



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:	11 December 2020
Case team contact:	Imogen Yapp, Lead Investigator, TF0006@traderemedies.gov.uk
Completed on behalf of:	Valbruna UK Ltd. Oldbury Road, West Bromwich, West Midlands, B70 9BT, United Kingdom

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).



Table of Contents

The scope of this review.....	1
Goods subject to review	1
Like goods	2
Directly competitive goods	2
Instructions.....	4
Introduction	4
Preparing confidential and non-confidential copies.....	5
Providing information from subsidiaries or associated parties	5
What happens next	6
Verifying the information you supply	6
How to complete this questionnaire	7
SECTION A: Company structure and operations	8
A1 Identity and contact details	8
A2 Company information.....	8
A3 Board members and principal shareholders.....	10
A4 Operational links with other companies or persons	11
A5 Accounting practices	11
SECTION B: About your goods	14
B1 Your company's products	14
B2 Understanding the UK market.....	16
SECTION C: Imports, purchases and stocks	21
C1 Imports and purchases	21
C2 Stocks and forward orders.....	22
SECTION D: Sales.....	23
D1 Sales and profitability	23
D2 Sales incorporating the goods subject to review	24
SECTION E: Company performance	25
E1 Employment.....	25
E2 Other factors.....	25
SECTION F: Causation of injury	27
F1 Other causation factors.....	27
SECTION G: Economic interest.....	29



G1 UK economic interest.....	29
SECTION H: Next steps and declaration.....	37
Next steps.....	37
Declaration.....	37
SECTION I: Checklist and appendices	38



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:	Valbruna UK Ltd.
Legal structure (e.g. limited company, sole trader, partnership etc.)	Limited company
Year of establishment:	1986
Other operating names:	(Not Applicable)
Company registration number:	2015096
Place of registration:	Cardiff
Name (point of contact):	[Limited – personal information]
Position:	[Limited – personal information]
Address:	Oldbury Road, West Bromwich, West Midlands
Telephone No.:	[Limited – shareholder information]
Email:	[Limited – shareholder information]
Website:	www.valbruna.co.uk

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.

Valbruna UK Ltd. ("Valbruna UK") is an importer and distributor in the UK market of Stainless Steel Bars and Light Section falling into product category 14 and identified by heading 7222. Stainless Steel Bars and Light Sections imported and distributed by Valbruna UK are manufactured in Italy by its parent company Acciaierie Valbruna SpA.

Appendix reference: N/A

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 Valbruna UK's organizational chart attached as **Appendix 1 – Valbruna UK internal organization chart**. **[Limited – confidential company information]**

Appendix reference: **Appendix 1**

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
N/A	N/A	N/A

+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.

No authorization is required to import and distribute in the UK Stainless Steel Bars and Light Sections falling into product category 14.

Appendix reference: **N/A**

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

Valbruna UK is a long-standing member of the British Stainless Steel Association - B.S.S.A.²

² For further information, please visit B.S.S.A's website, available [here](#).



Appendix reference: [N/A](#)

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 find below Valbruna UK's details:

- Registered share capital amounts: GBP 1,500,000
- Standard industrial classification of economic activities (SIC) code: 46720 "Wholesale of metals and metals ores";
- **[Limited – confidential financial information]** of Valbruna UK's shares is owned by Acciaierie Valbruna Spa. Valbruna UK's **[Limited – personal information]** are: **[Limited – personal information]** (see Extract form Companies House attached as Appendix 2)

Please refer to **Annex 2 – Shareholdings** and **Appendix 2 – Valbruna UK's extract from the Companies House for Valbruna UK's official registration records.**

Appendix reference: [Appendix 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 see Valbruna UK's Articles of Association attached as **Appendix 3 – Valbruna UK's Articles of Association** **[Limited – confidential company information]** and attached as **Appendix 4 – Certificate of incorporation.**

Appendix reference: [Appendix 3](#) and [Appendix 4](#)



A4 Operational links with other companies or persons

- 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
Acciaierie Valbruna SpA Viale della Scienza, 25 36100 Vicenza - ITALY	Importation and distribution into the UK of Stainless Steels and Nickel Alloys Bars manufactured in Italy by Acciaierie Valbruna SpA

+Add additional rows as required

A5 Accounting practices

- 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.

