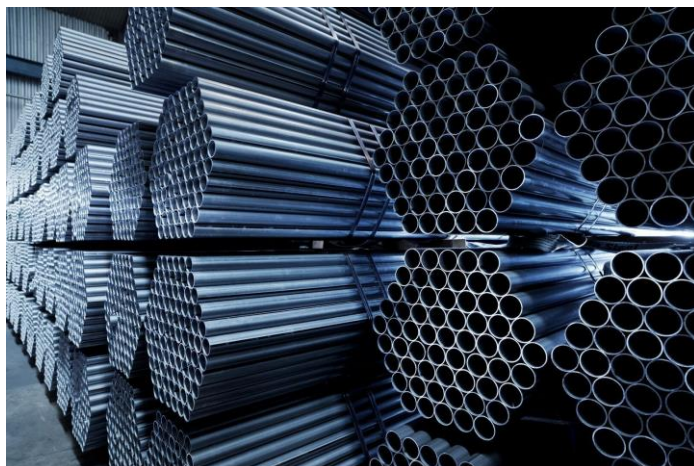


# **REQUEST FOR AN EXPIRY REVIEW**

ANTI-DUMPING MEASURES APPLICABLE TO IMPORTS OF  
**WELDED TUBES AND PIPES**  
FROM CHINA AND BELARUS



*NON-CONFIDENTIAL VERSION*

**29 October 2025**

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**EXECUTIVE SUMMARY**

1. This expiry review request is submitted by Tata Steel UK Ltd. (also referred to as “Tata Steel ” or the “Applicant”), Tata Steel being the only producer of welded tubes and pipes of iron or non-alloy steel (“WTP”) in the United Kingdom (“UK”) during the review investigation period (“RIP”) (i.e., the third quarter of 2024 (“Q3 2024”) through the second quarter of 2025 (“Q2 2025”).
2. The review request is made in response to the Notice by the Trade Remedies Authority (“TRA”) of the impending expiry of anti-dumping (“AD”) duties on imports of WTP originating in Belarus, the People’s Republic of China (“China”), and Russia.<sup>1</sup>
3. The Applicant seeks an expiry review of the AD measures imposed on imports of WTP from China and Belarus on the grounds that the expiry of these measures is likely to lead to the continuation/recurrence of dumping as well as continuation of injury. The information presented in this review request demonstrates that the AD measures have helped the Applicant on its way to recovery, but that their removal would likely result in continuation of dumping in the case of China, recurrence of dumping for Belarus, (as Belarus currently does not appear to be exporting WTP to the UK), and in continuation of injury. The request also shows that continuation of the AD measures applicable to imports of WTP from China is in the UK’s economic interest.
4. **Removal of the AD measures would likely result in continuation (China) and recurrence (Belarus) of dumping.** Applicant’s calculations (contained in [ANNEX 2](#)) comparing Chinese export prices with a constructed normal value confirm that dumping from China was at a significant level of [40-60] % during the RIP. In the case of Belarus, which currently has no exports to the UK, the calculation of dumping (based on best available information – i.e. adjusted prices of exports from Belarus to the UK in 2022) confirms that absent the measures, imports from Belarus would have been sold in the UK at significantly dumped prices with dumping margins exceeding [165-185] %. The data thus leaves no doubt that a repeal of the AD measures would result in continuation of dumping in the case of China and recurrence of dumping in the case of Belarus.
5. **Removal of the AD measures would lead to a continuation of injury.** Despite the partial improvement, the UK WTP industry remains vulnerable to injury. Despite the fairly stable production and sales, these remained **at significantly low levels with mere [30-50] % capacity utilisation in the RIP.** Pressure by imports as well as other factors did not allow the Applicant to raise prices to sustainably levels covering costs, which resulted in continued losses. This volatile situation left the Applicant with no choice but to lay off workers. All available data thus suggests that while AD measures have helped the UK WTP industry stay afloat, and maintain production and sales, the expiry of the AD measures would have a devastating impact on the UK industry under pressure from imports. Imports, which the Applicant’s calculations show undercut and undersold Applicant’s prices by large amounts (See [ANNEX 3](#)). Lifting the measures is thus bound to have a detrimental negative impact on the Applicant especially given their rate of increase, as Chinese imports skyrocketed during the RIP and increased by 886 % between 2022-IP.

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<sup>1</sup> TRA, Notice of the impending expiry of certain anti-dumping measures (TD0001), available [here](#).

6. **Continuation of AD measures would be in the economic interest of the UK.** Maintaining the AD measures would preserve fair market conditions on the UK market and ensure a steady domestic supply of WTP to downstream users. As the Applicant demonstrates below in this request, there has also been no negative impact on downstream industries and consumers in the UK as a result of the AD measures since they were first imposed. In particular, there is no risk of supply shortages.
7. The expiry of AD measures on the other hand would further compromise jobs in the UK WTP sector, while the extension of these measures would not compromise jobs in end-user industries. Ultimately, the continuation of the existing AD measures would fully support and align with general efforts undertaken by the UK government to support the steel industry, e.g., under its steel strategy.<sup>2</sup> It would thus contribute to protection of one of the UK's most valuable industry sectors for the development of infrastructure and a modern and digital economy.
8. For these reasons, the Applicant requests that the TRA make a determination that the AD measures applicable to imports of WTP from China and Belarus be extended for a further period of five years.

## 1. BACKGROUND: THE HISTORY OF THE CURRENT AD MEASURES ON WTP

9. AD measures were initially imposed on imports of WTP from China, Belarus, and Russia in 2008, when the UK was still a Member of the European Union ("EU"), by way of Council Regulation (EC) No 1256/2008 of 16 December 2008.<sup>3</sup> These measures were extended first in January 2015 by Council Regulation (EU) 2015/110.<sup>4</sup> They were extended a second time in April 2021 by Commission Implementing Regulation (EU) 2021/635.<sup>5</sup>
10. The AD duties were set at 90.4 % for China and at 38.1 % for Belarus and have remained in place unchanged throughout following expiry reviews. In each expiry review, the European Commission consistently confirmed that dumping and injury would be likely to continue or recur if the AD measures were left to expire.

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<sup>2</sup> DBT, The steel strategy: the plan for steel, 16 February 2025, available [here](#).

<sup>3</sup> Council Regulation (EC) No 1256/2008 of 16 December 2008 imposing a definitive anti-dumping duty on imports of certain welded tubes and pipes of iron or non-alloy steel — originating in Belarus, the People's Republic of China and Russia following a proceeding pursuant to Article 5 of Regulation (EC) No 384/96, — originating in Thailand following an expiry review pursuant to Article 11(2) of the same Regulation, — originating in Ukraine following an expiry review pursuant to Article 11(2) and an interim review pursuant to Article 11(3) of the same Regulation, — and terminating the proceedings in respect of imports of the same product originating in Bosnia and Herzegovina and Turkey, OJ L 343/1, available [here](#).

<sup>4</sup> Commission Implementing Regulation (EU) 2015/110 of 26 January 2015 imposing a definitive anti-dumping duty on imports of certain welded tubes and pipes of iron or non-alloy steel originating in Belarus, the People's Republic of China and Russia and terminating the proceeding for imports of certain welded tubes and pipes of iron or non-alloy steel originating in Ukraine following an expiry review pursuant to Article 11(2) of Council Regulation (EC) No 1225/2009, available [here](#).

<sup>5</sup> Commission Implementing Regulation N (EU) 2021/635 of 16 April 2021 imposing a definitive anti-dumping duty on imports of certain welded pipes and tubes of iron or non-alloyed steel originating in Belarus, the People's Republic of China and Russia following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council, available [here](#).

11. Following BREXIT, the UK Secretary of State determined that the AD duties would be transitioned to continue applying in the UK at the end of the transition period.<sup>6</sup> The AD duty was duly transitioned on 31 December 2020 by public notice under Regulation 96A of the Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019 (the “D&S Regulations”).<sup>7</sup>
12. The Trade Remedies Investigations Directorate (“TRID”), the predecessor to the TRA, initiated the transition review on behalf of the UK Secretary of State. From 1 June 2021, the review was continued by the TRA. TRID/TRA considered whether the application of the AD duty was necessary or sufficient to offset the dumping in the UK by imports of WTP from Belarus, China, and Russia. TRID/TRA also considered whether injury to UK producers caused by imports of WTP from the three countries were likely to occur if the AD duty was no longer applied.
13. The TRID/TRA ultimately concluded that the AD duties on imports of WTP from Belarus and China should be maintained. The applicable duty amounts remained unchanged and stand at 38.1 % ad valorem for Belarus and at 90.6 % ad valorem for China.<sup>8</sup>
14. The AD duties currently applicable to imports of WTP from China and Belarus are due to expire on 29 January 2026.

## **2. THE PRODUCT CONCERNED AND THE LIKE PRODUCT**

15. The definition of the product (as defined in previous regulations) is “welded tubes and pipes, of iron or nonalloy steel, of circular cross-section and of an external diameter not exceeding 168.3 mm, excluding line pipe of a kind used for oil or gas pipelines, casing and tubing of a kind used in drilling for oil or gas, precision tubes and tubes and pipes with attached fittings suitable for conducting gases or liquids for use in civil aircraft.” These products are usually imported into the UK under the following UK Global Tariff (UKGT) commodity codes: 7306304120; 7306304920; 7306307780; 7306307280.
16. Welded tubes are metal hollow sections made from flat-rolled iron or non-alloy steel, formed into a circular shape and welded longitudinally.
17. WTP are usually produced from hot rolled coil of iron or non-alloy steel. Coils are slit into narrower strips called skelp, sized to match the final pipe diameter. The skelp is uncoiled and passed through a series of forming rolls. These rolls gradually bend the flat strip into a cylindrical (circular) shape. Subsequently, the pipe edges are heated by electric current (no filler metal is used). The heated edges are forged together under pressure, creating a longitudinal weld. This method is called Electric Resistance Welding (“ERW”). The inside and outside weld beads are removed (or sometimes left, depending on use). The welded tube passes through sizing mills to ensure correct dimensions and roundness and may undergo cold expansion or straightening. It is then

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<sup>6</sup> Notice of determination 2020/01: anti-dumping duty on certain welded tubes and pipes of iron or non-alloy steel originating in Belarus, the People's Republic of China and Russian Federation, available [here](#).

