



Safeguard Questionnaire (Exporter)

Safeguard measure 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:	21 November 2020
Case team contact:	Imogen Yapp, Lead Investigator, TF0006@traderemedies.gov.uk
Completed on behalf of:	<i>Megasa Siderurgica, S.L.</i>

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

☐ Confidential

☒ 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

This questionnaire also asks for information about goods which are **like** the goods subject to review. 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 existing 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 existing safeguard measure should be extended.

We are seeking your cooperation as a foreign exporter to inform our review of whether the existing 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.

If you are an exporter of the goods subject to review to the UK but do not produce these goods, please complete Annex I, as well as sections of the questionnaire you are reasonably able to answer. Furthermore, please provide the case team with contact details for the producing company of the goods subject to review.

Please provide all the information requested by **21 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:

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 will be stored 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 an exporting producer of the goods subject to review, they should **also** complete this questionnaire. Please make sure you provide your subsidiaries with access to this questionnaire.



- Please ensure that all your subsidiaries or associated companies are captured in Annex 1 and that they feed into responses to the rest of the questionnaires as relevant.

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.



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. 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:	Megasa Siderúrgica, S.L.
Legal structure (e.g. limited company, sole trader, partnership etc.)	Limited company
Year of establishment:	1998
Other operating names:	Megasa
Company registration number:	B15626971
Place of registration:	Naron, Spain
Name (point of contact):	Confidential
Position:	Confidential
Address:	Confidential
Telephone No.:	Confidential
Email:	Confidential
Website:	www.megasa.com

A2 Company information

1. Describe the role of your company in the UK market for the goods subject to review (e.g. producer, producer/exporter or exporter/distributor).

The MEGASA group (Megasa Siderúrgica, SN Maia, SN Seixal, Megasider Zaragoza), based in Spain and Portugal, is a very steady supplier of rebar, wire rod and merchant bars to the United Kingdom. We have excellent relations with all independent fabricators in the country, are fully CARES-approved, Eco-Reinforcement & BES6001 approved, etc (...Confidential...)

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. What sites/locations are involved in the production, sales and distribution of the goods subject to review for domestic and export markets? Clearly indicate the



different production stages performed by your company and what stages others perform for you.

Megasa Siderurgica, S.L. owns a steel plant located in Naron, Spain. The whole rebar production is made in this location.

Appendix reference:

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.

(...Confidential...)

Appendix reference: *(...Confidential...)*

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
Do not apply	Do not apply	Do not apply

+Add additional rows as required

5. List and explain all authorisations your company has been required to obtain to produce, sell, or to export the goods subject to review. 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.

Megasa Siderurgica develops its operations under an environmental license granted by the regional government of Galicia (region of Spain). In addition, Megasa Siderurgica is certified by different certification companies to sell products under quality and sustainability conditions.



A2.5.1 Integrated environmental license
A2.5.2 Cares- Quality Management System Certification
A2.5.3 Cares- Sustainable Construction Steel
A2.5.4 Cares- Product Conformity Certification
A2.5.5 SustSteel- Sustainability Management System
A2.5.6 Ecoreinforcement Certificate
A2.5.7 Cares Responsible Sourcing Construction products

Appendix reference:

A3 Board members and principal shareholders

1. Please complete **Annex 2 – Shareholdings**, providing a list of all your company's shareholders and board members that owned more than 5% of its shares during the POI. Where known, provide details of their activities and whether shareholders or board members have links to other stages of the supply chain.

(...Confidential...)

Appendix reference:

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, 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
Do not apply	

+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.

Megasa Siderurgica, S.L. uses the financial year convention from 1 January to 31 December and there has not been any change of this period during POI and MRP.

Appendix reference:

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

Megasa Siderurgica, S.L. is under Spanish legal framework, so it uses Spanish accounting standards shown by the general accounting Spanish plan. This plan has been made following IFRS standards but adapted to Spanish regulation.

Appendix reference:

3. For your company and any associated parties involved in the production, marketing or sales of the goods subject to review, 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.

Please see all financial audited statement for POI and MRP:

(...Confidential...)

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.

All our accounts are audited for POI and MRP, except 2020 which can still only show intermediate financial statements as the year is not over yet.

Appendix reference: *(...Confidential...)*

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.

(...Confidential...)

Appendix reference: *(...Confidential...)*



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

(...Confidential...)

Appendix reference:

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.

(...Confidential...)

Appendix reference:

8. 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 relevant policy changes have been made during the 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.

