

Safeguard Questionnaire (Importer)

Safeguard measures on certain steel products

Case: TF0006

Period of Investigation (POI):	01 January 2013 – 31 December 2017
Most Recent Period (MRP):	01 January 2018 – 30 June 2020
Deadline for response:	28 November 2020
Case team contact:	Imogen Yapp, Lead Investigator, TF0006@traderemedies.gov.uk
Completed on behalf of:	<i>Please complete</i>

When you have completed this form, indicate the **confidentiality status** of this document by placing an X in the relevant box below:

☐ Confidential

X Non-Confidential – will be made publicly available

Please note that you will have to provide **two copies of your response** - a **Confidential** and a **Non-Confidential version**. Both copies should be returned to TRID using the trade remedies service (www.trade-remedies.service.gov.uk).

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The scope of this review

Goods subject to review

The goods subject to review in this transition review are detailed in the following table¹:

Product category number	Product category	Commodity codes
1	Non-Alloy and Other Alloy Hot Rolled Sheets and Strips	7208 10 00, 7208 25 00, 7208 26 00, 7208 27 00, 7208 36 00, 7208 37 00, 7208 38 00, 7208 39 00, 7208 40 00, 7208 52 10, 7208 52 99, 7208 53 10, 7208 53 90, 7208 54 00, 7211 13 00, 7211 14 00, 7211 19 00, 7212 60 00, 7225 19 10, 7225 30 10, 7225 30 30, 7225 30 90, 7225 40 15, 7225 40 90, 7226 19 10, 7226 91 20, 7226 91 91, 7226 91 99
2	Non-Alloy and Other Alloy Cold Rolled Sheets	7209 15 00, 7209 16 90, 7209 17 90, 7209 18 91, 7209 25 00, 7209 26 90, 7209 27 90, 7209 28 90, 7209 90 20, 7209 90 80, 7211 23 20, 7211 23 30, 7211 23 80, 7211 29 00, 7211 90 20, 7211 90 80, 7225 50 20, 7225 50 80, 7226 20 00, 7226 92 00
4A	Metallic Coated Sheets	TARIC Codes: 7210 41 00 20, 7210 49 00 20, 7210 61 00 20, 7210 69 00 20, 7212 30 00 20, 7212 50 61 20, 7212 50 69 20, 7225 92 00 20, 7225 99 00 11, 7225 99 00 22, 7225 99 00 45, 7225 99 00 91, 7225 99 00 92, 7226 99 30 10, 7226 99 70 11, 7226 99 70 91, 7226 99 70 94
4B	Metallic Coated Sheets	CN Codes: 7210 20 00, 7210 30 00, 7210 90 80, 7212 20 00, 7212 50 20, 7212 50 30, 7212 50 40, 7212 50 90, 7225 91 00, 7226 99 10 TARIC codes: 7210 41 00 30, 7210 41 00 80, 7210 49 00 30, 7210 49 00 80, 7210 61 00 30, 7210 61 00 80, 7210 69 00 30, 7210 69 00 80, 7212 30 00 80, 7212 50 61 30, 7212 50 61 80, 7212 50 69 30, 7212 50 69 80, 7225 92 00 80, 7225 99 00 23, 7225 99 00 41, 7225 99 00 93, 7225 99 00 95, 7226 99 30 90, 7226 99 70 19, 7226 99 70 96
5	Organic Coated Sheets	7210 70 80, 7212 40 80
6	Tin Mill products	7209 18 99, 7210 11 00, 7210 12 20, 7210 12 80, 7210 50 00, 7210 70 10, 7210 90 40, 7212 10 10, 7212 10 90, 7212 40 20
7	Non-Alloy and Other Alloy Quarto Plates	7208 51 20, 7208 51 91, 7208 51 98, 7208 52 91, 7208 90 20, 7208 90 80, 7210 90 30, 7225 40 12, 7225 40 40, 7225 40 60
12	Non-Alloy and Other Alloy Merchant Bars and Light Sections	7214 30 00, 7214 91 10, 7214 91 90, 7214 99 31, 7214 99 39, 7214 99 50, 7214 99 71, 7214 99 79, 7214 99 95, 7215 90 00, 7216 10 00, 7216 21 00, 7216 22 00, 7216 40 10, 7216 40 90, 7216 50 10, 7216 50 91, 7216 50 99, 7216 99 00, 7228 10 20, 7228 20 10, 7228 20 91, 7228 30 20, 7228 30 41, 7228 30 49, 7228 30 61, 7228 30 69, 7228 30 70, 7228 30 89, 7228 60 20, 7228 60 80, 7228 70 10, 7228 70 90, 7228 80 00
13	Rebars	7214 20 00, 7214 99 10

¹ Please note that the list uses the same category numbers and category names as EU Regulation 2019/159 for those goods subject to review within this Transition Review. Product categories 3, 8, 9, 10, 18, 22, and 24, will not be transitioned and are therefore excluded from the list.



14	Stainless Bars and Light Sections	7222 11 11, 7222 11 19, 7222 11 81, 7222 11 89, 7222 19 10, 7222 19 90, 7222 20 11, 7222 20 19, 7222 20 21, 7222 20 29, 7222 20 31, 7222 20 39, 7222 20 81, 7222 20 89, 7222 30 51, 7222 30 91, 7222 30 97, 7222 40 10, 7222 40 50, 7222 40 90
15	Stainless Wire Rod	7221 00 10, 7221 00 90
16	Non-Alloy and Other Alloy Wire Rod	7213 10 00, 7213 20 00, 7213 91 10, 7213 91 20, 7213 91 41, 7213 91 49, 7213 91 70, 7213 91 90, 7213 99 10, 7213 99 90, 7227 10 00, 7227 20 00, 7227 90 10, 7227 90 50, 7227 90 95
17	Angles, Shapes and Sections of Iron or Non-Alloy Steel	7216 31 10, 7216 31 90, 7216 32 11, 7216 32 19, 7216 32 91, 7216 32 99, 7216 33 10, 7216 33 90
19	Railway Material	7302 10 22, 7302 10 28, 7302 10 40, 7302 10 50, 7302 40 00
20	Gas pipes	7306 30 41, 7306 30 49, 7306 30 72, 7306 30 77
21	Hollow sections	7306 61 10, 7306 61 92, 7306 61 99
25.A	Large welded tubes	7305 11 00, 7305 12 00
25.B	Large welded tubes	7305 19 00, 7305 20 00, 7305 31 00, 7305 39 00, 7305 90 00
26	Other Welded Pipes	7306 11 10, 7306 11 90, 7306 19 10, 7306 19 90, 7306 21 00, 7306 29 00, 7306 30 11, 7306 30 19, 7306 30 80, 7306 40 20, 7306 40 80, 7306 50 20, 7306 50 80, 7306 69 10, 7306 69 90, 7306 90 00
27	Non-alloy and other alloy cold finished bars	7215 10 00, 7215 50 11, 7215 50 19, 7215 50 80, 7228 10 90, 7228 20 99, 7228 50 20, 7228 50 40, 7228 50 61, 7228 50 69, 7228 50 80
28	Non-Alloy Wire	7217 10 10, 7217 10 31, 7217 10 39, 7217 10 50, 7217 10 90, 7217 20 10, 7217 20 30, 7217 20 50, 7217 20 90, 7217 30 41, 7217 30 49, 7217 30 50, 7217 30 90, 7217 90 20, 7217 90 50, 7217 90 90

Any reference to the goods subject to review refers to the product categories and CN codes covered in the table above.

Please refer to the Notice of Initiation on the case file for the countries that are exempt from the existing safeguard measure.

Like goods

In addition to seeking information about your company's imports into the UK of the goods subject to review, this questionnaire will also ask about like goods that are produced in the UK. Any reference to '**like goods**' in this questionnaire refers to goods produced in the UK which are like the goods subject to review in all respects, or with characteristics closely resembling them.

Directly competitive goods



'Directly competitive goods' are goods produced in the UK which are directly competitive with the goods subject to review.