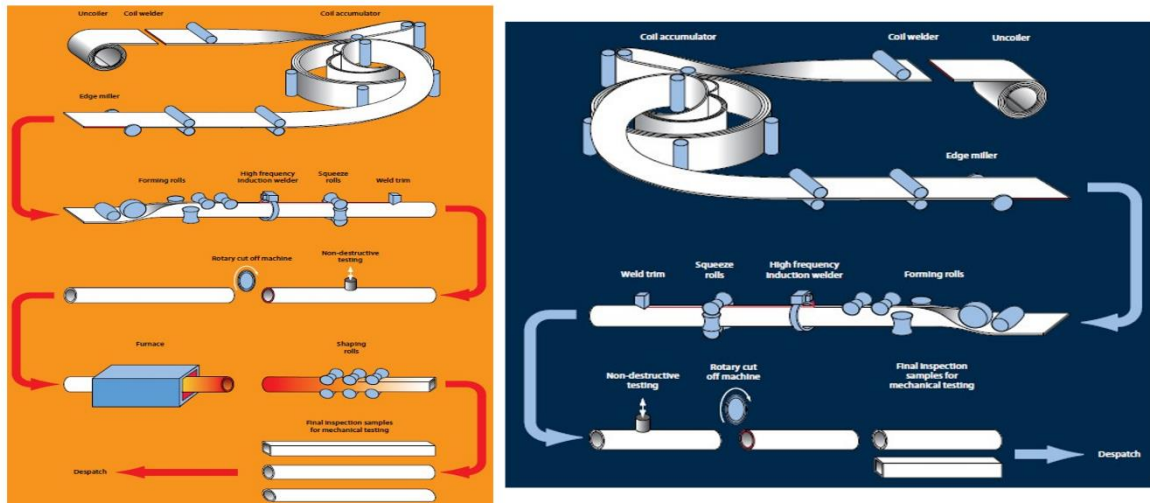
<sup>7</sup> Taxation notice 2020/01: anti-dumping duty on certain welded tubes and pipes of iron or non-alloy steel originating in Belarus, the People's Republic of China and the Russian Federation, available [here](#).

<sup>8</sup> Trade remedies notice 2021/08: anti-dumping duty on welded tubes and pipes from Belarus and China, available [here](#).

cut to length. As a finishing step, WTP can be further processed to add certain characteristics, including hydrotesting for pressure integrity; pickling and oiling to prevent corrosion; galvanization for corrosion resistance; or threading bevelling at ends.

18. The products in question can be hot or cold formed and will follow a production process as shown in the diagram below.

### Production flow diagram - Tubes



Sensitivity: general

11

19. WTP is used, for example, in construction for scaffolding, structural columns or fencing, in the automotive sector for the construction of chassis, axles, or mechanical tubing, in furniture for frames and supports, in general engineering for mechanical components and supports, and in many other industry sectors and downstream industries. The majority of the WTP produced by the Applicant is being sold to stockholders, who act as intermediaries and sell the products to end users.

### 3. THE APPLICABLE LEGAL PRINCIPLES

20. The legal provisions applicable to an expiry review are contained in Part 7 of the Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019 (the “D&S Regulations”) and in Schedule 4 of the Taxation (Cross-border Trade) Act 2018 (“the Act”).
21. According to Section 70(1) D&S Regulations, an expiry review seeks to establish whether injury to a UK industry would be likely to continue or recur if the application of an AD amount or a countervailing amount to the relevant goods were to expire.
22. Section 67(E1) (2)(a), (b) of the D&S Regulations determines that if there is sufficient evidence substantiating the need for an expiry review, the TRA may initiate such an expiry review where a review application is made by or on behalf of UK industry in the goods, or on its own initiative in special circumstances.
23. Section 70(5)-(8) contains the substantive requirements for conducting an expiry review and for the application. They provide as follows:

“(5) An expiry review application must include evidence that if the application of an AD amount or a countervailing amount were to expire in accordance with the terms of the public notice made under Section 13 of the Act, the following would be likely to continue or recur—

(a) the dumping or subsidisation of the goods subject to review; and

(b) the injury caused by the dumped goods or subsidised imports.

(6) In conducting an expiry review, where relevant, the TRA must consider whether—

(a) dumping or subsidisation of the goods subject to review is continuing or is likely to recur;

(b) injury has been removed, or reduced, in whole or in part due to the application of the anti-dumping amount or countervailing amount; and

(c) the circumstances of the relevant exporting country or territory, or overseas exporter, are such that the injury caused by the dumped goods or subsidised imports is likely to continue or recur.

[...]

(8) Where the goods subject to review are subject to an anti-dumping amount or a countervailing amount, the TRA must have regard to the current and prospective impact of the anti-dumping amount or countervailing amount when making a determination regarding the future application of an anti-dumping or a countervailing amount.”

24. In the context of an expiry review, the TRA may determine either of the following: (i) the application of measures should expire; (ii) the application of measures should be extended at the same level for a period of no more than five years; (iii) the application of measures at a different level should be extended by a period of no more than five years (Section 70(11) D&S Regulations).
25. Where the TRA determines that the application of an AD amount or a countervailing amount be extended, it must conduct an economic interest test to determine whether the application of AD measures is in the economic interest of the UK (Section 70(12) S&D Regulations in conjunction with Section 25 of Schedule 4 of the Act).
26. In sum, for the extension of AD measures the TRA must determine that:
  1. dumping of the goods subject to the review is likely to continue or recur if AD measures on WTP from China and Belarus expired;
  2. injury to the domestic industry is likely to continue or recur if AD measures on WTP from China and Belarus expired;

3. there is causation between the dumped goods subject to review and the injury suffered by the domestic industry;
  4. the circumstances of the relevant exporting country or territory, or overseas exporter, are such that the injury caused by the dumped goods is likely to continue or recur; and
  5. the extension of the AD measures is in the economic interest of the UK industry.
27. Where the goods subject to review are subject to an AD amount, the TRA must have regard to the current and prospective impact of the AD amount (Section 70(8) D&S Regulations). Moreover, the TRA must consider the margin of dumping and the amount adequate to remove injury (Section 70(6) D&S Regulations).
28. In the subsequent sections, the Applicant demonstrates that the conditions for extending the AD measures are met in the present case.

#### **4. LIKELIHOOD OF CONTINUATION (CHINA) AND RECURRENCE (BELARUS) OF DUMPING**

- 4.1. Available data shows that dumping has continued in the case of China and is likely to recur in the case of Belarus (which currently has no exports to the UK) if the AD measures are left to expire.**
29. All available data shows that dumping has continued at significant levels in the case of China and is likely to recur in the case of Belarus if the AD measures are left to expire.
- 4.1.1. China
- 4.1.1.1. Normal value
30. According to Section 8(1)(b) D&S Regulations, where there is no comparable price, or it is not appropriate to use the comparable price in accordance with Section 7(2), the TRA must determine the normal value of the goods by determining the costs of production plus a reasonable amount for administrative, selling and general costs and for profits. Section 11(2) D&S Regulations determines that costs of production of the like goods in the exporting country or territory must normally be calculated by the TRA on the basis of records kept by the overseas exporter of the goods concerned. Where the records of the overseas exporter do not meet the criteria established in Section 11(3), the costs of production may be calculated by the TRA using any other reasonable basis, according to Section 11(5).
31. Section 13 D&S Regulations determines that where the amounts calculated in accordance with Section 11 (costs of production) or Section 12 (the amounts for administrative, selling and general costs and for profits) are unrepresentative because they do not reasonably reflect the overseas exporter's production, administrative, selling or general costs or profits in a market if those costs and profits were substantially determined by market forces, the TRA may make adjustments to the amounts determined in accordance with Sections 11 and 12.

32. In making adjustments, the TRA may have regard, among others, to corresponding costs of production, administrative, selling, general costs and profits in an appropriate representative third country or territory. To determine an appropriate representative third country, the TRA may consider whether and to what extent reliable information is made available to the TRA by overseas exporters in that country or territory, whether the country or territory has a similar level of economic development to the exporting country or territory, and any other factors it considers relevant.
33. In the present case, the Applicant calculated the normal value by determining the costs of production plus a reasonable amount for administrative, selling and general costs and for profits in accordance with Section 8(1)(b) D&S Regulations. There are significant distortions on the Chinese market, which amount to a particular market situation and render it inappropriate to use the comparable price. These distortions render Chinese export prices unrepresentative because they do not reasonably reflect the costs of production and profits substantially determined by market forces. Accordingly, the Applicant established the costs of production by making adjustments in accordance with Sections 11, 13 D&S Regulations.
34. The Applicant relied on data from Mexico as an appropriate representative third country in line with Section 13(5) D&S Regulations (see the cost build-up in ANNEX 2), because Mexico has a similar economic development as China (both are classified by the World Bank as upper-middle-income countries<sup>9</sup>), there is production of WTP and information on a cost build-up is readily available.

4.1.1.1.1. Particular Market Situation

35. In the present case, it is not appropriate to use the comparable price because a particular market situation exists within the meaning of Section 7(2)(b), (4) D&S Regulations. According to Section 7(4) D&S Regulations, a “particular market situation” includes situations where—
- (a) prices are artificially low;
  - (b) there is significant barter trade;
  - (c) prices reflect non-commercial factors.
36. In the present case, the Applicant has demonstrated **that prices in China reflect non-commercial factors under Section 7(4)(c) D&S Regulations** due to the existence of significant distortions and government involvement in the WTP sector in China.
37. Regarding the fact that Chinese prices reflect non-commercial factors, in the latest EU expiry review undertaken in this case, the European Commission engaged in a detailed analysis of the market conditions of WTP in China and confirmed the existence of significant distortions. No structural changes have since occurred on the Chinese market and State-involvement particularly in the steel and WTP sector remains a characterising feature of Chinese WTP prices. The below considerations continue to

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<sup>9</sup> See [here](#).

apply to the present day and confirm that a particular market situation exists in China, affecting costs and prices in the WTP sector:

*“(2) Significant distortions affecting the domestic prices and costs in the PRC [People’s Republic of China]”*

The Chinese economic system is based on the concept of a ‘socialist market economy’. That concept is enshrined in the Chinese Constitution and determines the economic governance of the PRC. The core principle is the ‘socialist public ownership of the means of production, namely, ownership by the whole people and collective ownership by the working people’. The State-owned economy is the ‘leading force of the national economy’ and the State has the mandate ‘to ensure its consolidation and growth’. Consequently, the overall setup of the Chinese economy not only allows for substantial government interventions into the economy, but such interventions are expressly mandated. The notion of supremacy of public ownership over the private one permeates the entire legal system and is emphasized as a general principle in all central pieces of legislation. The Chinese property law is a prime example: it refers to the primary stage of socialism and entrusts the State with upholding the basic economic system under which the public ownership plays a dominant role. Other forms of ownership are tolerated, with the law permitting them to develop side by side with the State ownership.

