger than 14kg were not manufactured in the UK during the POI. We recommend making a final negative determination against these goods pursuant to paragraph 11(6)(b) of Schedule 4 to the Act.

Section E: UK Industry and UK Market

E1. Overview

116. The TRA has determined that all the producers in the UK of Like Goods constitute the UK Industry for this investigation in accordance with paragraph 6(1)(a) of Schedule 4 of the Act.
117. Where appropriate, the TRA used data from UK producers who constituted a major proportion of production (55-65%) to represent the UK Industry.

E2. The wider UK aluminium extrusions industry

118. The UK Industry is part of a wider aluminium extrusions industry (AEI) in the UK, which in turn is a sector within the larger aluminium industry.
119. The wider AEI also includes importers, stockholders, fabrication and coating industries and upstream/downstream industries. Upstream industries include producers and suppliers of inputs, such as aluminium billets, energy, and chemicals. Downstream industries are detailed in [Section E4: UK Market](#).
120. The Aluminium Federation (ALFED) is the trade association that represents interests of the larger aluminium industry in the UK.

E3. Conclusion on UK Industry

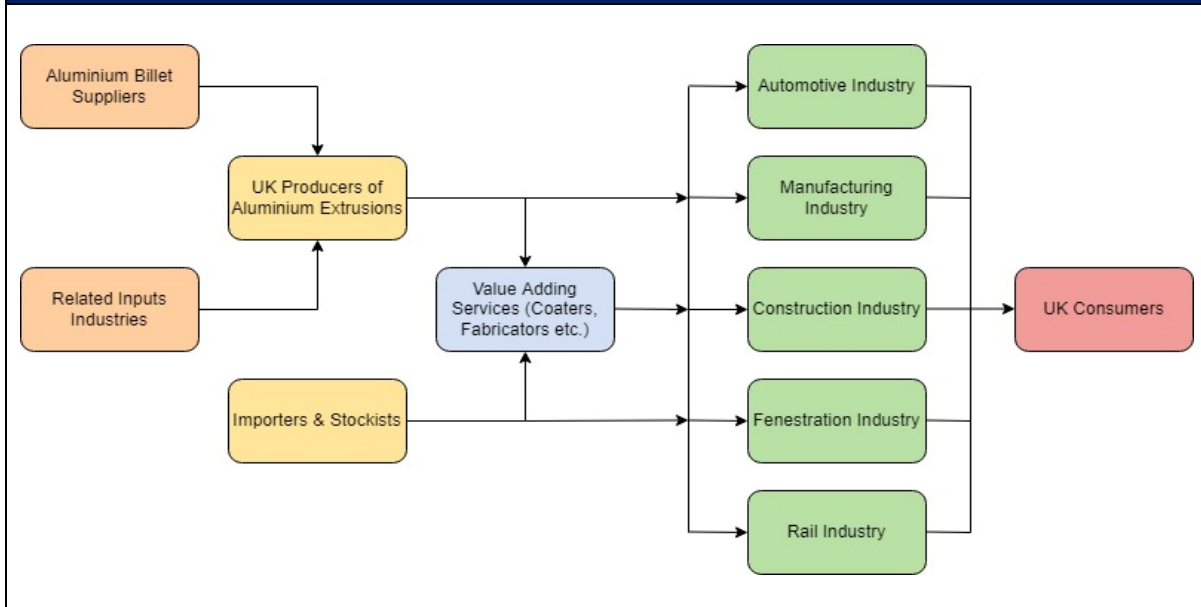
121. The TRA set out the aluminium extrusion production process and employment details for the industry in paragraphs 91 to 93 of the SEF. We determined that all producers in the UK of the Like Goods constitute the UK Industry for this investigation. The aluminium extrusions produced by the UK Industry are Like Goods when compared to certain Goods Concerned, they are wholly produced in the UK, and there is an existing UK Industry.

E4. UK market

122. The UK market for aluminium extrusions covers a wide variety of downstream industries including building, construction, transportation, automobiles, engineering, and consumer durables.

E5. Market structure

Figure 1: An overview of the aluminium extrusions supply chain with examples of downstream industries



123. Figure 1 above shows a simplified structure for the wider AEI, with routes to market (market shown in green in Figure 1). Whilst UK producers of aluminium extrusions can supply value-adding services to the market, these are also provided by businesses in the middle (shown in blue in Figure 1) who will seek supply of extrusions from importers and stockists, as well as UK domestic producers, and/or from importing extrusions themselves.
124. There are seven producers of aluminium extrusions in the UK that produce the Like Goods (known to the TRA): the Applicant, Capalex, BOAL Aluminium, Garnalex, Exlabesa, Aluminium Shapes and Smart Aluminium. Four of these producers are interested parties to the case including the Applicant (see [Section C4: The domestic industry](#)).
125. The TRA set out further information regarding the market structure in paragraphs 101 to 103 of the SEF.

E6. Market size

126. Using the commodity codes set out in the NOI the TRA established the size of the UK market for the Goods Concerned was 191,822 tonnes¹² during the POI.
127. The TRA set out in paragraph 104 of the SEF that the UK market in aluminium extrusions is considerably larger, because the Goods Concerned are also imported under commodity codes outside of those set out in the NOI, including where the end-use qualifies for a lower duty rate.
128. During the POI, UK Industry (as defined in [Section E1: Overview](#)) made up 39% of the total UK market, measured by sales volume as a proportion of total domestic consumption. Importers supplied the remaining 61% showing their importance as part of the wider AEI in helping to meet UK market demand.

E7. Market analysis and trends

129. The UK market suffered disruption and delays to imports following its withdrawal from the European Union (EU Exit) that are explained in [Section H4: The current state of the UK Industry](#).
130. Despite these challenges for the UK Industry during 2020 and early 2021, European Aluminium claims that future demand for aluminium and aluminium extrusions is expected to grow, due to an increase in the manufacture of sustainable products that contain aluminium extrusions.¹³
131. [Section H: Injury](#) addresses relevant historical market trends as part of our injury assessment.

E8. Market demand

132. European Aluminium¹⁴ gives a split of the aluminium extrusion market by sector for 2020, which included the UK, and is therefore considered an indication of UK

¹² HMRC: <https://www.uktradeinfo.com/> and UK producer submissions

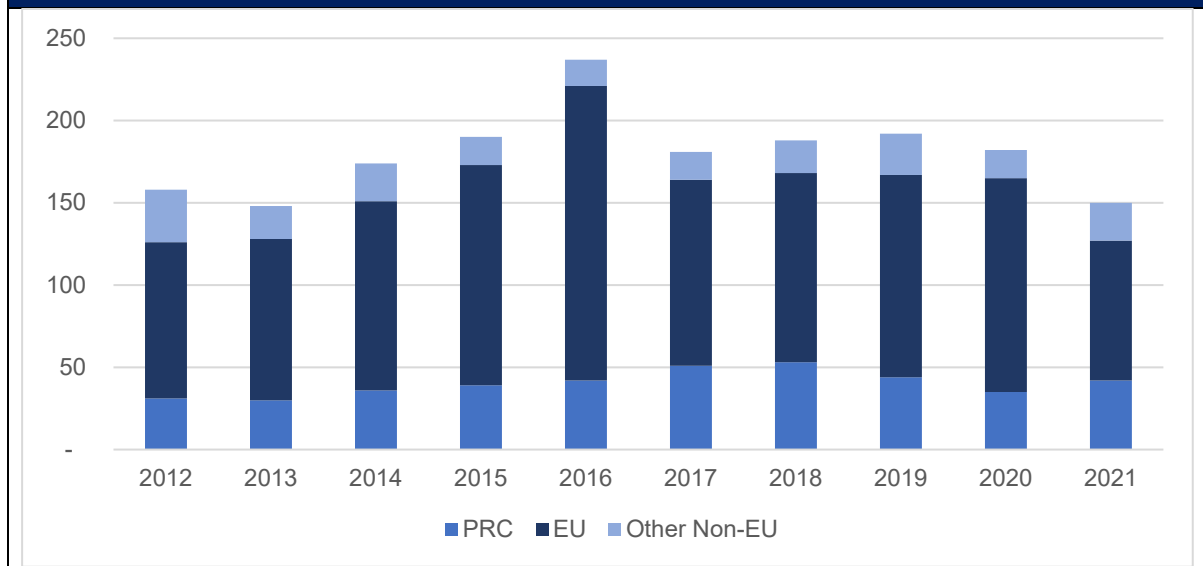
¹³ European Aluminium Circular Action Plan: <https://www.european-aluminium.eu/media/3263/european-aluminium-circular-aluminium-action-plan.pdf>

¹⁴ European Aluminium Market Overview: <https://www.european-aluminium.eu/activity-report-2020-2021/market-overview/>

market demand. The largest market sector was building and construction at 41%, followed by transport at 23%, stockists at 14%, and engineering at 14%. The remaining 8% came from other sectors including consumer goods.

E9. Sources of supply

Figure 2: Source of Imports of the Goods Concerned to the UK from 2012 - 2021 (thousand tonnes)



Source: HMRC: <https://www.uktradeinfo.com/>

133. Figure 2 above details sources of UK imports of the Goods Concerned over a 10-year period. Throughout this period, the PRC made up 20-30% of UK imports and they have consistently been the largest exporter of Goods Concerned to the UK. Germany, Italy, Netherlands, and Spain were the next largest exporters of the Like Goods to the UK during this period.
134. UK domestic supply is concentrated with seven known producers of the Like Goods, detailed in [Section E5: Market Structure](#) above. Downstream industries source supply from importers, stockists, and UK Industry.
135. [Section H: Injury](#), addresses relevant historical market share as part of our injury assessment.

E10. Competition in the market

136. Given aluminium's unique properties including its infinite recyclability, it possesses many advantages over other materials such as steel and plastics. [Section I8: Likely consequences for the competitive environment, and for the structure of the market in the UK](#) addresses competition within the aluminium extrusions market in detail as part of our EIT assessment.

Section F: Particular market situation

F1. Introduction

137. As defined in paragraph 1(1) of Schedule 4 to the Act, goods are “dumped” in the UK when goods are imported into the UK and their export price is less than their normal value.
138. Where possible, the TRA will use the price of the Like Goods sold in the ordinary course of trade in the home market of the exporting country to calculate the normal value. This is known as the comparable price.
139. Under regulations 7(2)(b) and 7(4) of the Regulations it is not appropriate to use comparable price to determine normal value where, because of a particular market situation (PMS) or the low volume of sales in the domestic market of the exporting country or territory, such sales do not permit a proper comparison between the Like Goods destined for consumption in the exporting country or territory and the Goods Concerned.
140. Allegations of a PMS were made by the Applicant¹⁵ in relation to:
- labour;
 - capital;
 - land;
 - government influence;
 - raw materials; and
 - energy.
141. When commenting on the SEF, the Applicant made an additional allegation in relation to die costs.

¹⁵ The Application: <https://www.trade-remedies.service.gov.uk/public/case/AD0012/submission/58db49f3-2ec8-4b8d-9acc-82d85bb69037/>

F2. Assessing allegations of PMS

142. The TRA investigated each allegation of a PMS made by the Applicant to determine if a PMS existed.
143. Regulation 7(4) of the Regulations sets out that a PMS includes circumstances where:
- prices are artificially low;
 - there is significant barter trade;
 - prices reflect non-commercial factors.
144. When assessing allegations of a PMS, the TRA:
- examined whether the PMS allegations were specific in the way they affected the market for the Goods Concerned or the market for the key cost inputs;
 - analysed the supporting evidence to ensure it was specific to the aluminium extrusions industry or cost area, and was within a reasonable time period of the POI;
 - examined whether the alleged distortions have either a negligible or material impact on the costs and final prices of the Goods Concerned.
145. Once the TRA established that a PMS existed we identified a suitable benchmark to assess the impact of the distortion. Once the size of the price difference was established, we considered whether there were any other factors that may be causing the difference between the overseas exporters' costs and the benchmark. Details of the PMS that we identified are set out in [Section F3. Identified distortions](#).
146. The Applicant commented on the allegations rejected by the TRA. It stated that the TRA did not explain why the allegations did not result in a finding of PMS.
147. Details of the PMS allegations that the TRA rejected are set out in paragraphs 148 to 172 below.

F2.1 Labour

148. In the Application and comments on the SEF, the Applicant alleged that:

- The Government of the PRC intervenes in the hiring and dismissal process.
- Collective bargaining of wages is not well developed and a massive supply of low-cost labour by migrant workers contributed to the extensive growth model in the PRC.
- Workers in the PRC have little possibility to freely choose or establish a trade union in which they want to organise themselves.
- The workforce in the PRC is impacted by the hukou household registration system.

149. The TRA assessed relevant legislation including the Labour Law of the PRC.¹⁶ We did not identify any evidence to suggest that employers in the relevant market do not act as independent entities when hiring and dismissing employees. During verification of the sampled overseas exporters we did not identify any evidence to suggest that government influence had led to the hiring or dismissal of employees for those companies.

150. The TRA did not identify any evidence to suggest the cost of labour was distorted in the relevant market. Minimum wage requirements are set out in the Labour Law of the PRC,¹⁷ and there is evidence of an increase in annual wages in manufacturing during the POI.¹⁸

151. The TRA determined that whilst the Trade Union Law of the PRC permits the existence of trade unions, these cannot operate independently and do not permit strike action. Although this is the case, there have been incidences of strike action occurring in the manufacturing industry for metallic products within

¹⁶ The Labour Law of the PRC: http://www.npc.gov.cn/zgrdw/englishnpc/Law/2007-12/12/content_1383754.htm

¹⁷ Article 48 of the Labour Law of the PRC

¹⁸ Trading Economics: <https://tradingeconomics.com/china/wages-in-manufacturing#:~:text=Wages%20in%20Manufacturing%20in%20China%20is%20expected%20to%20reach%2084100.00,macro%20models%20and%20analysts%20expectations>

the PRC.¹⁹ We have therefore determined that we do not have evidence to demonstrate that the Trade Union Laws impact labour costs or the final price of the Goods Concerned.

F2.2 Capital

152. In the Application and in comments on the SEF, the Applicant alleged that:

- Access to capital is tightly regulated by governmental institutions. State owned enterprises and private companies close to the government take advantage of available capital.
- Loans have been provided to companies below normal commercial market rates regardless of risk.
- Significant financial support in the aluminium industry is provided by state-owned banks.
- Loan interest subsidies are offered to companies to direct investment into projects deemed key by governmental organisations.

153. In its submission of 24 February 2022, Haomei provided the TRA with details of its loans over the Injury Period and POI.²⁰ Whilst Haomei did receive loans from state-owned banks, we found that the interest rates were above the benchmark for the PRC and comparable with international interest rates.²¹

154. The TRA did not identify any evidence that PMI (PRC) or Shandong Nanshan had received preferential loans.

155. In its submission of 24 February 2022, Haomei provided the TRA with details of government grants received over the POI.²⁰ Within its submission Haomei

¹⁹ The China Labour Bulletin Strike Map:

https://maps.clb.org.hk/?i18n_language=en_US&map=1&startDate=2022-03&endDate=2022-09&eventId=&keyword=&addressId=&parentAddressId=&address=&parentAddress=&industry=&parentIndustry=&industryName=

²⁰ Confidential annex: <https://www.trade-remedies.service.gov.uk/public/case/AD0012/submission/8223d149-d097-457b-90cd-e37c3de1aeea/>

²¹ World Bank, Lending interest rate (%): <https://data.worldbank.org/indicator/FR.INR.LEND>

states that these are "...not to be considered public subsidies, but mere rewards for the implementation of High Tech, Ecological, Employment policies...".

156. The TRA compared income from government grants against Haomei's overall income during the same period. We determined that the government grants are minimal and do not materially benefit Haomei or distort the final price of the Goods Concerned.
157. The TRA identified government grants given to Shandong Nanshan within their audited financial accounts for 2020. However, the TRA could not determine that these were specific to the Goods Concerned, as it is also engaged in the production of a variety of other products. We compared the income from government grants against Shandong Nanshan's overall income during the same period. We determined that whether or not the grants relate to the Goods Concerned, they are minimal and do not materially benefit Shandong Nanshan, or distort the final price of the Goods Concerned.
158. State-owned enterprises may have access to preferential capital, however none of the sampled overseas exporters are state-owned enterprises, so the TRA could not verify the extent to which state-owned enterprises benefit.
159. Whilst the sampled overseas exporters accessed capital via state owned banks and received government grants which may reflect non-commercial factors, the TRA concluded that loan interest rates were comparable to international benchmarks and government grants did not materially benefit the sampled overseas exporters, or distort the final price of the Goods Concerned.

F2.3 Land

160. In the Application and in comments on the SEF, the Applicant alleged that all land in the PRC is owned by the State, the allocation of land is exclusively dependent on the State, and the State pursues specific political goals rather than following free market principles.

161. The TRA analysed relevant legislation including the Constitution of the PRC,²² and the Property Law of the PRC.²³ The TRA also analysed land-use by each sampled overseas exporter.
162. The TRA determined that whilst significant control is exercised by the Government of the PRC over land-use, there is no evidence that the control of land-use impacts costs or the final price of the Goods Concerned.

F2.4 Government influence

163. In the Application and in comments on the SEF, the Applicant alleged that party cells exist in companies in the PRC which the government uses to implement policy and influence decision-making.
164. The TRA analysed relevant legislation, including Article 19 of the Company Law²⁴ in the PRC and reports from the All-China Federation of Industry and Commerce, and determined that government or party organisations do exist within some companies in the PRC.²⁵
165. The TRA has not received evidence that the overseas exporters are influenced by government or party organisation, or that that this impacts costs of production or the final price of the Goods Concerned.

F2.5 Raw materials

166. In the Application the Applicant made allegations relating to distortions in raw materials including:
- That the PRC invests into expanding its sources of raw material including the acquisition of mines.

²² The Constitution of the PRC http://www.npc.gov.cn/zgrdw/englishnpc/Constitution/node_2825.htm

²³ The Property Law of the PRC: http://www.npc.gov.cn/zgrdw/englishnpc/Law/2009-02/20/content_1471118.htm

²⁴ The Companies Law of the PRC: http://www.npc.gov.cn/zgrdw/englishnpc/Law/2007-12/12/content_1383787.htm

²⁵ An Analysis Report on the Current Situation of Party Organization Construction in China's Private Enterprises: https://www.acfic.org.cn/fqdt1/zjgd/201905/t20190523_125262.html and China's Top 500 Private Enterprises http://www.acfic.org.cn/zzjg_327/nsjg/jjb/jjbqzhdzt/2020my5bq/2020my5bq_bqbd/202009/t20200904_244200.html

- The price of raw materials on the market and the overall volume of production is influenced by the government.
- The 13th Five Year Plan has a number of detailed provisions with regard to different mineral groups.
- For Iron, manganese, copper, aluminium, nickel, lead, zinc, tungsten, tin, antimony, gold and silver, the 13th Five Year Plan envisages to ensure enterprise concentration and development of large and medium-sized mines competitive on the market.
- The prices of refined oil are adjusted by the National Development and Reform Commission of the PRC (NDRC).
- The current pricing of water does not reflect the real cost.
- Stockpiling is an instrument allowing the State to significantly influence raw material prices.