This can include goods that are not only similar to the goods subject to review, such as a different type or variety, but also includes goods that occupy a position of direct competition with the goods subject to review. A directly competitive good may be one that is substitutable with the goods subject to review.

When you are completing this questionnaire, please follow the instructions for each question to provide the appropriate information regarding the goods subject to review and the like or directly competitive goods by product category.

Instructions

Introduction

The Trade Remedies Investigations Directorate (TRID) of the UK's Department for International Trade will be carrying out a transition review of each trade remedy measure active under the EU system that the UK has decided to maintain after EU exit. This transition review will consider whether the safeguard measure is necessary to address the increase in imports and whether there would be injury to the UK industry if the measure was removed. The transition review will also consider whether the current safeguard measure should be extended.

We are seeking your cooperation as an importer to inform our review of whether the current safeguard measure should be maintained, varied, discontinued and/or extended. The information your company provides will help us to determine a fair and appropriate response.

As specified on the front page of this questionnaire, the POI covers the same period as the EU steel safeguards case (January 2013 – December 2017). The data requested in this questionnaire for the POI will be used to make a recommendation on whether the existing safeguard measure should be transitioned. The MRP covers the period following the POI (January 2018 – June 2020). The data requested in this questionnaire for the MRP will be used to make a recommendation on whether the existing safeguard measure should be reduced or extended.

Please provide all the information requested by **28 November 2020**. We may need to issue a deficiency notice if we determine that the information supplied in the questionnaire is incomplete or inadequate. We may also send a notice requesting clarification or supplementary information if necessary.

Please note that if you do not provide a confidential version and a non-confidential summary (or a statement of reasons why you cannot provide this), TRID may disregard the information you give us. The following section provides further information on what you need to do.

If you are unable to complete the questionnaire within the required time, please contact the case team ahead of the deadline using the contact details on the cover of this questionnaire. You should outline the length of extension required and the reasons why. **Due to the restricted timeframe of this transition review, the case team's ability to grant extensions is very limited.** We will notify you of our decision. If we are able to accommodate an extension, a note to explain this will be placed on the public file.

Please also contact the case team if you have any questions about your response or if you have any difficulties in completing the questionnaire. For general information about trade remedies processes, please visit the following website:



<https://www.gov.uk/government/publications/the-uk-trade-remedies-investigations-process>.

TRID investigates cases under the specific provisions in Part 9 of *The Trade Remedies (Increase in Imports Causing Serious Injury to UK Producers) (EU Exit) Regulations 2019* as amended by the *Trade Remedies (Amendment) (EU Exit) Regulations 2019* and under the *Taxation (Cross-border Trade) Act 2018*.

Preparing confidential and non-confidential copies

You will need to submit one confidential version and one non-confidential version of your questionnaire and the corresponding spreadsheet annexes by the deadline.

Please ensure that each page of information you provide is clearly marked either “Confidential” or “Non-Confidential” in the header. It is your responsibility to ensure that the non-confidential version does not contain any confidential information.

Further information on what can be considered confidential and how to prepare a non-confidential version of this questionnaire can be found in our guidance on [how we handle confidential information](#).

All information provided to TRID in confidence will be treated accordingly and only used for this investigation (except in limited circumstance as permitted by regulation 17 of the *Trade Remedies (Increase in Imports Causing Serious Injury to UK Producers) (EU Exit) Regulations 2019*) and kept in protected systems. The non-confidential version of your submission will be placed on the public file, which is available on www.trade-remedies.service.gov.uk/public/cases.

Providing information from subsidiaries or associated parties

Natural persons or legal persons (i.e. companies) are associated where they meet the following definition of “related persons” in Section 128 of the *Customs (Import Duty) (EU Exit) Regulations 2018*.

Section A of this questionnaire includes detailed questions about your company structure. Although this questionnaire is intended for your company, our investigation covers all subsidiaries and any other associated companies.

- If any of your subsidiaries or associated companies are also UK importers of the goods subject to review, they should **also** complete this questionnaire. Please make sure you provide your subsidiaries with access to this questionnaire.
- Where your subsidiaries or associated companies are not importers but are involved in the downstream sales of the goods subject to review or the like or directly competitive goods, your questionnaire response should include information from those companies.



If you have any queries about this part of the process, please contact the case team using the details provided on the cover of this questionnaire.

What happens next

Please upload your completed questionnaire responses and non-confidential versions of documents to our Trade Remedies Service at www.trade-remedies.service.gov.uk. You will receive an email confirming the documents have been uploaded successfully. Non-confidential responses will be placed on the public file and the case team will contact you if we need further information.

Once we have completed our review, we will publish our recommendation to the Secretary of State. Our final report will be published on our public file.

Further information on this process is available at:

www.gov.uk/government/publications/the-uk-trade-remedies-investigations-process/an-introduction-to-our-investigations-process#determinations-and-conclusion-of-investigations.

Verifying the information you supply

TRID will verify, as far as possible, the information provided to it. As part of this process we may conduct authentication visits. Visits can last several days, during which we will want to speak to management and staff to help establish the completeness, relevance and accuracy of the information provided. Within your response to this questionnaire, please provide all formulas and steps used in your calculations and keep a record of these and all related material/documentation to assist with any authentication visit.

If we need to verify information that you provide by visiting your premises, the case team will contact you.

Due to the current circumstances, it may not be possible for us to carry out authentication visits. We may carry out remote authentication instead. During remote authentication we do not visit your premises but verify your questionnaire responses remotely using audio/video calls and email exchanges. Remote authentication can be conducted over several weeks.

After the authentication, TRID will prepare a report and share a draft with you. TRID will then ask you to provide a summary of the information which should be kept confidential and the reasons why. We will prepare a non-confidential authentication report for the public record.

How to complete this questionnaire

Please read and follow all the instructions carefully. Your company is required to substantiate all claims with relevant data and information. You may be asked to attach supporting documents in appendices to supplement your responses. To assist with authentication please retain all such documents, your completed annexes and any calculations made when developing your responses.

Please also note the following points:

- Do not leave any questions blank. If the question is not relevant to your organisation, please explain why.
- If the answer to the question is "zero", "no", "none" or "not applicable", please write this rather than leaving the answer blank.
- Please complete the Excel annexes as requested. Annexes are named to correspond to the relevant sections of this questionnaire and must be completed with reference to the instructions provided. If you feel you cannot present the information as requested, please contact the case team immediately.
- If there is insufficient space in any part of the questionnaire to provide the details requested, please attach appendices. Please ensure that any attachments are given a corresponding appendix reference in the title of the document and that these are referenced in the boxes provided.
- Any documents not in English should be accompanied by an English translation.
- Please provide all dates in the format DD/MM/YYYY (e.g. 23/05/2019).
- For all numerical figures, where appropriate please express every third digit with a comma (e.g. '1,300' for one-thousand three hundred, '1,300,000' for one million and three-hundred thousand).
- Limit all sales/currency/income figures to two decimal places and use the appropriate currency symbol (e.g. £1,300.00).
- Provide all costing figures as actual amounts. Where actual amounts cannot be provided and you have reported standard costing instead, please indicate this in the relevant answer, and explain the variance from actual costs, if any.
- All figures should be reported net of tax unless otherwise stated.

SECTION A: Company structure and operations

A1 Identity and contact details

1. Please complete the table below ensuring that the point of contact given has the authority to provide this information:

Legal name of company:	Duferco UK
Legal structure (e.g. limited company, sole trader, partnership etc.)	Private Limited company
Year of establishment:	1998
Other operating names:	
Company registration number:	03538773
Place of registration:	Bromsgrove
Name (point of contact):	
Position:	
Address:	
Telephone No.:	
Email:	
Website:	www.dith.com

A2 Company information

1. Please describe the role of your company in the UK market, for the goods subject to review (e.g. buying or selling agent, importer/distributor, importer/wholesaler, importer/retailer or importer/end user) and for the like or directly competitive goods.