It is our opinion that category 13 (Rebar) from Spain and Portugal should be removed from the scope of the safeguard measures, or that at least these two countries should be given a country-specific quota reflecting their essential role in supplies to independent fabricators (50% of the UK rebar market), as shown in the following chart:

EU 27 exports to the UK per year (REBAR, Cat. 13):

Metric tonnes	Y 2013	%	Y 2014	%	Y 2015	%	Y 2016	%	Y 2017	%	Y 2018	%	Y 2019	%
EU 27	174278		166004		127130		152336		182202		156225		148409	
Germany	12410	7%	9534	6%	7547	6%	2647	2%	117	0%	66	0%	8	0%
France	15324	9%	9752	6%	12700	10%	3445	2%	7719	4%	14518	9%	4897	3%
Italy	1	0%	3872	2%	1375	1%	7	0%	198	0%	10	0%	3259	2%
Netherlands	28784	17%	26153	16%	2034	2%	63	0%	1	0%	3	0%	2	0%
Luxembourg	897	1%	225	0%	281	0%	783	1%	740	0%	544	0%	333	0%
Ireland	1698	1%	17907	11%	12029	9%	11293	7%	21664	12%	8958	6%	3713	3%
Denmark	1	0%	0	0%	0	0%	15	0%	10	0%	0	0%	0	0%
Austria	23	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Portugal	34250	20%	38311	23%	42836	34%	84690	56%	114981	63%	108378	69%	101523	68%
Spain	74286	43%	56750	34%	48328	38%	49393	32%	33748	19%	21117	14%	34672	23%
Malta	0	0%	3196	2%	0	0%	0	0%	0	0%	0	0%	0	0%
Poland	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Latvia	6604	4%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Lithuania	0	0%	0	0%	0	0%	0	0%	3024	2%	2631	2%	0	0%
Czech Republic	0	0%	8	0%	0	0%	0	0%	0	0%	0	0%	2	0%
Slovakia	0	0%	296	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Portugal+Spain		62%		57%		72%		88%		82%		83%		92%



It is obvious that the percentage of rebar exports from Spain and mainly Portugal constitutes the backbone of EU's exports to the UK. 50% of the UK cut& bend market (...confidential...) depend on these imports to work and compete (...confidential...)

The 2013-2019 sequence also reflects certain movements in the UK rebar market's recent history:

- *2013 and 2014 were the years of the "Chinese invasion". The UK rebar market was flooded with Chinese material (to the extent that antidumping measures were finally imposed). We can see in the above chart that during these years Portugal+Spain's market share was reduced, whereas the Netherlands' showed an abnormal 17%-16%. This is due to the fact that a lot of trading companies brought 30,000t lots from China into Rotterdam and/or Amsterdam, for further distribution to different UK countries. No wonder, therefore, that Netherlands' market share after the imposition of antidumping measures on China (HFP rebar case) was reduced to 0%.*
- *Therefore, any increase in Spain+Portugal's market share from 2015 to 2019-20 must be understood as a restoration of traditional market flows, absolutely not an import surge by a new import source. Similarly, Spain+Portugal's figures from 2013, 2014 and even part of 2015 cannot be regarded as representative of traditional or "normal" market flows because those years were severely marked by the omnipresence of Chinese rebar in the EU, and very particularly, the UK market.*

(...Confidential...)

As quotas are supposed to try and maintain traditional market flows, it would be the best and fairest approach to establish country-specific quotas, so that Spain and Portugal can manage their quota usage in a steady and coherent way, as opposed to these countries having to secure their "share" of EU quota by means of early sales leading to import surges at the beginning of each period.

Appendix reference:

2. Please complete **Annex 3 – Goods**, indicating which of the goods subject to review by product category are produced by your company. Where you have identified goods produced in the UK that are like or directly competitive to your goods subject to review, please indicate these and compare them to the goods subject to review. If known, provide names of UK producers of the like or directly competitive goods.

Where possible, provide estimations of how prices of the like or directly competitive goods produced in the UK compare to each of your goods 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.

We produce rebar in straight lengths (cat.13), merchant bars (cat.12), rebar in coil (cat.16) and wire rod in coil (cat.16). There are UK producers of all these, (...Confidential...)

Appendix reference:

3. Are the 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? Provide this information for each of the goods subject to review produced by your company and the comparable like or directly competitive goods and substantiate with evidence.