167. The TRA found specific evidence of a PMS in relation to the aluminium input (in the form of aluminium billet), which is a major input in the production of the Goods Concerned. Our findings are set out in [Section F3: Identified distortions](#).

168. The TRA found that the other raw materials identified by the Applicant were not material to the production of the Goods Concerned.

F2.6 Energy

169. The TRA found specific evidence in relation to energy costs, which is a major input in the production of the Goods Concerned. Our findings are set out in [Section F3: Identified distortions](#).

F2.7 Die costs

170. In the comments on the SEF, the Applicant claimed that die costs are distorted as a result of a PMS in the steel industry in the PRC.

171. Manufacturers of aluminium extrusions have widely different pricing policies with their customers. Customers will often pay for die costs and some customers will

transfer dies and die designs from one producer to another. Dies are often used repeatedly over many years, with maintenance and labour costs being major factors in the cost of dies.

172. Whether a PMS exists in the market for steel in the PRC, the TRA has determined that it is not possible to quantify the impact, if any, on die costs, as the use and cost application of dies varies significantly between different producers and customers.

F3. Identified distortions

173. The TRA identified that a PMS was present in the market for two cost areas: aluminium input and energy.
174. The Applicant commented that it is unclear whether the TRA has found a PMS in the market for aluminium extrusions. They commented that any finding of a PMS in an input market means that there is a distortion in the aluminium extrusions market, and it is not appropriate to base normal value for any exporting producer on prices in that market.
175. The TRA has considered the Applicant's comments. A finding of a PMS in one cost area does not automatically mean that a PMS exists in other cost areas. We have assessed each allegation of a PMS individually in accordance with our guidance.
176. The Applicant also commented that the TRA has not considered cross-cutting distortions. The TRA has set out its findings on whether cross-cutting distortions affect the aluminium extrusions market in [Section F2: Assessing allegations of a PMS](#).
177. As set out in paragraphs 127 to 146 of the SEF the TRA findings are that:
- Aluminium billets typically constitute 65% to 95% of the cost of production of aluminium extrusions.
 - Export taxes on unwrought aluminium have consistently remained at 15% in the PRC since 2009. Export restrictions have had the effect of artificially increasing the domestic supply of these products and lowering prices. In

comparison, export taxes on semi-fabricated products and articles of aluminium are approximately 0% to 1%. This encourages the export of processed aluminium products.

- Energy costs in the form of electricity and gas typically constitute 3%-12% of the cost of production of aluminium extrusions. Energy is subject to price-setting or guided by Local Governments.

178. MOFCOM commented on the TRA's use of the word 'likely' throughout the PMS section of the SEF. MOFCOM submit that use of this word indicates the conclusion is inferred rather than determined.

179. The TRA determined that a PMS exists in paragraphs 162, 169 and 176 of the SEF.

180. MOFCOM commented on the TRA's use of the OECD 2019 report 'measuring distortions in international markets: the aluminium value chain'.²⁶ MOFCOM stated that this article is outdated and should not be used as a basis for investigating the existence of a PMS.

181. The TRA has considered MOFCOM's comments. Where the OECD 2019 report has been used the TRA has corroborated findings with evidence from the POI. The OECD Export restrictions database²⁷ confirms that export taxes on unwrought aluminium have consistently remained at 15% from 2009 to 2020, which covers the first seven months of the POI. Further evidence from publicly available sources shows that this remained unchanged in 2021.²⁸

182. MOFCOM and PMI (PRC) commented on the relationship between the price of aluminium ingot on the London Metal Exchange (LME) and the Shanghai Futures Exchange (SHFE).

²⁶ OECD report: https://www.oecd-ilibrary.org/trade/measuring-distortions-in-international-markets-the-aluminium-value-chain_c82911ab-en

²⁷ OECD Export Restrictions database: https://qdd.oecd.org/subject.aspx?Subject=ExportRestrictions_IndustrialRawMaterials

²⁸ Ministry of Finance of the People's Republic of China: <http://gss.mof.gov.cn/gzdt/zhengcefabu/202112/P020211215573609354130.pdf> and Winland Metal: <https://www.winlandmetal.com/faq/chinas-aluminum-product-import-and-export-tax-rate-adjustment-2021>

183. Comments on the relationship between the prices of aluminium ingot on the LME and the SHFE were also received prior to the SEF publication. The TRA addressed these comments in paragraphs 132 to 139 of the SEF. Our conclusion on the relationship between the LME and the SHFE has not changed.
184. MOFCOM commented that export tax cannot constitute a factor for determining PMS. Through our research and analysis (as set out in Section E of the SEF), the TRA is satisfied that there is evidence of the export tax increasing domestic supply and lowering prices artificially.
185. MOFCOM commented that the logic of the TRA is not reasonable. They stated that “According to this logic, there are tariffs on the import of aluminium extrusions therefore, the domestic sales price of aluminium extrusions in China has been artificially increased. Obviously, this logic of determination is not reasonable”.
186. The TRA contacted MOFCOM to clarify their comments but did not receive a response at the time of publication. However, we are satisfied those imports would not have a material impact on the market in the PRC, as they are low in volume compared to domestic production (as set out in paragraphs 188 to 189).
187. MOFCOM submits that the PRC’s import volume of primary aluminium²⁹ during the POI is evidence that the PRC’s aluminium price was determined by market forces.
188. The TRA considered MOFCOM’s comments. We have compared import volumes against the PRC’s domestic production. According to Reuters³⁰ and Statista,³¹ the PRC produced approximately 37 million tonnes of primary aluminium in 2020 and 38 million tonnes of primary aluminium in 2021. According to MOFCOM, the PRC imported 1.612 million tonnes of primary

²⁹ Table 1 of submission: <https://www.trade-remedies.service.gov.uk/public/case/AD0012/submission/51bfd09-6e57-4b88-aa73-e7f85c7624d6/>

³⁰ Reuters: <https://www.reuters.com/article/us-china-metals-carbon-aluminium-idUSKCN2DF1DG>

³¹ Statista: <https://www.statista.com/statistics/449051/china-primary-aluminum-production/>

aluminium across the POI. This is approximately 4% of the volume produced domestically.

189. The TRA concluded that imports of primary aluminium are low and would not have a material impact on the market for primary aluminium in the PRC.
190. MOFCOM commented that during the POI the price of primary aluminium imported from the international market was lower than that of aluminium in the PRC.
191. The TRA cannot determine whether the price of primary aluminium imported into the PRC was lower than that produced in the PRC. MOFCOM has not provided any evidence showing the price of imports and whether they come from a market economy.
192. MOFCOM also provided comments that set out the purpose of the export tax on products, and the purpose of price setting or price guidance.
193. The TRA considered MOFCOM's comments. The intention behind export tax and price setting or price guidance does not make a difference on the effect that it has had on the input costs and the final price of the Goods Concerned.

F4. Benchmarks

194. Benchmark costs were identified to represent the aluminium input and energy costs in normal market conditions under regulation 13(4)(a) of the Regulations. These benchmarks were used to assess the impact of the distortion on prices.
195. In accordance with regulation 13(5) of the Regulations the TRA selected benchmarks from Brazil as a representative third country based on the following criteria:
 - Brazil has a similar level of economic development to the PRC, based on GDP per capita, life expectancy and literacy rate;

- Brazil has a similar level of employment in the industry (defined by the World Bank)³² as a percentage of total employed
- Brazil has evidence of an aluminium industry and production of aluminium extrusions; and
- availability of relevant information. Where more than one country fit the above criteria, a country was selected based on the quality of available information from secondary and publicly available sources.

196. In certain circumstances, alternative data sources have been used. LME was used as a global standard for aluminium ingots and aluminium 6063 Billet Upcharge delivered US Midwest was used for Billet Premiums.

197. The aluminium input benchmark is made up of:

- the cost of primary aluminium, in the form of aluminium ingots (using LME Primary Aluminium);
- the cost to acquire the aluminium ingot, which is known as the regional premium (using Regional Premium (Brazil DDP)); and
- the cost of processing the aluminium ingot into a billet, which is known as the billet premium (using aluminium 6063 Billet Upcharge delivered US Midwest).

198. The energy benchmark is made up of electricity and gas. The TRA identified the total volumes of electricity and gas used by each overseas exporter and used this information to calculate a weighted average energy cost using the benchmark cost information. This meant that the benchmark data reflected the source and volume of energy used by each overseas exporter.

199. Once benchmarks were established, they were compared to the sampled overseas exporters' actual aluminium input and energy costs. The aluminium input costs were approximately 5%-20% lower than the benchmark, and energy costs were approximately 25%-55% lower than the benchmark.

³² Industry defined by The World Bank as "The industry sector consists of mining and quarrying, manufacturing, construction, and public utilities (electricity, gas, and water)".

200. MOFCOM commented that the TRA cannot determine a PMS exists (or that prices are artificially lowered) based on the price difference between the overseas exporters' actual costs and the benchmarks.
201. The TRA considered MOFCOM's comments. There is no minimum level of distortion that must be met and there is no established threshold for what constitutes a significant difference.
202. Through research and analysis the TRA has concluded that a PMS exists, and the use of benchmarks has allowed us to estimate the size of the distortion created by the PMS. MOFCOM have not provided evidence to suggest low costs are not a result of the distortions identified.
203. The TRA has determined that the aluminium input and energy costs for Shandong Nanshan are not a result of a PMS and are a result of a highly integrated production process. This is addressed in [Section F5: Treatment of Shandong Nanshan](#).

F4.1 Aluminium billet benchmark

204. PMI (PRC) and MOFCOM commented on the use of Brazil as a third country when calculating the benchmark. It suggested that the TRA use the Cost, Insurance and Freight (CIF) Japan premium as a more suitable benchmark for the regional premium. The Applicant provided comments in response to these claims.
205. The TRA considered these comments and the response from the Applicant. We are satisfied that Brazil is an appropriate representative country as it has a similar level of economic development in accordance with regulation 13(5)(b) of the Regulations, as set out in paragraphs 149 to 152 of the SEF.

F4.2 Energy Benchmark

206. MOFCOM commented on the use of Brazil as a third country when calculating the energy benchmark. They commented that the energy cost of Brazil is higher than that of other countries including developed countries such as the United States and Canada. They also commented that the main source of electricity in

Brazil is hydropower, which is affected by seasons, and that in the dry season the electricity price in Brazil will be unreasonably high.

207. The TRA considered MOFCOM's comments. We analysed cost variations in the Brazilian electricity and gas costs used to construct the Brazilian energy benchmark. We found that there was minimal variation in energy costs between the winter months (June to July) and summer months (November to December), meaning the seasonal variation did not have a material impact on the Brazilian energy benchmark costs.
208. The TRA concluded that Brazil is an appropriate representative country in accordance with regulation 13(5)(b) of the Regulations, as it has a similar level of economic development as the PRC, as set out in paragraphs 149 to 152 of the SEF.

F5. Treatment of Shandong Nanshan

209. The TRA found that the distortions in the aluminium input and energy costs did not impact Shandong Nanshan due to its integrated production processes.
210. The TRA found that:
- Shandong Nanshan produces its own aluminium inputs internally, so the costs it incurs are not affected by the distortions that operate in the domestic market for unwrought aluminium.
 - Shandong Nanshan purchases the bauxite used in the production of the aluminium input from suppliers in Australia, so it is not impacted by market distortions.
 - Shandong Nanshan produces its own electricity, so it is not impacted by price-control mechanisms, and it is not bought or sold on the open market before use in production of the Goods Concerned.
 - Although Shandong Nanshan uses natural gas which is bought from independent companies, the level of distortion is too small to make a material impact on the end price of the Goods Concerned.

211. The Applicant commented on the TRA's findings. They submitted that, if there is a PMS in the market then Shandong Nanshan cannot be exempt from this, even if it has integrated production processes.
212. The TRA considered the Applicant's comments. We have assessed each allegation of a PMS on an exporter-by-exporter basis. We have identified a PMS in two inputs used to produce aluminium extrusions. We have considered the circumstances of Shandong Nanshan's operations in relation to these two inputs and have concluded that Shandong Nanshan is not impacted by the identified distortions.
213. The Applicant commented that Shandong Nanshan purchases coal to produce energy, and that the market for coal in the PRC is distorted.
214. The TRA found that there is evidence that coal prices in the PRC reflected non-commercial factors during the POI. The transportation prices of coal were subject to price controls by the central government in 2021 and coal was subject to export quotas in 2020.³³
215. In Shandong Nanshan's submission of 7 March 2022,³⁴ it claims that, although its coal is purchased in the PRC, the prices are undistorted, as evidenced by the IHS Report³⁵ which includes prices from major producing countries or regions of steam coal worldwide.
216. The TRA used publicly available sources to corroborate the coal prices in the IHS report.³⁶ We then compared the coal purchases made by Shandong Nanshan during the POI against the international coal prices.
217. The TRA has determined that Shandong Nanshan's purchases of coal are comparable with international benchmarks and do not prevent a proper comparison between the normal value and export price.

³³ World Trade Organisation, Trade Policy Review: https://www.wto.org/english/tratop_e/tpr_e/s415_e.pdf

³⁴ Shandong Nanshan Submission: <https://www.trade-remedies.service.gov.uk/public/case/AD0012/submission/9401d448-0044-4931-9acf-0e04210bdac3/>

³⁵ Shandong Nanshan Submission: Annex 1, IHS Markit, IHS McCloskey Coal and Petcoke Prices (Confidential)

³⁶ The International Energy Agency: <https://www.iea.org/reports/coal-2020/prices-and-costs>

F6. Proper comparison

218. MOFCOM commented that the TRA has not made an in-depth analysis and assessment on whether the PMS affects the domestic sales price and export price of the goods.
219. In accordance with regulation 7(2)(b) of the Regulations it is not appropriate to use the comparable price to determine the normal value of the goods concerned where, because of a PMS, such sales do not permit a proper comparison between the Like Goods destined for consumption in the exporting country or territory and the Goods Concerned.
220. The TRA has assessed whether a proper comparison can be made between the normal value and export price for PMI (PRC) and Haomei.
221. In conducting this comparison, the TRA has considered Australia – Anti-Dumping Measures on A4 Copy Paper,³⁷ and has conducted an assessment of the relative effect of the PMS on domestic and export sales.

F6.1 Conditions of competition

222. The TRA found that conditions of competition in the PRC and the UK are materially different.
223. The production processes for UK producers and the overseas exporters are similar in terms of manufacturing process and inputs, with the main inputs being the primary aluminium input and energy.
224. Primary aluminium in the PRC is almost entirely supplied domestically. The volume of imports over the POI is approximately 4% of the volume produced domestically (as set out in paragraph 188).
225. A distortion exists in the aluminium input and energy costs in the PRC as set out in [Section F3: Identified distortions](#).

³⁷ Panel Report WT/DS529/R Australia – Anti-Dumping Measures on A4 Copy Paper.

226. The UK Industry sources its primary aluminium and energy from both the UK and the EU.³⁸ During verification it was established that these input costs were undistorted.
227. The aluminium extrusions market in the UK is characterised by a mix of UK Industry and imports from several countries. The highest percentage of imports comes from the PRC, with the next highest volumes coming from Germany, Italy and Spain, as set out in [Section H: Injury](#).
228. The PRC is the world's leading producer in most segments of the aluminium value chain, including aluminium extrusions. The TRA analysed the PRC's imports of aluminium under commodity code 76 (aluminium and articles thereof).³⁹ We found that imports of aluminium extrusions that fall under commodity codes 7604, 7608 and 7610 were each under 1% of total aluminium imports and were low in comparison to production.⁴⁰ We determined that the market in the PRC is characterised by a low level of imports.

F6.2 The relationship between price and cost

229. The TRA found that the relationship between price and cost is materially different between the two markets.
230. The TRA analysed costs of production for the PCNs sold by PMI and Haomei New Materials Co in both markets. We determined that there is no difference in costs of production for both markets (or the difference between costs is negligible).
231. The TRA did find a difference in the costs of production in both markets for PMIT, however, PMIT only make up a small percentage of overall sales of the Goods Concerned for PMI (PRC). The nature of PMIT's operation means the

³⁸ UK Producers questionnaires Annex II, 6) Raw Materials and inputs

³⁹ United Nations Comtrade Database: <https://comtrade.un.org/>

⁴⁰ Production calculated using secondary sources including Shanghai Metals Market News: <https://news.metal.com/newscontent/101761053/65-years-of-aluminum-extrusion-industry-in-china> AL Circle: <https://www.alcirclebiz.com/blog-top-aluminum-extrusion-players-in-china> Future Markets Insight: <https://www.futuremarketinsights.com/reports/aluminium-extrusions-market> and Statista: <https://www.statista.com/statistics/1115100/share-of-extruded-aluminum-consumption-by-region/>

goods they produce are very specialist and can require widely different varieties of fabrication processes.

232. The TRA considered that the administrative, selling and general costs (AS&G costs) in the PRC may differ from the AS&G costs for export sales of the Goods Concerned. However AS&G costs are not a substantial part of overall cost (5%-10%).

233. The TRA has determined that average invoice prices of the overseas sampled exporters are broadly similar with a couple of exceptions.⁴¹

234. The TRA compared average invoice import prices into the UK and found that the PRC import prices were the lowest of any country across all imports. We calculated an average undercutting margin covering all PCNs which can be seen in [Section H3: Prices and Undercutting of the UK Industry](#).

235. The TRA considered how profit margins vary between the Like Goods produced and sold domestically in the PRC and the Goods Concerned sold into the UK market. We assessed the high-level profit margins for all Goods Concerned, as provided in the sampled overseas exporters questionnaires.⁴² We were unable to reach any reasonable conclusions on the high-level profit margins because:

- profits were affected by COVID-19 during the POI;
- there does not have to be much variation in prices for profit margins to materially change; and
- some PCNs are exported from the PRC into the UK in very small quantities, compared to the volumes sold in the PRC.