We are a steel trading and distribution company with 3 offices in the UK dealing in a variety of finished steel products for supplies of imported product to hundreds of stockist, fabricator and end user customers. We sell preordered steel on manufacturers lead times to customers specification as well as holding stock at ports and in warehouses for just in time delivery and provide buyers with extended finance and credit terms which most businesses need.

Appendix reference:

Please answer the questions 2 and 3 below about the internal structure of your company and any associations with other companies. Natural persons or legal persons (i.e. companies) are associated where they meet the definition of “related persons” in Section 128 of the *Customs (Import Duty) (EU Exit) Regulations 2018*.



2. Please explain, or demonstrate in a diagram, the legal structure of your company showing the internal hierarchical and organisational structure and all sites/locations involved in the importation, sales and distribution of the goods subject to review and the like or directly competitive goods.

Please see attached diagram as per appendix detailing organisational structure and office locations involved in the import, sales and distribution of product.

Appendix reference: Organisation Chart

3. Please provide the following information by completing **Annex 1 – Associated companies**:
- Include your company's worldwide corporate structure and affiliations, including parent companies, subsidiaries and/or other associated companies.
 - If your company is the subsidiary of another company, please give the name of this company, as well as that of your company's ultimate controlling entity, their registration number(s) and place(s) of registration.
 - Please provide the address of the company.
 - Please list the activities carried out by the company (e.g. manufacturing, administration, sales).
 - Indicate the shareholdings you have in the associated company and the shareholdings that the associated company has in your company.
4. Please provide details of any changes in the legal form of your business over the past 5 years, for example, mergers, acquisitions and/or sales.

Date	Legal form	Explanation of change

+Add additional rows as required

5. List and explain all authorisations your company has been required to obtain to import, sell or to export the goods subject to review and the like or directly competitive goods. These may include licences, permits, permissions or mining concessions. Indicate if your company is subject to any direct or indirect, quantitative or other, restrictions on any of these activities.

Please answer here

n/a

Appendix reference:

6. State whether your company is a member of a representative organisation, e.g. industry associations.

Please answer here

ISTA – International Steel Trade Association

Appendix reference:

A3 Board members and principal shareholders

1. Please complete **Annex 2 – Shareholdings**, providing a list of all your company's shareholders that owned more than 5% of its shares during the POI. Where known, provide details of their activities. Also include, for the last five years:
 - your company's registered capital;
 - the scope of business; and
 - the composition of the Board of Directors and/or shareholders, including their roles and rights.

Please provide this information for your company and all its predecessor legal entities.

Please answer here

Duferco UK is owned 100pc by Duferco International Trading Holdings SA, Luxembourg

Appendix reference: annex 2

2. If applicable to your company, please attach the latest copy of the following documents (in the original language and in English):
 - articles of association and all related documents;
 - business licence; and
 - proof of registration of the company with the competent authorities.

Please describe what you are submitting and provide appendix references for your attachments in the box below. Earlier copies from the date of establishment of the company until the present should be available upon request during the authentication process.

Please answer here

n/a

Appendix reference:

Duferco UK – Articles of Association
Cert of Incorporation

A4 Operational links with other companies or persons

1. Please indicate if your company has established long-term agreements with any companies located in the UK or in third countries for the production (e.g. subcontracting), supply and sale of the goods subject to review and like or directly competitive goods, or other licensing, technical patent or compensatory agreements. Include:
 - the name and address of the company; and



- an explanation of the nature of the agreement.

Company name and address	Nature of agreement
BMZ Zhlobin 247210 Belarus	We have bought rebar from a number of overseas steel producers for the UK market during the POI. In more recent years we have had a regular long term but informal agreement to purchase rebar from a steel producer in Belarus, BMZ , for sales into the UK market.

+Add additional rows as required

A5 Accounting practices

1. Please give the financial year convention your company uses for its accounts (e.g. 1 January – 31 December). If any changes have occurred with respect to your financial year convention or in your accounting practices over the POI and MRP, please describe these changes.

Please answer here

1st October – 30th September

Appendix reference:

2. Please confirm what basis your accounts are prepared under, i.e. local GAAP, IFRS etc.

Please answer here

GAAP (Auditors Price Waterhouse)

Appendix reference:

3. For your company and any associated parties involved in the importation, marketing or sales of the goods subject to review or the like or directly competitive goods, please attach a copy of your annual reports for the financial period that covers the POI and MRP. This should include a statement of financial position; statement of profit and loss and other comprehensive income; statement of changes in equity; cash flow statement; notes to the accounts and all reports; and auditor's opinion on these documents.

Audited accounts for Duferco UK from 2013 -2019 are available to view on Companies House website.

Appendix reference:

4. If your accounts are unaudited, please attach a copy of your unaudited financial statements and corresponding tax returns for the POI and MRP.

Please answer here



n/a	Appendix reference:
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5. Please attach a copy of your company's trial balance (in a spreadsheet) covering the POI and MRP. This includes:
- the trial balance which covers the full financial years from January to December for 2013, 2014, 2015, 2016, 2017, 2018, 2019; and
 - the trial balance which covers the beginning of the financial year to the 1st July 2020.

<i>Please answer here</i>	Appendix reference:
n/a	

6. For your company and any associated parties involved in the importation, marketing or sales of the goods subject to review and the like or directly competitive goods, please attach copies of relevant management accounts and associated reports (e.g. profit and loss statement) for the profit centre of the goods. Please provide these reports for the POI and MRP.

<i>Please answer here</i>	Appendix reference: A5.6 Duferco Annual Reports
n/a	

7. If your company is part of a group of companies, please also attach a copy of the consolidated accounts of the group for the POI and MRP.

<i>Please answer here</i>	Appendix reference: Annex 1
See annex	

8. Please provide a detailed description, including the name(s) of the systems, of your financial accounting system explaining how sub ledgers (e.g. costing, debtors, creditors) integrate with the general ledger. Please provide a description of how it links with the management accounting system, including any manual interventions. Please also attach:
- your company's chart of accounts;
 - your company's cost centres; and
 - a brief description of further analysis codes available.

<p>The ERP system is Oracle business suite which manage AP/AR/ inventory modules and GL. On a daily basis all data from modules are transferred to GL and in case of technical errors these are promptly communicated to accounting and IT teams. Modules are reconciled on a monthly basis with GL data and the whole process is audited by PwC every year.</p>
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Chart of accounts can be found in trial balances attached Cost centers N/A

Appendix reference:

9. If the accounting policies used by your company have changed over the POI and MRP, please explain the changes, including dates and reasons for them.

No change occurred in POI or MRP

Appendix reference:

SECTION B: About your goods

B1 Your company's products

In this section, you will be asked to provide details for your goods subject to review and like or directly competitive goods. **Please always refer to the corresponding product categories** which your goods subject to review and the like or directly competitive goods fall within.

The goods covered by this review are defined on pages 1 and 2.

1. Please comment on the scope of the review. If you consider that any product categories and/or custom codes should be added or removed, please explain the reasons why. Provide information about UK production, UK demand and UK imports for these product categories and/or custom codes. Substantiate with evidence.

We believe that safeguard quotas should be removed for category 13 (rebar) since it is evident that the UK construction market needs imported rebar to supply ongoing and future construction projects at a time when UK consumption of this product will start to increase significantly during the construction phase of HS2. It is clear that the domestic producer does not have the capacity to supply the size of the market already there before HS2 starts buying larger volumes of steel. The result of imposing quotas based on import levels of POI 2013-2017 is already becoming evident in terms of supply shortages expected in Q1 of 2021 and the rapid increase in domestic UK price of rebar since safeguard quotas were published in October. These increases and shortages of supply will feed directly into project costs borne by the end user and will result in significant overruns on forecasted budget for these projects in 2021 if the safeguard quotas remain as they have been published.

Appendix reference:

2. Please complete **Annex 3 – Goods I**, indicating which of the goods subject to review you imported during the POI by product category. Provide details for each product category and the comparable like or directly competitive goods. Please specify any differences between them.