Our geographical proximity to the UK reflects in no significant difference in lead time, reliability, etc of bulk orders, and the fact that we keep stocks on UK ground of most of the products puts us basically at the same level of immediacy in service as domestic producers. There is no difference in quality.

Appendix reference:

4. Please provide a written summary and, if available, a diagram/flow chart, of your production process for each of the goods subject to review that you produce.

(...Confidential...)

Appendix reference: Exhibit B1.4

5. How does your company price the goods subject to review produced by your company? Provide this information for each of the goods subject to review produced by your company and substantiate with evidence.

(...Confidential...)

Appendix reference:

6. How does your company market (i.e. encourage sales of) the goods subject to review? Are you aware of whether similar methods are used for the like or directly competitive goods? Substantiate with evidence.

(...Confidential...)

Appendix reference:



B2 Understanding the UK market (optional)

Please answer the questions in this section and provide reasoning if you are able. Answers should refer to the relevant product categories.

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

It is an intermediate good. It needs to be cut & bent to the desired/designed length and/or shape to be used for reinforcement of concrete. Very rarely is it used as it comes from the mill.

Appendix reference:

2. 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 you have identified in Annex 3 – Goods.

Our customers are fabricators who undertake the cutting & bending process. (...Confidential...)

Appendix reference:

3. 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.

Price is extremely important as we are talking about commodities.

Appendix reference:

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

*Category 13 (Rebar): (...Confidential...)
Category 16 (Rebar in coil): Similar situation as for 13.
Category 16 (Wire rod in coil): Complex scenario as there are many different grades and applications of this product. It's hard to establish direct competition relationships.
Category 12 (Merchant bars): Reasonable competition against both domestic producers, importers from other sources, etc.*

Appendix reference:

5. 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.



There is a clear prospect of increased consumption of rebar (Cat. 13) and rebar in coil (cat. 16) in the UK market (...Confidential...)

Appendix reference:

6. Please use the box below to 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.

(...Confidential...) Our concerns are:

- a) The lack of individual EU-country quotas may lead to a rush of EU imports at the beginning of each quarter, which is not desirable for anybody. It would be a lot better to assign quotas to each EU country, based on their traditional sales to the UK. That way we would be able to administer the flow more calmly and to adapt to market needs progressively, i.e., more in line with traditional market flows, which we understand should be the idea behind any safeguard measures. The lack of an import license system allowing to pre-book quota simply leaves us in a position that can only be solved by selling and shipping earlier than anybody else. That is not a healthy market situation.*
- b) Similarly, if the importers need to pre-order for the whole quarter, this will surely lead to more specification mistakes (wrong diameters and lengths) as the projects will not be as mature as necessary by the time the fabricators need to place orders to secure delivery. This rush to buy will also increase useless (wrongly ordered or ordered 'just in case') stocks that nobody benefits from and only occupy valuable space.*
- c) The quotas seriously increase the risk of short supply to key UK infrastructure projects such as HS2 and also reduce their buyers' ability to arrange purchases in an efficient manner, which may well increase overall project costs.*
- d) (...Confidential...)*
- e) The Period of Investigation should disregard 2013 and 2014 as those years were conditioned by the avalanche of Chinese materials (not in line with traditional market flows). The 2017-2019 period would be more in line with traditional market shares and flows, and would also be more consistent with usual WTO-advised practice regarding POI in the context of safeguard measures.*

Appendix reference:



SECTION C: Sales and profits

C1 Sales and profitability

1. Please provide the sales volume and sales value before tax in **Annex 4 – Sales** for the POI and MRP.
 - Please differentiate sales on the domestic market, sales to the UK market and sales to third countries of the goods subject to review for the POI and MRP. Include goods that you have produced and goods that you have purchased and resold.
 - Please ensure that you correctly categorise each sale by product category (a table is provided for each good subject to review).
 - To determine which sales fall within 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.
2. Please provide the profit before tax for sales of the goods subject to review in **Annex 4 – Sales** for the POI and MRP. Specify how you have calculated profitability.

(...Confidential...)

Appendix reference:

3. Please comment on your future forecasts for sales of the goods subject to review to the UK if the existing safeguard measure were to be removed. Please attach evidence to support your answer where possible.

(...Confidential...)

Appendix reference:



SECTION D: Information on each of the goods

The relevant annex for this section is Annex 5 – Product category data. Please provide the information requested in Section D and Annex 5 for each of your goods subject to review by product category.