236. Notwithstanding the above, the high-level profit margins for Haomei New Materials Co show a higher profit on its domestic sales. As there is a minimal difference in Haomei New Materials Co costs of production for the Like Goods produced and sold domestically in the PRC and the Goods Concerned sold into

⁴¹ Confidential overseas exporters questionnaires, Annex II, B4) Domestic Sales

⁴² Confidential overseas exporters questionnaires, Annex II, D11) Profitability

the UK, this indicates that it is taking advantage of the low-cost inputs available to undercut UK producers and third country imports into the UK.

237. To further assess the relationship between price and cost, the TRA conducted an analysis of profit margins on an individual PCN level for the largest overseas exporter; PMI (PRC). This was calculated using the ex-works cost to make, ex-works normal value and ex-works export price. We found that for the PCNs sold in representative quantities to the UK, PMI (PRC) were making higher profits in their domestic sales in the PRC.
238. If the relationship between price and cost for aluminium extrusions was the same the TRA would expect profit margins in both markets to be broadly similar.

F6.3 The relative effect of PMS on domestic and export prices

239. The TRA found that the relative effect on domestic and export price is materially different.
240. The low-cost of aluminium inputs and energy do not give overseas exporters in the PRC an advantage in their domestic market when it comes to price, as the low-cost inputs are broadly available to all overseas exporters in the PRC equally. This is evidenced by the average sales invoice prices in the PRC, which are broadly comparable across the sampled overseas exporters
241. In the UK, where the aluminium input and energy costs are not distorted, and there are high volumes of imports from third countries, competitive pricing exists at a higher level than the PRC. This is evidenced by the UK producers' costs of production, and average import prices from third countries.
242. The low costs of aluminium input and energy give overseas exporters in the PRC a competitive advantage when selling into the UK where a higher level of competitive pricing exists than the PRC. The low-cost of aluminium inputs and energy mean that they can:
- Increase profit margins and compete within the range of the price levels of UK producers and third country imports, and/or;

- Undercut the level of competitive pricing in the UK, so that they are not competing on a level playing field with UK producers and third country imports.

F6.4 Conclusion

243. The TRA has concluded that there is a PMS in the PRC in relation to the aluminium input and energy costs, and that the distortions caused by the PMS impact the normal value of the Goods Concerned for two overseas exporters: PMI (PRC) and Haomei.

244. The TRA found that:

- These distorted input costs means that there is a lower level of competitive pricing in the PRC than the UK.
- The relationship between price and cost is materially different in both markets, and therefore the relative effect on domestic price and export price is materially different.
- Although the PRC benefits legitimately from economies of scale and integration, if these input costs were not distorted, a higher level of competitive pricing would exist in the PRC, resulting in a higher normal value.

245. These quantitative and qualitative factors mean that a proper comparison between the normal value and export price is not possible.

246. In accordance with regulation 7(2)(b) and 7(4) of the Regulations, it is therefore not appropriate to use the comparable price to determine the normal value of the Goods Concerned.

Section G: Dumping

G1. Introduction to dumping

247. The TRA has assessed whether the Goods Concerned are being dumped in accordance with paragraphs 1(1) and 8(1)(a) of Schedule 4 to the Act.
248. As part of this assessment, the TRA has calculated dumping margins in accordance with paragraph 2 of Schedule 4 to the Act.
249. The dumping margin is the difference between the export price and the normal value of the goods being dumped, described as a percentage of the export price. Dumping margins are determined under Part 2 of the Regulations.
250. The TRA calculated an individual dumping margin for each of the three sampled overseas exporters who cooperated in the investigation: PMI (PRC), Shandong Nanshan and Haomei.
251. The TRA calculated a dumping margin for the non-sampled cooperative overseas exporters. [Section G6. Non-sampled cooperating overseas exporters](#) explains how this margin was calculated. The overseas exporters who are subject to this rate can be seen in [Annex A: Interested parties and contributors](#).
252. The TRA calculated a dumping margin for all other overseas exporters. This is known as the residual margin. [Section G7. Residual margin](#) explains how this margin was calculated.

G2. PMI (PRC)

G2.1 Normal value

253. In accordance with regulation 7(2)(b) of the Regulations, the TRA has found that it is not appropriate to use the comparable price to determine the normal value of the Goods Concerned because:
- a PMS distorts the aluminium input and energy costs; and
 - certain PCNs that are sold for export to the UK are not sold in the domestic market in the PRC.

254. The TRA has calculated the normal value of the Goods Concerned by determining the costs of production plus a reasonable amount for AS&G and for profits, in accordance with regulation 8(1)(a) of the Regulations.
255. The TRA determined the cost of production and AS&G costs on the basis of data from PMI (PRC)'s records in accordance with regulation 11(2) and 12(2) of the Regulations, with the exception of the aluminium input and energy costs.
256. The TRA determined that the aluminium input and energy costs do not reasonably reflect competitive market costs that are suitable for the purpose of constructing normal value. We have therefore not determined the costs of these inputs on the basis of PMI (PRC)'s records in accordance with regulation 11(2) and (3) of the Regulations.
257. In accordance with regulations 11(6) and 12(4) of the Regulations the TRA may make adjustments in accordance with regulation 13 of the Regulations.
258. An adjustment was made to increase PMI's aluminium input and energy costs to bring them in line with benchmarks, in accordance with regulation 13(3) and regulation 13(4)(b) of the Regulations. [Section F4. Benchmarks](#) sets out how the benchmarks have been calculated.
259. The TRA determined that for all other costs, PMI (PRC)'s records are suitable for use in constructing the normal value, as they are considered to be in accordance with generally accepted accounting principles of the exporting country and reasonably reflect the costs associated with the production and sale of the like goods in the exporting country in accordance with regulation 11(3)(a) of the Regulations.
260. The TRA found that certain PCNs were not sold by PMI or PMIT in the domestic market but were sold for export to the UK. As set out in paragraphs 201 to 202 of the SEF the TRA established costs of production for these PCNs using PMI (PRC)'s export cost of production data (with adjustments to PMIs aluminium input and energy costs, as set out in paragraph 258 and PMIT's semi-finished goods, as set out in paragraph 263).

261. The TRA determined that there is no difference in costs of production between markets for PMI. The TRA found some differences in costs of production between markets for PMIT and applied an adjustment to account for this. The TRA is satisfied that the AS&G costs for domestic sales are allocated equally and was able to apply a per unit amount to the PCNs not sold domestically.
262. In the SEF the TRA made an adjustment to remove the profit element for a related party transaction, which is the semi-finished good input purchased by PMIT from PMI. The TRA has since determined that these transactions were made at arm's length and therefore do not require adjusting with respect to this factor.
263. The TRA has therefore adjusted the costs of semi-finished goods in accordance with regulation 13 of the Regulations in order to account for the PMS identified in the aluminium input and energy used to create the semi-finished goods.
264. A reasonable level of profit was then applied to the constructed normal value. Further detail on how the reasonable level of profit was calculated can be seen in [Section G5: Reasonable level of profit](#).
265. PMI (PRC) commented on the TRA's approach in applying an adjustment to bring their aluminium input costs in line with the benchmark. PMI submit that its aluminium billet is made up of 62% aluminium ingot and 37% scrap and it is only the aluminium ingot element that should be adjusted.
266. The Applicant provided comments in response which the TRA has also considered.
267. During verification the TRA had discussions with interested parties around scrap. Our understanding of the process is that the metal market price of aluminium billet is based on 100% aluminium ingot regardless of what percentage of scrap is used in making the aluminium billet.
268. During verification the TRA established that PMI (PRC) use a local benchmark called the 'South Reserve Price', which operates in a similar manner to the LME or Shanghai Metals Market (SMM).

269. The TRA concluded that it is not necessary to apply the benchmark to only the aluminium ingot element, as the aluminium billet cost is based on 100% aluminium ingot as industry standard.

G2.2 Export Price

270. In accordance with regulations 15(2) and 15(7)(a) of the Regulations, the TRA found that PMI (PRC)'s sales to the UK are made through a related importer in the UK (PMUK), and that this relationship affects the export price. The TRA has therefore used a constructed export price in accordance with regulation 15(3) of the Regulations.

271. The TRA has used a constructed export price based on the price at which the Goods Concerned are first sold to an independent buyer in the UK, in accordance with regulation 15(4)(a) of the Regulations.

272. To get to the price at which the Goods Concerned are first sold to an independent buyer in the UK, PMUK's sales data was used, and adjustments were made for:

- actual costs incurred by PMUK between importation and resale, in accordance with regulation 15(5)(a) of the Regulations; and
- a reasonable level of profit that would usually be accrued by an importer of the Goods Concerned in accordance with regulation 15(5)(b) of the Regulations.

273. The TRA calculated actual costs incurred between importation and resale by using PMUK's financial accounts for 2020. Administrative costs were calculated as a percentage of the total sales revenue.

274. The Applicant commented that the financial accounts of PMUK are affected by its relationship with PMI (PRC) and cannot be used as they do not reasonably reflect the actual costs incurred between the importation and resale of the Goods Concerned.

275. The TRA has considered the relationship between PMI (PRC) and PMUK. During verification no issues were identified that would have affected PMUK's

costs based on its relationship with PMI (PRC). We analysed the financial accounts for PMUK in previous years and concluded that the figure used is reflective of normal operations.

276. The Applicant commented that the administrative costs taken from the financial accounts of PMUK do not reflect fully all costs associated with the importation and resale of the Goods Concerned into the UK.
277. The TRA analysed the trial balances for PMUK. We established that certain costs we would expect to appear under administrative costs were included under cost of sales in the financial accounts. We have used the trial balances for PMUK to identify all costs associated with importation and resale in accordance with regulation 15(6)(h) of the Regulations, and revised the percentage used to calculate the adjustment from 2.9% to 5.2%.
278. A reasonable level of profit was calculated using the publicly available financial accounts of a comparable UK based importer in accordance with regulation 15(6)(f) of the Regulations.⁴³
279. Because of the effects of COVID-19 on the aluminium extrusions market during the POI, the financial accounts for 2019 were used. As set out in [Section G5: Reasonable level of profit](#), this approach was also taken when calculating the reasonable level of profit for the constructed normal value.
280. The Applicant commented that the reasonable level of profit should either be calculated using the weighted average of all unrelated importers of the Goods Concerned during the POI or the Press Metal Group of Companies as a whole.
281. The TRA considered whether it was appropriate to calculate a reasonable level of profit using the weighted average of all unrelated importers in the UK during the POI.
282. There was significant disruption to imports in the UK during the POI which was caused by several factors such as:

⁴³ Companies House: <https://find-and-update.company-information.service.gov.uk/company/03551533>

- the imposition of EU provisional duties in October 2020 for three months;
- the end of UK's transition period following EU Exit;
- the Suez Canal blockage during Q1 to Q2 of 2021; and
- the COVID-19 pandemic, and the resulting shipping crisis that led to increased container costs and delays.

283. The TRA concluded that due to the significant disruption to imports, the profit achieved by importers in the UK during the POI would not be reflective of normal profit levels.

284. The TRA assessed HMRC data, which records 738 companies that imported aluminium extrusions during the POI. Not all companies have publicly available financial accounts which can be used to calculate profit, and it is not possible to identify those that are solely importers.

285. The TRA concluded that it was not possible to calculate a reasonable level of profit based on all unrelated importers of the Goods Concerned in the UK.

286. The TRA considered whether the profit levels for the Press Metal Group of Companies could be used.

287. The Press Metal Group of Companies is structured as follows:⁴⁴

- Upstream companies:
 - Japan Alumina Associates Pty Ltd
 - PT Bintan Alumina Indonesia
 - Shandong Sunstone & PMB Carbon Ltd
- Midstream companies:
 - Press Metal Bintulu Sdn. Bhd.
 - Press Metal Sarawak Sdn. Bhd.
 - Press Metal Aluminium Rods Sdn. Bhd.

⁴⁴ The Press Metal Group of Companies website: <https://www.pressmetal.com/the-company/group-structure.php>

- Downstream companies:
 - PMB Aluminium Sdn. Bhd.
 - Press Metal International (China)
 - Press Metal International Technology Ltd. (China)
- Distribution and Trading companies:
 - Press Metal UK Limited
 - Press Metal Aluminium (Aus.) Pty. Ltd.
 - Press Metal North America Inc.
- Projects:
 - Angkasa Jaya Sdn. Bhd.
 - PMB Development Sdn. Bhd.

288. The TRA concluded that, as the Press Metal Group of Companies is made up of companies across the value chain, their profit levels are not suitable for use in the constructed export price in accordance with regulation 15(5)(b) of the Regulations.

G2.3 Fair Comparison

289. To ensure a fair comparison, the normal value and export price need to be compared at the same level of trade; normally on an ex-works level and in respect of sales made as near as possible the same time, in accordance with regulation 16(1) of the Regulations

290. The TRA received comments from Shandong Nanshan that the TRA has failed to make a fair comparison between the normal value and export value by not making adjustments to the constructed normal value for elements that affect price comparability.

291. In response to this comment the TRA has re-assessed the fair comparison adjustments for each of the sampled overseas exporters.

292. The adjustments made to PMUK's export price to get to an ex-works level are set out in paragraph 272 above. The TRA has determined that fair comparison adjustments are not needed to the constructed normal value because it is calculated on an ex-works basis.
293. The Applicant commented that the adjustment for credit to PM UK's export price made in the PAD should be maintained, and that normal credit expenses for payment terms have to be taken into account.
294. The TRA has considered whether credit adjustments should be maintained. The calculations at the PAD stage were based on unverified data. At verification the credit terms for domestic sales and export sales were established.
295. If a credit adjustment was applied to the export price, a credit adjustment would also have to be applied to the constructed normal value to allow for a fair comparison.
296. The TRA has concluded that a credit adjustment is not needed to ensure a fair comparison between export price and normal value because of the nature of the credit terms on both sides.

G3. Haomei

G3.1 Normal Value

297. In accordance with regulation 7(2)(b) of the Regulations, the TRA has found that it is not appropriate to use the comparable price to determine the normal value of the Goods Concerned because:
- a PMS distorts the aluminium input and energy costs; and
 - certain PCNs that are sold for export to the UK are not sold in the domestic market in the PRC.
298. The TRA has therefore calculated the normal value of the Goods Concerned by determining the costs of production plus a reasonable amount for AS&G and for profits, in accordance with regulation 8(1)(a) of the Regulations.

299. The TRA determined the cost of production and AS&G costs using Haomei's data in accordance with regulation 11(2) and 12(2) of the Regulations, with the exception of the aluminium input and energy costs.
300. The TRA determined that the aluminium input and energy costs do not reasonably reflect competitive market costs that are suitable for the purpose constructing normal value. We have therefore not determined the costs of these inputs on the basis of Haomei's records in accordance with regulations 11(2) and (3) of the Regulations.
301. In accordance with regulation 11(6) and 12(4) of the Regulations the TRA may make adjustments in accordance with regulation 13 of the Regulations.
302. An adjustment was made to increase Haomei's aluminium input and energy costs to bring them in line with international benchmarks, in accordance with regulation 13(3) and 13(4)(b) of the Regulations. [Section F4: Benchmarks](#) sets out how the benchmarks have been calculated.
303. The TRA determined that for all other costs, Haomei's records are suitable for use in constructing the normal value, as they are considered to be in accordance with generally accepted accounting principles of the exporting country and reasonably reflect the costs associated with the production and sale of the like goods in the exporting country in accordance with regulation 11(3)(a) of the Regulations.
304. The TRA found that certain PCNs were not sold by Haomei New Materials Co in the domestic market but were sold for export to the UK. As set out in paragraphs 206 to 207 of the SEF the TRA established costs of production for these PCNs using Haomei New Materials Co export cost of production data (with adjustments for the aluminium input and energy costs, as set out in paragraph 302).
305. The TRA found that the difference in costs of production between markets for Haomei New Materials Co was minimal but applied an adjustment to account for the minor difference. The TRA is satisfied that the AS&G costs for domestic

sales are allocated equally and was able to apply a per unit amount to the PCNs not sold domestically.

306. A reasonable level of profit was then applied to the constructed normal value. Further detail on how the reasonable level of profit was calculated can be seen in [Section G5: Reasonable level of profit](#).

G3.2 Export Price

307. The TRA used export sales data submitted by Haomei for the export price in accordance with regulation 15 of the Regulations.

308. The Applicant commented that it is concerned the export price for Haomei has not been correctly determined, and the information available in paragraphs 225 to 226 of the SEF was not sufficient for a reasonable analysis.

309. In accordance with regulation 15(1) of the Regulations, the export price is the price the Goods Concerned are sold for, or the agreed price at which they are to be sold, to either an importer in the UK or a third party outside of the UK for export to the UK.

310. During verification the TRA found that:

- Haomei's export sales are made through a related company registered in Hong Kong, which acts as a trader: Haomei Aluminium Products Company Limited (Haomei HK). The TRA found that the association did not affect price.
- The Goods Concerned are shipped directly from the PRC to independent customers in the UK.
- All sales were made to non-associated importers in the UK.

311. There is no further information that the TRA can provide, without sharing confidential sales data from the overseas exporter.

312. The TRA determined that Haomei's export sales to the UK are suitable for use as the export price in accordance with regulation 15(1)(a) of the Regulations.

G3.3 Fair Comparison

313. As set out in paragraph 233 of the SEF, the TRA made adjustments to Haomei's export price in accordance with regulations 15(4) and (5) of the Regulations to get to an ex-works price in accordance with regulation 16(2) of the Regulations. The fair comparison adjustments that we made can be seen in Table 2.

Table 2: Fair comparison adjustments to Export Price for Haomei	
Adjustment type	Deduction / Addition
Packing	Deduction
Transport, Insurance, Handling	Deduction
Domestic freight	Deduction
Credit	Deduction

314. As set out in paragraphs 289 to 296, the TRA has reassessed the fair comparison adjustments for all three sampled overseas exporters.

315. The TRA determined that in order to ensure a fair comparison between Haomei's normal value and export price further adjustments were needed to the constructed normal value.

316. The TRA has removed the costs of packing and credit from the constructed normal value to get to an ex-works level.

G4. Shandong Nanshan

G4.1 Normal Value

317. As set out in [Section F5: Treatment of Shandong Nanshan](#), the TRA did not find a PMS in the inputs used by Shandong Nanshan to produce aluminium extrusions.

318. The TRA carried out an assessment of normal value under regulations 9(1)(a) and 9(4)(c) of the Regulations to determine whether Shandong Nanshan's

domestic sales were made in the ordinary course of trade in accordance with regulations 7(2)(a) and 9 of the Regulations.