In addition, under Chinese law, the socialist market economy is developed under the leadership of the Chinese Communist Party (‘CCP’). The structures of the Chinese State and of the CCP are intertwined at every level (legal, institutional, personal), forming a superstructure in which the roles of CCP and the State are indistinguishable. Following an amendment of the Chinese Constitution in March 2018, the leading role of the CCP was given an even greater prominence by being reaffirmed in the text of Article 1 of the Constitution. Following the already existing first sentence of the provision: ‘[t]he socialist system is the basic system of the People’s Republic of China’ a new second sentence was inserted which reads: ‘[t]he defining feature of socialism with Chinese characteristics is the leadership of the Communist Party of China.’ This illustrates the unquestioned and ever-growing control of the CCP over the economic system of the PRC. This leadership and control are inherent to the Chinese system and goes well beyond the situation customary in other countries where the governments exercise general macroeconomic control within which the boundaries of free market forces are at play.

The Chinese State engages in an interventionist economic policy in pursuance of goals, which coincide with the political agenda set by the CCP rather than reflecting the prevailing economic conditions in a free market. The interventionist economic tools deployed by the Chinese authorities are manifold, including the system of industrial planning, the financial system, as well as the level of the regulatory environment.

First, on the level of overall administrative control, the direction of the Chinese economy is governed by a complex system of industrial planning which affects all economic activities within the country. The totality of these

plans covers a comprehensive and complex matrix of sectors and crosscutting policies and is present on all levels of government. Plans at provincial level are detailed while national plans set broader targets. Plans also specify the means in order to support the relevant industries/sectors as well as the timeframes in which the objectives need to be achieved. Some plans still contain explicit output targets while this was a regular feature in previous planning cycles. Under the plans, individual industrial sectors and/or projects are being singled out as (positive or negative) priorities in line with the government priorities and specific development goals are attributed to them (industrial upgrade, international expansion etc.). The economic operators, private and State-owned alike, must effectively adjust their business activities according to the realities imposed by the planning system. This is not only because of the binding nature of the plans but also because the relevant Chinese authorities at all levels of government adhere to the system of plans and use their vested powers, accordingly, thereby inducing the economic operators to comply with the priorities set out in the plans. [...]

Second, on the level of allocation of financial resources, the financial system of the PRC is dominated by the State-owned commercial banks. Those banks, when setting up and implementing their lending policy need to align themselves with the government's industrial policy objectives rather than primarily assessing the economic merits of a given project (see also Section 3.2.2.2(a)(8) below). The same applies to the other components of the Chinese financial system, such as the stock markets, bond markets, private equity markets etc. Also, these parts of the financial sector other than the banking sector are institutionally and operationally set up in a manner not geared towards maximizing the efficient functioning of the financial markets but towards ensuring control and allowing intervention by the State and the CCP.

Third, on the level of regulatory environment, the interventions by the State into the economy take a number of forms. For instance, the public procurement rules are regularly used in pursuit of policy goals other than economic efficiency, thereby undermining market-based principles in the area. The applicable legislation specifically provides that public procurement shall be conducted in order to facilitate the achievement of goals designed by State policies. However, the nature of these goals remains undefined, thereby leaving broad margin of appreciation to the decision-making bodies. Similarly, in the area of investment, the GOC maintains significant control and influence over destination and magnitude of both State and private investment. Investment screening as well as various incentives, restrictions, and prohibitions related to investment are used by authorities as an important tool for supporting industrial policy goals, such as maintaining State control over key sectors or bolstering domestic industry.

In sum, the Chinese economic model is based on certain basic axioms, which provide for and encourage manifold government interventions. Such substantial government interventions are at odds with free play of market forces, resulting in distorting the effective allocation of resources in line with market principles.

*(3) Significant distortions [...]: the market in question being served to a significant extent by enterprises which operate under the ownership, control or policy supervision or guidance of the authorities of the exporting country*

In the PRC, enterprises operating under the ownership, control and/or policy supervision or guidance by the State represent an essential part of the economy.

The GOC and the CCP maintain structures that ensure their continued influence over enterprises, and in particular State-owned enterprises (SOEs). The State (and in many aspects also the CCP) not only actively formulates and oversees the implementation of general economic policies by individual SOEs, but it also claims its rights to participate in operational decision making in SOEs. This is typically done through rotation of cadres between government authorities and SOEs, through presence of party members on SOEs executive bodies and of party cells in companies (see also Section 3.2.2.2(a)(4)), as well as through shaping the corporate structure of the SOE sector. In exchange, SOEs enjoy a particular status within the Chinese economy, which entails a number of economic benefits, in particular shielding from competition and preferential access to relevant inputs, including finance. [...]

Specifically in the steel sector, which is the main raw material to produce WPT, a substantial degree of ownership by the GOC persists. While the nominal split between the number of SOEs and privately owned companies is estimated to be almost even, from the five Chinese steel producers ranked in the top 10 of the world's largest steel producers four are SOEs. At the same time, while the top ten producers only took up some 36 % of total industry output in 2016, the GOC set the target in the same year to consolidate 60 % to 70 % of steel production to around ten large-scale enterprises by 2025. This intention has been repeated by the GOC in April 2019, announcing a release of guidelines on steel industry consolidation. Such consolidation may entail forced mergers of profitable private companies with underperforming SOEs.

As explained above, there is a high share of SOE in the steel sector, which is the main provider of the raw material for the production of WPT. Since there was no cooperation from Chinese exporters of WPT, the exact ratio of the private and state owned WPT producers could not be determined. However, the investigation revealed that both public and privately owned enterprises in the WPT sector are subject to policy supervision and guidance [...].

*(4) Significant distortions [...]: State presence in firms allowing the state to interfere with respect to prices or costs*

Apart from exercising control over the economy by means of ownership of SOEs and other tools, the GOC is in position to interfere with prices and costs through State presence in firms. While the right to appoint and to remove key management personnel in SOEs by the relevant State authorities, as provided for in the Chinese legislation, can be considered to reflect the corresponding ownership rights, CCP cells in enterprises, state owned and private alike, represent another important channel through which the State can interfere

with business decisions. According to the PRC's company law, a CCP organisation is to be established in every company (with at least three CCP members as specified in the CCP Constitution) and the company shall provide the necessary conditions for the activities of the party organisation. In the past, this requirement appears not to have always been followed or strictly enforced. However, since at least 2016 the CCP has reinforced its claims to control business decisions in SOEs as a matter of political principle. The CCP is also reported to exercise pressure on private companies to put 'patriotism' first and to follow party discipline. In 2017, it was reported that party cells existed in 70 % of some 1,86 million privately owned companies, with growing pressure for the CCP organisations to have a final say over the business decisions within their respective companies. These rules are of general application throughout the Chinese economy, across all sectors, including to the producers of WPT and the suppliers of their inputs.

Many WPT producers explicitly emphasise party building activities on their websites, have party members in the company management and underline their affiliation to the CCP. The investigation revealed party building activities in a number of WPT producers, including Jinghua Steel Pipe Group, Kingland Group and Jiangsu Guoqiang Zincplating Industrial Co. Ltd. Evidence for one producer of the product under review revealed that such activities consisted in, inter alia, participation of CCPs members to discuss the situation, business model and development strategy of a company, facilitation of recruitment of party members; lectures, symposiums and other educational activities on the subject of the CCP, communist philosophy, etc.; formal events related to the activities of the CCP; etc. Furthermore, the Commission established during the investigation personal connections between WPT producers and the CCP, such as CCP members among the senior management or members of the board of directors in a number of companies manufacturing WPT, including Jinghua Steel Pipe Group, Kingland Group, Fubo Group, Weifang East Steel Pipe Co. Ltd and Huludao City Steel Pipe Industrial Co. Ltd.

In the steel sector, which is the major raw material for the production of WPT, many of the largest producers are owned by the State. Some are specifically referred to in the 'Steel Industry Adjustment and Upgrading plan for 2016-2020'. For instance, the Chinese State-owned Shanxi Taiyuan Iron & Steel Co. Ltd. ('TISCO') mentions on its website that it is 'a super iron and steel giant', which 'developed into an extraordinary large-scale iron and steel complex, which is integrated with business of iron mining, iron and steel production, processing, delivery and trading'. Baosteel is another major Chinese State-owned enterprise that engages in steel manufacturing and is part of the recently consolidated China Baowu Steel Group Co. Ltd. (formerly Baosteel Group and Wuhan Iron & Steel).

The State's presence and intervention in the financial markets (see also Section 3.2.2.2(a)(7) below) as well as in the provision of raw materials and inputs have an additional distorting effect on the market. Thus, the State presence in firms, including SOEs, in the steel and other sectors (such as the

financial and input sectors) allow the GOC to interfere with respect to prices and costs.

*(5) Significant distortions [...]: public policies or measures discriminating in favour of domestic suppliers or otherwise influencing free market forces*

The direction of the Chinese economy is to a significant degree determined by an elaborate system of planning which sets out priorities and prescribes the goals the central and local governments must focus on. Relevant plans exist on all levels of government and cover virtually all economic sectors. The objectives set by the planning instruments are of binding nature and the authorities at each administrative level monitor the implementation of the plans by the corresponding lower level of government. Overall, the system of planning in the PRC results in resources being allocated to sectors designated as strategic or otherwise politically important by the government, rather than being allocated in line with market forces.

Even though WPT is a specialised industry and no specific policy documents guiding specifically the development of the WPT industry could be identified during the investigation, the WPT industry is benefitting from governmental guidance and intervention into the main raw material to manufacture WPT, namely steel. The distortive effects of the governmental intervention on the WPT industry are illustrated by the problem of major overcapacity. The report on the state of the steel welded pipes industry in 2018 confirms the existence of serious overcapacity [...].

Furthermore, the steel industry is regarded as a key industry by the GOC. This is confirmed in the numerous plans, directives and other documents focused on steel, which are issued at national, regional and municipal level such as the ‘Steel Industry Adjustment and Upgrading plan for 2016-2020’. This Plan states that the steel industry is ‘an important, fundamental sector of the Chinese economy, a national cornerstone’. The main tasks and objectives set out in this Plan cover all aspects of the development of the industry.