Valbruna UK uses the calendar year for its accounts. No changes have occurred with respect to its financial year convention over the POI and MRP.

Appendix reference: N/A

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

The financial statements of Valbruna UK are prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006. Please refer to **Appendix 5 – Valbruna UK Accounting Standards**.

Appendix reference: Appendix 5

- 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.



Please refer to **Appendix 6** – Financial Statements of Valbruna UK Ltd. for Valbruna UK's annual reports for the applicable financial periods. **Appendix 6.a** consists of the financial statements of Valbruna UK Ltd. for the period 2013-2019, and **Appendix 6.b [Limited – Confidential information on the company's accounting and finance]** includes financial statements of Valbruna UK Ltd. for the period 01/01/2020-30/06/2020.

Appendix reference: Appendix 6

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

Not applicable, as all accounts of Valbruna UK are audited. With regards to unaudited financial statements pertaining to 2020, Valbruna UK could not provide the corresponding tax returns, as the company's tax return statements are issued on an annual basis, and thus, no tax returns exist covering the first half of 2020.

Appendix reference: N/A

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.

Please refer to **Appendix 7** – Valbruna UK trial balances **[Limited – confidential financial information]** for Valbruna UK's trial balances for the applicable financial periods.

Appendix reference: Appendix 7

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.

As Stainless Steel Bars and Light Sections represent the large majority of the goods sold by Valbruna UK, the latter does not keep separate management accounts for the goods subject to review.

Appendix reference: 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.

Please refer **Appendix 8** – Valbruna Group Consolidated financial statements, for Valbruna Group's consolidated accounts for the applicable financial periods.



Appendix 8.a consists of the consolidated financial statements of Valbruna Group for the period 2013-2019, and **Appendix 8.b** **[Limited – Confidential information on the company's accounting and finance]** includes consolidated financial statements of Valbruna Group for the period 01/01/2020-30/06/2020.

Appendix reference: Appendix 8

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.

[Limited – accounting information is confidential and is not susceptible of summary] **Appendix 9** – Valbruna UK's chart of accounts **[Limited – confidential accounting information]**.

Appendix reference: Appendix 9

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.

Not applicable.

Appendix reference: N/A



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.

Valbruna UK submits that there is only one significant manufacturer of Stainless Steel Bars and Light Sections in the UK, namely Outokumpu. Minor volumes of Stainless Steel Bars can also be manufactured in the UK by Liberty Specialty Steel, which anyway focuses on the production of alloyed steel bars.

Based on market intelligence and available data, Outokumpu's Stainless Steel Bars division in Sheffield has a very limited production, i.e. no more than 5-6,000 tonnes/year. Accordingly, Outokumpu alone would not be in a position to meet the demand of users in the UK should safeguard measures on products falling under product category 14 be transitioned.

Furthermore, Valbruna draws the attention of the TRID to the fact that Outokumpu Stainless Steel Bars division in Sheffield manufactures a range of bars in small sizes up to 32mm and mainly focuses on so-called 'nickel stainless grades', that is stainless steel products with a nickel content of at least 2.5%. As a result, Outokumpu manufactures in the UK a very limited range of Stainless Steel Bars and Light Sections, more precisely those currently classified under commodity codes 7222 20 31 (Bars and rods, not further worked than cold-formed or cold-finished - Of circular cross-section - Of a diameter of less than 25 mm) and 7222 20 81 (Bars and rods, not further worked than cold-formed or cold-finished). In the case – which seems highly doubtful – that Outokumpu does manufacture also stainless steel round bars falling under commodity code 7222 20 21 (though, only up to 32 mm of diameter), then this subheading may also be partially included. This means that out of 20 commodity codes included in product category 14, only 2 – or maximum 3 – are manufactured by the largest UK producer of Stainless Steel Bars and Light Sections. That means that essentially no UK production exists for the vast majority of the commodity codes included in product category 14.



In light of the above, Valbruna respectfully requests the TRID to exclude product category 14 from the scope of the measures. or, in the alternative, to exclude the 17 or 18 commodity codes for which there is no UK production.