Where possible, provide estimations of how prices of the like or directly competitive goods in the UK compare to the goods subject to review and reasons for the price differences. In the box below, describe how you established the differences and substantiate with evidence.

Technical documentation (such as sales catalogues, safety standards, technical data, etc.) should be attached for each product category where available.



Please answer here

For category 13 rebar the imported product is essentially the same as the directly competitive product produced in UK. Imported rebar is produced in the same way , from melted scrap , certified to exactly the same British Quality standard meeting the same mechanical and chemical properties and has to be certified to the same 'CARES' accreditation as domestic production. CARES are the UK and internationally recognised quality certification authority on rebar and all of our suppliers are certified member companies of CARES . www.ukcares.com

In fact the domestic producer Celsa is Spanish owned and also imports rebar into UK market from its mills in Spain and Portugal and UK users of the product would see minimal difference between domestic and imported rebar arriving on construction sites.

In terms of pricing there is normally little difference between prices of domestically produced rebar and imported product at the time of sale. The main difference is on lead times as imports are sold up to 6 months forward while domestic producer prices are usually set just a month or two in advance. So by time of arrival importers prices can be above or below domestic producers price depending on market movements.

We have no technical brochure or catalogues for rebar. As stated above we sell rebar which is approved by CARES and carries their certification of approval of the supply source so buyers are assured that the products that we supply are in full conformity with the standards ordered. We are a CARES approved trader and all relevant information on CARES member companies plus technical product information is contained on their website which is used for reference by buyers of the product.

<https://www.ukcares.com/>

Appendix reference: Annex 3 Goods I

3. Please complete **Annex 4 – Goods II**, indicating which of the like or directly competitive goods you purchased during the POI by product category. Provide details for each product category.

n/a

Appendix reference:

4. Are the imported goods subject to review comparable in non-price factors (including product quality, lead and delivery times, reliability of supply etc.) to the like or directly competitive goods? Where possible, provide this information for the goods subject to review imported by your company and the comparable like or directly competitive good by product category and substantiate with evidence.

Please answer here

For category 13 the main difference between imported and domestic produced steel is lead times offered and the fact that the main UK producer is also the main competitor for many of the customers through its downstream fabricators. Quality , reliability , price are essentially the same or similar. The main reason that UK fabricators need imported steel is to cover in their forward contracts on long lead times. Most major construction contracts and projects order steel supplies on long



term fixed prices from steel fabricators for certainty of budget cost and these fixed price supply periods can be up to 12 months or longer. Fabricators buying imported steel on lead times up to 6 months can cover some of their risk on these type of contracts. The UK producer (Celsa) tends not to give independent fabricators long term commitments for supply of rebar , usually they offer bar supply to them on spot prices. But they do sell fabricated rebar in competition with the independent fabricators direct to construction project customers on long term price fixes through Celsa's downstream fabricator companies . The domestic producer has a nett share of circa 45%* in UK of the fabricated bar market through its downstream units
*Estimated figures agreed with British Independent Rebar Fabricator Association (BIRFA) who estimate Celsa UK market share at 45-50pc. Also please refer to <https://assets.publishing.service.gov.uk/media/555de34e40f0b669c4000089/Celsa.pdf>

This is the Office of Fair Trading investigation report into Celsa's purchase of Rom , BRC and Express who were the 3 largest rebar fabricators in UK. You will see that the import market share at that time was said to be 40-45pc but with two UK manufacturers , Thamesteel and Celsa. Thamesteel have long since disappeared from the UK market so its reasonable to believe that Celsa's market share now stands close to the 45-50pc estimated by BIRFA. UK home deliveries are reported 12 months in arrears so its very difficult for an outsider to give precise figures for a single private company such as Celsa.

Appendix reference:

5. Explain the internal coding system your company uses for the goods subject to review. If your company uses multiple internal reference codes across imports, sales and referencing, cross-reference each one.

Please answer here

n/a

Appendix reference:

B2 Understanding the UK market

Answers should refer to the relevant product categories.

1. Do you regard the goods subject to review and the like or directly competitive goods to be an intermediate and/or final good?

Please answer here

We sell finished steel products that are used by steel fabricators and manufacturers in construction, automotive, engineering and white goods manufacture. Mostly our products are fabricated , cut , bent , machined , decoiled , profiled to a finished good by an end user. So probably can be considered mainly an intermediate product but in some instances they might be used as a final good for certain end uses.

Appendix reference:



2. Please explain the end use of the goods subject to review and the like or directly competitive goods in the UK market. If there are multiple uses for goods, list them and, where possible, estimate what proportion of your sales each represents.

Please answer here

Category 13 steel rebar is used in construction for steel reinforcement of concrete structures and in groundworks. Volumes vary annually but would represent approximately 30% of sales of Duferco UK over the time period subject to review.

Appendix reference:

3. Who are the general users/consumers/customers of the goods subject to review in the UK market? Please comment on whether this is the same/different for the like or directly competitive goods.

Please answer here

General users for category 13 are a large number of independent steel fabricators who use imported steel to supply construction contracts and projects. Our customers work in collaboration with major UK construction companies sometimes on a joint venture purchase basis to supply imported steel into projects. Rebar supplied by our imports has over the years been used in major projects such as Crossrail as well as in construction of sports stadia such as the London Olympic Stadium, the Emirates and the new Tottenham Hotspur stadium.

The directly competitive producer, Celsa, also supplies steel into the same construction end user market through its own fabricators.

Appendix reference:

4. Please comment on the degree of price sensitivity of the goods subject to review and the like or directly competitive goods in the UK market?

Please answer here

Category 13 rebar is sold (at the time of sale) at a price level very similar to the UK producer pricing but can be higher or lower at time of arrival due to production and shipping lead times of several months. Prices can go up or down depending on market trends, sea freight costs and exchange rate movements.

It should be noted that the main UK manufacturer of rebar Celsa Group are a direct competitor to most of our independent fabricator customers through their downstream fabricator businesses. Buyers of imported steel prefer to buy from overseas to enable them to operate on a level playing field against Celsa's downstream fabricators they have to compete with.

Appendix reference:

5. What distribution methods (i.e. sales channels) are used by your company for the goods subject to review? Comment, if known, whether this is similar for the like or directly competitive goods.

Please answer here



Duferco UK sells directly to its client base offering both long term forward and ex stock sales and offer buyers extended credit payment terms over several months after taking delivery of orders. We buy, ship, deliver and give extended credit terms to the customers as well as holding stocks at ports for just in time delivery. The direct UK competitor sells in a similar way but with much shorter lead times from production to delivery. Steel is a cash intensive but low margin business so most buyers need credit lines from suppliers. Many businesses can't operate effectively without credit limits which our company provides to regular buyers. The domestic producer also gives credit terms to buyers although a large amount of its product is moved through its own downstream distribution companies so credit terms to its own companies may be different to what we provide to our buyers.

Appendix reference:

6. Please describe the nature of competition within the UK market (e.g. how many businesses are in the market, is the market highly price competitive?).

Please answer here

For category 13 rebar the market is highly polarised between Celsa UK the domestic manufacturer holding a large downstream market share through its fabricators and a larger number of independent steel fabricators. Who compete against Celsa for sales and mainly rely on imported steel supplies of steel rebar to run their businesses. Celsa own 3 downstream fabricators, Rom, BRC and Express who have a circa 45pc market share of fabricated bar in UK. There are up to 25 independent rebar fabricator companies outside of Celsa who operate in the same market which is both price and service competitive to the end user. End users of rebar would be largely construction companies.

Appendix reference:

7. Please describe the degree of competition between the goods subject to review and the like or directly competitive goods in the UK market?

Please answer here

There is competition on category 13 rebar between the dominant market player, Celsa UK, who manufacture and distribute to end user through its own fabricators and imported rebar which is used by independent fabricators. The UK market has always needed imported rebar as there is not enough production capacity in the UK to supply the market and with consumption of this product forecasted to increase significantly during the HS2 construction phase starting from 2021 restrictions of imports from regular sources are bound to cause serious shortages of supply.