319. These assessments considered:

- whether domestic sales are in sufficient volume to allow a proper comparison;
- whether the weighted average net sales price at ex-works level was greater than cost; and
- whether the profitable sales volume was greater than or equal to 80% of the total sales volume.

320. The TRA considered domestic sales to be in sufficient volume as they made up at least 5% of the overseas exporter's UK sales volume.

321. The TRA found that for one PCN, the weighted average net sales price at ex-works level was less than cost. In accordance with regulations 7(2)(a) and 9 of the Regulations, the TRA found that sales of this PCN were not made in the ordinary course of trade. As a result, a constructed normal value was used for this PCN.

322. The TRA found that Shandong Nanshan's records are in accordance with generally accepted accounting principles of the exporting country in accordance with regulation 11(3)(a) of the Regulations. The TRA therefore used Shandong Nanshan's data to construct normal value for this PCN in accordance with regulations 8(1)(a), 11(1) and 12(1) of the Regulations.

323. A reasonable level of profit was then applied to the constructed normal value. Further detail on how the reasonable level of profit was calculated can be seen in [Section G5: Reasonable level of profit](#).

324. The TRA found that for two PCNs their profitable sales volume was less than 80% of the total sales volume. As a result, the normal value was determined using the comparable price of the profitable sales for these two PCNs.

325. For all other PCNs, the normal value was determined using the comparable price in accordance with regulations 7(1) of the Regulations.

G4.2 Export Price

326. The TRA used Shandong Nanshan's export sales data as the basis of the export price, in accordance with regulation 15 of the Regulations.
327. The Applicant commented that it was concerned the export price for Shandong Nanshan had not been correctly determined, and the information available in paragraphs 227 to 228 of the SEF was not sufficient for a reasonable analysis.
328. During verification the TRA found that:
- Shandong Nanshan's export sales are made through a related company in the PRC, which acts as trader: 'Yantai Jintai International Trade Co. Ltd (Jintai). The association did not affect price.
 - The Goods Concerned are not changed in any way by Jintai.
 - All sales were made to non-associated importers in the UK.
329. There is no further information that the TRA can provide, without sharing confidential sales data from the overseas exporter.
330. The TRA determined that Shandong Nanshan's export sales to the UK are suitable for use as the export price in accordance with regulation 15(1)(a) of the Regulations.

G4.3 Fair Comparison

331. As set out in paragraph 234 to 235 of the SEF, adjustments were made to the export price and normal value to get to an ex-works price in accordance with regulation 16(1)(a) of the Regulations.
332. The TRA wrote in the SEF that an adjustment was made to the normal value to account for commission. This was incorrect, as no commission costs were reported or included in the calculations. The fair comparison adjustments that we made can be seen in Table 3 and Table 4.

Table 3: Fair comparison adjustments to Export Price for Shandong Nanshan

Adjustment type	Deduction / Addition
Price adjustment of aluminium ingot	Deduction
Bank Charges	Deduction
Transport, handling, insurance	Deduction
Credit	Deduction

Table 4: Fair comparison adjustments to Normal Value for Shandong Nanshan

Adjustment type	Deduction / Addition
Price adjustment of aluminium ingot	Deduction
Bank Charges	Deduction
Transport, handling, insurance	Deduction
Credit	Deduction
Packing	Deduction

333. Shandong Nanshan commented that the TRA failed to make a fair comparison between normal value and export price, by not removing the costs of packing, handling, freight and interest from the constructed normal value.

334. The TRA confirmed that transport costs are not included in the total for constructed normal value.⁴⁵

335. Following assessment of Shandong Nanshan's comments, the TRA determined that to ensure a fair comparison between the normal value and the export price further adjustments are needed to the constructed normal value.

336. The TRA has removed the packing, handling, and interest costs from the constructed normal value to allow for a fair comparison against the export price.

⁴⁵ Confidential Dumping Calculation, CNV worksheet, Column ET

G5. Reasonable level of profit

337. In accordance with regulation 8(1)(a) of the Regulations, where it is not appropriate to use the comparable price the TRA must determine the normal value of the goods by determining the costs of production plus a reasonable amount for AS&G costs and for profits. The reasonable level of profit was calculated in accordance with regulation 12 of the Regulations.
338. The reasonable level of profit was applied to the normal value for PMI (PRC), Haomei and Shandong Nanshan (where normal value was constructed).
339. Due to the economic impact of COVID-19, the POI was not considered a suitable year to establish a reasonable level of profit. The TRA used the average profit achieved by two sampled overseas exporters in the Injury Period 1 June 2017 to 31 May 2018 and 1 June 2018 to 31 May 2019. The profit margin was used to mark-up the cost of production and AS&G costs in the constructed normal value.
340. The Applicant commented that the reasonable level of profit does not reflect the financial statements of Shandong Nanshan and PMI (PRC).
341. The TRA considered the Applicant's comments. The profit margins that the Applicant has put forward are consolidated at group level. We have calculated the reasonable level of profit using the profit figures for the Goods Concerned provided by two of the sampled overseas exporters.⁴⁶
342. PMI (PRC) commented that not using the profit margin achieved in the period 1 June 2019 to 31 May 2020 and the POI is in violation of Article 2.2 of the Anti-Dumping Agreement. It also commented that the profit in the POI was disregarded due to the economic impact of COVID-19 without any further explanation.
343. The TRA considered these comments. A reasonable profit could not be determined in accordance with regulation 12(2) of the Regulations because of

⁴⁶ Confidential Overseas Exporters Questionnaire Annex II, D2 Income Statement

the effect that COVID-19 had on profit levels. We have therefore calculated the reasonable level of profit in line with regulation 12(3)(c) of the Regulations.

344. COVID-19 caused disruptions that led to reduced sales and reduced profit levels including:

- the shutdown of factories and manufacturing plants;
- a drop in demand from downstream industries; and
- the shipping crisis that led to increased container costs and delays.

345. PMI (PRC) commented that the impact of COVID-19 on the PRC's economy and the aluminium industry will be long-term and relatively stable and therefore profit margins during the POI could better reflect the actual production and operation situation and the future trends of the company.

346. The TRA has considered these comments. When calculating a dumping margin we cannot take into consideration the future trends of the company. We consider that the profit levels in the periods 1 June 2017 to 31 May 2018 and 1 June 2018 to 31 May 2019 would have continued during the POI, had it not been for the effects of COVID-19.

347. PMI (PRC) commented that, even if the profit margin during the Injury Period is used, the profit margin in the period June 2019 to May 2020 should not be disregarded, since the substantive impact that COVID-19 had on the world's economy and the aluminium industry took effect after May 2020.

348. During verification, the TRA found there were lower sales from January 2020 to May 2020 when compared to the same period in 2021. This was assessed to be a result of the COVID-19 pandemic. We also assessed that the increase in sales in 2021 (as the effects of COVID-19 were decreasing) were more in line with 2019 results.⁴⁷

⁴⁷ Verification report: <https://www.trade-remedies.service.gov.uk/public/case/AD0012/submission/e0fbaaa5-c08d-499c-b008-d4a63c221fad/>

349. The TRA concluded that COVID-19 had a substantive impact on the aluminium extrusions industry in the PRC from 2020, and for that reason the profits during the period June 2019 to May 2020 were not suitable to use.

G6. Non-sampled cooperating overseas exporters margin

350. The TRA has calculated the margin for non-sampled cooperating overseas exporters using a weighted average of the dumping margins and export volumes of the sampled overseas exporters in accordance with regulation 37 of the Regulations. In the SEF sales with zero or minimal dumping margins⁴⁸ were excluded from this calculation.

351. The JMA Group commented that when calculating the margin for non-sampled cooperating overseas exporters, the TRA should not exclude the sampled overseas exporters' sales with zero or minimal dumping margins.

352. The TRA accepts that the non-sampled cooperating margin was calculated incorrectly in the SEF by removing sales with zero or minimal dumping margins, instead of excluding sampled overseas exporters with an overall zero or minimal dumping margin.

353. The TRA has therefore recalculated the non-sampled cooperating margin using a weighted average of the dumping margins and export volumes of the sampled overseas exporters. As Shandong Nanshan was not found to be dumping, they have been excluded from this calculation.

G7. Residual margin

354. In accordance with regulation 38(4)(b) of the Regulations the TRA has determined the residual margin taking account of information provided by overseas exporters.

355. The TRA used a method of selecting the highest dumping margin established for a PCN that had high sales volumes when compared to the total export

⁴⁸ A dumping margin of less than 2 per cent in accordance with regulation 2 of the Regulations

volume during the POI. As explained in paragraph 240 of the SEF this method differed from the PAD and the recommendation to require a guarantee.

G8. Dumping margins

356. In accordance with regulation 17(1)(a) of the Regulations the TRA compared a weighted average normal value with a weighted average export price for comparable goods to calculate the dumping margin.

357. The TRA has calculated the following dumping margins:

Table 5: Dumping Margins		
Country	Overseas Exporter	Dumping Margin
The PRC	The Press Metal Group of Companies	15.6%
The PRC	Shandong Nanshan Aluminium Co Ltd	-1.8%
The PRC	The Haomei Group	11.4%
The PRC	Non-sampled, cooperating overseas exporters	15.4%
The PRC	All other overseas exporters	35.1%

G9. Conclusion on dumping

358. The TRA has determined that certain overseas exporters from the PRC have dumped the Goods Concerned into the UK.

359. The TRA has determined that Shandong Nanshan has not dumped the Goods Concerned into the UK, and we therefore recommend that a zero rate of anti-dumping duty is applied to its goods.

Section H: Injury

H1. Introduction to injury

360. Under regulations 27(1), 27(2), and 30(1) of the Regulations, and within the meaning of paragraph 5 of Schedule 4 to the Act, the TRA is required to determine whether the UK Industry suffered material injury during the Injury Period, and whether dumped goods were the cause of that injury.
361. Under regulation 30(2) of the Regulations, the TRA is required to consider the following four factors to determine whether the UK Industry has suffered injury:
- the volume of the dumped goods during the Injury Period;
 - the effect of the dumped goods on prices of the Like Goods in the UK during the Injury Period;
 - the consequent impact of the dumped goods on the UK Industry during the Injury Period; and
 - any other factors it considers relevant.
362. All factors were assessed individually and holistically to determine whether the UK industry suffered injury during the Injury Period. No one or several of these factors can necessarily determine whether the UK Industry suffered injury.

H2. Imports from the PRC

363. The TRA considered total import volumes of the goods into the UK from all countries, the UK Industry production of Like Goods, and total export volumes of the Like Goods from the UK, to establish UK consumption. The TRA then compared import volumes of the Goods Concerned from the PRC relative to UK consumption and production. This analysis can be seen in Table 6.

Table 6: Absolute and relative change in total import volumes of the Goods Concerned into the UK from the PRC (June 2017 to May 2021)

	June 2017 – May 2018	June 2018 – May 2019	June 2019 – May 2020	June 2020 – May 2021
	Year one	Year two	Year three	The POI
Import volumes from the PRC (tonnes)	54,554	47,306	41,564	35,508
Import volumes from the PRC Index (June 2017 – May 2018 = 100)	100	87	76	65
UK Industry production (tonnes)	98,150	87,632	66,106	75,083
UK Industry production Index (June 2017 – May 2018 = 100)	100	89	67	76
Import volumes from the RoW (tonnes)	129,491	144,624	129,380	117,587
Import volumes from the RoW Index (June 2017 – May 2018 = 100)	100	112	100	91
Export volumes from the UK (tonnes)	80,978	85,672	59,798	36,356
Imports from the PRC relative to UK production (%)	56	54	63	47
UK Industry consumption (tonnes)	201,217	193,890	177,252	191,822
UK Industry consumption Index (June 2017 – May 2018 = 100)	100	96	88	95
Imports from the PRC relative to UK consumption (%)	27	25	24	19

Source: Questionnaire responses submitted by UK producers to TRA; HMRC Overseas Trade in Goods Statistics, 2022.

364. MOFCOM commented that absolute import volume from the rest of the world (RoW) increased 67% during the Injury Period. We do not consider that this increase is reflected in the evidence provided during the investigation.
365. Total export volumes of the Like Goods from the UK were not previously disclosed in Table 5 of the SEF. The TRA has detailed UK export and RoW

absolute import volumes in Table 6 above, and we therefore conclude that RoW import volumes reduced by 9% during the Injury Period.

366. MOFCOM also commented that the TRA did not conduct sufficient analysis of the decline in the volume of the Goods Concerned imported from the PRC and stated that the TRA's conclusion on injury lacked quantitative evidence.
367. In line with regulation 31 of the Regulations, the TRA considered whether there had been a significant increase in the dumped goods imported into the UK relative to UK production. Our analysis showed that PRC imports relative to UK production from years one to year three of the Injury Period increased by 7%.
368. The TRA also concluded that the main decline in volume of imports from the PRC during the POI was caused by temporary disruptions to imports as set out in paragraphs 391 to 392.
369. Regulation 30(2) of the Regulations includes the volume of the dumped goods during the Injury Period as only one of the quantitative factors the TRA is required to consider in reaching its conclusions, alongside the price effects, the consequent impacts, and other relevant factors.
370. The TRA therefore considers that a sufficient analysis of the Goods Concerned imported from the PRC has been conducted, and MOFCOM's comments do not alter our conclusions.

H3. Prices and undercutting of the UK Industry

H3.1 Effects on UK prices

371. Table 7 shows that over the Injury Period, the weighted average import prices from the PRC rose 26% compared to a rise of only 6% in UK producers' average prices. Whilst the average LME rate decreased by 6% throughout the Injury Period, it showed an upward trend throughout the POI hitting a 12-month peak of over £1,800 per tonne in May 2021.
372. The UK Industry did not increase their average prices during the POI when raw material prices increased, primarily aluminium inputs (as set out in Figure 6 of the SEF). Whilst the UK Industry increased average prices by 12% in year two

of the Injury Period, it then suffered average price reductions in years three and four, and this contributed to the negative effect on sales and profits explained in [Section H4: The current state of the UK Industry](#).

373. UK Industry average prices during the POI were only 6% above year one average prices. In contrast, overseas exporters from the PRC were able to raise their average prices by 26% throughout the Injury Period, in line with raw material price rises, and whilst still undercutting the UK Industry, as shown in Figure 3. These trends are explained further in [Section H3.3: Price suppression](#).

Table 7: Average import prices from the PRC, UK average prices, and LME 3-month rate (June 2017 to May 2021)

	June 2017 – May 2018	June 2018 – May 2019	June 2019 – May 2020	June 2020 – May 2021
Average import prices from the PRC (GBP/tonne)	1,811	2,069	2,119	2,286
Average import prices from the PRC Index (June 2017 – May 2018 = 100)	100	114	117	126
UK producer average prices (GBP/tonne)	3,152	3,543	3,444	3,345
UK producer average prices Index (June 2017 – May 2018 = 100)	100	112	109	106
Average LME 3-month rate (GBP/tonne)	1,572	1,519	1,359	1,470
Average LME 3-month rate Indexed (June 2017 – May 2018 = 100)	100	97	86	94

Source: Questionnaire responses submitted by UK producers to TRA; HMRC Overseas Trade in Goods Statistics, 2022; The London Metal Exchange⁴⁹

374. MOFCOM commented that the TRA ignored the difference in product mix between the Goods Concerned and the Like Goods, and that this had an impact on price comparability. They submitted that the TRA failed to recognise that the difference in the product mix was the cause of the price differences observed when comparing the average price data across all nine commodity codes.

⁴⁹ London Metal Exchange: <https://www.lme.com/Metals/Non-ferrous/LME-Aluminium#Trading+day+summary>

MOFCOM stated that the findings of price impact and causality cannot be established.

375. The TRA worked with industry to create a PCN structure that grouped similar product mix types together. This allowed average price comparisons using the narrowest range of products possible within regulatory timescales. The price comparisons were calculated on a PCN-by-PCN basis for the POI using data deemed verifiable, including a more granular analysis for solid profiles, as set out in paragraph 381. The results were consistent with the undercutting margins across the whole Injury Period.
376. Third country non-attribution analysis was conducted in isolation for solid profiles and for aluminium structures as set out in [Section H7.1: Third country imports and prices](#). These results were consistent with the total average price data across all nine commodity codes.
377. The TRA therefore considers it sufficiently analysed the difference in product mix between the Goods Concerned and the Like Goods, and this evidenced that UK producers were unable to compete on price. MOFCOM's comments do not alter the TRA's conclusions on price impact and causation.

H3.2 Undercutting analysis

378. Price undercutting occurs when the Goods Concerned are consistently sold at a price below that of the Like Goods in the UK. To calculate the undercutting amounts per PCN, we compare the average landed price of the Goods Concerned with the average domestic sales price of the Like Goods (ex-works level). To ensure price comparability, we make adjustments where needed. To arrive at the undercutting margin, the total undercutting amount is expressed as a percentage of the total import value (using UK domestic sales prices).
379. The landed price is the price of the Goods Concerned when they arrive at a UK port. It equates to the CIF import price plus any relevant import duties and other costs associated with import.
380. The TRA calculated the landed price by using the sampled exporters' CIF UK export prices and relevant import duty. Where the CIF value was not provided in

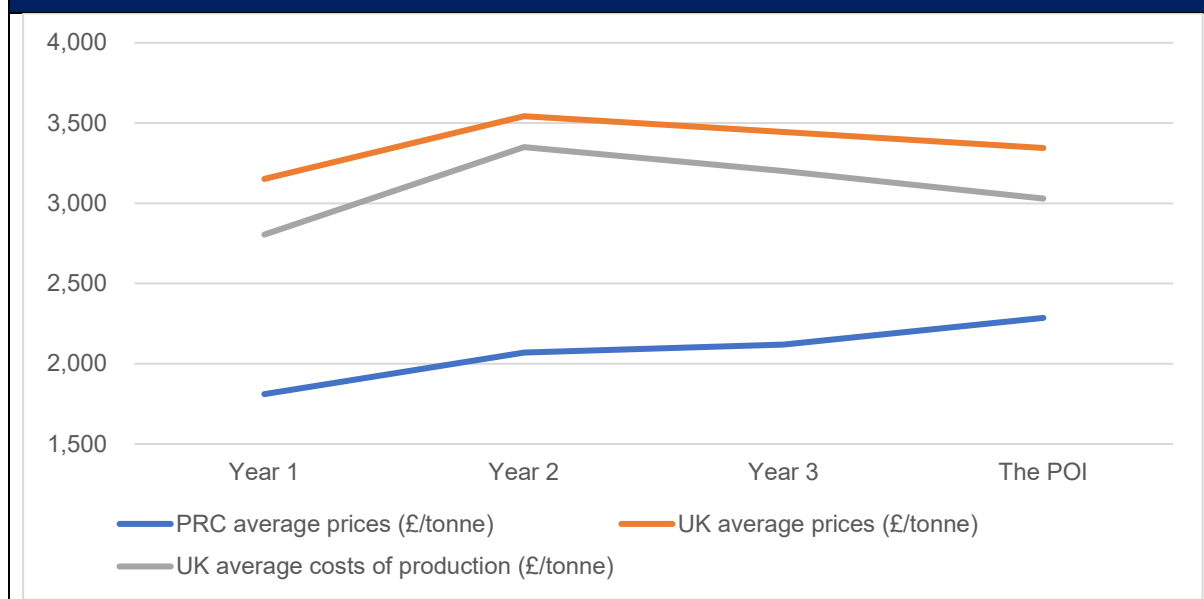
GBP, this was converted using exchange rates provided in the exporters' questionnaires that we concluded were reasonable.