The 13th Five-Year Plan on Economic and Social Development envisages support to enterprises producing high-end steel product types. It also focuses on achieving product quality, durability and reliability by supporting companies using technologies related to clean steel production, precision rolling and quality improvement.

The ‘Catalogue for Guiding Industry Restructuring (2011 Version) (2013 Amendment)’ (‘the Catalogue’) lists steel as encouraged industry.

The GOC further guides the development of the sector in accordance with a broad range of policy tools and directives related to, inter alia: market composition and restructuring, raw materials, investment, capacity elimination, product range, relocation, upgrading, etc. Through these and other means, the GOC directs and controls virtually every aspect in the development and functioning of the sector. The current problem of overcapacity is arguably the clearest illustration of the implications of the GOC’s policies and the resulting distortions.

In sum, the GOC has measures in place to induce operators to comply with the public policy objectives of supporting encouraged industries, including the production of steel as the main raw material used in the manufacturing of the product under review. Such measures impede market forces from operating freely.

*(6) Significant distortions [...]: the lack, discriminatory application or inadequate enforcement of bankruptcy, corporate or property laws*

According to the information on file, the Chinese bankruptcy system delivers inadequately on its own main objectives such as to fairly settle claims and debts and to safeguard the lawful rights and interests of creditors and debtors. This appears to be rooted in the fact that while the Chinese bankruptcy law formally rests on principles that are similar to those applied in corresponding laws in countries other than the PRC, the Chinese system is characterised by systematic under-enforcement. The number of bankruptcies remains notoriously low in relation to the size of the country's economy, not least because the insolvency proceedings suffer from a number of shortcomings, which effectively function as a disincentive for bankruptcy filings. Moreover, the role of the State in the insolvency proceedings remains strong and active, often having direct influence on the outcome of the proceedings.

In addition, the shortcomings of the system of property rights are particularly obvious in relation to ownership of land and land-use rights in the PRC. All land is owned by the Chinese State (collectively owned rural land and State-owned urban land). Its allocation remains solely dependent on the State. There are legal provisions that aim at allocating land use rights in a transparent manner and at market prices, for instance by introducing bidding procedures. However, these provisions are regularly not respected, with certain buyers obtaining their land for free or below market rates. Moreover, authorities often pursue specific political goals including the implementation of the economic plans when allocating land.

Much like other sectors in the Chinese economy, the producers of WPT are subject to the ordinary rules on Chinese bankruptcy, corporate, and property laws. That has the effect that these companies are also subject to the top-down distortions arising from the discriminatory application or inadequate enforcement of bankruptcy and property laws. The present investigation revealed nothing that would call those findings into question. As such, the Commission preliminarily concluded that the Chinese bankruptcy and property laws do not work properly, thus generating distortions by maintaining insolvent firms afloat and by allocating land use rights in the PRC. Those considerations, on the basis of the evidence available, appear to be fully applicable also in the WPT sector.

In light of the above, the Commission concluded that there was discriminatory application or inadequate enforcement of bankruptcy and property laws in the WPT sector, including with respect to the product under review.

*(7) Significant distortions [...]: wage costs being distorted*

A system of market-based wages cannot fully develop in the PRC as workers and employers are impeded in their rights to collective organisation. The PRC has not ratified a number of essential conventions of the International Labour Organisation ('ILO'), in particular those on freedom of association and on collective bargaining. Under national law, only one trade union organisation is active. However, this organisation lacks independence from the State authorities and its engagement in collective bargaining and protection of workers' rights remains rudimentary. Moreover, the mobility of the Chinese workforce is restricted by the household registration system, which limits access to the full range of social security and other benefits to local residents of a given administrative area. This typically results in workers who are not in possession of the local residence registration finding themselves in a vulnerable employment position and receiving lower income than the holders of the residence registration. Those findings lead to the distortion of wage costs in the PRC.

No evidence was submitted to the effect that the WPT sector is not subject to the Chinese labour law system as described above. WPT sector is thus affected by the distortions of wage costs both directly (when making the product under review or the main raw material for its production) as well as indirectly (when having access to capital or inputs from companies subject to the same labour system in the PRC).

*(8) Significant distortions [...]: access to finance granted by institutions which implement public policy objectives or otherwise not acting independently of the State*

Access to capital for corporate actors in the PRC is subject to various distortions.

First, the Chinese financial system is characterised by the strong position of State-owned banks, which, when granting access to finance, take into consideration criteria other than the economic viability of a project. Similarly to non-financial SOEs, the banks remain connected to the State not only through ownership but also via personal relations (the top executives of large State-owned financial institutions are ultimately appointed by the CCP) and, again just like non-financial SOEs, the banks regularly implement public policies designed by the government. In doing so, the banks comply with an explicit legal obligation to conduct their business in accordance with the needs of the national economic and social development and under the guidance of the industrial policies of the State.

While it is acknowledged that various legal provisions refer to the need to respect normal banking behaviour and prudential rules such as the need to examine the creditworthiness of the borrower, the overwhelming evidence, including findings made in trade defence investigations, suggests that these provisions play only a secondary role in the application of the various legal instruments.

Furthermore, bond and credit ratings are often distorted for a variety of reasons including the fact that the risk assessment is influenced by the firm's

strategic importance to the GOC and the strength of any implicit guarantee by the government. Estimates strongly suggest that Chinese credit ratings systematically correspond to lower international ratings.

These issues are compounded by additional rules which direct finances into sectors designated by the government as encouraged or otherwise important. This results in a bias in favour of lending to SOEs, large well-connected private firms and firms in key industrial sectors, which implies that the availability and cost of capital is not equal for all players on the market.

Second, borrowing costs have been kept artificially low to stimulate investment growth. This has led to the excessive use of capital investment with ever lower returns on investment. This is illustrated by the recent growth in corporate leverage in the state sector despite a sharp fall in profitability, which suggests that the mechanisms at work in the banking system do not follow normal commercial responses.

Third, although nominal interest rate liberalization was achieved in October 2015, price signals are still not the result of free market forces but are influenced by government induced distortions. Indeed, the share of lending at or below the benchmark rate still represents 45 % of all lending and recourse to targeted credit appears to have been stepped up, since this share has increased markedly since 2015 in spite of worsening economic conditions. Artificially low interest rates result in under-pricing, and consequently, the excessive utilization of capital.

Overall credit growth in the PRC indicates a worsening efficiency of capital allocation without any signs of credit tightening that would be expected in an undistorted market environment. As a result, non-performing loans have increased rapidly in recent years. Faced with a situation of increasing debt-at-risk, the GOC has opted to avoid defaults. Consequently, bad debt issues have been handled by rolling over debt, thus creating so called ‘zombie’ companies, or by transferring the ownership of the debt (e.g. via mergers or debt-to-equity swaps), without necessarily removing the overall debt problem or addressing its root causes.

In essence, despite the recent steps that have been taken to liberalize the market, the corporate credit system in the PRC continues to be affected by significant distortions resulting from the continuing pervasive role of the state in the capital markets.

No evidence was submitted to the effect that the WPT sector is exempted from government intervention in the financial system described above. Therefore, the substantial government intervention in the financial system leads to the market conditions being severely affected at all levels.

#### *(9) Systemic nature of the distortions described*

The Commission noted that the distortions described in the Report are characteristic for the Chinese economy. The evidence available shows that the facts and features of the Chinese system [...] apply throughout the country

and across the sectors of the economy. The same holds true for the description of the factors of production [...].

The Commission recalls that in order to produce WPT, a broad range of inputs is needed. When the producers of WPT purchase/contract these inputs, the prices they pay (and which are recorded as their costs) are clearly exposed to the same systemic distortions mentioned before. For instance, suppliers of inputs employ labour that is subject to the distortions. They may borrow money that is subject to the distortions on the financial sector/capital allocation. In addition, they are subject to the planning system that applies across all levels of government and sectors.

As a consequence, not only the domestic sales prices of WPT are not appropriate for use [...], but all the input costs (including raw materials, energy, land, financing, labour, etc.) are also affected because their price formation is affected by substantial government intervention [...]. Indeed, the government interventions described in relation to the allocation of capital, land, labour, energy and raw materials are present throughout the PRC. This means, for instance, that an input that in itself was produced in the PRC by combining a range of factors of production is exposed to significant distortions. The same applies for the input to the input and so forth. No evidence or argument to the contrary has been adduced by the GOC or the exporting producers in the present investigation.

#### *(10) Conclusion*

The analysis [...], which includes an examination of all the available evidence relating to the PRC's intervention in its economy in general as well as in the WPT sector (including the product under review) showed that prices or costs of the product under review, including the costs of raw materials, energy and labour, are not the result of free market forces because they are affected by substantial government intervention [...] as shown by the actual or potential impact of one or more of the relevant elements listed therein. On that basis, and in the absence of any cooperation from the GOC and the exporting producers in the PRC, the Commission concluded that it is not appropriate to use domestic prices and costs to establish normal value in this case.

Consequently, the Commission proceeded to construct the normal value exclusively on the basis of costs of production and sale reflecting undistorted prices or benchmarks, that is, in this case, on the basis of corresponding costs of production and sale in an appropriate representative country [...]. The Commission recalled that no claim was presented that some domestic costs would be undistorted [...].”<sup>10</sup>

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<sup>10</sup> Commission Implementing Regulation (EU) 2021/635 of 16 April 2021 imposing a definitive anti-dumping duty on imports of certain welded pipes and tubes of iron or non-alloyed steel originating in Belarus, the People's Republic of China and Russia following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council (contained in ANNEX 4), paras. 108-150. Emphases added.

38. Moreover, in regards of the WTP sector and the steel sector in China (hot rolled steel coils are the main input in the production of WTP), the following observations were made by the European Commission:

- from five Chinese largest steel producers, four are State-owned enterprises and as such those companies operate under the ownership, control, and policy supervision of the Chinese government;
- the costs of raw-materials and energy in China are not the result of free market forces as they are affected by substantial government interventions, as was confirmed also in recent anti-subsidy investigation concerning hot-rolled flat products;
- the hot-rolled steel producers benefit from preferential lending constituting subsidies, which was also confirmed by the above-mentioned anti-subsidy procedure.<sup>11</sup>

39. Accordingly, there is significant State intervention in the Chinese WTP sector, which results in WTP **prices reflecting non-commercial factors**. This in turn conforms the existence of a particular market situation within the meaning of Section 7 D&S Regulations.