Appendix reference:

8. Please outline the trends and drivers of demand in the market for the like or directly competitive goods and the goods subject to review, including causes of demand fluctuations and any factors contributing to overall market growth or decline (e.g. user preferences, government policy, macroeconomic conditions)?



Please answer here

For Category 13 rebar demand volumes are determined by ups and downs in the construction market cycle. With large forecasted increases in demand from HS2 and other projects and the current UK Government committed to build out of recession it will be damaging to businesses to restrict UK fabricators from buying from their regular import suppliers through inadequate provision of country quota. Especially from regular suppliers located in Belarus, Turkey and Ukraine who have been hardest hit by safeguard quotas for Q1 and Q2. The effect on the market is already evident as rebar prices in the UK market have risen by 20-25pc since the announcement of quotas in October by the DIT and are trending even higher into Q1. The driver of demand for imported rebar is quite simply the fact that Celsa cannot nearly fully supply the rest of the UK market outside of their own fabricator companies and so imports are necessary to fulfil market consumption needs. Independent fabricators who have come to rely on rebar imports are being badly squeezed. Some are unable to operate their regular business model of price fixing construction contracts with uncertainty of future import supplies due to quota restrictions on their main regular supply channels.

Appendix reference:

9. Have there been any changes in the patterns of consumption of the goods subject to review in the POI and MRP in the UK market? Please elaborate.

Please answer here

Consumption goes up and down according to economic activity and government policy but in the POI and MRP period 2013-20 rebar consumption has generally trended upwards in UK market. The most significant change during that period was the new arrival of Chinese rebar imports from 2013-2015 which captured a large market share from historical import sources and virtually displaced countries such as Belarus during those 3 years. Chinese rebar imports peaked at 400,000mt in 2015 before being hit with an anti dumping duty of 20pc. Since Chinese rebar disappeared from UK after these tariffs in 2016 those volumes were substituted by regular imports from former import origins such as Turkey, Belarus, Ukraine and EU producers. Belarus who we deal with regularly has seen a very large restriction on its quota for Q1 and Q2 in terms of regular import volumes of the MRP as they were not able to compete below their cost with Chinese 'dumped' rebar during the POI period.

Appendix reference:

10. Please comment on whether there have been developments or changes in technology that have affected the UK market for the goods subject to review in the POI and MRP?

Please answer here

For rebar there has been a growing demand over the last few years for steel with 'sustainability' credentials and regular import mills have been encouraged to achieve the required certification for their products. In particular producers in Belarus, Turkey



and Ukraine as well as in EU hold this type of sustainability accreditation for their rebar with CARES but are limited by the new quota restrictions. There are very few if any producers in the 'other countries' definition that hold this type of sustainability certification. Another unforeseen effect of limiting these imports is that steel will enter the UK supply chain from further afield which has not been regularly imported into the market previously and does not carry the same sustainability certification.

Appendix reference:

11. Please describe whether the market is segmented? Does market segmentation in downstream markets cause the prices of the like or directly competitive goods and the goods subject to review to vary?

Please answer here

n/a

Appendix reference:

12. Please describe the current state and forecasts of the UK and world markets for the goods subject to review and the like or directly competitive goods. Substantiate your comments with any documents, such as studies or articles in trade journals, that support your statement.

Please answer here

HS2 alone is forecasted to use 2 million tonnes of steel during its construction. 1.5m of that is estimated to be rebar. This is in addition to normal UK market consumption of approximately 850,000mt pa of rebar. The results of DIT severely curtailing regular rebar imports from Belarus, Turkey and Ukraine will be obvious in the coming months as shortages of supply will become apparent during 2021. The domestic producer, Celsa, is already quoting our customers replacement supply prices more than 30pc higher than they were offering before announcement of safeguards. At the same time independent fabricators are suffering a serious supply squeeze as they are restricted from placing forward import orders because of both quota restrictions and a fear of tariffs should the quotas fill. The effects of both price increases and supply shortages will ultimately be borne by the construction companies and whoever is paying for the project that is affected by price inflation and supply chain hold ups. In the case of HS2 it will be the UK taxpayer who will pay the penalty for restricting regular supplies through safeguard quotas on this product.

Appendix reference:

13. Provide any other information about the UK market for the goods subject to review and the like or directly competitive goods that may be relevant for this review?

Please answer here

On category 13 rebar DIT have set a safeguard quota on rebar ostensibly to protect the business of the single UK manufacturer Celsa UK who are part of the Spanish owned Celsa Group . From looking at their published accounts it appears that Celsa



employ approximately 1300* people in the UK in their steelmaking and downstream companies. *the average no. of employees from most recent published accounts show Celsa Manufacturing 680, Rom 198 , BRC 263 , Express 140. Total 1281.

The safeguards as they are currently designed will seriously restrict regular import supplies in particular from Belarus, Turkey and Ukraine. The independent companies that depend on these supplies between them employ more staff than the Celsa Group in UK*. Most recent figures extracted from published accounts on Companies House for Roe Group , HyTen, , F Brazil, Capital Reinforcements , Thames Reinforcements, Lemon Groundworks, Walter Watson, Kent Wire and Total Reinforcements show 1374 employees in these 10 companies , all independent fabricators . In addition there are a larger number of fabricators , UK ports , trading companies and transport companies together employing many hundreds of people and whose businesses are dependent on steel imports.

These individual companies might not be able to lobby their local MP's and have the ear of Government like Celsa enjoy through their lobby company UK Steel because these are many independent, competitive and fragmented businesses all over the country. But taken together the impact of driving these companies out of business through quotas and supporting their main competitor to grow even more dominant in their sector will be detrimental to the UK economy. Both in terms of jobs lost and tax revenues paid into Government coffers. In this regard it is also interesting to see from their published accounts that Celsa as a Spanish owned company has paid very little corporation tax over a sustained time period when compared to many of the UK owned independent steel fabricators that it competes against in the market.

Appendix reference:

SECTION C: Imports, purchases and stocks

C1 Imports and purchases

1. Please complete **Annex 5 – Imports** to provide details on the volume and value of the goods subject to review imported into the UK for the POI and MRP. Provide the value on a CIF basis and include information on importation costs. If this isn't possible please state clearly on what basis it is provided.

Please refer to the Notice of Initiation on the case file for the countries that are exempted from the existing safeguard measure and should not be included in the data provided on imports.

Please answer here

n/a – see appendix for import information provided – Rebar prefixed as REB on appendix



Appendix reference: annex 5

2. Complete **Annex 6 – Purchases** to provide information relating to your company's total annual purchases of the like or directly competitive goods produced in the UK over the POI and MRP. All figures should be reported net of tax.

Please answer here

n/a – see appendix with information provided . Rebar is prefaced as REB under sub heading

Appendix reference: annex 5

2. Describe how these purchases fit into your business model.

Please answer here

We do not purchase the like or directly competitive goods from a UK Producer.

Our business model is to provide imported finished steel products demanded by UK customers and to ensure that goods are shipped on time and in ordered quality and quantity at the contracted prices.

Appendix reference:

3. Describe how the resales of the like or directly competitive goods have developed during the POI and MRP.

Please answer here

n/a – not aware of resales

Appendix reference:

4. Please comment on the likely development of imports of the goods subject to review and purchases of the like or directly competitive goods by your company if the safeguard measure were:
- i) continued; or
 - ii) discontinued.

Please answer here

If safeguard measures are continued without amendment from the country specific quotas based on a POI 2013-2017 then it will be damaging to our business and to those many UK businesses that we supply, at last count more than 250 companies for various products. We believe that quarterly country specific safeguard quotas for a small market like the UK are unnecessary and disproportionate and will lead to



inflated prices for end users and regular shortages of supply. If there have to be quotas by product to protect domestic manufacturers then we believe it should be assessed on the basis of the MRP 2018-2020. This would more fairly mirror steel import needs of the UK market rather than going back to 2013.