381. The TRA calculated an average undercutting margin covering all PCNs and found that the PRC was undercutting at a rate of 21.3% during the POI. The TRA also conducted a more granular calculation for solid profiles because they accounted for 62% of all imports from the PRC during the POI. This resulted in a higher undercutting margin of 23.5%. Both calculations were based on data from cooperating UK producers and overseas exporters from the PRC that was deemed verifiable.
382. Undercutting rates have reduced from those detailed in the SEF due to a revised methodology as set out in paragraph 378, which determines the total import value using UK domestic sales prices. These revised rates do not alter our conclusions regarding injury and causation.

H3.3 Price suppression

383. Price suppression occurs where price increases for the UK Industry's Like Goods, which otherwise would have occurred, have been prevented to a considerable degree due to the price of imported goods.

Figure 3: Average prices compared to UK costs of production (£/tonne)



Source: Questionnaire responses submitted by UK producers to TRA; HMRC Overseas Trade in Goods Statistics, 2022.

384. MOFCOM submitted comments that Table 7 showed no correlation between the price change of the UK Like Goods and the import volumes and price change of the Goods Concerned. They commented that UK Industry's prices correlate with their reduction in costs of production in Figure 3, and that this is the reason for price changes, rather than price suppression caused by PRC imports.
385. The PRC had the largest UK market share of any country throughout the Injury Period, and Figure 3 shows the UK suffered undercutting of their prices throughout the Injury Period, but also that the Goods Concerned considerably undercut the UK Industry costs of production. As set out in Figure 6 and paragraphs 262-264 of the SEF, the TRA found that the UK Industry was prevented from increasing prices at a time when they were experiencing rising costs, and this was due to the considerably lower price of dumped imports of the Goods Concerned from the PRC.
386. The TRA considers that significant disruptions to imports (as set out in paragraphs 391 to 392) affected any correlation between the price change of the UK Like Goods and the import volumes and price change of the Goods Concerned during the POI, and relative to the first three years of the Injury Period.
387. UK Industry claimed this undercutting had led them to restructure and consolidate to reduce their average costs of production, whilst at the same time having to reduce prices to compete with dumped goods from the PRC.
388. MOFCOM's comments do not alter the TRA's conclusion that the UK Industry suffered price suppression throughout the Injury Period, and that it was prevented from increasing prices due to the considerably lower price of the Goods Concerned from the PRC throughout the Injury Period. The TRA considers that this is the reason for the UK Industry price changes, rather than being linked to any decrease in their costs of production.

H4. The current state of the UK Industry

389. The UK Industry represented 39% of the UK market during the POI, although this has reduced from 49% during June 2017 to May 2018. There has been minimal expansion of the UK Industry in recent years although one new producer was established in 2018.

390. As shown in [Table 6: Absolute and relative change in total import volumes of the Goods Concerned into the UK from the PRC](#), during the first three years of the Injury Period production volume of the UK Industry reduced by 33%, then increased by 14% during the POI. This upwards trend during the POI was mirrored by some of the injury factors described below. The TRA concluded this was caused by temporary disruptions to imports that created an increased need to buy from UK producers during the POI.

391. Disruption to imports was caused by several factors:

- imposition of EU provisional duties in October 2020 for 3 months;
- the end of the UK's transition period following EU Exit, necessitating implementation of new import rules;
- the Suez Canal blockage during Q1-Q2 of 2021; and
- the COVID-19 pandemic, and the resultant shipping crisis that led to increased container costs and delays.

392. During this period downstream industries placed a higher volume of orders with the UK Industry, but the TRA found this effect to be short-term, evidenced by a slowing down of orders at the end of the POI as the impact of these factors appeared to diminish.

393. To determine injury, the TRA used information relating to the UK Industry from questionnaires, as well as HMRC trade data, for market share and growth. For the remaining economic injury factors the TRA used data from UK producers who constituted a major proportion of production (55-65%) to represent the UK Industry.

H4.1 Market share and negative effects on growth

394. Table 8 shows that the PRC had a UK market share of between 19-27% during the Injury Period. This was the highest share of any exporting country to the UK at over twice the volume of the next largest country's imports during the first three years of the Injury Period.
395. The PRC import volumes were still 1.5 times that of the second largest importing country, at a time when the PRC was being impacted by the disruption to imports as set out in paragraphs 391 to 392. The UK suffered negative effects on growth as its market share reduced from 49% to 39% during the Injury Period, with the RoW accounting for between 24-42% of the UK market.

Table 8: UK market share of Aluminium Extrusions by volume (June 2017 to May 2021)

	June 2017 – May 2018	June 2018 – May 2019	June 2019 – May 2020	June 2020 – May 2021
The PRC market share (%)	27	25	24	19
UK market share (%)	49	45	37	39
RoW market share (%)	24	30	39	42

Source: Questionnaire responses submitted by UK producers to TRA; HMRC Overseas Trade in Goods Statistics, 2022.

396. 3o Limited commented that dumping could not be demonstrated alongside the PRC's reducing market share and a reducing trend in import volumes during the Injury Period.
397. The dumping methodology is separate from the injury methodology. Dumping occurs when goods are imported into a country and sold at a price that is below their normal value in their country of export. Once dumping has been established, the TRA must then consider whether the dumping of those goods have caused or are causing injury. 3o's comments do not alter the TRA's conclusions on dumping.

398. MOFCOM and 3o Limited submitted that increased RoW import volumes replaced all market share lost by the UK Industry during the Injury Period. They commented that third country imports rather than the PRC imports were the main cause of injury.
399. The TRA concluded that significant disruptions to imports as set out in paragraphs 391 to 392 reduced PRC's market share during the POI, and as a result both the UK and RoW temporarily increased their market share. Table 7 shows that the PRC lost only 3% market share during the first three years of the Injury Period.
400. Table 8 shows that the PRC had a UK market share of between 24-27% during the first three years of the Injury Period. This was the highest share of any country at over twice the volume of the next largest country's imports.
401. The TRA considers that imports from RoW are not the cause of injury to the UK Industry, despite their rising trend in UK market share over the Injury Period. This is explained in [Section H7: Other causes of injury \(non-attribution\)](#). MOFCOM and 3o's comments regarding market share do not alter the TRA's conclusion that imports from the PRC were the main cause of injury to the UK Industry.

H4.2 Domestic sales

402. The TRA found that despite a minor rise in the value of sales in year two of the Injury Period, both the volume and value of domestic sales reduced during the first three years of the Injury Period. We found that the slight increase in sales during the POI was a result of disruption to imports as set out in paragraphs 391 to 392; however, both sales volume and value were still 21% and 16% below year one of the Injury Period respectively.

Table 9: Domestic sales June 2017 to May 2021

	June 2017 – May 2018	June 2018 – May 2019	June 2019 – May 2020	June 2020 – May 2021
Sales volume (tonnes – indexed)	100	91	73	79
Sales value (GBP – indexed)	100	102	80	84

Source: Questionnaire responses submitted by UK producers to TRA

H4.3 Profitability

403. The TRA found that the UK Industry suffered losses during years two and three of the Injury Period. Net profit margins relating to Like Goods (before tax) did not exceed 3% during the Injury Period. The UK Industry suffered a 4.6% loss in year two of the Injury Period when undercutting of UK prices by the PRC was at its highest level.

Table 10: Domestic profits June 2017 to May 2021

	June 2017 – May 2018	June 2018 – May 2019	June 2019 – May 2020	June 2020 – May 2021
Net profit margin from like goods (%)	0.5	-4.6	-2.3	2.9

Source: Questionnaire responses submitted by UK producers to TRA

H4.4 Return on investments, effects on cash flow and ability to raise capital

404. UK producers claimed that a return on investments of between 12-15% during the Injury Period was reasonable to expect for capital intensive manufacturing business in the UK. This was confirmed by ONS data,⁵⁰ which showed that manufacturing businesses experienced a net rate of return on investments of 16.5% for the calendar year 2018, and 12.5% for 2019.

405. Table 11 shows that UK Industry was unable to show this level of return on investments, except during the POI when it returned 11% because of the

⁵⁰ Office for National Statistics:

<https://www.ons.gov.uk/economy/nationalaccounts/uksectoraccounts/bulletins/profitabilityofukcompanies/octobertodecember2019>

disruption to imports explained in paragraphs 391 to 392. Cash flows followed a similar trend to UK Industry profits.

406. Evidence showed that UK producers did not invest in new plant and machinery during the Injury Period, except for one new producer established in 2018. Investments made were for improvements to areas such as health and safety and essential maintenance, rather than for business expansion. The UK Industry claimed this was due to poor financial results caused by imports from the PRC undercutting their prices, and that the release of capital for growth would become a possibility if they were able to demonstrate a sustained return on investment nearer to 10%.

Table 11: Return on investments and cash flows June 2017 to May 2021

	June 2017 – May 2018	June 2018 – May 2019	June 2019 – May 2020	June 2020 – May 2021
Return on investments (%)	2	-17	-8	11
Cash flows (GBP – indexed)	100	-201	-45	251

Source: Questionnaire responses submitted by UK producers to TRA

H4.5 Output and capacity utilisation

407. The TRA found that whilst the capacity of the UK Industry remained constant during the Injury Period, output and capacity utilisation reduced during the first three years of the Injury Period. Whilst the slight increase during the POI was found to be due to the factors set out in paragraphs 391 to 392, output and capacity utilisation were still 22% below year one of the Injury Period.

Table 12: Relative change in output, capacity, and capacity utilisation June 2017 to May 2021

	June 2017 – May 2018	June 2018 – May 2019	June 2019 – May 2020	June 2020 – May 2021
Output of UK Industry (indexed)	100	90	68	78
Production Capacity (indexed)	100	100	100	100
Capacity Utilisation (%)	84	75	57	65

Source: Questionnaire responses submitted by UK producers to TRA

H4.6 Productivity and negative effects on employment

408. The TRA found that there was a considerable drop in the employees of UK producers from year two to year three of the Injury Period that resulted from the closure of two fabrication sites, and further consolidation within the industry. Productivity reduced during years one to three of the Injury Period, and then increased during the POI due to the factors mentioned in paragraphs 391 to 392.

Table 13: Productivity June 2017 to May 2021 (tonnes/FTE)

	June 2017 – May 2018	June 2018 – May 2019	June 2019 – May 2020	June 2020 – May 2021
Number of employees (FTE – indexed)	100	101	82	82
Productivity (tonnes/FTE – indexed)	100	88	83	95

Source: Questionnaire responses submitted by UK producers to TRA

H4.7 Negative effects on inventories

409. The nature of the UK Industry means that stock is made to order and held for short periods of time, often being transported to customers on the day of production. The TRA found that the trends for inventories were not relevant to the Injury assessment.

H4.8 Effects on wages

410. The TRA found that average wages rose 10% during the Injury Period. The TRA found this rise to be reasonable and did not draw any conclusions on injury in relation to average wages.

Table 14: Average wages June 2017 to May 2021

	June 2017 – May 2018	June 2018 – May 2019	June 2019 – May 2020	June 2020 – May 2021
Mean average wage for FTE engaged in activities related to the like goods (GBP – indexed)	100	108	107	110

Source: Questionnaire responses submitted by UK producers to TRA

H5. Margin of dumping

411. [Section G8: Dumping Margins](#) show dumping margins with levels above the minimal threshold⁵¹. The TRA considered these alongside the volume of goods imported from the PRC, and their prices, and concluded that the impact of dumping on the UK Industry was substantial.

H6. Causation

412. The TRA found evidence of UK producers losing sales to the PRC based on prices alone. In [Section H3: Prices and undercutting of the UK Industry](#), we established that dumped imports from the PRC significantly undercut the UK Industry. This had a negative effect on the UK Industry's prices, sales volume, profits, return on investments, cash flow, output, capacity utilisation, and productivity during the Injury Period, except during the POI when temporary disruptions to imports (as set out in paragraphs 391 to 392) contributed to an improvement in these factors.

413. The data shows that the UK Industry lost market share throughout the Injury Period, and although there is also a downward trend in the PRC's market share,

⁵¹ A dumping margin of less than 2 per cent in accordance with regulation 2 of the Regulations

it remains the largest exporter of extrusions to the UK market. The significance of this market share, alongside other economic factors, especially prices, led the TRA to conclude there is a causal link between dumped imports from the PRC and injury suffered by the UK Industry. The positive trend in factors during the POI when supply from the PRC was disrupted (as set out in paragraph 412) added further evidence to this causal link.

H7. Other causes of injury (non-attribution)

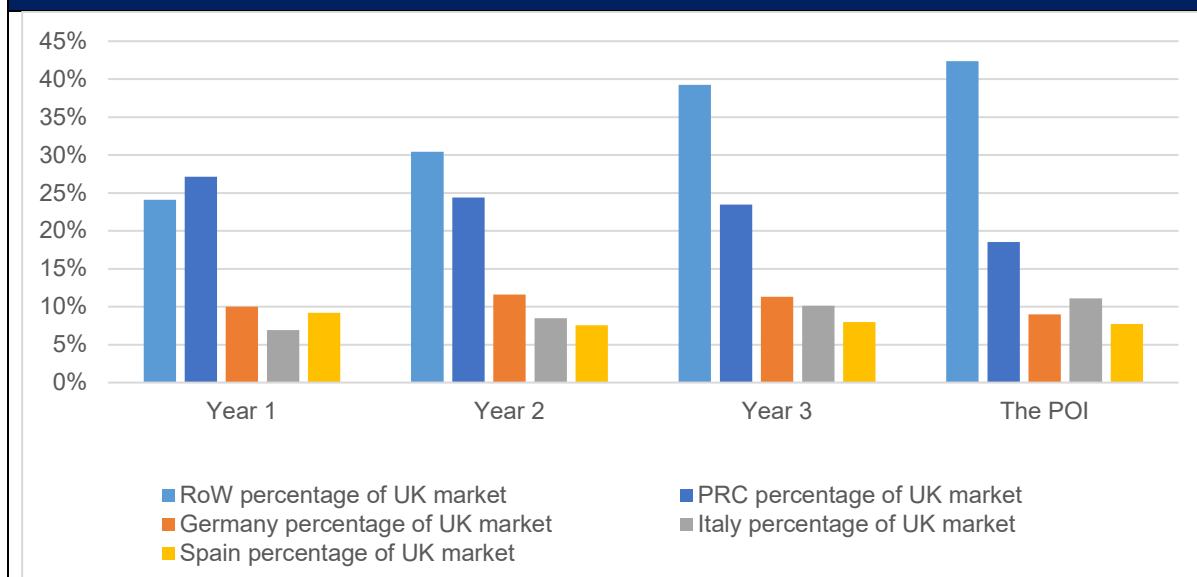
414. In accordance with regulation 35 of the Regulations, the TRA also examined whether any known factors other than the dumped goods had caused injury to the UK Industry. As set out in paragraphs 296 to 300 of the SEF, the TRA concluded that inflation in raw material costs and the COVID-19 pandemic did not break the causal link between dumped imports from the PRC and the injury caused to UK Industry during the Injury Period.

H7.1 Third country imports and prices

415. The TRA examined whether third country imports and prices had caused injury to the UK Industry during the Injury Period.

416. Imports from the RoW (excluding the PRC) to the UK, as well as the three largest exporting countries within this (Germany, Italy and Spain), were examined to ascertain whether their imports have caused injury to the UK Industry. Import prices for Germany, Italy and Spain were compared against the PRC at a total average level, for imports of solid profiles (commodity code 76042990) and for imports of aluminium structures (commodity code 76109090). These two commodity codes were analysed in isolation given they represented 63% and 19% of imports from the PRC respectively into the UK during the POI.

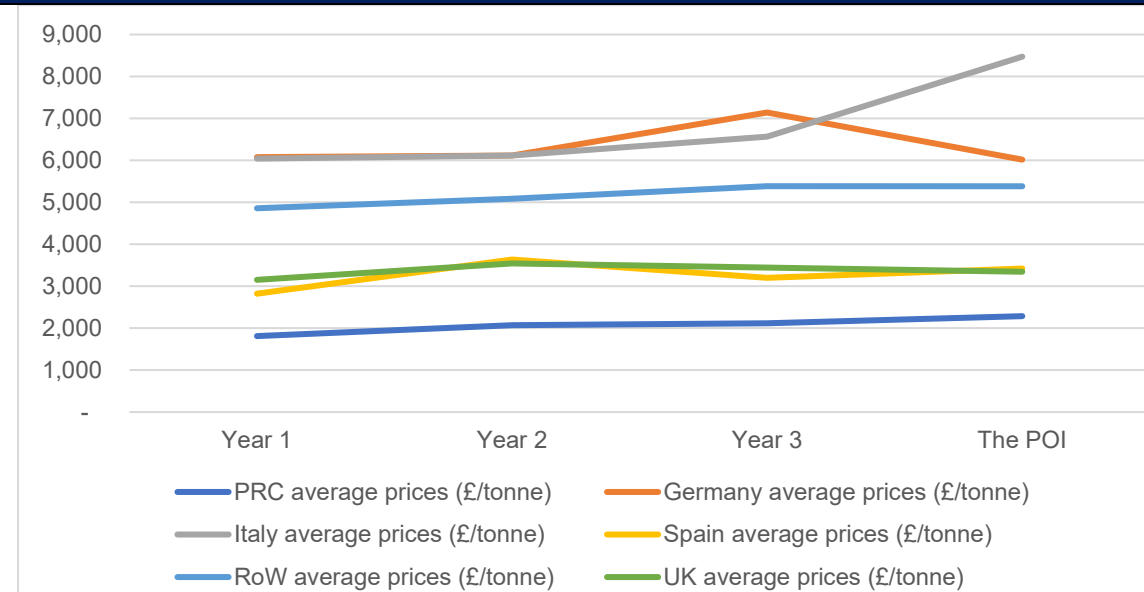
Figure 4: Third countries – imports as a percentage of the UK market



Source: HMRC Overseas Trade in Goods Statistics, 2022.