Legal arguments and evidence supporting the above considerations and request are contained in the submission filed on behalf of Valbruna UK on 17 November 2020 (hereinafter "**the Product Scope Submission**").

Appendix reference: N/A

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 see **Annex 3 – Goods I**.

As seen above, the UK industry only manufactures products classified under commodity codes 7222 20 31 (Bars and rods, not further worked than cold-formed or cold-finished - Of circular cross-section - Of a diameter of less than 25 mm) and 7222 20 81 (Bars and rods, not further worked than cold-formed or cold-finished). As a result, there is virtually no production in the UK of the remaining 18 commodity codes falling under product category 14.

Please refer to **Appendix 10 – Outokumpu Stainless Steel Bars Production Brochure** about the Outokumpu Sheffield manufacturing capacity in terms of product size ranges and steel grades.

The technical documentation concerning the range of products produced by Acciaierie Valbruna SpA in Italy and imported by Valbruna UK is provided in **Appendix 11 – Products manufactured by Acciaierie Valbruna SpA**.

Appendix reference: Appendix 10 and Appendix 11

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.

Please see **Annex 4 – Goods II**.



Valbruna UK purchased in the UK from **[Limited – Confidential information on the company's purchases]** of stainless steel rebars classified under CN code 7222 20 81. (see **Annex 4** for more details).

Appendix reference: **N/A**

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.

Imported goods are generally comparable to goods manufactured by UK producers. It should be noted, however, that the UK industry only manufactures a very small subset of the goods included in product category 14.

Appendix reference: **N/A**

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.

Valbruna UK groups the goods subject to review in **[Limited – Confidential information on the company's internal coding system]**

Appendix reference: **N/A**

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?

Valbruna UK regards all goods falling into product category 14 as **final goods**.

Appendix reference: **N/A**

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.

Goods falling into product category 14 are typically used by UK users to manufacture parts to be employed in highly corrosive environments especially in the aerospace, marine, oil & gas, energy, automotive, medical, pharma, construction and food industries. (Please refer to **Appendix 11.a – Acciaierie Valbruna SpA – Production Scope Summary**).



This is confirmed by **Appendix 12** – Stainless steel use per sector in 2019, showing that those goods are used in the following sectors: metal products (37.5%), mechanical engineering (29.1%) and construction (12.2%), motor vehicles and parts (8.5%), and electrical machinery (7.7%).

Appendix reference: **Appendix 11.a, Appendix 12**

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 refer to Valbruna UK's answer to **Question B2.2** above. Users of the imported goods falling under product category 14 are the same as those purchasing the same goods on the UK market.

Appendix reference: **Appendix 11.a, Appendix 12**

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?

Stainless Steel Bars and Light Sections falling under product category 14 are characterised by a low degree of price sensitivity. Non-price factors, such as quality, stock availability, delivery time, product certifications, etc. may play a significant role as regards the competitiveness of those goods in the UK market.

Appendix reference: **N/A**

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.

Valbruna UK sells both to UK specialized stainless steel distributors and directly to UK users of the subject products. UK producers may use different distribution methods, for instance selling only to UK distributors.

Appendix reference: **N/A**

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?).

The only significant UK producer of the goods falling into product category 14 is Outokumpu Sheffield Stainless Rod & Bar. However, this producer only manufactures a very limited size range in the UK and focuses only on nickel stainless steel grades (i.e. types of stainless steel containing at least 2,5% of nickel). (Please refer to **Appendix 10** – Outokumpu Stainless Steel Bars Production Brochure and **Valbruna UK's Product Scope Submission**). Moreover, it appears from Outokumpu's



registration questionnaire that Outokumpu sells in the UK market no more than 1,000 tonnes/year.

Liberty Speciality Steels is another UK producer of the goods falling into product category 14. However, it only sells on the UK market a negligible volume of stainless steel bars and light sections. This is confirmed by the information in the record and by the financial statements of the company:

- according to the non-confidential version of Liberty Speciality Steels' **TF0006 Registration Form** (published by the TRID on 27 November 2020), this producer sells about 10,000 tonnes/year of goods falling under product category 14;
- in their 2019 financial statements (please refer to **Appendix 13 – Liberty Speciality Steels 2019 Financial Statements Excerpt**), the company reported that on average about 40% of their sales are made in the UK domestic market;
- it follows that Liberty Speciality Steels sells approximately 4,000 tonnes/year of Stainless Steel bars and Light Sections in the UK.