#### 4.1.1.1.2. Using Mexico as an appropriate representative third country under Section 13 D&S Regulations

40. Considering the particular market situation, the Applicant determined the normal value based on costs of production from Mexico as an appropriate representative third country, in line with Sections 11, 13 D&S Regulations (see the cost build-up in ANNEX 2). Mexico has a similar economic level of development compared to China since both are classified by the World Bank as upper-middle-income countries.<sup>12</sup> World Trade Organization (“WTO”) data also suggests that both countries have a similar level of economic development in terms of GDP per capita (USD 11,970 for China and USD 9,764 for Mexico).<sup>13</sup> Moreover, there is WTP production in Mexico and data on costs of production is readily available. The Applicant submits that therefore, Mexico constitutes an appropriate representative third country.

41. The calculation of the normal value using Mexico as the representative country is based on the calculation methodology described below.

42. First, the Applicant provided a breakdown of its production costs. This cost breakdown included direct materials, direct labour, energy sources, utilities, and manufacturing overheads needed to produce the subject product. The Applicant reported this data with respect to the production of the product concerned. It also provided the Selling, General

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<sup>11</sup> Commission Implementing Regulation (EU) 2021/635 of 16 April 2021 imposing a definitive anti-dumping duty on imports of certain welded pipes and tubes of iron or non-alloyed steel originating in Belarus, the People’s Republic of China and Russia following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council, para. 105.

<sup>12</sup> See the World Bank classification [here](#)

<sup>13</sup> See WTO statistics on China [here](#) and Mexico [here](#).

and Administrative (“SG&A”) expenses (including freight costs, commissions, labour costs, insurance charges and general administrative services charges), as well as financial and other expenses associated with the production and sale of WTP. The profit margins of the Applicant were also included.

43. Next, the unit values in the cost sheet were replaced with unit values representing the actual undistorted costs in a suitable representative country. As described above, the Applicant used the most suitable representative country it could find – namely, Mexico. All data sources are mentioned in the calculation sheet provided in ANNEX 2, showing the precise location and table from which the figures were taken.

4.1.1.2. Export price

44. The Applicant used TDM data to calculate export prices for China.

Welded tubes and pipes imports into the UK, TDM (GBP/MT)	2022	2023	2024	RIP Q3/24-Q2/25
China	2,052	967	1,793	782

Source: TDM

4.1.1.3. Adjustments to export price

45. Where necessary, the Applicant made all appropriate adjustments (e.g. for international transportation, inland transportation in China, *etc.*) to bring these prices to an *ex works* level.

4.1.1.4. Dumping margin

46. ANNEX 2 provides dumping margin calculations comparing export prices, as explained above, with normal value. The dumping margin calculated for China was [40-60] % during the RIP (before the application of AD duties). This was accompanied by an increase in dumped products by 886 % throughout 2022-RIP, a surge which was clearly driven by the very significant fall in export prices from China seen in the table just above. This demonstrates that dumping is most likely to continue at significant margins if the AD measures are left to be expired.

4.1.2. Belarus

4.1.2.1. Normal value

47. Belarus is not a Member of the WTO. Accordingly, the Applicant determined normal value in accordance with Section 14 of the D&S Regulations. In doing so, as in the case of China, the Applicant used Mexico as an appropriate third country to construct normal value.

4.1.2.2. Export price

48. There are no imports of the products concerned after 2022 due to UK sanctions on steel imports from Belarus. These sanctions were imposed on 5 July 2022 and prohibit, among other, the import into the UK from Belarus of steel and iron products.<sup>14</sup>
49. In the absence of an alternative source, the Applicant used best information available to estimate export prices for Belarus. In order to determine export price, the Applicant took the Belarus export price to its biggest export destination in the EU in 2022 (Belgium at 1,049 GBP) and applied an index to reflect the same evolution that occurred to Chinese export prices in the period 2022-IP. The Applicant selected export prices to Belgium as a benchmark, as Belgium was the only EU country with sizable/commercial export volumes and it accounted for approximately 80% of all exports from Belarus to the EU.

	A	B	C	D	E	F	G	H	I
1									
2	FLOW	I							
3	PARTNER	Belarus							
4	Is COMMODITY in scope?	(All)							
5									
6	Sum of QTY1	Column Labels							
7	Row Labels	2021 - Q1	2021 - Q2	2021 - Q3	2021 - Q4	2022 - Q1	2022 - Q2	2023 - Q4	Grand Total
8	Austria	19.96							19.96
9	Belgium	107.62	42.53	107.08	62.92	450.12	102.51		872.78
10	Bulgaria					5.09			5.09
11	Canada						0.38		0.38
12	Czech Republic	21.98			19.67	21.96			63.61
13	Estonia		43.13						43.13
14	Germany	22.36		1.55		21.18			45.09
15	Hungary			74.21					74.21
16	Mexico	0.06	0.22						0.28
17	Poland	0.42	0.43	40.44	0.14	0.21			41.64
18	Portugal		21.02						21.02
19	Sweden		0.02						0.02
20	Switzerland		0.13						0.13
21	Turkey							0.76	0.76
22	Grand Total	172.39	107.47	223.28	82.73	498.57	102.89	0.76	1,188.08

	Sum of VALUE				Sum of Price GBP/MT				Total Sum of QTY1	Total Sum of VALUE	Total Sum of Price GBP/MT	
Row Labels	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
Austria	19.96				8,361.36				419.01	-	-	-
Belgium	320.15	552.63			289,409.87	579,955.76			904.00	1,049.44	-	-
Bulgaria		5.09				5,823.70			-	1,144.14	-	-
Canada		0.38				1,201.94			-	3,188.16	-	-
Czech Republic	41.65	21.96			30,811.40	17,174.47			739.80	782.08	-	-
Estonia						29,667.52			687.86	-	-	-
Germany	23.91	21.18			10,165.37	16,690.74			425.19	787.89	-	-
Hungary						101,971.76			1,374.08	-	-	-
Mexico		0.28				846.50			3,001.79	-	-	-
Mexico Preliminary	0.28	0.10	0.02	0.43	837.16	2,360.07	451.89	736.96	2,962.47	23,544.18	25,545.22	1,703.10
Poland	41.43	0.21			55,368.60	1,670.19			1,336.47	7,878.24	-	-
Portugal		21.02				18,786.29			893.95	-	-	-
Sweden		0.02				78.17			3,908.62	-	-	-
Switzerland		0.13				253.09			2,008.64	-	-	-
Turkey			0.76				955.24		-	-	1,256.89	-
Grand Total	586.15	601.55	0.78	0.43	546,557.10	624,876.86	1,407.13	736.96	932.45	1,038.77	1,809.37	1,703.10

<sup>14</sup> See The Republic of Belarus (Sanctions) (EU Exit) (Amendment) Regulations 2022, available [here](#).

4.1.2.3. Dumping margin

50. ANNEX 2 provides dumping calculations comparing export prices, as explained above. The dumping margin thus calculated for Belarus was [165-185] % during the RIP (before the application of AD duties). The below chart shows that dumping would have continued throughout the entire period concerned, had Belarus continued to export WTP to the UK if there had not been any UK sanctions. It follows from this that dumping is most likely to recur at significant margins if the AD measures were left to expire, when the UK sanctions are lifted. The fact that UK sanctions currently prevent imports of WTP from Belarus to enter the UK does not affect the finding that there is a high likelihood that these imports will be made at dumped prices when the sanctions are lifted.

Normal value based on constructed Normal Value (CNV)	Dumping margin in the IP, %			165%- 185%
CNV vs Belarus	2022	2023	2024	IP (Q3/24 - Q2/25)
a) Ex-works normal value in GBP	900-1200	900-1200	900-1200	900-1200
Prices of imports from Belarus, GBP/MT	1 049,44	494,38	917,27	400,15
Sea freight GBP/MT	116,75	116,75	116,75	116,75
b) Ex-works export price in GBP	850-950	300-400	770-870	250-350
c) Dumping margin (a-b)	20-40	580%- 610%	150%- 170%	670%-690%
d) CIF value of export price	1 049,44	494,38	917,27	400,15
e) Dumping margin as % on CIF value	0%- 30%	115%-135%	15%-35%	165%-185%

4.1.3. Conclusion on continuation or recurrence of dumping

51. The evidence thus demonstrates that if the AD measures currently in place are permitted to expire, dumping of WTP from China and Belarus is likely to recur and continue. As discussed below, such dumping would result in continuation of injury suffered by the UK industry.

**5. LIKELIHOOD OF CONTINUATION OF INJURY**

52. According to Section 70(5)(b) D&S Regulations, an expiry review application must contain evidence that if the application of an AD amount were to expire, the injury caused by the dumped goods would be likely to continue or recur. In the subsequent investigation, the TRA must consider whether injury has been removed, or reduced, in whole or in part due to the application of the AD amount and whether the circumstances of the relevant exporting country or territory, or overseas exporter, are such that the injury caused by the dumped goods is likely to continue or recur (Section 70(6)(c) D&S Regulations).

53. In the present case, the evidence suggests that if the measures expire, injury suffered by the domestic industry is likely to continue. The AD measures currently in place on imports of WTP from China and Belarus were effective and helped the UK industry to mark an improvement, with some economic indicators (e.g. production, sales) remaining stable, albeit at low levels. However, the Applicant remains highly vulnerable. Pressure by low-priced imports (as well as other factors) did not allow the Applicant to maintain prices at sustainable levels, which resulted in continued losses. The industry was faced with no choice but to resort to further layoffs. The data thus shows that the Applicant remains vulnerable to further injury if the measures are left to expire, which is bound to result in a further surge of low-priced imports from China at uneconomically low levels.

### 5.1. The situation in China and Belarus is such that injury caused by dumped goods is likely to continue and worsen if the AD measures are left to expire

54. The circumstances of exporters in China and Belarus leave no doubt that things are bound to get much worse (and quickly) if the AD measures in place are left to expire. This is due notably to existing overcapacities in these countries, and inability of other main third markets to absorb the exceeding production. There is an imminent risk of trade diversion, particularly since the UK WTP market is mature and well-developed, such that it is attractive and will be the natural target of these overcapacities in case of the expiry of AD measures.