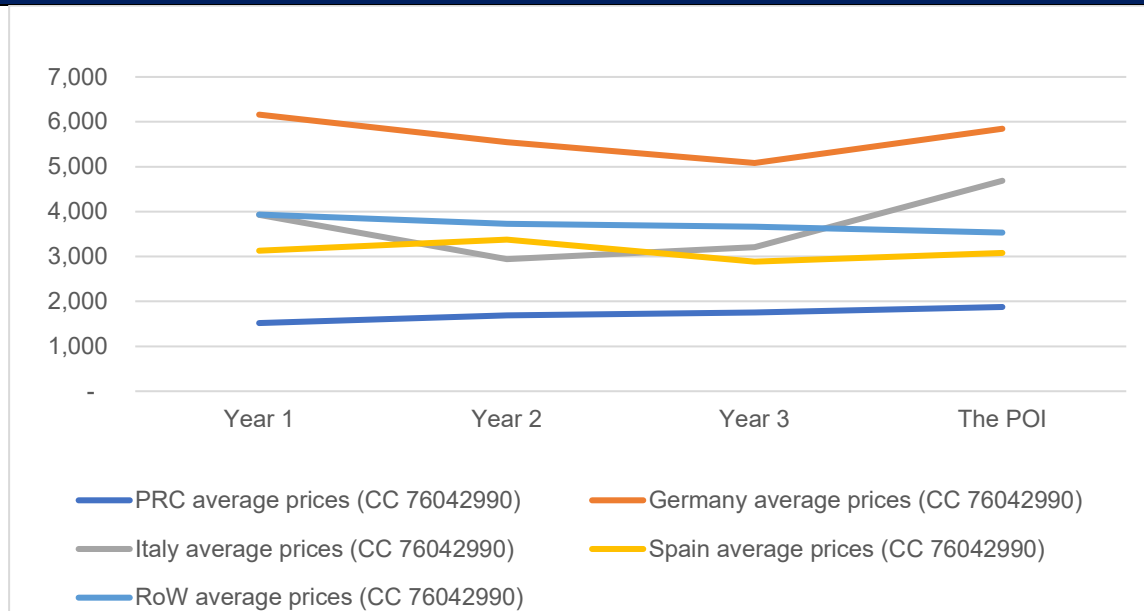
417. Figure 4 shows the RoW accounted for between 24-42% of UK market share during the Injury Period. The RoW figure includes Germany, Spain and Italy who each accounted for between 7-12% of UK market share during the Injury Period. The PRC accounted for between 19-27% of UK market share.

Figure 5: Third countries – total average import prices compared to PRC (£/tonne)



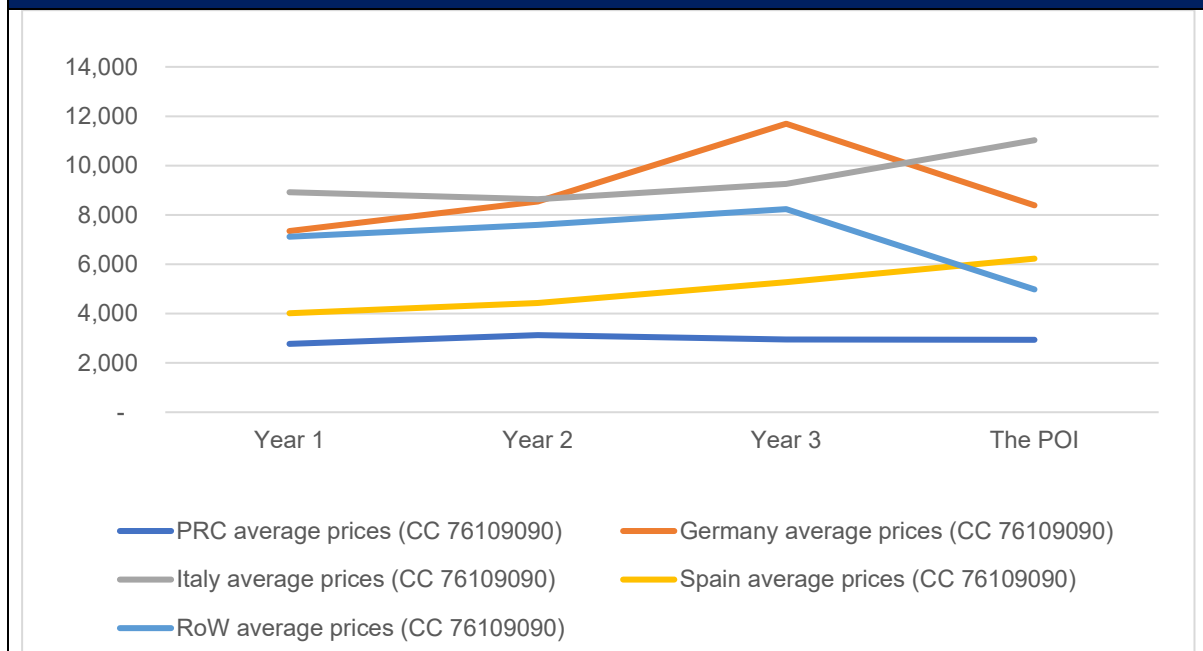
Source: Questionnaire responses submitted by UK producers to TRA; HMRC Overseas Trade in Goods Statistics, 2022.

Figure 6: Third countries – average import prices for solid profiles (CC 76042990) compared to PRC (£/tonne)



Source: HMRC Overseas Trade in Goods Statistics, 2022.

Figure 7: Third countries – average import prices for aluminium structures (CC 76109090) compared to PRC (£/tonne)



Source: HMRC Overseas Trade in Goods Statistics, 2022.

418. Figures 5, 6 and 7 show the average import prices for RoW and for Germany, Spain and Italy in isolation. The TRA compared these average prices to the PRC at a total level (all nine commodity codes), and for solid profiles and aluminium structures in isolation.
419. The TRA compared average UK prices with average prices for Spain in Figure 5 above and found they were at broadly similar levels throughout the Injury Period. Germany and Italy average prices were higher and their product mix was geared towards more complicated and expensive extrusions within commodity codes covering aluminium structures and hollow profiles. These products tend to be more expensive as they are relatively slow to manufacture and therefore have higher costs of production, leading to relatively higher prices. During the first three years of the Injury Period over 50% of imports from Germany and Italy were classified under these commodity codes, and during the POI this increased to over 60% of imports.
420. The TRA found that the UK Industry was also geared towards more complicated extrusions during the POI, but we could not make a direct comparison to the price of goods for Germany or Italy because we did not have granular

information for these countries at a PCN level. The TRA recognised that the average data across all nine commodity codes were indicative and had limitations in drawing conclusions, although we did find that there were some products that the UK Industry could not produce.

421. Whilst Germany and Italy's imports were geared towards more expensive products, imports from the PRC and Spain were geared towards simpler and relatively cheaper extrusions. This included solid profiles imported under commodity code 76042990. Between 50%-80% of imports from the PRC and Spain were classified under this commodity code throughout the Injury Period. Differences between each country's product mix therefore explains most of the relative price differentials, but the data shows that the PRC prices significantly undercut third countries throughout the Injury Period, including Spain with a similar product mix.
422. [Section H3.2: Undercutting analysis](#) found that the PRC also undercut the UK Industry prices in relation to solid profiles at a margin of 23.5% during the POI. Germany and Italy average prices were both above the UK average prices for this type of cheaper profile classified under commodity code 76042990 during the POI, with Spain in between UK and PRC average prices.
423. The imports from Germany and Italy are priced, on average, higher than UK products, and imports from Spain are priced at similar levels to UK products. The TRA considers that, while price differentials can be partly explained by product mix effects, it is not clear that the imports from Germany and Italy are causing injury to the UK Industry rather than the imports from the PRC which undercut UK products in categories that comprise the majority of those imports (solid profiles). Therefore, the TRA concluded that the impact of third country imports were not sufficient to break the causal link between dumped imports from the PRC and the injury suffered by the UK Industry.

H8. Conclusion on Injury

424. UK producers claimed they had been suffering injury for several years prior to the Injury Period, and the TRA concluded that data at the start of the Injury Period was consistent with an industry that was already suffering injury.
425. The TRA noted that there was not an increase in absolute imports or imports relative to consumption from the PRC over the Injury Period. However, rising volume trends are not always necessary to determine injury caused by dumped imports where other factors in totality clearly show a picture consistent with injury. This is especially true for the Goods Concerned given the context of the PRC's high percentage of UK market share.
426. UK producers experienced a positive trend in sales, profits, return on investments, cashflows, output, capacity utilisation, and productivity during the POI, however we concluded this was because of the disruption to imports during that period. The effect of these factors was short-term and the TRA found there was a slowing down of orders during Q2 2021. There were significant negative trends in all these factors over the first three years of the Injury Period, and particularly a decline in financial performance, and this data was consistent with injury being caused to the UK Industry.
427. As set out in paragraph 281 of the SEF, the TRA found that UK producers have lost 'easy-running' jobs to the PRC, which has resulted in the UK Industry producing a higher percentage of orders for more complicated extrusions. We concluded this was a factor linked to the decline in productivity and capacity utilisation and was a cause of injury to the UK Industry.
428. However, the TRA evidenced that the major factor causing injury was the prices of imports, where the PRC significantly undercut UK producers, at the same time as third countries selling at or above UK prices.
429. The TRA has therefore determined under regulations 27(1), 27(2), and 30(1) of the Regulations, and within the meaning of paragraph 5 of Schedule 4 to the Act, that the UK Industry has suffered material injury during the Injury Period and that the dumped goods were the cause of that injury.

430. The TRA concluded that dumped imports of the Goods Concerned from the PRC were the main cause of injury to the UK Industry during the Injury Period and that other known factors did not break that causal link.

H9. Injury Margins

431. The injury margin is the extent of the injury to the UK Industry.

432. The TRA calculated an individual injury margin for the three sampled overseas exporters who cooperated in the investigation: PMI (PRC), Shandong Nanshan and Haomei.

433. The TRA used the UK producers and sampled overseas exporters data to calculate the injury margins as set out in paragraph 314 of the SEF. The TRA's default methodology is to base the estimate of injury margins for each exporter on underselling margins. This is calculated by comparing a benchmark UK price (the target price) with the import price (the landed price).

434. The target price is the price that a UK producer would expect to sell its Like Goods at if it were not being affected by the dumped goods. The TRA calculated the target price using the UK producers' costs of production for the Like Goods, adding their AS&G costs, and then applying a normal rate of profit amount of 6% on top of these costs. We excluded data from one UK producer due to high start-up costs and low production as set out in paragraphs 317-318 of the SEF.

435. The landed price is the price of the Goods Concerned when they arrive at the UK port. It equates to the CIF import price plus any relevant import duties and other costs associated with import. The TRA calculated this price as set out in paragraph 320 of the SEF.

436. The TRA calculated an injury margin for the non-sampled cooperating overseas exporters calculated as a weighted average, using the total export volume of the Goods Concerned for each sampled overseas exporter, as well as the injury margins established for each sampled overseas exporter. The overseas exporters who are subject to this rate can be seen in [Annex A: Interested parties and contributors](#).

437. The TRA calculated an injury margin for all other non-cooperative overseas exporters by selecting the highest injury margin established for a PCN that had high sales volume when compared to the total export volume during the POI, as set out in paragraphs 322-325 of the SEF This is known as the residual margin.

438. The TRA determined that overseas exporters from the PRC have injured UK producers at the following margins:

Table 15: Injury Margins		
Country	Exporter/Producer	Injury Margin
The PRC	Press Metal International Group	23.3%
The PRC	Shandong Nanshan	39.3%
The PRC	Haomei Group	47.1%
The PRC	Non-sampled cooperating exporters	25.7%
The PRC	Residual margin	72.0%

Section I: Economic Interest Test

I1. Introduction

439. The aim of the Economic Interest Test (EIT) is to determine whether the application of anti-dumping measures on the Goods Concerned is in the economic interest of the UK. This test is presumed to be met unless we are satisfied that the application of the measures is not in the economic interest of the UK.
440. In accordance with paragraph 25 of Schedule 4 to the Act, the EIT is met in relation to the application of an anti-dumping remedy if the application of the remedy is in the economic interest of the UK.
441. The TRA may only make a recommendation to the Secretary of State that an anti-dumping amount should be applied to the goods subject to a final affirmative determination where that recommendation meets the EIT, in accordance with paragraph 17(5) of Schedule 4 to the Act.
442. In line with paragraph 25 of schedule 4 to the Act, the TRA has taken account of the following in conducting the EIT:
- the injury caused by the dumping of the Goods Concerned to a UK Industry in the goods and the benefits to that UK Industry in removing that injury;
 - the economic significance of affected industries and consumers in the UK;
 - the likely impact on affected industries and consumers in the UK;
 - the likely impact on particular geographic areas, or particular groups, in the UK;
 - the likely consequences for the competitive environment, and for the structure of markets for goods, in the UK; and
 - such other matters as the TRA considers relevant.

12. Supply chain

443. An overview of the supply chain covering UK producers and importers of aluminium extrusions, as well as examples of upstream and downstream industries, can be found in [Section E5: Market Structure](#).

12.1 Evidence base

444. The TRA received the following questionnaire responses from UK-based parties which contained information relevant to the EIT:

- one response from upstream industry;
- four responses from UK producers of aluminium extrusions;
- two responses from UK importers of aluminium extrusions;
- two responses from downstream industry; and
- four additional submissions from interested parties and contributors from the downstream and importing parts of the supply chain.

445. Additionally, questionnaire submissions from overseas exporters were examined for any evidence that may be relevant to the EIT.

446. The TRA has supplemented these questionnaire responses with evidence from background research and collated additional information from UK government data sources, as well as recognised market data providers. The TRA has also conducted research relating to parties that have not participated in this investigation.

447. Since the PAD and recommendation to the Secretary of State to require a guarantee, a number of parties have been labelled as non-cooperative or have not corrected their deficiencies within the applicable time limits. Data in respect of these parties has been included in the EIT analysis, however the data used is that which is publicly available only.

448. The sections that follow assess each of the factors of the EIT in turn.

13. Injury caused by dumping and benefits to UK Industry in removing injury

449. In [Section H: Injury](#) the TRA found that UK producers have suffered injury during the Injury Period as a result of the dumped Goods Concerned from the PRC.
450. Additionally, the TRA found in [Section H2: Imports from the PRC](#) that the upward trend in import volumes from the PRC puts the UK at further risk of injury moving forward.
451. The expected benefits to UK producers, and the impact on the rest of the supply chain, from the imposition of the recommended anti-dumping measures are explored under [Section I6: Likely impact on affected industries and consumers](#).

14. Economic significance of affected industries and consumers in the UK

452. The Fraser of Allander Institute, using ONS data, reports⁵² that the wider aluminium industry directly employs 37,000 people across the UK with the largest share located in the West Midlands.
453. The sections below will examine the employment and wider economic significance of the groups within the aluminium industry related to the Like Goods. Gross value added (GVA) is one measure of the economic significance of companies, industries and sectors, measuring their contribution to the economy. Where possible, the TRA has estimated GVA for affected businesses in each part of the supply chain by summing operating profits, employment costs, depreciation and amortisation.
454. From the available evidence, five UK groups have been identified as potentially being affected by the measure:
- UK producers of aluminium extrusions;

⁵² Fraser of Allander Institute - The Aluminium industry in the UK: <https://fraserofallander.org/publications/the-aluminium-industry-in-the-uk/>

- upstream industry, namely aluminium billet producers;
- importers and stockholders of aluminium extrusions;
- downstream industries; and
- consumers.

14.1 Upstream industry

455. Hydro Aluminium Deeside Ltd was the sole respondent from the upstream industry. They produce aluminium billets (which are the main input in the production of aluminium extrusions), undertake recycling of a mix of end-of-life scrap and process scrap, and offer a variety of alloys and diameters for the extrusion industry. They are a direct supplier to the UK producers of aluminium extrusions. Submitted revenue data shows that aluminium billets make up a significant majority of their business activities.
456. An aluminium smelter located in Lochaber West, Scotland, was identified during the investigation. The evidence that the TRA has seen suggests that this smelter supplies a wide range of industries, many of which are unrelated to aluminium extrusions, therefore anti-dumping measures are not expected to have a significant impact on this particular site.
457. Additionally, upstream industries producing other inputs (such as energy and chemicals used in the coating process) have not been assessed. These inputs are used in numerous other supply chains and are less likely to be affected.

14.2 UK producers of aluminium extrusions

458. Four of the seven known UK producers – the Applicant, Garnalex, Exlabesa and Aluminium Shapes – submitted questionnaire responses.
459. The Applicant is a producer of aluminium extrusions as well as a provider of fabrication services, surface treatment and remelting of scrap aluminium. It has four sites across the UK in Birtley, Caerphilly, Cheltenham and Tibshelf employing an average of 843 people in 2020.

460. Garnalex is a producer of aluminium extrusion products and of their own aluminium window and door fenestration products. In 2021 they employed an average of 62 people.
461. Exlabesa are a producer of aluminium alloy profiles and associated added value services such as fabrication, painting and anodising, and employed an average of 53 people in 2020.
462. Aluminium Shapes are a producer of aluminium extrusions. They employed an average of 64 people in the year ended 31 March 2021.⁵³
463. Evidence submitted by these four UK producers show that the production of aluminium extrusions makes up a significant majority of their sales, with value-adding services such as anodising and fabrication only accounting for a small proportion of their business activities. The Like Goods are therefore extremely significant for this particular group.

14.3 Importers of aluminium extrusions

464. HMRC data records 738 companies that imported aluminium extrusions during the POI. However, within this there is a smaller group of companies that specialise in the importing, stockholding and distribution of metal products, including aluminium extrusions. These companies import aluminium extrusions before distributing them to downstream businesses located in the UK, often without performing any further value-adding services to them.
465. Two UK importers of aluminium extrusions submitted questionnaire responses: 3o Limited and Aalco Metals Ltd (“Aalco Metals”).
466. 3o Limited provide procurement and supply chain services. The aluminium extrusions they purchase from the PRC come from vertically integrated companies which produce aluminium billets and then convert them into aluminium extrusions. Value adding processes such as painting and cutting to length are also carried out on site in the PRC, before being shipped directly to

⁵³ For the companies mentioned in paragraphs 458 to 462, the latest publicly available data has been used.