Appendix reference:

C2 Stocks and forward orders

1. Please complete **Annex 7 – Stocks** to provide details on stocks of the goods subject to review by product category for the POI and MRP.

Please answer here

Our stocks in UK are previously customs cleared and reported in appendix 8

Appendix reference: annex 8

2. Please complete **Annex 8 – Forward orders** to provide details on forward orders and attach copies of forward contracts/ongoing supply agreements for the goods subject to review for up to one year ahead. Comment on these forward contracts – are they a usual way of doing business in your industry? Has there been any variation in the volume and value of forward contracts over time? If so, what has caused this variation?

Please answer here

On category 13 rebar our forward order book is usually with lead times of up to 5-6 months from order placement to shipment and delivery. Therefore the sudden announcement of country specific quotas in October by DIT has already created problems for us with contracts committed to which will not be produced and shipped until Q1 and Q2 2021. Contracts are attached pre dating the safeguard publication which evidence our pre existing commitments to supply rebar ex Belarus to UK buyers for shipments that we will now be unable to make due to insufficient quota. We cannot take a 25pc tariff penalty to supply these orders so the very restrictive quota on Belarus is causing us and our buyers serious problems and will damage our business. Our customers use the steel that they buy from us with long lead times to price and supply their contracts, where the end client needs to have long term fixed prices for steel. By inadequate provision of quota and risk of a 25pc tariff if the timing is out on an import vessel our fabricator clients are already having to renege and withdraw on quotations made to their clients for fixed price contracts next year due to uncertainty of supply. We do not purchase domestically produced rebar.

Appendix reference: annex 8

SECTION D: Sales

D1 Sales and profitability

1. Please complete **Annex 9 – Sales** to provide details on total company sales. Also provide the sales volume and value of the goods subject to review by product category sold in the UK or re-exported for the POI and MRP. Please also provide the profitability of these sales and describe how this was calculated. To determine which sales fall into the POI and MRP, the invoice date should be used as the date of sale. If you are unable to use an invoice date, please contact the case team.

SEE Appendix – SALES * THESE SHOULD REMAIN CONFIDENTIAL

Rebar is prefixed as Reb under appendix

Average profit margins by product and by country are assumed to 1.5% of sales price as per intragroup transfer pricing policy.

Appendix reference: annex 9

2. Please comment on the likely development of your sales and profits of the goods subject to review if the existing safeguard measure on the goods subject to review were:
 - i) continued; or
 - ii) discontinued.Please substantiate with evidence.

Please answer here

If safeguard quotas were to be discontinued the profitability of our business should not be badly impacted. We are a middleman connecting UK buyers with necessary overseas steel supplies. We provide shipping, finance, credit and logistical functions and take a small profit margin on that service. As long as the UK market has a steady need for steel imports our volumes and profits should not change too significantly. If safeguard quotas were to be continued as has been designated in the October 2020 publication by a country specific method aligned with POI 2013-2017 average import levels our sales volumes and profits would drop. If quotas are based on MRP from 2018 or discontinued it would be beneficial to our business. We sell products that are essentially either not available or not available in sufficient volume or on competitive terms to every buyer on an equal level in the UK. The restriction on rebar quota against Belarus under category 13 will certainly have a negative impact on our business since we had before safeguard publication a number of committed orders due for shipment in 2021. These now look uncertain as there will be insufficient quota made available to customs clear these orders and neither we nor our buyers who bought this steel can afford to pay a 25pc duty tariff on them.



Appendix reference:

D2 Sales incorporating the goods subject to review

1. Please complete **Annex 10 – Sales incorporating goods** to provide details on the volume and value of the goods produced by your company incorporating the goods subject to review sold in the UK or re-exported for the POI and MRP. Please also provide the profitability of these sales and describe how this was calculated. To determine which sales fall into the POI and MRP, the invoice date should be used as the date of sale. If you are unable to use an invoice date, please contact the case team.

Please answer here

n/a

Appendix reference:

2. Please comment on the likely development of your sales and profits of goods incorporating the goods subject to review if the existing safeguard measure on the goods subject to review were:
 - i) continued; or
 - ii) discontinued.Please substantiate with evidence.

Please answer here

n/a

Appendix reference:

SECTION E: Company performance

E1 Employment

1. Please complete **Annex 11 – Company performance** to provide details on the employment for your company for the POI and MRP. Provide the number of employees in full-time equivalent roles (part-time employees should be included in the full-time equivalent). Also provide the median wages for these employees.

Please answer here

Please refer to appendix for information . Wages should remain confidential.

Appendix reference: annex 11

2. Please comment on the likely development of your employment if the existing safeguard measure on the goods subject to review were:
 - i) continued; or
 - ii) discontinued.
 Please substantiate with evidence.

Please answer here

If the safeguard measures are continued on the currently designed basis using POI quota figures then we may need to reduce the numbers of employees as the effect on our trading volumes and profitability will be negative.

Appendix reference:

E2 Other factors

1. Are there any other factors, relevant to your company, that you would like to comment on if the existing safeguard measure were:
 - i) continued; or
 - ii) discontinued.
 Please provide the information/data here. Substantiate with evidence.

Please answer here

n/a

Appendix reference:



2. Please comment on the likelihood of trade diversion to the UK if the existing safeguard measure were to be removed due to similar measures applied on steel goods worldwide, e.g. the US Section 232 measures and the EU safeguard measure.

Please answer here

We do not believe it should be the case for rebar but safeguards on some steel products may well be necessary for UK if other measures are still being applied elsewhere like in EU and in USA with 232 to prevent diverted imports. That is understood. What seems erroneous is to set those safeguard quota figures at the levels of POI 2013-2017 for 2021 when it should be fairer to everyone especially the end users of steel to have them set at the MRP import levels of 2018-2020.

Appendix reference:

3. Please comment on the future position of the UK industry if the existing safeguard measure were:
- i) continued; or
 - ii) discontinued.
- Please substantiate with evidence.

Simply put, if the existing safeguard measures are continued, given the inability of domestic producers to meet market demand for volume, there will NOT be sufficient steel even to meet the CURRENT demands of the market and worse, would severely jeopardise government infrastructure projects such as HS2. The UK has one dominant producer of rebar, Celsa, which is owned by Celsa Group in Spain. Celsa already enjoys a market share of close to 50pc of the UK rebar market and supplies the majority of that volume direct to the construction market through its wholly owned downstream fabricator subsidiary companies. These companies operate in competition with a much larger number of privately owned fabricators who largely have to base their need for supplies on imported rebar. Since Celsa neither has the production capacity or the financing / credit limits available to supply their businesses. Coupled with the fact that Celsa are seen as a direct competitor for many of them via their downstream operations. Celsa tend also not to give long term fixed price offers of rebar to the competitors of their downstream fabricator companies which is another reason that the independent buyers need imports. Most construction companies need long term fixed prices for certainty of cost and supply. By removal of regular import options through quota cost increases will be borne by the construction companies and passed on to the end client. As an example we are certain that there will be a significant overrun on the budgeted costs of steel for HS2 in the first half of next year for instance partly due to the safeguards for Q1 and Q2. We were quoting prices to independent fabricators for fixed price supplies in 2021 and had to withdraw those offers due to quotas. Those orders remain unplaced but the contractors for HS2 are now going to have to buy that same steel in probably from the UK mill at a price significantly higher, 30% or more*. Celsa's offered price for rebar to independent fabricators has risen from £410 per tonne in October 2020 to currently £575/mt plus size extras as of 15/1/21. The UK taxpayer will be underwriting the bill of course and it will not be long before this is evident. Furthermore the definition of the UK Industry when it comes to steel should not be restricted to single commercial companies such as in this case Celsa. According to published accounts Celsa Group employ circa 1300 people in the UK in steel production plus their 3 downstream fabricators. There are around 25 independent steel fabricator companies all over the UK some with multiple factories in different parts of the



country. All of these have production staff , machine operators, sales and office staff , lorry drivers etc. They should equally be considered to be part of the UK steel industry as much a steelworks even if they rely on imports for supplies. Taken as a whole these companies together with docks , transport companies , construction companies , importers involved in import supply chains employ more people and pay a much larger tax revenue into the UK than a single steel producer. So in our opinion there is most certainly a negative effect caused to UK industry as a whole by these safeguards even if they were designed to support a UK producers business.