It goes without saying that a volume of 4,000 tonnes/year is negligible if compared to the UK free market consumption of Stainless Steel Bars and Light Sections, which can be estimated at approximately 65/70,000 tonnes/year.

The above considerations show that, overall, the UK industry can only satisfy about 8% of the total consumption of products falling under product category 14. Imports are therefore needed to satisfy the needs of the users in the UK.

That said, Valbruna UK notes that the UK market is nevertheless a competitive market thanks to the imports from certain EU countries (mainly Italy, Germany, France and Spain) and from other third countries such as India, China, South Korea, Taiwan, Brazil and Ukraine.

Appendix reference: Appendix 13 and Appendix 14.

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 refer to the response to Valbruna UK's answer to the **Question B-2.6** above.

Appendix reference: Appendix 13 and Appendix 14.

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)?



The Covid-19 pandemic and the current negative market conjuncture in the aerospace and oil and gas industries have caused a decline in the demand of the goods falling into product category 14 both internationally and in the UK market, especially for the year 2020.

Appendix reference: [N/A](#)

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.

The Covid-19 pandemic and the current negative market conjuncture in the aerospace and oil and gas industries have caused a decline in the demand of the goods falling into product category 14 both internationally and in the UK market, especially for the year 2020.

Appendix reference: [N/A](#)

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?

No significant developments or change occurred in the POI and MRP.

Appendix reference: [N/A](#)

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?

There is no significant market segmentation with regard to goods falling under product category 14.

Appendix reference: [N/A](#)

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.

As explained above, the Covid-19 pandemic and the current negative market conjuncture in the aerospace and oil and gas industries have caused a decline in the demand of the subject goods both internationally and in the UK market, especially for the year 2020. A gradual recovery is expected to start in 2021.

The above is confirmed by International Stainless Steel Forum ("ISSF"), an international association of stainless steel manufacturers. ISSF published market information data for 2021 on 15 October 2020 (please see **Appendix 15 – ISSF Market Forecast for 2021**). This market forecast shows a market rebound in 2021 for stainless steel products, especially for long products, including stainless steel bars



and wire rod falling into product categories 14 and 15. In particular, according to ISSF, stainless steel long product consumption in Europe/Africa will increase by more than 30% between 2020-2021, while the consumption of the said products will globally increase by 18.9% in the same period.

Appendix reference: [Appendix 15](#)

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 refer to Valbruna UK's answer to **Question B-2.13** above. Please also note that, while the world market will experience a global rebound of stainless steel consumption/demand as explained in **Answer B-2.13**, in the next four-five years global capacity and production should remain relatively stable in the UK. As a result, the continuation of safeguard measures on imports of products falling under product category 14 would create a further reduction of stainless steel bars and light sections available on the UK market to the detriment of users in the UK.

Appendix reference: [N/A](#)



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 see **Annex 5 – Imports**. **[Indexed – confidential information on the company's sales]** Please also see **Appendix 14 – UK stainless steel bars import statistics 2013-2020**, showing the UK import figures in quantity and value by country of origin for the years 2019-2020.

Appendix reference: **Appendix 14**

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 refer to **Annex 6 – Purchases**. **[Indexed – confidential information on the company's purchases]**

Appendix reference: **N/A**

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

The business model of Valbruna UK focuses on **[Limited – confidential information on the company's business strategy]**.

Appendix reference: **N/A**

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

Valbruna UK is not involved in the resale of the like or directly competitive goods manufactured in the UK.

Generally speaking, Valbruna is of the view that the UK market for Stainless Steel Bars and Light Sections remained relatively stable in the POI and MRP, apart from a slight decline in 2020 due to the effects of the Covid-19 pandemic and of the negative trends in the aerospace and oil and gas markets.



Appendix reference: [N/A](#)

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.