UK customers. 3o Limited does not carry out any work on the materials they import.

467. Aalco Metals are the largest independent UK stockholder and distributor of multi-metals to the UK manufacturing industry. They are an importer of aluminium extrusions from various countries including the PRC.

14.4 Downstream industry

468. Two UK businesses submitted a downstream questionnaire response: Senior Architectural Systems Ltd and Global Extrusions Direct Ltd.
469. Senior Architectural Systems Limited provide aluminium extrusions for the commercial and domestic fenestration markets, such as the assembly of window profiles. They employed an average of 159 people in the year ended 30 June 2021.
470. Global Extrusions Direct Ltd. supply cutting, painting, welding and assembly services for a range of clients. They purchase and convert extrusions for use in the production of marquees, electrical trunking, medical trolleys and stair lifts, among other things. Employment, turnover and profit data were not publicly available for Global Extrusions Direct, so they have not been included in the GVA analysis.
471. The total number of downstream businesses that use aluminium extrusions as an input in the manufacturing of other products is likely to be significantly higher, as only those given in submitted questionnaire responses were able to be identified.

14.5 Contributors

472. Four UK businesses submitted contributor questionnaire responses: ABL Aluminium Components (ABL), GSM Aluminium Limited (GSM), Sherwood Stainless and Aluminium Limited (Sherwood Stainless), and Righton & Blackburn. Some of the information submitted by these parties was not suitable for use by the TRA. These deficiencies were communicated to the relevant parties, but a number of the parties were unable to correct their deficiencies

within the applicable time limit. Where this is the case, information submitted in their pre-sampling questionnaires, and information which is publicly available, was considered.

473. From the evidence submitted, the TRA believe both ABL and Sherwood Stainless to be part of the downstream industry, as they perform value adding manufacturing services to purchased aluminium extrusions before selling them on to industries further down the supply chain. Therefore, whilst they will be labelled as contributors in this analysis, they will be considered to be part of the downstream.

14.6 Consumers

474. Aluminium extrusions are not considered to be a consumer product. They are most often an input into a broad range of production processes in which the final consumers come much further down the supply chain. These products include heating and air conditioning systems, fenestration (window and door) structures and automobiles.

Table 16: Significance metrics of selected businesses

	UK Upstream Industries	UK Producers	Importers/ Stockists	Downstream Industries*
Total number of known UK businesses	2	7	At Most 738	At Least 4
Number of selected businesses	1	4	2	4
Estimated significance of aluminium extrusions to this group	Very significant (sales of aluminium billets as a proportion of total business turnover)	Very significant (sales of aluminium extrusions as a proportion of total business turnover)	Significant (turnover as a proportion of total imports), but no evidence on extrusion sales as a proportion of	Evidence of insignificance for automobile industry, but other industries may vary

			total business turnover	
Total employment of selected businesses	46	1,022	783	312
Total GVA of selected businesses (£million)	3.78	45.41	46.88	22.01
Total turnover of selected businesses (£ million)	58.01	154.72	333.36	65.53
Profit (£million)	0.79	3.94	15.64	9.46
Vulnerability to negative economic impacts	High - poor profitability	High - poor profitability, suffering injury	Small - sizeable profitability and ability to pass cost increases on	Small - businesses show steady profitability with some evidence of growth
<p>Sources: Questionnaire responses, published financial accounts (Companies House), ONS Business Registration and Employment Survey.</p> <p>The assessment of vulnerability to negative economic impacts was made based on published accounts from 2017-2020, and 2021 where possible.</p> <p>These figures refer to businesses which responded to questionnaires, as well as parties and contributors who originally registered with the case but were later deemed non-cooperative.</p> <p>*Downstream industries include two contributor responses of ABL and Sherwood Stainless, although the necessary data for ABL was not available to include them in this significance metrics analysis.</p>				

475. Table 16 provides a view on overall business activity rather than just activity specifically related to aluminium extrusions. This is to provide a broader context to the businesses affected.

15. Likely impact on prices and quantities of affected industries and consumers

476. This section will examine how prices and quantities of products throughout the supply chain may change in two scenarios: the introduction of measures imposed as recommended, and no anti-dumping measures being imposed. The impact of any changes in prices and quantities on affected industries and consumers will then be assessed.
477. Due to the limited amount of data, the TRA has not been able to fully quantify the impacts of either scenario. A small amount of information on the proportion of final products that consist of aluminium extrusions was submitted. Numerous confidential questionnaire responses did provide some information on price increases already seen within the industry. Such responses suggested a combination of EU measures, COVID-19 and EU Exit as being drivers of these price increases.
478. Whilst the TRA notes the impact of such short-term market dynamics, this EIT analysis will focus purely on the potential impacts on price and quantity of whether or not anti-dumping measures are imposed as recommended.

15.1 Prices and quantities in the event anti-dumping measures are imposed as recommended

479. The TRA estimates that, during the POI, UK producers supplied 39% of the total domestic consumption of aluminium extrusions, with imports meeting the remaining 61% of demand. Imports from the PRC alone account for 19% of the market share, which is greater than all but one UK producer.
480. Overall demand for aluminium extrusions is likely to remain stable if anti-dumping measures are imposed as recommended, as there was no submitted evidence to suggest there will be a significant change in overall demand in the UK market in the short-term. The TRA does not expect demand to decrease significantly as a result of any increase in prices. This is due to aluminium extrusions appearing to be a relatively price inelastic input into the production of final products due to their lack of substitutability.

481. As discussed in the injury assessment of the SEF, the spare capacity currently held by UK producers could be used to supply the UK market if anti-dumping measures are imposed as recommended. The TRA did evidence that the spare capacity of UK producers was less than the level of imports from the PRC. As any measures would simply be bringing the price of imports from the PRC more in-line with those from elsewhere, UK producers would not be required to replace the full volume of imports from the PRC and would still have to compete with imports from third countries.
482. The TRA also noted that some aluminium extrusions cannot be produced in the UK (see [Section D5: Goods Concerned not manufactured in the UK](#)), and cannot conclude that these goods are causing injury to the UK Industry. These goods will be subject to a final negative determination.
483. If exporters from the PRC could no longer export to the UK at dumped prices due to anti-dumping measures, it is likely that UK producers will remain competitive without having to lower prices to an uneconomical level. In the absence of this injury, it is likely that the output of UK producers would increase. There is a possibility that UK producers may increase their prices in response to greater demand, however there is no evidence to suggest that such increases, should they occur, would be particularly significant.
484. Subsequently, if UK producers increase their demand for aluminium billets in order to produce more extrusions, upstream suppliers of billets would also likely increase their output. This increased demand may lead to upstream suppliers increasing their prices, but there is no evidence to suggest this would be particularly significant.
485. The combination of overall UK consumption of aluminium extrusions remaining stable and an increase in demand for aluminium extrusions from UK producers would likely result in a reduction of the quantities supplied by importers from the PRC.
486. The questionnaire response from 3o Limited states that cost increases could be passed on in full through the downstream and on to consumers, which has been their experience when freight costs have increased previously. Should importers

and downstream industries choose to pass on any changes in their costs due to the imposition of the recommended anti-dumping measures, there would be no changes in their profits and their customers would face higher prices of downstream products. The quantity of aluminium extrusions consumed is unlikely to change significantly.

487. Evidence was submitted by the Applicant on the quantity of aluminium extrusions, and other aluminium products, used in the production of road vehicles. A summary of this information can be found in Table 17. Aluminium extrusions make up 1.4% of the material content of the average car, compared to 8.4% and 2.5% for aluminium cast and aluminium sheet respectively. Due to this, the TRA does not believe that any increase in cost of aluminium extrusions as a result of anti-dumping measures would significantly impact the cost of the average car for consumers.

Table 17: Average amount of aluminium products used in the production of cars

Type of aluminium product	Average quantity per vehicle (kg, 2019)	As a proportion of 2015 total vehicle weight
Cast	116	8.4%
Sheet	34	2.5%
Extrusions	19	1.4%
Forged	10	0.7%
Total (Aluminium Products)	179	12.9%
Total Weight of Average Vehicle*	1,385	100%

Source: DuckerFrontier: Aluminium Content in European Passenger Cars

Figures may not add up due to rounding.

*Average weight of vehicles in the European Union in 2015. Source: The International Council on Clean Transportation: European Vehicle Market Statistics 2016/17

488. Evidence has been submitted highlighting price increases and some supply shortages during the COVID-19 pandemic and since the imposition of EU measures against aluminium extrusions from the PRC, which were also in place in the UK from 14 October 2020 to 31 December 2020.

489. As the majority of the evidence gathering stage of this investigation was before February 2022, no evidence was submitted with regards to any impacts of the Russian invasion of Ukraine on the price or quantity of aluminium extrusions. However, the TRA acknowledges the unpredictable economic effects that may occur as a result of this.

Table 18: Expected impacts on prices and quantities if anti-dumping measures are imposed as recommended

Group	Prices	Quantity
UK Upstream Industries	Increased demand for aluminium billets may push prices up	Increased output to meet greater demand for aluminium billets
UK Aluminium Extrusion Producers	Prevention of further undercutting; possibility of some price increases	Increased output in absence of injury
UK Importers & Stockholders	Increase in prices if they pass on the cost of the measure	May decrease as consumption remains stable and UK producers raise their output
UK Downstream Industries	Small increase in prices if they pass on any increased costs, dependent upon proportion of aluminium extrusions used in production process	No significant impact
UK Consumers	Small increase in prices of finished goods, as aluminium extrusions are just one input into a variety of production processes	No significant impact

15.2 Prices and quantities in the event anti-dumping measures are not recommended

490. If anti-dumping measures are not recommended, this would allow the continued exporting of Goods Concerned from the PRC at dumped prices, with UK producers having to continue reducing their prices to remain competitive. If UK producers continue to suffer injury, it is likely that the quantities they produce would reduce. This could lead to site closures and a loss of employment in the industry over time.
491. If UK producers reduce the quantity of aluminium extrusions they produce, they would demand fewer aluminium billets from upstream suppliers. Additionally, if

prices of UK produced Like Goods decrease, upstream suppliers might face pressure to decrease their prices as well.

16. Likely impacts on affected industries and consumers

16.1 UK upstream industries

492. If anti-dumping measures are imposed as recommended, it is likely upstream industries would benefit from increased demand for aluminium billets from UK producers, driven by increased demand for UK produced Like Goods.
493. If anti-dumping measures are not imposed, it would likely have a negative impact on the upstream industry, mainly aluminium billet producers and other businesses providing input into the production process. Continued injury to UK producers of the Like Goods as a result of dumping could likely lead to less output and, in time, potential site closures and subsequent loss of employment. This would see less demand for the aluminium billets that the upstream industry produces.
494. As addressed earlier in this analysis, industries that produce other inputs in the production of aluminium extrusions (such as electricity), as well as the smelter in Lochaber West, serve a vast number of industries other than aluminium extrusions and therefore the TRA does not expect any significant impact on these groups.

16.2 UK producers of aluminium extrusions

495. The imposition of anti-dumping measures as recommended would prevent further injury to the UK Industry in the Like Goods. Given that UK producers operate with spare capacity, it is likely they will be able to expand production to cover any decrease in imports that may result from the measure. This was evidenced during the POI when UK producers were able to respond to a large extent during the disruption of imports caused by the circumstances explained in [Section H4: The current state of the UK Industry](#).
496. If no anti-dumping measures are recommended, it would likely have a negative impact on UK producers, as they would be forced to continue to reduce prices

and/or output. The continued suffering of injury could likely lead to site closures and subsequent loss of employment.

16.3 Importers of aluminium extrusions

497. If anti-dumping measures are imposed as recommended, the impact on importers would depend upon their ability to pass on any cost increase to their customers in downstream industries and their ability to source aluminium extrusions from third countries. It is anticipated that costs flowing from the anti-dumping measures will be passed on to customers. 3o Limited's questionnaire response states that such increases could be passed on in full to downstream users and on to consumers, which has been their experience when freight costs have increased previously.
498. Should importers choose to pass on any cost increases due to the imposition of the recommended anti-dumping measures, there would be no changes in their profits and their customers would face higher prices of downstream products. In this case, the overall direct impact on importers of the measures would be negligible. However, some customers of importers may change their supplier decisions in response to any price changes.
499. If anti-dumping measures are not recommended, it is unlikely that importers would be impacted as the circumstances for them would not change.

16.4 UK downstream industries

500. If anti-dumping measures are imposed as recommended, downstream industries could face higher input costs. The extent to which this will impact them depends on a multitude of factors including, but not limited to, price elasticities, profit margins, the proportion of their production costs which are made up by aluminium extrusions and their ability to switch between suppliers of aluminium extrusions.
501. Concerns from importers and the downstream industry include their view that UK producers do not possess the available capacity to meet any extra demand, and that this will lead to increased lead times and higher prices if supply cannot keep up to compensate for any drop in imports. However, the evidence the TRA

has considered suggests that UK producers do possess significant extra capacity that can be utilised. Furthermore, the TRA evidenced that UK producers were able to respond to a large extent during what were exceptional circumstances that disrupted imports as explained in paragraphs 391 to 392. The TRA also noted that some aluminium extrusions cannot be produced in the UK (see [Section D5: Goods Concerned not manufactured in the UK](#)) and cannot conclude that these goods are causing injury to the UK Industry. These goods will be subject to a final negative determination.

502. The recommended anti-dumping measures would have the effect of bringing the price of dumped imports from the PRC more in line with those from third countries. Such measures would not require UK producers to replace the full volume of imports from the PRC and UK producers would still need to compete with the PRC and third countries in terms of price and other factors. The TRA does, however, acknowledge that market dynamics as a result of EU Exit and the COVID-19 pandemic may cause temporary supply chain issues.
503. If anti-dumping measures are not recommended, it is unlikely that downstream industries would be impacted as the circumstances for them would not change.

16.5 Consumers

504. It is possible that any price increases as a result of any anti-dumping measures may be passed on to final consumers of downstream products.
505. However, aluminium extrusions are just one input of products such as air conditioning units, windows and automobiles. The impact of anti-dumping measures is therefore highly dependent upon the composition of the final product and the percentage in which aluminium extrusion costs contribute towards prices that consumers are charged. Additionally, these products tend to be relatively price inelastic and therefore consumption of them is unlikely to decrease should prices rise.

Table 19: Expected impacts on affected groups if anti-dumping measures are imposed as recommended

Group	Expected Impacts
UK Upstream Industries	Positive impact - likely increased demand for aluminium billets from UK producers
UK Aluminium Extrusion Producers	Significant positive impact - prevention of injury
UK Importers & Stockholders	Negligible - costs can likely be passed on to downstream customers
UK Downstream Industries	Potential small negative impact - costs of production may rise, but can be passed on to consumers
UK Consumers	May be small increases in the price of finished goods but may affect a large number of consumers. Overall impact on the individual consumer will likely be small.

17. Likely impact on particular geographic areas, or particular groups in the UK

506. The previous section assessed the overall impacts of any anti-dumping measures should they be imposed as recommended. This section looks at how these impacts are distributed. The TRA considers how impacts are likely to be distributed by geography and whether any particular groups might be disproportionately impacted.

507. Where information was available, the TRA considered key economic indicators and wider evidence for locations of different elements of the supply chain.

17.1 Likely impact on particular areas

508. The TRA considered the geographic areas where UK producers, importers, upstream industries and downstream industries exist, as identified through questionnaire responses as well as some firms identified through the investigation. Due to the lack of employment data, Global Extrusions Direct Limited have not been included in this part of the analysis.

[illegible]

509. Figure 8 shows the distribution of stakeholders across the United Kingdom. The stakeholders included in this map are limited to those identified during the course of the investigation and therefore do not constitute a complete picture of the entire aluminium extrusion and related industries within the UK.

510. The TRA examined the significance of affected industries for employment in the relevant Local Authority Districts (LADs). Where the number of employees in affected industries was not disclosed in questionnaire responses, these have been estimated using data from the ONS Business Registration and Employment Survey.

511. There would be a limited impact in LADs, as the employment of affected industries relative to the total employment of each LAD is small (less than 1%).

512. Although it is less than 1%, Tibshelf (Bolsover) exhibits a relatively high proportion (0.7%) of employment attributable to UK producers when compared to other areas. As employment of this group is directly related to the production of aluminium extrusions, the TRA believes there may be potential impacts in this LAD.

Table 20: Labour Market Statistics of Significantly Affected Local Authority Districts

Local Authority District	Economic Inactivity (%)	Job Density	Gross annual pay for full-time workers (Median, GBP)	Proportion with no formal qualifications (%)
Bolsover	27.6%	0.64	22,398	9.7%
Great Britain	21.0%	0.87	25,909	6.4%
Sources: ONS Business Registration and Employment Survey, ONS Annual Population Survey, ONS Jobs Density Survey, ONS Annual Survey of Hours and Earnings, LAESI Database				
Job density is the level of jobs per resident aged 16-64, with a density of 1.0 signifying there is one job for every resident aged 16-64.				

513. Table 20 contains labour market statistics for Bolsover, with benchmark figures included for Great Britain as a whole. A range of indicators were taken into consideration when assessing the likely impacts on different geographic areas. The indicators included in the table were selected as being the most relevant to assess economic activity and highlight regional differences in income and employment opportunities.

514. Bolsover has a substantially higher level of economic inactivity, a lower job density and lower annual gross wages than the national average. Additionally, Bolsover has a proportion of people with no formal qualifications that is greater than the national average. The potential negative impact on this area from the loss of affected industries may be stronger as a result of this.

515. Questionnaire responses received from UK producers of aluminium extrusions suggest the non-imposition of anti-dumping measures would result in continued

injury, leading to a reduction in output and subsequently employment in areas that are already considered to be economically disadvantaged.

516. Additionally, these responses indicate that future investment plans, and consequently the expansion of employment opportunities, could be at risk. A reduction in both current and prospective employment could create a negative multiplier effect in geographical areas, some of which are already considered to be economically disadvantaged.
517. As noted in the earlier significance sections, it is likely that anti-dumping measures on aluminium extrusions may have a smaller proportional impact on downstream industries than it will on the upstream and producers. Upstream suppliers of aluminium billets and producers of aluminium extrusions are more exposed to any changes given it makes up the majority of their business, and thus impacts will likely be harder felt in comparison to downstream industries who may have more diverse operations.