#### 5.1.1. *Increasing overcapacities in China and Belarus concerning welded tubes and pipes*

55. China and Belarus have significant overcapacity and a shrinking number of options for export markets, which means that they would flood the attractive UK market with cheap dumped imports if the AD measures were removed. That this is true is confirmed by TRA and EU Commission's findings in recent TDI proceedings.
56. Concerning China, the TRA in its recent transition review concerning WTP (case TD0001, provided as [ANNEX 5](#)) found that “[i]f excess steel capacity in China were distributed evenly across the whole steel industry, China would have 8.7m tonnes of excess capacity to manufacture the goods subject to review. This is at least 58 times the UK annual consumption of like goods, which in 2019 was 100,000-150,000 tonnes (0.1-0.15m tonnes).”<sup>15</sup> Moreover, the TRA concluded that “[t]he spare WTP capacity that is currently present in China far exceeds annual UK consumption. Chinese domestic consumption would have to increase significantly to negate this risk, as even a very small proportion of the current excess capacity is greater than UK consumption.”<sup>16</sup> On this basis, the TRA recommended that AD measures should be extended for a period of five years, as it was considered likely that both dumping and injury would occur if the AD amount was no longer applied. These considerations still apply since no chances of this situation have occurred in the meantime – if anything, the steel and WTP overcapacity caused by China has worsened.
57. Concerning Belarus, the TRA held in its transition review was “satisfied that the potential capacity to manufacture the goods subject to review in Belarus is at least 158,000 tonnes per year. This exceeds the annual UK consumption of like goods, which for [at the time] was 100,000-150,000 tonnes.”<sup>17</sup> Moreover, the TRA pointed towards significant levels of unused capacity, which “increases both the incentive and the ability of Belarusian exporters to dump in the future, as having spare capacity is financially

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<sup>15</sup> TRA, Recommendation to the Secretary of State Case TD0001 Transition review of anti-dumping measures applying to certain welded tubes and pipes of iron or non-alloy steel originating in the Republic of Belarus, the People's Republic of China and the Russian Federation, 9 July 2021, para. 7.86.

<sup>16</sup> TRA, Recommendation to the Secretary of State Case TD0001 Transition review of anti-dumping measures applying to certain welded tubes and pipes of iron or non-alloy steel originating in the Republic of Belarus, the People's Republic of China and the Russian Federation, 9 July 2021, para. 7.87.

<sup>17</sup> TRA, Recommendation to the Secretary of State Case TD0001 Transition review of anti-dumping measures applying to certain welded tubes and pipes of iron or non-alloy steel originating in the Republic of Belarus, the People's Republic of China and the Russian Federation, 9 July 2021, para. 7.17.

inefficient and potentially unsustainable.”<sup>18</sup> These observations continue to apply. Belarusian Steel Works (“BMZ”), which is a major steel producer in Belarus, reported that BMZ increased exports to non-CIS countries by more than 70% in 2024. It further reported that the growth rate of steel production amounted to 102%.<sup>19</sup>

58. It follows from the above that there is increasing overcapacity in China and Belarus, which severely distort domestic steel markets globally, including in the UK. Recent OECD data suggests that steel overcapacity will continue to increase.<sup>20</sup> Multiple jurisdictions have adopted corrective trade defence measures to counter distortive trade practices in relation to steel products. If the AD duties on WTP were to expire, the UK industry would fall victim to these developments and continue suffering severe injury.

*5.1.2. The UK market is an attractive target for the dumped imports from China and Belarus*

59. The UK market, due to its size and open/competitive nature, with a stable and strong currency, is a highly attractive target for exporters of WTP from China and Belarus (if sanctions are lifted). Imports will therefore focus on the UK market once again if the AD measures expire.

*5.1.3. Situation in third country markets will result in diversion of export flows from China and Belarus into the UK*

60. The local markets of China and Belarus cannot absorb the steel capacity, as demonstrated by their large overcapacities (see Section 5.1.1. above). Most third country markets either already have overcapacity or are closed for their exports. As a result, and because the UK is a very attractive market, the UK is an obvious target for this vastly increased capacity and will be flooded with diverted imports should the AD measures lapse.

**5.2. Situation on the UK market has remained stagnant**

61. UK apparent consumption fell during the period of investigation, from a total of [100,000-110,000] tonnes to [70,000-80,000] tonnes during the RIP (injury data and import statistics are provided in ANNEX 3).

<b>UK apparent consumption (tonnes)</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>RIP Q3/24 – Q2/25</b>
UK Consumption	[100,000-110,000]	[70,000-80,000]	[80,000-90,000]	[70,000-80,000]

<sup>18</sup> TRA, Recommendation to the Secretary of State Case TD0001 Transition review of anti-dumping measures applying to certain welded tubes and pipes of iron or non-alloy steel originating in the Republic of Belarus, the People’s Republic of China and the Russian Federation, 9 July 2021, para. 7.18

<sup>19</sup> See [here](#).

<sup>20</sup> See the OECD Steel Outlook 2025, provided in ANNEX 5.

<i>Index</i>	100	[70-80]	[70-80]	[70-80]
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62. Despite the drop in demand and as a result of the AD measures imposed on imports from China and Belarus, the UK industry was able to take initial appropriate measures to improve its performance. The industry’s ability to do so was due to the lower pressure by dumped imports from China and Belarus thanks to the AD measures in place.
63. However, overall, the UK industry remains in a vulnerable state. Despite certain injury indicators such as production and sales remaining stable (albeit at very low levels), pressure by imports (which undercut the Applicant by large amounts) did not allow the Applicant to break even as it continued generating losses. The Applicant, while competing in this environment, was also navigating a move to a future greener state, incurring higher costs and/or lower productivity. The combination of these items led to a difficult position, which is reflected by the financial results.
64. Anti-dumping measures on WTP from China and Belarus constitute an essential element to help level the playing field and ensure that the UK industry is not suffering from injury caused by dumped imports of WTP. The data suggests that AD measures have helped the domestic industry survive, but that at the same time the UK industry remains very vulnerable and is still far from full recovery. Considering the overall development of injury indicators, while AD measures helped the UK industry stay afloat, it is still exposed to pressure from imports, high raw material costs, as well as other factors.

**5.3. Likelihood of continuation of injury due to imports from China and Belarus**

5.3.1. Volume and market share of imports from China

65. Throughout the period considered, Chinese imports have significantly increased in the period 2022-RIP even if starting from a very low level – trend that will certainly continue at a much faster rate, if the AD measures are left to expire.

<b>Imports from China (tonnes)</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>RIP Q3/24 – Q2/25</b>
Imports	199	943	511	1964
<i>Index</i>	<b>100</b>	<b>474</b>	<b>257</b>	<b>986</b>

66. As demonstrated above, this increase occurred despite the fact that UK apparent demand decreased by 25 percentage points throughout 2022-RIP. The Applicant can only imagine that this increase will continue (and further accelerate) if the measures in place are allowed to expire.
67. The increase in imports coincides with a relevant gain in market share of Chinese products, which increased by more than ten times.

<b>Market share by Chinese imports (tonnes)</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>RIP Q3/24 – Q2/25</b>
Market share	[0-2] %	[1-3] %	[0-2] %	[2-4] %
<b><i>Index</i></b>	<b>100</b>	<b>631</b>	<b>328</b>	<b>1,310</b>

68. These developments demonstrate a rapid increase in imports from China even if still at low levels, fully due to the AD measures in place. The Applicant has no doubt that imports from China will rise exponentially, and quickly, in the event that the AD measures are left to expire with the resulting devastating impact on the Applicant’s operations. Considering the existing and structural huge overcapacities of China in the steel sector, which also affect the WTP sector, Chinese imports must be expected to increase further if AD measures are left to expire.

5.3.2. WTP prices of imports from China undercut and undersell UK producers by significant amounts

69. The AD measures have helped lower the levels of undercutting and underselling. This being said, during the RIP, Chinese prices continued to undercut prices of the Applicant by large amounts. The below chart reflects prices on a CIF basis, thus not taking account of duties (neither AD nor customs/MFN duties).

	<b>RIP Q3/24 – Q2/25</b>
Price of Chinese products (GBP/tonne)	782
UK sales prices to unrelated	
Undercutting margin for China	[10-40] %
Underselling margin for China	[35-55] %

70. Indeed, assessed over the period considered, China’s prices have dropped significantly and range among the three lowest prices of imports during the RIP.

71. In sum, the undercutting and underselling analysis leaves no doubt that if the AD measures are left to expire, the situation of the Applicant will worsen as dumping and injury will continue. Producers in China and Belarus will inevitably continue ramping up their exports to the UK at very low prices, which will in turn lead to the continuation of dumping and injury.

5.3.3. WTP prices of imports from Belarus undercut and undersell UK producers by significant amounts

72. As the Applicant indicated, during 2022-RIP, there have been no imports of WTP from Belarus into the UK. This does not, however, mean that AD measures should be left to expire for imports from Belarus. It is likely that if the measures expire, (and once UK sanctions on imports of steel and iron products from Belarus are lifted), imports from Belarus will recur at dumped prices (see above), causing injury suffered by the UK industry. In order to assess potential undercutting and underselling margins, the Applicant used the latest data available for exports from Belarus in 2022 and indexed them using the same index as for Chinese prices. This calculation reveals that imports of WTP from Belarus would significantly **undercut UK prices by [50-70] % and undersell at a margin of [175-195] %** (see ANNEX 3).
73. Accordingly, the Applicant submits that the expiry of AD measures on WTP from Belarus would very likely lead to the recurrence of dumping of these products into the UK and significant undercutting and underselling of UK prices. The expiry of AD measures would thus very likely result in increased pressure on the domestic industry caused by imports from Belarus and deepen injury suffered by the domestic industry.
- 5.4. **The financial situation of the UK industry**
74. Measures have helped the Applicant survive on its way to recovery and stay afloat. This being said, it remains vulnerable to continued injury should the measures not be extended. If the Applicant is once again forced to face surging, dumped imports from China and Belarus, then the industry in the UK will once again face a bleak future and continue to suffer even graver injury as it did in the past before the measures were imposed.
75. Data concerning the Applicant’s financial situation are discussed below and details are provided in ANNEX 3.
76. Overall, as described above, the situation of the domestic industry must be considered as vulnerable, with certain positive trends being attributed to the AD measures in place. However, the economic state of the UK industry is far from being stable and the expiry of those measures would likely result in a significant downwards trend, with loss in market share to the benefit of dumped Chinese imports.
77. First, UK production, capacity and capacity utilisation remained fairly stable over 2022-RIP. This being said, production remained at a very low level with **capacity utilisation of only [30-50]% during the RIP.**

	2022	2023	2024	RIP Q3/24 – Q2/25
UK production (tons)				
<i>Index</i>	100	[70-90]	[100-120]	[90-110]
Capacity (tons)				
<i>Index</i>	100	[70-90]	[100-120]	[100-120]
Capacity utilisation rate				
<i>Index</i>	100	[100-120]	[100-120]	[100-120]

78. Thanks to the AD measures, the UK industry managed to slightly increase its sales in the UK throughout 2022-RIP, but they did remain a fraction of the Applicant’s capacity.