Should the current safeguard measures be continued (and applied to imports from the EU), it is likely that Valbruna UK would have to reduce the imports of products manufactured by Valbruna SpA in Italy, because it would be very difficult for the company to pass the 25% duty on customers once the TRQ is exceeded.

At the same time, it would be impossible for Valbruna UK to find adequate supplies in the UK market should the current safeguard measures be continued (and applied to imports from the EU). In fact, the UK Stainless Steel bars and Light Section manufacturers are **objectively incapable** of meeting **more than 10%** of the current UK demand, which can be estimated as being around 70,000 tonnes (assuming that their export/domestic sales ratio remains unchanged).

Therefore, Valbruna UK submits that the existing EU safeguard measures should not be transitioned as far as product category 14 is concerned. As a subordinate ground, should the UK decide to continue applying tariff rate quotas, those quotas should at least be rebalanced in favour of the EU countries, taking into consideration objective indicators, such as the UK's limited domestic production scope & capacity, as well as the EU's geographical proximity, traditional trade flows and long-standing relationship between UK and EU trade partners.

Appendix reference: [N/A](#)

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 see **Annex 7 – Stocks**. **[Indexed – confidential information on the company's stocks]** Please note that the original format of the stocks table provided in **Annex 7 – Stocks** does not adequately get the opening stock figures to the closing stock figures. Therefore, based on the confirmation we have received from the TRID, we added two new lines (for (i) UK purchases and (ii) other miscellaneous items) in the table and highlighted them with a different colour.

Appendix reference: [N/A](#)

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 see **Annex 8 – Forward Orders**. **[Limited – confidential information on the company's orders]**

Appendix reference: N/A

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.

- Please see **Annex 9 – Sales**. **[Indexed – confidential information on the company's sales] [Limited – information of the company's profitability calculation is confidential and is not susceptible of summary]**

Appendix reference: N/A

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.

If the existing safeguard measure on goods falling into product category 14 were continued, all UK importers, including Valbruna UK, would be forced to reduce their activity. As a result, UK users are likely to suffer shortage of supply and/or higher costs for an undetermined period of time. In particular, the introduction of a tariff rate quota for product category 14 goods originating in the EU will significantly limit Valbruna UK's ability to source its raw materials from its related supplier, namely Acciaierie Valbruna SpA in Italy. In this case, it is likely that Valbruna UK will have to significantly reduce its operations.

If the safeguard measures were to be discontinued with regard to imports of products falling into product category 14, users in the UK would benefit from the possibility to continue sourcing the products at stake in sufficient quantities and at fair prices.

Appendix reference: N/A



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.

Not applicable. Valbruna UK Ltd. does not produce goods incorporating Stainless Steel Bars and Light Sections.
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Appendix reference: N/A

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.

Not applicable. Valbruna UK Ltd. does not produce goods incorporating Stainless Steel Bars and Light Sections.
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Appendix reference: N/A



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 refer to **Annex 11 – Company performance**. **[Indexed – confidential information on the company's employment and wages policies]**

Appendix reference: [N/A](#)

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.

Valbruna UK is of the opinion that the existing EU safeguard measures should not be transitioned with regard to imports of Stainless Steel Bars and Light Sections. Should it be decided otherwise, Valbruna UK expects a significant decrease in its employment levels in the UK. For further details, please refer to Valbruna UK's answer to **Section G1.2** below.

Appendix reference: [N/A](#)

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.

[Not applicable.](#)

Appendix reference: [N/A](#)

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.

[No risk of trade diversion to the UK would materialise in case the existing safeguard measures were removed.](#)



The UK stainless steel bars market is characterised by long-standing relationships and established supply chains especially with EU suppliers. Moreover, the UK users of stainless steel bars are, to a large extent, industries which require all their suppliers to be certified and to ensure high quality standards. Finally, the UK market is relatively small and not as attractive as other bigger markets, especially in Asia (such as, *inter alia*, Japan), where no protective measures were adopted.

All the above circumstances make it unlikely that new suppliers from countries targeted by the US and/or EU measures may flood the EU market with imports..

Appendix reference: N/A

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.