17.2 Likely impact on particular groups

518. The TRA considered the likely impact on particular groups including those with protected characteristics as defined by the [Equality Act 2010](#).
519. No evidence was provided with respect to potential impacts on any particular groups, either as workers or consumers. Aluminium extrusions have a broad range of applications, and they are not sold directly to final consumers who are far down the supply chain, which makes it unlikely for them to be affected.
520. Therefore, there are no obvious impacts on protected or other groups which might result from the implementation or non-implementation of the measures.

18. Likely consequences for the competitive environment, and for the structure of the market, in the UK

521. The assessment of the likely consequences for the competitive environment and structure of the UK market considers four areas:
- the impact on the number or range of suppliers;

- the impact on the ability of suppliers to compete;
- the impact on the incentives to compete vigorously; and
- the impact on the choices and information available to consumers.

18.1 Background

522. The TRA has estimated market shares using sales volume data from the sampled UK producers alongside import data covering imports of the Goods Concerned.

523. UK producers made up approximately 39% of the total UK market during the POI, with imports fulfilling the remaining 61%. The PRC takes up a greater market share (19%) than all other nations and all but one UK producer.

524. Based upon this data, a Herfindahl-Hirschman Index (HHI) can be estimated for the POI, giving an indication of the concentration of the aluminium extrusions market.⁵⁴ A HHI over 1,000 would indicate a concentrated industry, whilst an index in excess of 2,000 would constitute a highly concentrated market.⁵⁵

525. The TRA estimates a HHI of just over 1,000 for the UK aluminium extrusions market during the POI, which meets the threshold for it to be considered a concentrated market. However, this estimation is only one indicator of the competitive nature of a market and should be considered alongside other factors.

526. Various questionnaire responses highlight the lack of substitute goods for aluminium extrusions. Products such as steel and plastics do not possess the same thermal, strength and lightweight properties of aluminium and therefore are not considered to be close substitutes. This lack of substitutability suggests demand for aluminium extrusions is relatively price inelastic.

⁵⁴ This is done by taking the sum of the squares of market shares of each UK and overseas producer that supplies to the UK market.

⁵⁵ Competition Commission - Guidelines for market investigations: their role, procedures, assessment and remedies, Page 88

527. Aluminium extrusion production facilities require expensive equipment, such as presses, as well as experienced labour to operate the machinery. This high degree of capital and human investment shows that the aluminium extrusions industry exhibits high barriers to entry, which would limit the ability of new producers to enter the market.

18.2 Impact on the number or range of suppliers

528. If anti-dumping measures are introduced, it is likely UK producers would face reduced competition as the cost of importing aluminium extrusions from the PRC would increase. However, UK producers would still have to compete with each other as well as imports from the PRC and third countries.

529. If anti-dumping measures are not recommended, it would be unlikely to change the number or range of suppliers in the short term. However, in the longer term, some UK suppliers may choose or be forced to leave the market if they continue to suffer the injury that they are currently experiencing.

18.3 Impact on the ability of suppliers to compete

530. Introducing anti-dumping measures would bring the price of imports from the PRC more in-line with those from elsewhere, reducing the ability of suppliers in the PRC to influence the price of aluminium extrusions in the UK

531. The removal of price undercutting would increase the ability of UK suppliers to compete in the absence of further injury.

18.4 Impact on the incentives to compete vigorously

532. Some questionnaire responses from affected businesses suggested that the incentive to compete would be reduced should anti-dumping measures be introduced. Should anti-dumping measures result in a reduction of the quantity of imports from the PRC, the TRA expects that UK producers would still need to compete in terms of price, quality and customer service with each other as well as imports from elsewhere to pick up any vacated market share.

18.5 Impact on the choices and information available to consumers

533. There is limited evidence to suggest that choices and information available to customers would be negatively impacted by the imposition of anti-dumping measures. Downstream customers would still be able to choose between Like Goods produced in the UK and Goods Concerned imported from the PRC, as well as Like Goods originating in third countries; furthermore, those aluminium extrusions which are not able to be produced in the UK (see [Section D5: Goods Concerned not manufactured in the UK](#)) will be subject to a final negative determination. As aluminium extrusions are just one input into a wide range of production processes, consumers are unlikely to see a significant change to final products in terms of availability or prices.

19. Such other matters as the TRA considers relevant

534. As part of the EIT assessment, the TRA can consider any other factors that may be relevant in concluding whether the proposed trade remedy measure is in the economic interest of the UK.

535. Some questionnaire responses from producers highlighted the threat of further injury from trade diversion of aluminium extrusions produced by the PRC from the EU, where measures remain in place, to the UK. The TRA acknowledges this and import data from HMRC does show an increasing trend in imports of the Goods Concerned from the PRC since the removal of EU measures in the UK on 31 December 2020 following EU Exit as discussed in the injury section.

536. As the majority of the evidence-gathering stage of this investigation occurred before February 2022, no evidence was submitted with regards to any impacts of the Russian invasion of Ukraine or the consequences of any sanctions placed on Russia and Belarus. However, the TRA acknowledges the unpredictable economic, trade, and supply chain effects that may occur as a result of this, and the impact this may have on input goods, Like Goods, and downstream products. HMRC data shows that 0.85% of UK imports of aluminium extrusions during the POI came from Ukraine, Russia and Belarus.

I10. Forms of measure

537. In the EIT, the TRA also consider the most appropriate form of measure to recommend, in particular whether any changes to the length, scope or type of measure would minimise the negative impacts of the measure on some parties while retaining the overall benefits.
538. The TRA has found no evidence suggesting that a form of measure, other than the type which the TRA recommends to impose, would be more appropriate.
539. The Applicant submitted that the levels of anti-dumping duties recommended in the SEF were too low and would allow for continued dumping of the Goods Concerned. The Applicant also submitted that the recommended duties were lower than those of other countries and would result in trade deflection.
540. The level of the anti-dumping duty is set by calculating the dumping margins and cannot be changed based on the EIT. The level of duties set by other countries is not relevant to our investigation. These comments by the Applicant do not alter our conclusions on the recommended duties.

I11. Conclusions

541. In accordance with paragraph 25(2) of Schedule 4 to the Act, the TRA considers that the application of the anti-dumping remedy that the TRA is recommending is in the economic interest of the UK, and that the EIT is therefore met. This test is presumed to be met unless the TRA is satisfied that the application of the remedy is not in the economic interest of the UK.
542. As described in previous sections, the TRA determined that UK producers have been suffering injury as a result of dumped Goods Concerned from the PRC imported into the UK. The injury assessment concluded that there would be further injury to UK Industry if anti-dumping measures are not imposed. In [Section H: Economic Interest Test](#), the TRA has tested whether imposing these measures would be in the economic interest of the UK.
543. In the impacts section, the TRA found that anti-dumping measures are likely to prevent further injury to UK producers, with a likely subsequent expansion of

output for producers and the upstream industry. In contrast, not recommending anti-dumping measures would allow for the continued dumping of the Goods Concerned and subsequently further injury to UK producers who directly employ over 1,000 people, some of which are located in areas considered to be economically deprived. Based on the evidence available, the TRA determined that cost increases for downstream industries would be able to be passed on through the supply chain and to final consumers. As aluminium extrusions are just one input into a variety of production processes, the TRA does not believe any such price rises will be particularly significant to consumers.

544. In the competition section, the TRA determined that the aluminium extrusions market passes the threshold to be considered a concentrated market. Anti-dumping measures would bring the price of imports from the PRC closer to those from elsewhere, increasing the ability of UK producers to compete in the absence of injury. UK producers would still need to compete with imports from third countries to capture any potentially vacated market share.

545. The TRA has identified the following positive impacts of implementing the measure as recommended:

- UK producers will benefit from the removal of injury.
- There will likely be spill over benefits to the upstream industry.

546. The potential negative impacts of implementing the measure as recommended are:

- Businesses that continue to import the Goods Concerned from the PRC will face a higher cost to do so.
- Downstream industries may face increased input costs.
- Consumers may see some increased prices.

547. Under the presumption that the EIT is met and, having considered the evidence submitted by each of the interested parties and all of the factors listed in the legislation, we conclude that the EIT is met for the application of anti-dumping measures on imports of the Goods Concerned.

Section J: Final Determination and recommendation

548. For the purposes of making a final determination under paragraph 11(7) of Schedule 4 to the Act, the TRA may make different final determinations in relation to different goods. Our final determinations are set out below.

549. The TRA makes a final affirmative determination under paragraph 11(6)(a) of Schedule 4 to the Act in relation to Goods Concerned originating from the PRC that fall under commodity codes:

7604101011	7604101090	7604109011	7604109019	7604109025
7604109029	7604109080	7604109089	7604210010	7604210090
7604291010	7604291030	7604291040	7604291090	7604299010
7604299020	7604299090	7608100011	7608100019	7608100020
7608100080	7608100089	7608208110	7608208190	7608208910
7608208920	7608208930	7608208990	7610909010.	

550. The TRA has determined that the Goods Concerned have been or are being dumped into the UK in accordance with paragraphs 1(1) and 8(1)(a) of Schedule 4 to the Act and the dumping of the Goods Concerned has caused or is causing injury to UK Industry in Like Goods in accordance with paragraphs 5 and 8(1)(b) of Schedule 4 to the Act. The TRA has determined that the EIT is met in relation to the application of an anti-dumping remedy in accordance with paragraph 25(2) of Schedule 4 to the Act.

551. The TRA makes a final negative determination in accordance with paragraph 11(6)(b) of Schedule 4 to the Act in respect of Goods Concerned originating from the PRC that have a maximum cross-sectional dimension of greater than 310mm, or a weight per metre of greater than 14kg, and fall under commodity codes:

7604101011	7604101090	7604109011	7604109019	7604109025
7604109029	7604109080	7604109089	7604210010	7604210090
7604291010	7604291030	7604291040	7604291090	7604299010
7604299020	7604299090	7608100011	7608100019	7608100020

7608100080 7608100089 7608208110 7608208190 7608208910
7608208920 7608208930 7608208990 7610909010.

552. The TRA has determined that the Goods Concerned subject to the final negative determination are not manufactured by the UK Industry and has not obtained evidence to show that it is likely that they will be manufactured by UK Industry. Therefore we consider that these goods have not or are not causing injury to the UK Industry.
553. In accordance with paragraphs 17(3),18(2)(a), and 18(5) of Schedule 4 to the Act the TRA recommends that the Secretary of State for International Trade (the Secretary of State) impose an ad-valorem anti-dumping duty for a period of five years on the Goods Concerned which are the subject of the final affirmative determination.
554. The TRA recommends the lower of the two margins as the level of duty in accordance with the lesser duty rule under paragraph 18(6) of Schedule 4 to the Act.
555. The TRA has determined that Shandong Nanshan is not dumping, and we therefore recommend that a zero rate of anti-dumping duty is applied to its goods.
556. The rate of anti-dumping duties the TRA recommends are as follows:

Table 21: Level of anti-dumping duty				
Country	Exporter/Producer	Dumping Margin	Injury Margin	Anti-dumping duty
The PRC	Press Metal International Group	15.6%	23.3%	15.6%
The PRC	Shandong Nanshan Aluminium	0%	39.3%	0%
The PRC	Haomei Group	11.4%	47.1%	11.4%
The PRC	Non-sampled cooperating exporters	15.4%	25.7%	15.4%
The PRC	Residual margin	35.1%	72.0%	35.1%

Annex A: Interested parties and contributors

Table 22: Interested Parties and Contributors		
Name	Party type	Submissions
Hydro Aluminium UK Limited	The Applicant	Application Questionnaire response Comments on the SEF
Aluminium Shapes Limited	UK producer	Pre-sampling Questionnaire Questionnaire response
Exlabesa Extrusions (Doncaster) Limited	UK producer	Pre-sampling Questionnaire Questionnaire response
Garner Aluminium Extrusions Ltd	UK producer	Pre-sampling Questionnaire Questionnaire response Comments on the SEF
3o Limited	Importer	Pre-sampling Questionnaire Questionnaire response Additional submission Comments on the SEF
Aalco Metals Limited	Importer	Pre-sampling Questionnaire Questionnaire response (deficient)
Guangdong Haomei New Materials Co., Ltd.	Sampled overseas exporter	Pre-sampling Questionnaire Questionnaire response Additional submission

Guangdong King Metal Light Alloy Technology Co., Ltd.	Sampled overseas exporter	Pre-sampling Questionnaire Questionnaire response Additional submission (joint with Haomei New Materials)
Press Metal International Ltd.	Sampled overseas exporter	Pre-sampling Questionnaire Questionnaire response Additional submission Comments on the SEF
Press Metal International Technology Ltd.	Sampled overseas exporter	Pre-sampling Questionnaire Questionnaire response
Shandong Nanshan Aluminum Co. Ltd	Sampled overseas exporter	Pre-sampling Questionnaire Questionnaire response Additional submission Comments on the SEF
Guangdong Huachang Group Co. Ltd.	Non-sampled cooperating exporter	Pre-sampling Questionnaire
Guangdong Jiangsheng Aluminium Co. Ltd.	Non-sampled cooperating exporter	Pre-sampling Questionnaire
Guangdong JMA Aluminium Profile Factory (Group) Co., Ltd.	Non-sampled cooperating exporter	Pre-sampling Questionnaire Comments on the SEF
Guangdong Nanhai Light Industrial Products Imp. & Exp. Co. Ltd	Non-sampled cooperating exporter	Pre-sampling Questionnaire

Guangdong Xingfa Aluminium Co., Ltd	Non-sampled cooperating exporter	Pre-sampling Questionnaire
Guangdong Xinhe Aluminium Xinxing Co., Ltd	Non-sampled cooperating exporter	Pre-sampling Questionnaire
Guangya Aluminium Industries Co., Ltd	Non-sampled cooperating exporter	Pre-sampling Questionnaire
Guangdong Yaoyinshan Aluminum Co. Ltd.,	Non-sampled cooperating exporter	Pre-sampling Questionnaire
JMA (HK) Company Limited	Non-sampled cooperating exporter	Pre-sampling Questionnaire
Shandong Mengshan Aluminium Co. Ltd	Non-sampled cooperating exporter	Pre-sampling Questionnaire
Shandong Orient Aluminium Co., Ltd	Non-sampled cooperating exporter	Pre-sampling Questionnaire
Taishan City Kam Kiu Aluminium Extrusion Co., Ltd.	Non-sampled cooperating exporter	Pre-sampling Questionnaire
Yingkou Liaohe Aluminium Products Co. Ltd.	Non-sampled cooperating exporter	Pre-sampling Questionnaire
Anyang Hoonly International Co., Ltd	Non-sampled cooperating exporter	Pre-sampling Questionnaire

Foshan City Nanhai Yongfeng Aluminium Co. Ltd	Non-sampled cooperating exporter	Pre-sampling Questionnaire
Foshan JMA Aluminium Co., Ltd	Non-sampled cooperating exporter	Pre-sampling Questionnaire
Foshan Kengye Metal Products Co. Ltd	Non-sampled cooperating exporter	Pre-sampling Questionnaire
Foshan Sanshui Fenglu Aluminium Company Limited	Non-sampled cooperating exporter	Pre-sampling Questionnaire
PanAsia Aluminium (China) Limited	Non-cooperating exporter	Pre-sampling Questionnaire
PanAsia Enterprises (Nanyang) Company Limited	Non-cooperating exporter	Pre-sampling Questionnaire
Ministry Of Commerce, P.R.C.	Foreign government	Pre-sampling Questionnaire Additional submission Comments on the SEF
Dura Composites Limited	Downstream user	Pre-sampling Questionnaire
Global Extrusion Direct Ltd	Downstream user	Pre-sampling Questionnaire Questionnaire response
M. G. Metals Limited	Downstream user	Pre-sampling Questionnaire

Senior Architectural Systems Limited	Downstream user	Pre-sampling Questionnaire Questionnaire response (deficient)
ABL (Aluminium Components) Limited	Contributor	Pre-sampling Questionnaire Questionnaire response (deficient)
Alvance British Aluminium Ltd	Contributor	Pre-sampling Questionnaire
European Aluminium	Contributor	Pre-sampling Questionnaire
GSM Aluminium Limited	Contributor	Pre-sampling Questionnaire Questionnaire response
Hydro Aluminium Deeside Ltd	Contributor	Pre-sampling Questionnaire Questionnaire response
Linjar Limited	Contributor	Pre-sampling Questionnaire
Multi Metals Ltd	Contributor	Pre-sampling Questionnaire
Parkside Group Limited (The)	Contributor	Pre-sampling Questionnaire
Portland Alloys Limited	Contributor	Pre-sampling Questionnaire
Richard Austin Alloys Limited	Contributor	Pre-sampling Questionnaire
Shackerley (Holdings) Group Limited	Contributor	Pre-sampling Questionnaire

Sheerline Fabrications Ltd	Contributor	Pre-sampling Questionnaire
Simmal Ltd	Contributor	Pre-sampling Questionnaire
Righton & Blackburns Limited	Contributor	Pre-sampling Questionnaire Questionnaire response (deficient)
Sherwood Stainless and Aluminium Ltd	Contributor	Pre-sampling Questionnaire Questionnaire response (deficient)

Annex B: PCN Structure

Table 23: Product Control Numbers		
Field Description	Field Format	Explanation
Customisation	X Letter	S – standard profiles/shapes which can be purchased by any customer, normally shown in a standard catalogue C – custom/bespoke profiles. The customer owns the copyright/design rights
Shape/Form	X Letter	B – Bars and rods P – Pipes and tubes S – Solid profiles specifically: I, C, T (both with equal and unequal sides), H, U, double U, Z, L (angle), mouldings/ledgers H – Hollow Shape O – Other
Alloy Series	X Digit	2 – 2000 series 3 – 3000 series 4 – 4000 series 5 – 5000 series 6 – 6000 series 7 – 7000 series 8 – 8000 series 9 – Other
Length	X Letter	S – ≤ 2 metres M – >2 metres to ≤7 metres L – >7 metres
Weight per metre	X Digit	0 – less than 0.1 kg/m 1 – 0.1 kg/m to <0.5 kg/m 2 – 0.5 kg/m to < 4.5kg/m 3 – 4.5kg/m to < 8 kg/m 4 – 8kg/m to < 10 kg/m 5 – greater than 10kg/m
Maximum Cross-Sectional Dimension	X Letter	S – ≤ 310mm L – > 310mm

Finish	X Letter	N – No Finish P – Painted A – Anodised O – Other
Fabrications	X Letter	N – None Y – Other including additional cutting, machining, drilling, punching, notching, bending, stretching.
Drawing	X Letter	Only applies to Bars and Rods (Shape/Form B) N – Not drawn D – Drawn For shape/form P, S, H, O – use N