UK Sales (tonnes)	2022	2023	2024	RIP Q3/24 – Q2/25
Sales				
<i>Index</i>	100	[70-90]	[120-140]	[100-120]

79. However, under pressure by imports as well as other factors, UK prices to unrelated parties remained volatile throughout 2022-RIP. A decrease of [5-25] percentage points can be seen between 2024 and the RIP, signalling that the continuation of dumping from Chinese producers, pressure by imports coming from other countries and other factors have had negative impact on prices in the UK.

UK prices to unrelated (GBP/tonne)	2022	2023	2024	RIP Q3/24 – Q2/25
UK sales price				
<i>Index</i>	100	[70-90]	[90-110]	[80-100]

80. Importantly, between 2022 and 2024, Chinese prices remained above of or close to the cost of production incurred by the UK industry. This indicates that existing AD measures managed to establish fairer conditions of competition on the UK market. However, there has been a significant turnaround in the RIP, with Chinese sales prices dropping below UK cost of production. It is to be expected that this trend will continue and accelerate should AD measures be left to expire, resulting in a further boost in imports and further injury suffered by the UK industry.

China import prices and UK COGS (GBP/tonne)	2022	2023	2024	RIP Q3/24 – Q2/25
Chinese import prices (CIF basis not including AD or other duties)	2,052	967	1,793	782
<i>Index</i>	100	47	87	38
UK industry COGS				
<i>Index</i>	100	[80-100]	[100-120]	[90-110]
Difference with Chinese prices	-[900-1000]	[50-150]	-[600-700]	[250-350]
<i>Index</i>	100	-[5-15]	[70-90]	-[20-40]

81. During 2022-RIP, the UK industry managed to also marginally increase its market share by [0-20] percentage points, mainly thanks to the AD measures in place. At the same time, China tripled its market share (even if still at a fairly low level) despite the bigger increase in the RIP.

	2022	2023	2024	RIP Q3/24 – Q2/25

UK sales (tonnes)				
<i>Index</i>	<b>100</b>	<b>[70-90]</b>	<b>[120-140]</b>	<b>[110-130]</b>
UK industry market share				
<i>Index</i>	<b>100</b>	<b>[100-120]</b>	<b>[150-170]</b>	<b>[140-160]</b>

82. Applicant’s exports of own produced WTP also fell mainly driven by competition by Chinese exporters on third-country markets.

<b>UK exports</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>RIP Q3/24 – Q2/25</b>
Total (tonnes)				
<i>Index</i>	<b>100</b>	<b>[70-90]</b>	<b>[80-100]</b>	<b>[70-90]</b>

83. In the face of pressure by imports and falling demand, the Applicant was left with no choice but to lay off workers. As a result, employment fell by [5-15] percentage points in the period 2022-RIP.

<b>UK industry employment</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>RIP Q3/24 – Q2/25</b>
Employees (direct and indirect)				
<i>Index</i>	<b>100</b>	<b>[70-90]</b>	<b>[80-100]</b>	<b>[80-100]</b>

84. Profits on unrelated sales as percentage of unrelated turnover remained negative throughout 2022-RIP.

<b>UK industry profits</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>RIP Q3/24 – Q2/25</b>
<i>Index</i>	<b>-100</b>	<b>-[280-300]</b>	<b>-[100-120]</b>	<b>-[150-170]</b>

85. The reason for the continued losses was pressure from imports in addition to other factors. During this period there was significant disruption in the world steel markets. The UK was still suffering from unfair practices, some of which have been (or are being) addressed via other routes. Tata Steel UK, while competing in this environment, was also navigating a move to a future greener state, incurring higher costs and/or lower productivity. The combination of these items led to a difficult position, which was reflected by the company’s financial results. While the Applicant is making a consistent effort to improve its profitability in a difficult market environment, a repeal of the AD measures in place is bound to critically disrupt such efforts.

86. Thus, despite the marginal improvement in the industry’ situation, the UK domestic industry remains loss-making. While some economic indicators have shown fairly stable trends, underlining the effectiveness of the AD measures, the UK industry is still

vulnerable and far from stable. Accordingly, it is almost certain that the UK industry will face continuation of injury if AD measures were to expire.<sup>21</sup>

### 5.5. Conclusion

87. While certain injury indicators remained stable (albeit at a modest level), and even marginally improved mainly thanks to the AD measures in place, the Applicant is still in a vulnerable state as it struggles in an environment of weak demand and pressure by imports. The industry is still on its way to breaking even and maintaining steady workforce.
88. The UK industry thus remains highly sensitive to pressure by imports, which undercut and undersold the Applicant by large amounts in the RIP. Indeed, prices of Chinese imports dropped by 62 % over 2022-RIP, resulting in significant levels of undercutting ([10-40] % in the RIP) and underselling ([35-55] % in the RIP).
89. While the UK industry managed to maintain production and sales, mainly thanks to the AD measures in place, imports have continued to put pressure on prices in the UK WTP market and did not allow the Applicant to raise prices in line with high raw material costs. In the case of expiry of these measures, it is clear that imports would resurge at dumped prices and further deepen the injury suffered by the UK industry.
90. In light of these considerations, the Applicant submits that the expiry of the AD measures on WTP would likely result in the continuation of injury caused by dumped imports from China and Belarus. Accordingly, the Applicant submits that the AD measures be extended to prevent the continuation of injury.

## 6. CAUSATION

91. According to Section 70(5)(b) D&S Regulations, the application must demonstrate that injury is caused by the dumped goods subject to review. Below, the Applicant demonstrates the existence of a direct causal link between dumped imports of WTP from China and Belarus and the Applicant's situation.

### 6.1. Dumped imports from China and Belarus cause (and will continue to cause) injury to the UK industry Applicants if measures are allowed to lapse

92. As explained above, all relevant indicators point to the conclusion that Chinese and Belarussian imports would cause injury suffered by the UK industry if AD measures were to expire.
93. Chinese imports were dumped on the UK market at a level of [40-60] % during the RIP, with Chinese prices undercutting UK prices between [10-40] % and underselling UK prices between [35-55] %. Chinese prices have dropped in the RIP so as to stand significantly below the cost of production faced by the UK industry. The data further suggests that imports from Belarus would recur at dumped prices and will undercut and

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<sup>21</sup> Please note that the Applicant does not have data on opening and closing stocks and on investments at the product level.

undersell the Applicant by large amounts, so as to cause further injury if measures were lifted.

**6.2. Imports from Other Countries do not cause Injury to the UK Industry**

94. Other countries did not cause the injury suffered by the UK industry. Other countries with more significant imports of WTP into the UK include Turkey, Italy, India, Spain, and the United Arab Emirates (“UAE”).
95. A closer look at the UK import statistics (provided in ANNEX 3) reveals that even though there may be bigger import volumes coming from some of those third countries compared to China and Belarus, these other imports do not show an injurious trend, contrary to Chinese imports. Below, the Applicant has provided a list of countries with more significant WTP exports to the UK.

<b>Import statistics UK</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>RIP (Q3/24 - Q2/25)</b>
Turkey volume (t)	53,481	33,103	37,874	36,890
<b><i>Index</i></b>	<b>100</b>	<b>62</b>	<b>71</b>	<b>69</b>
Turkey import price (GBP/t)	1,002	816	755	696
<b><i>Index</i></b>	<b>100</b>	<b>81</b>	<b>75</b>	<b>70</b>
Italy volume (t)	8,858	6,763	7,291	6,558
<b><i>Index</i></b>	<b>100</b>	<b>76</b>	<b>82</b>	<b>74</b>
Italy import price (GBP/t)	1,042	1,338	1,143	941
<b><i>Index</i></b>	<b>100</b>	<b>128</b>	<b>110</b>	<b>90</b>
India volume (t)	11,730	12,328	12,456	11,182
<b><i>Index</i></b>	<b>100</b>	<b>105</b>	<b>106</b>	<b>95</b>
India import price (GBP/t)	864	<sup>1</sup> 137	926	890
<b><i>Index</i></b>	<b>100</b>	<b>132</b>	<b>107</b>	<b>103</b>
Spain volume (t)	3,865	4,037	2,850	2,137
<b><i>Index</i></b>	<b>100</b>	<b>104</b>	<b>74</b>	<b>55</b>
Spain import price (GBP/t)	904	1,022	1,291	1,376
<b><i>Index</i></b>	<b>100</b>	<b>113</b>	<b>143</b>	<b>152</b>
United Arab Emirates volume (t)	5,379	4,454	2,045	1,990
<b><i>Index</i></b>	<b>100</b>	<b>83</b>	<b>38</b>	<b>37</b>
United Arab Emirates import price (GBP/t)	801	991	782	677
<b><i>Index</i></b>	<b>100</b>	<b>124</b>	<b>98</b>	<b>85</b>

All others volume (t)	16,143	13,026	10,166	11,147
<i>Index</i>	<b>100</b>	<b>81</b>	<b>63</b>	<b>69</b>

96. The above chart demonstrates that imports of other countries were not causal for the injury suffered by the Applicant:

- Import volumes of WTP from Turkey were higher than import volumes of WTP from China. However, Turkish import volumes decreased by 31% between 2022-RIP. Even if Turkish prices were comparable to those of China, the Applicant has no information that such imports were sold in the EU at dumped prices.
- Import volumes of WTP from Italy were small and declined by 26% between 2022-RIP. Moreover, WTP imports from Italy had higher prices in the RIP (GBP/t 941) compared to WTP imports from China (GBP/t 782).
- WTP imports from India remained stable (and even decreased) in the period 2022-IP. Prices of imports from India were also significantly above prices of imports from China. The overall development of Indian imports thus suggests that Indian imports are subject to self-regulatory market forces and do not cause a distortion on the UK market.
- WTP import volumes from Spain were very low compared to imports from Turkey, Italy, or India. Moreover, Spanish imports declined by 45 % throughout 2022-RIP. Its prices were by far the highest of all countries with relevant export volumes of WTP to the UK, which stood at GBP/t 1,376 in the RIP.
- For the UAE, the already small imports volumes declined by 63% between 2022-RIP and there is no evidence of dumping.

97. In contrast to these developments, Chinese imports developed entirely independently and contrary to any reasonable market logic. Despite a drop in demand during 2022-RIP, Chinese imports increased by 886 % (albeit if starting from a low base) throughout 2022-RIP and increased their market share increased by [1,000 – 1,300] % during the same period. This clearly shows that the injury suffered by the UK industry is caused by Chinese imports. Notably, this increase occurred despite imports from China being subject to duties.