The termination of the existing safeguard measures on imports of goods falling into product category 14 would not cause any injury to the UK industry (since the UK producers only manufacture a small subset of the relevant goods, and in limited quantities) while allowing UK users to continue procuring those goods in sufficient quantities and fair prices.

Appendix reference: N/A



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.

During the MRP there has been a contraction in demand due to the Covid-19 pandemic, as well as a significant slowdown in the aerospace, and oil and gas industries. These factors may have caused serious injury and/or threaten to cause serious injury in the near future to the UK producers of the like or directly competitive goods.

Appendix reference: N/A

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 explained in **Valbruna UK's Product Scope Submission**, imports into the UK of the products falling under product category 14 did not increase in the POI and in the MRP. Therefore, those imports have not caused nor are causing any injury, let alone serious injury, to UK producers. Moreover, the absence of UK production for the vast majority of the commodity codes included in product category 14 implies that there would not be serious injury to UK producers of the products belonging to that category



should the above-mentioned commodity codes be excluded from the relevant tariff rate quota.

Appendix reference: N/A



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.

Valbruna UK purchases the Stainless Steel Bars and Light Sections it sells on the UK market from its parent company Acciaierie Valbruna SpA. In turn, Acciaierie Valbruna SpA has a steelmaking facility and manufactures the Stainless Steel Bars and Light Sections exported to the UK **[Limited – confidential information on the company's business strategy]**.

Valbruna UK's customers are mainly traders as well as forging companies and precision machining companies,³ active in various sectors including automotive, aerospace, marine, oil & gas, energy and construction. (Please refer to **Appendix 11.a – Acciaierie Valbruna SpA Production Scope**).

This can further be evidenced by **Appendix 12 – Stainless steel use per sector in 2019**, where it is demonstrated that the largest end-use sectors of stainless steel are

³ For additional information, please see the UK Precision Machining Association's BMTA website, available [here](#).



metal products (37.5%) and mechanical engineering (29.1%), followed by construction (12.2%), motor vehicles and parts (8.5%) and electrical machinery (7.7%).

Appendix reference: [Appendix 11.a and Appendix 12](#)

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.

Currently Valbruna UK has **[Limited – company employee information and location]** employees distributed in three locations:

- **[Limited – company employee information and location]**

The number of employees of Valbruna UK has been **[Limited – company employee information and location]**, but the exact magnitude is difficult to estimate at this stage.

Appendix reference: [N/A](#)

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.

[Limited – confidential information on the company's expenses]

The continuation of the existing safeguard measures on product category 14 would likely entail a significant decrease of Valbruna UK's turnover. In turn, this will force Valbruna UK to **[Limited – confidential information on the company's expenses]**, as to ensure a sustainable financial balance.

Appendix reference: [N/A](#)

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.

Valbruna UK estimates to supply about **[0-20]** % of the UK domestic demand for goods falling into product category 14. Should the existing safeguard measures be continued and, as a result, applied also to imports of Stainless Steel Bars and Light Section from the EU, Valbruna UK's market share would be seriously affected by the application of the relevant tariff rate quota.

Appendix reference: **N/A**

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.

Imports of the goods falling under product category 14 are very important in relation to Valbruna UK's overall level of imports. They represent a share of about **[70-100]** % in volume and **[50-90]** % in value in the POI and MRP. **[Limited – share of company's sales value]**

Appendix reference: **N/A**

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.

Should the existing safeguard measures be continued, key UK industries operating in downstream markets, such as aerospace, defence, oil & gas, energy, automotive and construction, would be seriously jeopardised. This because the market prices of Stainless Steel Bars and Light Sections are likely to increase significantly due to (i) the 25% additional safeguard duties and (ii) the lack of competition in the market to the advantage of the UK domestic producers. Another consequence of such increase in market prices is likely to be a significant shortage of supply into the UK.

The likely increase of the market price for Stainless Steel Bars and Light Sections will also cause a loss of competitiveness of the UK downstream industries using such goods. If the prices of Stainless Steel Bars and Light Sections increase, the UK manufacturers using these goods as inputs will have to incur higher costs and will become less competitive at the global level. This will affect their ability to export their products overseas. Moreover, they will be exposed to the competition brought by



overseas producers that could export their (more competitive) downstream products to the UK without paying any duty.