D1 Production and production capacity

1. Please provide the production volume, production capacity and capacity utilisation for each of the goods subject to review per product category produced by your company in **Annex 5** for the POI and MRP. Figures should include the goods subject to review sold by your company and goods subject to review used internally for further processing.

Describe the method used to calculate production capacity (e.g. number of shifts, working days per year, name plate versus actual capacity, idle time for machinery maintenance and changes in the production process etc.) and capacity utilisation.

(...Confidential...)

Appendix reference:

2. Indicate what products are produced on the same equipment and whether production can be switched to other products.

Megasa Siderurgica can produce rebar and rebar in coils in its factory. Both of them are only different in some final parts of the rolling process.

Appendix reference:

3. Please explain the allocation method used for production capacity.

(...Confidential...)

Appendix reference: (...Confidential...)

4. Please comment on your future plans for production and capacity of the goods subject to review if the existing safeguard measure were:

- i) continued; or
- ii) discontinued.

Please attach evidence to support your answer where possible.

(...Confidential...) as explained in other Sections the pace and accuracy of our sales would be affected, resulting in less useful sales/purchases between ourselves and



the UK market, and in not being able to help cope for the increased demand created by HS2. We would all be less effective and useful to each other than we are today.

Appendix reference:

D2 Stocks

1. Please provide information on stocks for each of the goods subject to review per product category produced by your company in **Annex 5** for the POI and MRP.
2. Please comment on the likely development of stocks of the goods subject to review if the existing safeguard measure were:
 - i) continued; or
 - ii) discontinued.
 Please attach evidence to support your answer where possible.

(...Confidential...)

Appendix reference:

D3 Captive use

1. Please provide information on captive sales for each of the goods subject to review per product category produced by your company in **Annex 5** for the POI and MRP detailing your company's individual transfers of the finished goods for internal or captive use.
2. Please comment on whether your captive use of the goods subject to review has changed over time and what has caused the changes. Please attach evidence to support your answer where possible.

(...Confidential...)

Appendix reference:

D4 Consumption in domestic market

1. Please estimate the development of consumption in your domestic market for each of the goods subject to review by product category produced by your company using actual knowledge, forecasts or 'best estimates' in **Annex 5** for the POI and MRP.
2. Please provide forecasts for consumption over the next four years of the goods subject to review in the domestic market, UK market and rest of the world. Support your forecasts with evidence.



(...Confidential...)

Appendix reference:

D5 Global capacity and production

1. Please comment on the current situation of global capacity and production of the goods subject to review by product category in your domestic market and the rest of the world.

There is a situation of excess capacity at world level, mainly generated by China. There are ongoing capacity reductions in the EU. There is also a move towards a cleaner, "greener" way of producing steel, affecting raw material sourcing, carbon emissions, etc.

Appendix reference:

2. Please comment on foreseeable developments over the next four years of global capacity and production of the goods subject to review by product category in your domestic market and the rest of the world. Where possible, support your answer with evidence using actual knowledge, forecasts or 'best estimates' based on experience.

Although China does not seem to have any interest anymore in participating in institutions aimed at tackling world overcapacity (namely the Global Forum on Steel Excess Capacity) it is true that their domestic market is absorbing more and more of their own production, so it seems fair to say that they might become less of a problem in the coming years, provided their economy continues to evolve this way. It also remains to be seen if Section 232 measures adopted in the USA by the Trump administration will be revoked or not. This potential removal might lead to a relaxation of the wave of protectionist measures recently adopted by many countries, allowing a restoration of traditional market flows, hopefully in a balanced, moderate way that does not lead to further capacity increases.

Appendix reference:

3. Please comment on how global capacity and production of the goods subject to review by product category may change if the existing safeguard measure were:
 - i) continued; or
 - ii) discontinued.
 Please attach evidence to support your answer where possible.

It would not be realistic to say that it would affect global capacity situation. The impact of the safeguards would be felt (negatively) mainly by the UK itself, by most of its



steel-using companies and of course by companies like ours who have long-lasting binds with the UK market.

Appendix reference:



SECTION E: Other questions

E1 Other causation factors

This review must examine factors other than trends in imports that 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 regarding 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 for the POI. This may include:
 - contraction in demand or changes in patterns of consumption;
 - restrictive trade practices of, and competition between, third country and UK producers;
 - developments in technology; and
 - export performance and the productivity of the UK.

