



TRANSITION REVIEW No. TD0027

Anti-dumping duties on certain Ceramic Tiles products originating in the People's Republic of China

Submission of Evidence

The Ketley Brick Company Limited

Note to Public File

December 2023

Following the publication of its [Notice of Initiation \(NOI\)](#) on 22 September 2022, the Trade Remedies Authority (TRA) has commenced a review of the anti-dumping measure in respect of Ceramic Tiles originating in the People's Republic of China (PRC). This measure was transitioned under the [Notice of Determination](#) issued by the Department of International Trade (now Department of Business and Trade) on 31 December 2020.

As set out in the NOI, the goods subject to review and scope of the transitioned measure are:

- Glazed and unglazed ceramic flags and paving, hearth or wall tiles
- Glazed and unglazed ceramic mosaic cubes and the like, whether or not on a backing.

Commodity codes:

6907 2100 00

6907 2300 00

6907 4000 00

6907 2200 00

6907 3000 00

Antecedents

The Ketley Brick Company Limited (Ketley) is a UK producer of like goods and an interested party in this transition review. Ketley has not been able to fully participate in this transition review. Notwithstanding Ketley's inability to participate, the TRA



assessed it important to obtain evidence from this interested party for consideration during this transition review.

We conducted interviews with Ketley, remotely via Microsoft Teams, on 19 September 2023 and 3 October 2023. During these interviews we obtained evidence from Ketley as to its position in respect of this transition review. This was obtained in the form of extended recorded interviews with a senior company stakeholder. However, it should be noted that we did not undertake verification activities on the evidence obtained from Ketley.

The following details a non-confidential summary of evidence submitted by Ketley during the course of this transition review. This has been agreed with Ketley. The TRA accept this non-confidential summary of evidence as the company's written submission of evidence to this transition review.

The Company

Ketley was acquired by Hinton Perry and Davenhill in 1964, [REDACTED]. Ketley is located at Pensnett, Brierley Hill, the borough of Dudley.

Production facilities

Ketley has two production facilities, one producing larger goods such as brick or pavers, with the other producing thinner units, such as roof tiles, brick slips and quarry tiles. Both facilities are located on the same site in the borough of Dudley.

Ketley produces for order and inventory. During periods of low demand, Ketley produce to inventory as its products do not deteriorate. About 25% of production capacity over the course of year would maintain inventory. When demand increases, Ketley produce to order. Ketley has a high degree of flexibility in production, and is able to shift production across its lines to cater to demand.

Ketley has a single staff cohort covering all products produced on site, and advises it is difficult to separate out the proportion of staff allocated to produce brick slips and quarry tiles.

Energy

Ketley primarily fires its clay goods using gas, which it purchases on the wholesale market.



Staff

In the last financial year, Ketley employed [REDACTED] people. The hourly rate it paid to its staff ranged from [REDACTED]. Staff earning beyond these rates are salaried. Ketley occasionally pays bonuses or ex gratia payments to staff.

Turnover and profit margin

Ketley's turnover was about [REDACTED] with a profit margin of [REDACTED]. About [REDACTED] of its revenue is derived from brick slips and quarry tiles.

Investment plan

Ketley is considering expanding its brick slip production if market conditions allow.

Sales

Ketley primarily sells its goods domestically but has exported brick slips and quarry tiles to [REDACTED] on project led basis in the past. Ketley has overseas agents who facilitate distribution and do not hold stock.

The goods

Ketley produce brick slips, pavers and quarry tiles which would all be considered like goods. These products have a moisture absorbency coefficient by weight of between 2-4% which would mean they could be categorised as commodity code 6907220000 (but could also legitimately be categorised under 6907400000).

Ketley also produce bricks, roof tiles and creasing tiles, which are outside the scope of this review, but represent the majority of its output.

Ketley indicate that it used to produce brick slips by cutting faces off of existing bricks but confirmed that all of its products are now made via pressing or extrusion.

Ketley noted that its quarry tiles and brick slips are both produced by extrusion and can be made to any size depending on specification. Both Ketley's non-structural brick slips and quarry tiles are made of the same material and have similar surface finishes. Whilst quarry tiles are generally considered to be a flooring product, they could be attached to a vertical surface and be used as a brick slip. Similarly, thicker extruded brick slips could be used on a horizontal surface and be used as a quarry tile. In this way the two products could act as functional substitutes to each other.

Ketley noted that its brick slips could be used for both external or internal applications. These can either be fixed by adhesive or mechanically fixed, although Ketley do not produce slips specifically for any particular mounting system.

Ketley produces a total of [REDACTED] by extrusion per year.



Factored goods

Ketley have occasionally purchased and resold goods for specific customer orders, but it is not part of its main business model.

The industry

Ketley noted that the short to medium term outlook for the building products industry is challenging. Increased interest rates and the slowdown in the UK construction sector have decreased demand for building materials. At the same time increasing energy and carbon costs (under the UK ETS) as well as raw-material and wage inflation have made production of these goods more expensive.

Ketley indicate that UK production is limited, with much of the UK's demand being served by imports. It is not aware of any UK firms that exclusively produce brick slips in volume. By contrast Ketley are aware of several EU firms that exclusively produce slips and have an output of up to 50 million units per year.

The medium-to-long-term outlook for the industry is more positive. The UK has a housing deficit and there is a move towards lighter, more environmentally friendly building materials within the construction industry. This has been supported by the UK government and has resulted in an increasing acceptance of thinner bricks and brick slips over the last ten years. Should the factors leading to a slowdown in the UK construction industry ameliorate, Ketley believe demand for brick slips will increase.

Ketley indicated that it was aware that both Ibstock and Forterra were investing considerably in brick slip manufacture, and should those developments function as expected, industry output could grow as large as 100 million slips over the next five years.

The measure

Impact on the local economy

Ketley does not consider itself as a big employer but it does provide steady employment for those who prefer manual work.

Ketley notes that it is the last brick and tile manufacturer in the borough. For context there were close to 50 manufacturers in the borough in 1950.

Attractiveness of UK market

Ketley already receives frequent communications from PRC and third country producers offering to export goods at seemingly competitive prices. Ketley believe that these producers already view the UK as being an attractive market.



Ketley noted that there are a number of large, UK based distributors that that would likely look to import PRC goods were they available at a lower landed price. These include [REDACTED].

Likelihood of being injured if the measures were revoked

Ketley indicated that were the measure to be revoked, it assesses that imports of brick slips from the PRC would increase, which would push the price per unit down across the industry. This would make it increasingly difficult for small firms like Ketley to compete, risk a substantial drop in market share, and ultimately injure the company.