Appendix reference:

SECTION F: Causation of injury

F1 Other causation factors

This review must examine factors other than trends in imports which may have caused or threaten to cause serious injury to the UK producers of the like or directly competitive goods.

The purpose of this section is to collect further information as to the cause of the alleged serious injury.

1. Aside from the increase in imports of the goods subject to review, please comment on, and substantiate with evidence, any other factors that may have caused serious injury or threaten to cause serious injury to the UK producers of the like or directly competitive goods. This may include:
 - contraction in demand or changes in the patterns of consumption;
 - restrictive trade practices of, and competition between, third country and UK producers;
 - developments in technology; and
 - export performance and productivity of the UK.

This list is non-exhaustive. Please add any additional information explaining the current state of the UK industry.

Please answer here

In the case of category 13 Celsa UK do not have the production capacity, the credit limits or the financial ability to fulfil the needs of the UK rebar market so imports are necessary. Given the large increase in UK market consumption of rebar forecasted to be coming from HS2 starting from 2021 we believe now is the wrong time to restrict imports from regular sources to UK. If there has to be a country specific quota it should either be set on import levels of MRP not POI.

Appendix reference:

2. Please comment on the likelihood of the recurrence of serious injury if the existing safeguard measure on the goods subject to review were:
 - i) continued; or
 - ii) discontinued.

Please describe the nature of any change and substantiate your claims with evidence.

For category 13 we do not believe that would be any injury caused to the domestic steel producer by removal of quota. This is a commodity product with all manufacturers currently supplying the UK market facing similar input and production costs and the main input cost being scrap. Scrap is a daily published price



international indexed product. There is very little likelihood of large volumes of cheap or displaced imports of rebar suddenly hitting the UK market as the result of safeguard removal. Rebar as a product is currently seeing very robust demand all over the world as many countries are using construction and infrastructure spending to stimulate their economies out of a pandemic recession. Also all regular import sources will have similar costs to the UK producer. The reason that Chinese rebar took a large market share in UK 2013-2015 was because they produced from a much cheaper iron ore method at the time but all European producers are producing from scrap. So it is false to suggest that there would be any sudden flood of imports into UK after removal of these safeguards as import statistics of the last few years would clearly demonstrate. Celsa already control half of the downstream market through their own fabricators. How much more do they need ? We now see that within weeks of the safeguard quota publication we immediately see significant price inflation with domestic producer offer prices already up by 25pc since publication of safeguards. So it is difficult to see where injury can be caused by removal of safeguard on this product especially at a time when prices are rocketing and users of this product are suddenly struggling to source future supplies.

Appendix reference:

SECTION G: Economic interest

G1 UK economic interest

The Economic Interest Test assesses the economic impact of a measure compared to what would happen if it was not maintained. There are six factors which TRID must consider as part of the economic interest test:

- i) The serious injury caused by the importation of the goods in increased quantities to UK producers of those goods and the benefits to that industry of removing the 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.
- v) The likely consequences for the competitive environment and for the structure of markets for goods in the UK.
- vi) Other matters that TRID consider relevant.

The questions in this section will contribute to this assessment. **For questions in this section please provide information broken down by each of your company's sites/facilities, where relevant and possible. The data should cover January 2019 – June 2020 to allow for an assessment of the current economic situation and how it may develop.**

1. Where possible, please provide an overview of your supply chain for the goods subject to review, from raw materials through to final customers. Please describe the number, location and size of companies at each stage. If you have knowledge of the supply chain of the like or directly competitive goods produced in the UK, you may also provide that information.

Please answer here

From our London office we sell rebar , Category 13 , to reinforcement fabricators all over the UK. Between January 2019 to June 2020 approximately 150,000mt primarily ex Belarus. We supply a number of independent steel fabricators perhaps up to 15 regular buyers from our regular monthly offers who in turn are supplying the bar direct to construction sites to their contract customers after further fabrication for use in concrete reinforcement.

Appendix reference:

2. Please provide a breakdown by location for the employment figures provided in **Section E**. How would employment figures in certain locations be affected if the existing safeguard measure on the goods subject to review were:
 - i) continued; or
 - ii) discontinued.



Please substantiate your claims with evidence. Where possible, please provide estimates (e.g. projections or forecasts) for both scenarios for the next three years and explain the method used to calculate them.

Please answer here

It's a question that is too difficult to answer at this stage.

Appendix reference:

3. Please provide a breakdown by location for the wages provided in **Section E**. If you are unable to provide median wages, please provide mean wages. How would wages in certain locations be affected if the existing safeguard measure on the goods subject to review were:

- i) continued; or
- ii) discontinued.

Please substantiate your claims with evidence. Where possible, please provide estimates (e.g. projections or forecasts) for both scenarios for the next three years and explain the method used to calculate them.

Please answer here

Our wage bill must remain confidential but can be viewed as such in appendixes. Its highly likely that we would need fewer people with decreased import volumes.

Appendix reference: annex 11

4. If known, what fraction of domestic demand for the goods subject to review (by volume) does your company supply? How would your market share be affected if the existing safeguard measure were:

- i) continued; or
- ii) discontinued.

Please substantiate your claims with evidence. Where possible, please provide estimates (e.g. projections or forecasts) for both scenarios for the next three years and explain the method used to calculate them.

Please answer here

On rebar we supplied approximately 10pc pa of UK market demand during the MRP.

Appendix reference:

5. Please comment on how significant imports of the goods subject to review are in relation to your company's overall volume of imports. Within your response, please state the share of total import value represented by the goods subject to review during the POI and MRP.

Please answer here

Duferco UK began importing rebar in 2016. It accounted for approx. 30pc of our overall import value during the MRP.

Appendix reference:



6. Please comment on any related industries that might be affected if the existing safeguard measure on the goods subject to review were (i) continued or (ii) discontinued? Please consider in particular:
- upstream industries – those who produce inputs needed for the like or directly competitive goods and/or goods subject to review; and
 - downstream industries – those who purchase the like or directly competitive goods and/or goods subject to review.

Please answer here

As already stated the independent rebar fabricators who are non Celsa Group owned would be negatively affected if country specific quotas based on 2013-2017 import levels remain in place throughout 2021 and beyond. These regular supplies cannot be replaced competitively and the steel users cannot replace these volumes by buying from their main competitor which is Celsa.

Appendix reference:

7. Which other industries may be affected if the existing safeguard measure on the goods subject to review were:
- continued; or
 - discontinued.
- Please substantiate your claims with evidence.

Please answer here

In the rebar case the construction companies and projects that need rebar fabricated and delivered to site just in time and competitively will be affected by restricted import supplies. The UK rebar manufacturer Celsa will also not be able to cover the increased demand coming with HS2 on top of the annual market demand. So if safeguards continue on the current country specific quotas supply shortages and price inflation in 2021 will become inevitable. Prices of rebar in UK have already increased by 20-25pc since safeguards were announced and will go higher into 2021. These increases will be fed into downstream projects with the increases in cost being borne by UK taxpayers on projects like HS2. This is already starting to happen.

Appendix reference:

8. Which other markets or products would be affected if the existing safeguard measure on the goods subject to review were:
- continued; or
 - discontinued.
- This could include substitute products (such as margarine for butter) or complementary products (such as printers and ink). Please substantiate your claims with evidence.

Please answer here

n/a

Appendix reference:



9. Please describe how you would expect the following to be affected if the existing safeguard measure on the goods subject to review were (i) continued or (ii) discontinued:
- i) market price of the like or directly competitive goods in the UK; and
 - ii) total UK output of the like or directly competitive goods.
- Where possible, please provide estimates (e.g. projections or forecasts) for both scenarios for the next three years to support your claims.