As explained, in our opinion there is more danger for UK interests in establishing the safeguards in their current form than in allowing traditional market flows to continue. This does not mean allowing every import in any way from any country, but mainly allowing the imports that the market objectively needs, as shown by experience and common practice. Improving the framework of collaboration with the EU would also be positive for the evolution of UK exports performance, relations with and on the island of Ireland, and many other factors.

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.

As mentioned above, the injury would mainly come from the measures themselves. Depriving the market of its traditional supply, or compromising it in such a way that steady/traditional market players cannot operate and compete normally, cannot possibly help UK interests.

Appendix reference:



E2 Other questions

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

- your production of the goods subject to review; and
- your exports of the goods subject to review to the UK.

Please provide estimates for the next four years (e.g. projections or forecasts) to support your claims.

(...Confidential...)

Appendix reference:

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

- development of the UK industry; and
- market price of goods in the UK.

Please provide estimates for the next four years (e.g. projections or forecasts) to support your claims.

(...Confidential...)

Appendix reference:

3. 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.

The danger exists when talking about countries that used to export massively to the USA and were prevented from doing it by Section 232. (...Confidential...) We were never dependent on the USA market (which is a spot market for us) and have developed a very stable, serious and responsible presence in the UK market. We don't treat it as a spot market, we don't dump prices, we base our relationships with customers on the long term. We did not flood the UK market with steel when Section 232 came about, even though the UK was part of the EU and there were no trade limitations, so our record already shows what we do and what we don't.



SECTION F: 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 21 November 2020. The checklist in Section G 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.

Internal registration number:

Company name:

20th November 2020

Date

Signature of authorised signatory

Company stamp

Confidential

Name and title of authorised
signatory



SECTION G: 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	√
Section B – Goods	√
Section C – Sales and profits	√
Section D – Information on each of the goods	√
Section E – Other questions	√
Section F – Next steps and declaration	√

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

Appendix reference	Document title
A2.5.1	<i>Integrated Environmental License</i>
A2.5.2	<i>Cares Quality System Certification 2021</i>
A2.5.3	<i>Cares Sustainable Constructional Steel Scheme 2023</i>
A2.5.4	<i>Product Conformity Certification BS4449 2020</i>
A2.5.5	<i>Suststeel Certification</i>
A2.5.6	<i>Eco Reinforcement Certificate Megasa August 2020</i>
A2.5.7	<i>CARES Responsible Sourcing of Construction Products Certificate 2022</i>
A5.3.1	<i>Audited Financial Statement of Megasa Siderúrgica, S.L. 2013</i>
A5.3.2	<i>Audited Financial Statement of Megasa Siderúrgica, S.L. 2014</i>
A5.3.3	<i>Audited Financial Statement of Megasa Siderúrgica, S.L. 2015</i>
A5.3.4	<i>Audited Financial Statement of Megasa Siderúrgica, S.L. 2016</i>
A5.3.5	<i>Audited Financial Statement of Megasa Siderúrgica, S.L. 2017</i>
A5.3.6	<i>Audited Financial Statement of Megasa Siderúrgica, S.L. 2018</i>
A5.3.7	<i>Audited Financial Statement of Megasa Siderúrgica, S.L. 2019</i>
A5.3.9	<i>Audited Financial Statement of Metalurgica Galaica, S.A. 2013</i>
A5.3.10	<i>Audited Financial Statement of Metalurgica Galaica, S.A. 2014</i>
A5.3.11	<i>Audited Financial Statement of Metalurgica Galaica, S.A. 2015</i>
A5.3.12	<i>Audited Financial Statement of Metalurgica Galaica, S.A. 2016</i>
A5.3.13	<i>Audited Financial Statement of Metalurgica Galaica, S.A. 2017</i>
A5.3.14	<i>Audited Financial Statement of Metalurgica Galaica, S.A. 2018</i>
A5.3.15	<i>Audited Financial Statement of Metalurgica Galaica, S.A. 2019</i>
A5.7.1	<i>2013 BIPADOSA Consolidated Audited Accounts</i>
A5.7.2	<i>2014 BIPADOSA Consolidated Audited Accounts</i>
A5.7.3	<i>2015 BIPADOSA Consolidated Audited Accounts</i>
A5.7.4	<i>2016 BIPADOSA Consolidated Audited Accounts</i>
A5.7.5	<i>2017 BIPADOSA Consolidated Audited Accounts</i>



A5.7.6	2018 BIPADOSA Consolidated Audited Accounts
A5.7.7	2019 BIPADOSA Consolidated Audited Accounts
B.1.4	Production Process Flow Chart

+Add additional rows as required