98. In sum, therefore, imports from other countries must not be considered to be a causal factor for the injury suffered by the domestic industry.

99. Tata Steel is closely monitoring further developments on the market and potential occurrence of injury caused by those imports.

**6.3. No other source of injury is present apart from dumped imports from China and Belarus**

100. No other source of concern is present here.

101. First, the decrease in demand throughout 2022-RIP inevitably had an impact on the market and the Applicant but was not the main reason for the industry’s situation. Despite the drop in demand, the domestic industry managed to maintain production and sales. This being said, the constant pressure by imports in addition to other factors did not allow the Applicant to raise prices above costs, which resulted in continued losses. This situation would have been much worse had it not been for the AD measures in place on imports of WTP from China and Belarus, which prevented such imports from flooding the UK market at rock-bottom prices.
102. This situation would change, however, if AD measures are left to expire. In this case, influxes of Chinese imports would likely accelerate, leading to further severe injury suffered by the domestic industry and the collapse of the positive trends observed.
103. Second, there is no self-injury; the domestic industry producing WTP remains productive and efficient, and as explained above, is taking measures to transition to future greener state.
104. Third, the domestic industry is not plagued by restrictive trade practices or other competition law issues.
105. Fourth, there has not been any major development in technology that could point to injury. In fact, the domestic industry has led the way and is at the forefront of technical development, notably when it comes to green steel.
106. Fifth, the industry’s export performance is not to blame for the injury – as demonstrated above such exports were fairly small and fell even further in recent time periods. Own imports were almost non-existent and not such as to impact causation.
107. Last but not least, costs of production do not cause injury. As shown by the chart below (provided in ANNEX 3), cost of production has remained stable throughout 2022-RIP.

	2022	2023	2024	RIP Q3/24 – Q2/25
Full COP per unit (GBP/tonne)				
<i>Index</i>	100	[80-100]	[90-110]	[90-110]

108. It is pressure by imports, which did not allow the Applicant to maintain prices above costs, which resulted in continued losses. Accordingly, any possible injury to the UK industry cannot be associated with cost of production.

**6.4. Conclusion on Causation**

109. In conclusion, imports from China and Belarus pose a serious concern for the Applicant and can be identified as the cause for the injury suffered by the domestic industry. The available evidence strongly suggests that no other factor is likely to cause a recurrence of injury to the UK industry.

110. It follows that the removal of the AD measures would lead to continuation of material injury caused by dumped imports of the products concerned from China and Belarus.

## **7. THE EXTENSION OF AD MEASURES IS IN THE ECONOMIC INTEREST OF THE UK**

111. According to Section 70(12) D&S Regulations, where the TRA determines that the application of an AD amount be extended, it must conduct the economic interest test (“EET”).
112. According to Section 25(2), (3) of Schedule 4 of the Act, the economic interest test is met in relation to the application of an AD remedy if the application of the remedy is in the economic interest of the UK. The 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.
113. According to Section 25(4) of the Act, when considering whether the application of an AD remedy is not in the economic interest of the United Kingdom, the TRA must take account of the following so far as relevant—
- (i) the injury caused by the dumping of the goods to a UK industry in the goods and the benefits to that UK industry in removing that injury,
  - (ii) the economic significance of affected industries and consumers in the UK,
  - (iii) the likely impact on affected industries and consumers in the UK,
  - (iv) the likely impact on particular geographic areas, or particular groups, in the UK, and
  - (v) the likely consequences for the competitive environment, and for the structure of markets for goods, in the UK.
114. The TRA must also take account of such other matters as the TRA it considers relevant.
115. Based on these principles, there is a strong economic interest in the present case that the AD measures be extended. In other terms, not extending the measures would result in the recurrence of dumping, which causes injury to the domestic industry. Moreover, failure to open an expiry review in these circumstances would open the door to a surge of dumped products into the UK from China and Belarus. This would risk the future of the UK WTP industry and its workforce.
116. In contrast, extending the measures would ensure that fair conditions of competition on the UK market can be maintained. Most importantly, the extension of the measures would have the consequence that positive developments observed for the UK industry could be solidified and ultimately result in the UK industry turning from suffering losses to making profits. Currently, as explained above, the UK industry is still fragile, such that the expiry of measures would lead to continued injury suffered under a surge in Chinese and Belarussian dumped imports of WTP into the UK. Accordingly, the extension of measures would help level the playing field, which would have positive consequences for the UK competitive environment and for the structure of the market for WTP.

**7.1. The continuation of measures does not entail a risk of shortage of supply**

117. There is sufficient capacity both within the UK and in other third countries to supply the UK market, as proven during the last three measures which have been in place. This is especially true in the current market environment where demand has taken a downturn in recent years.
118. First, as explained above, domestic production stood at only [20-40] % throughout 2022-RIP. This means that the domestic industry alone could more than double its production should demand increase.
119. Second, there is enough capacity in other third countries to supply the UK market. It should be noted that Chinese imports accounted for around 3 % of market share during the RIP. The biggest importer was Turkey, which held 47 % of the market share in the RIP. Other exporters with significant capacity and import volumes include notably Italy, Spain, and the UAE, with “all others” contributing another 14 % to UK consumption. These imports, taken together with domestic production and relevant domestic spare capacity, guarantee that there will be no shortage of supply if the current AD measures were to be extended.
120. Lastly, the Applicant recalls that the application of AD measures is not intended to exclude imports from China and Belarus from the market, but only to ensure that those imports are not sold at dumped prices, which would result in recurrence of injury. The extension of AD measures will not exclude such imports from the UK market, but merely ensure they are sold at fair prices.

**7.2. The continuation of measures will not have an impact on users**

121. It is in the interest of end users as well as the domestic WTP industry that the market functions in a fair way, with a healthy domestic industry to ensure continuity of supply for the future. As demonstrated above, the UK industry is capable of contributing significantly to satisfying domestic demand and there are many other producers of WTP around the world who could also supply the UK. The UK industry’s goal is to have a level playing field, which is fair to all market players, without the market being distorted by dumping.

**7.3. The non-imposition of measures risks eliminating industry jobs in the UK, whereas imposition of measures would not impact jobs in end user industries**

122. The negative impact of the dumped imports from the countries under investigation outweighs any potential impact on end users absent AD measures. As explained above, the AD measures have helped the industry stay afloat on its way to recovery. This being said, if the AD measures are left to expire, it is to be expected that Chinese and Belarussian dumped imports will once again surge on the UK market and further deteriorate the Applicant’s situation. This is likely to result in severe turbulences on the UK market, resulting in further continued injury to the domestic industry.
123. Moreover, the market situation for WTP, which are produced from iron or non-alloy steel, must be considered against the background of Chinese overcapacity in the steel

sector. Considering that the steel sector is considered “critical”<sup>22</sup> for the UK economy, the impact of job losses in the steel sector is likely to have significant impacts on industries depending on it. The indirect economic impact on the broader community around steel production sites is therefore even bigger.

#### **7.4. The extension of measures would be consistent with the UK government’s initiatives to maintain the competitiveness of its steel sector**

124. Finally, to the extent that WTP of non-alloy steel are concerned, the imposition of measures would be fully in line with the UK government initiatives to address the challenges of the UK steel industry, including increasing steel-making capacity, transitioning to low-carbon steel, and improving competitiveness under the UK’s steel strategy.<sup>23</sup> Accordingly, the extension of AD measures on WTP would align and complement the overall UK’s approach to protecting its steel industry, which, as recognized by the UK government in its steel strategy, constitutes one of the most relevant industries in the UK to develop a modern economy. In particular, maintaining steelmaking capacities for this product appears essential for the UK to maintain its industrial base and remain self-sufficient, notably for potential military uses of this product.

#### **7.5. Conclusion on EET**

125. In sum, all information on the record demonstrates that previous AD measures have not compromised supply or had a negative impact on industries and consumers. The UK industry (which currently operates at [30-50] % utilisation) has significant spare capacity to supply the UK market and there is also abundant supply in other third countries, which are being imported at non-injurious conditions. The current AD measures have helped the UK industry stay afloat and have not had any negative impact on supply in the UK. Accordingly, measures should not be allowed to lapse. Otherwise, the domestic industry’s efforts to improve performance will be undermined.
126. The Applicant also strongly considers that long-term competitiveness and stability of the domestic industry is in the best interests of UK industries and consumers. Should dumped imports from China and Belarus increase in a way that the data presented above suggests, this could ultimately lead to the disappearance of the UK WTP industry. Users would then lose out in terms of having choice, less flexibility and availability of supply, less R&D and technical innovation (including action to combat climate change) and lower quality service. Clearly, this cannot be in the UK users’ best interest.
127. Moreover, maintaining the AD measures on WTP would squarely align with the overall policies adopted by the UK to support one of its most important industries, i.e., the UK steel industry.
128. Accordingly, the Applicant submits that extending the AD measures is in the economic interest of the UK.

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<sup>22</sup> See the UK steel strategy [here](#) (provided as ANNEX 6).

<sup>23</sup> See the UK steel strategy [here](#) (provided as ANNEX 6).

## 8. CONCLUSION

129. In conclusion, the expiry of the AD measures on WTP would likely result in the recurrence and continuation of dumping from China and Belarus as well as continuation of injury. The expiry of measures would lead to distorted competitions on the UK market and harm a vulnerable, yet critical industry in the UK. In contrast, extending the existing AD measures would help ensure that the domestic industry could further improve and recover from past dumping practices. The extension also lies in the economic interest of the UK. For these reasons, the Applicant calls on the TRA to open an expiry review in order to extend the AD measures for a further period of 5 years.

Three handwritten signatures in blue ink, arranged horizontally. The first signature is 'JK', the second is 'V.N.', and the third is 'G.R.'.

James Killick / Vladimir Nyagolov/Georgi Roparov

**LIST OF ANNEXES**

<b>Annex</b>	<b>Classification</b>	<b>Content</b>
<b>Annex 1</b>	Sensitive	Power of Attorney
<b>Annex 2</b>	Sensitive	CNV and dumping margin calculations
<b>Annex 3</b>	Sensitive	Injury data, import statistics, causation
<b>Annex 4</b>	Open	Existence of a Particular Market Situation in China
<b>Annex 5</b>	Open	Overcapacities in China and Belarus
<b>Annex 6</b>	Open	Economic interest test