Please answer here

Steel is a cyclical product and the UK is a small part of a world steel market so prices are in large part determined by world events. However it is clear that restricting freedom of choice and competitive import alternatives through quota it will have an artificial effect of inflating UK domestic prices to the end user. We have already witnessed substantial hikes in the rebar price since publication of safeguard quotas in October partly through world events partly through uncertainty of forward supplies due to 2021 quotas. As stated earlier in the submission Celsa offer prices to independent fabricators have increased by 30pc or more since safeguards were announced. The end customer be it a UK Government contract or private commercial developer will ultimately bear that cost increase of materials. As we have explained hopefully clearly the UK rebar market is forecasted to grow with HS2 demand so will need imported steel rebar . It cannot be supplied fully by Celsa who simply do not have the capacity or finances to fully supply the UK market. With continuation of quota in current form by reducing regular and effective imported competition the UK producer will continue to opportunistically increase price to the customer for obvious commercial benefit. We do not have a detailed knowledge of Celsa's ability to increase its rebar production at the mill in Wales although if it were possible its likely to require significant investment and the Celsa Group is known to be servicing a significant debt , widely reported to be in the billions owed to Spanish banks. They have also recently been recent recipients of a £30m UK government loan so it seems unlikely that they would be able to significantly increase their output in the next 3 years without large investment at the steelworks. Discontinuation of the safeguards in our opinion would mean more competition on price to the benefit of the independent steel fabricators and particularly to the end user but not any big jump in import market share. What should be considered is that import penetration into the UK has remained for many years at the level of circa 50pc with no safeguards in place apart from a brief period between 2014-2015 when very large rebar shipments arrived from China. And were consequently hit with a 20pc anti dumping duty still in place today. But the most important thing we believe is to allow in regular imports at a level needed for the market which means looking at the MRP levels of imports of rebar if quotas are to be set by country of origin.

Appendix reference:

10. Please describe how you would expect the following to be affected if the existing safeguard measure on the goods subject to review were (i) continued or (ii) discontinued:



- i) total imports of the goods subject to review to the UK; and
- ii) total exports from the UK.

Where possible, please provide estimates (e.g. projections or forecasts) for both scenarios for the next three years to support your claims.

Please answer here

Total imports with quarterly quota restrictions remaining country specific will inevitably result in a large reduction of imports as importers will not want to run the risk of going over quota and pay a 25pc tariff. Trade flows have also changed a lot since 2013-2017 when China dominated the EU market before attracting anti dumping which is still in place today . If there need to be quotas they should be brought up to date on import statistics from the MRP period 2018 onwards not harking back to 2013-17 figures. We do not export product from UK as all of the steel we sell is used here in construction and manufacturing although the end users of imported steel would most certainly be exporting some part of our imports back in finished goods perhaps as white goods or automotive.

Appendix reference:

11. To what extent would you expect any increase in costs for the goods subject to review to be passed onto end users? Please support your answer with evidence.

Please answer here

Increases in costs are almost always passed on to end users and consumers. We are seeing currently significant price inflation on forward offers of steel partly due to announced safeguard quotas which will become evident during 2021 and will have to be borne by end users. In the case of Government projects we will most certainly see significant raising of quoted costs to supply steel rebar to HS2 next year as the result of cost price inflation partly caused by safeguard quotas to support the domestic producer.

Appendix reference:

12. How would plans for future UK investment or expansion be affected if the existing safeguard measure of the goods subject to review were:

- i) continued; or
- ii) discontinued.

If so, please provide detail by location with supporting evidence.

Please answer here

As far as our customers are concerned shutting off regular import supplies will hurt their businesses so will inevitably result in loss of jobs and contraction of their businesses and sales volumes as they will find it increasingly difficult to compete with Celsa group fabricators for contracts..

Appendix reference:



13. As a public body, TRID has an obligation under the *Equality Act 2010* to ensure that the possible effects of its activities on different people are considered. This Public Sector Equality Duty covers the following protected characteristics:

- age,
- disability,
- gender reassignment,
- marriage or civil partnership,
- pregnancy and maternity,
- race,
- religion or belief,
- sex, and
- sexual orientation.

If you have any information that could assist us in our consideration of whether the continuation of the existing safeguard measure might disproportionately affect any of these groups, please provide it in the box below.

Please answer here

n/a

Appendix reference:

14. In terms of the competitive environment and structure of markets for goods in the UK, please answer the following questions in relation to how the continuation of the existing safeguard measure could impact:

- i) the number and range of suppliers of the like or directly competitive goods and/or the goods subject to review;
- ii) the ability of suppliers of the like or directly competitive goods and/or the goods subject to review to compete;
- iii) the incentives for suppliers of the like or directly competitive goods and/or the goods subject to review to compete vigorously; and
- iv) the choices and information available to UK consumers?

Specify by relevant product categories. Please provide evidence to support your answer.

Please answer here

For category 13 rebar please see points made above. The UK has one dominant producer Celsa UK who control almost half of the downstream market for rebar and compete directly with the other half which is many independent firms who buy imported rebar. By imposition of country specific quotas and limiting regular import sources particularly ex Belarus , Turkey and Ukraine to volumes far below what they have been selling to UK clients over the last 5 years TRID have created a situation where one UK company can extend its dominance over its competitors. By restricting their ability to compete against Celsa at a time when the UK demand for rebar will take off in 2021 because of HS2 these measures are damaging for the UK market. Removing freedom of choice of supply will also result in significant shortages and inflation of market prices for these products.



Appendix reference:

15. Please describe the nature and degree of any regional impacts that you would expect if the existing safeguard measure on the goods subject to review were:

- i) continued; or
- ii) discontinued.

Please substantiate your claims with evidence.

Please answer here

n/a

Appendix reference:

16. If there are any additional economic factors that you consider to be relevant for the Economic Interest Test in this review, please provide details here and any supporting evidence.

Please answer here

n/a

Appendix reference:

SECTION H: Next steps and declaration

Next steps

Once you have completed all parts of the questionnaire the declaration below should be signed by an authorised signatory.

The questionnaire, spreadsheet annex and any appendices should be submitted through the Trade Remedies Service (www.trade-remedies.service.gov.uk) by 28 November 2020. The checklist in Section I of this questionnaire may help ensure your submission is complete.

A confidential and non-confidential version of the questionnaire and related annex must be submitted. You can find guidance on how to complete confidential and non-confidential versions at <https://www.gov.uk/government/publications/the-uk-trade-remedies-investigations-process/an-introduction-to-our-investigations-process#how-we-handle-confidential-information>.

Declaration

By signing this declaration, you agree that all information supplied in this questionnaire is complete and correct to the best of your knowledge and belief and understand that the information submitted may be subject to authentication by TRID.

Internal registration number:
Company name: DUFERCO UK LIMITED

Date

Signature of authorised signatory

Company stamp

Name and title of authorised
signatory

SECTION I: Checklist and appendices

This section is an aid to ensure that you have completed all sections of this questionnaire.

Section	Please tick if you have responded to all questions
Section A – Company structure and operations	Tick
Section B – Goods	Tick
Section C – Imports and purchases	Tick
Section D – Sales and selling expenses	Tick
Section E – Company performance	Tick
Section F – Causation of injury	Tick
Section G – Economic interest	Tick
Section H – Next steps and declaration	Tick

Please list any appendices that you have referenced throughout and are attaching along with this questionnaire.

Appendix reference	Document title
Duferco UK – Articles of Association Cert of Incorporation Organisation Chart	Duferco UK – Articles of Association Cert of Incorporation Organisation Chart
A5.6 Duferco Annual Reports	Duferco FY17 Signed Accounts FINAL Duferco UK FY18 Signed Accounts FINAL Duferco UK Limited 30 Sep 2016 - Signed financial statements Duferco UK limited 30 Sep 2020 signed Duferco UK Limited Financial Statements FY 2019 FINAL Duferco UK Sept 13 audited signed Duferco UK Sept 14 audited signed Duferco UK Sept 15 audited signed

+Add additional rows as required