For instance, UK precision machining companies which manufacture automotive parts and export them to the EU could be replaced by precision machining companies located in the EU.

Appendix reference: [N/A](#)

7. Which other industries may 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.

Should the existing measures be continued, Valbruna UK expects that many downstream UK industries in strategic sectors such as aerospace, defence, oil & gas, energy, automotive, etc. will be negatively affected, especially due to the potentially significant disruptions in their supply chains with EU business partners with whom there are closely integrated. Please refer to **Appendix 16** - Article - UK Steel expects major exports disruption to EU **[Limited – Confidential subscription content]**, for a closer look into the concerns of the director general of steel federation UK Steel on trade disruptions with the EU, given the close integration of the UK and the EU markets.

Appendix reference: [Appendix 16](#)

8. Which other markets or products would be affected if the existing safeguard measure on the goods subject to review were:

- i) continued; or
- ii) 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.

All other UK sectors providing services to the key strategic UK industries indicated in the answer to **Question G1.7** would also be negatively affected should safeguard measures be continued. Those sectors include UK logistics companies, IT companies, professional services, etc.

Appendix reference: [N/A](#)

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.



Should the existing safeguard measures be continued, Valbruna UK expects the market price and the UK output of the like or directly competitive products to increase substantially, due to the insufficient UK production combined with the limitation of imports.

Indeed, the UK has a very limited production capacity of Stainless Steel Bars and Light Sections as explained in **Valbruna UK's Product Scope Submission** (please see also **Appendix 10** – Outokumpu Stainless Steel Bars Production Brochure). The users in the UK are – to a certain extent – forced to buy imported material because there is clearly not sufficient production in the UK and this gap cannot be filled in easily in the near future. So in case of continuation of the measures, Valbruna UK does not expect the UK production to increase significantly in the short-medium term.

Appendix reference: [Appendix 10](#)

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 see the answer to **Question G1.9 above**. By way of an example, Valbruna UK's related supplier, namely Acciaierie Valbruna SpA, currently does not plan to increase or decrease the production and capacity of the goods falling in product category 14. However, depending on the outcome of the present investigation and the limitations in the importation of the goods subject to review, Acciaierie Valbruna SpA would have to adapt its production plans depending on the continuation or removal of safeguard measures to avoid paying an additional duty as high as 25% once the relevant quota is exceeded.

Should the existing safeguard measures be discontinued, Valbruna UK submits that total imports of products falling into product category 14 would not significantly increase. The natural reaction of the import market would remain intact, that is, to fill the vacuum in demand left by the UK domestic industry, as UK stainless steel manufacturers can only produce a small subset of the goods falling in product category 14. Therefore, in order to keep the pre-established and long-lasting supply lines between UK and EU companies free from any sort of disruption, which may occur in both qualitative and quantitative terms, the safeguard measures on product category 14 should be discontinued.

Appendix reference: [N/A](#)

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.



The possibility of passing on the increase in costs to end users – and the extent of such passing on – largely depends on the situation of each particular end-using industry. Valbruna UK is not in a position to provide precise estimates.

However, as a general remark, it should be noted that Valbruna's customers will hardly have the possibility to pass a 25% increase in the cost of raw materials on their own customers. As a result, the profitability of Valbruna UK's customers will be severely affected, which raises serious questions about their ability to keep competing in the international markets.

Appendix reference: N/A

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.

Should the existing measures be continued, Valbruna UK expects that future investment and expansion plans of the UK users would be negatively affected.

Appendix reference: N/A

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.

None of such groups should be disproportionately affected.

Appendix reference: N/A

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.

As repeatedly explained, the UK industry only manufactures a small subset of the goods included in product category 14. Therefore, should the measures applying to product category 14 be continued, the benefit for the UK industry would be negligible whereas the impact on users in the UK market would be severe in terms of costs increase and shortage of supply. UK users would be in fact not able to continue sourcing from their long-standing EU suppliers those products which are not manufactured by UK producers, with inevitable negative consequences on their economic situation.

In addition, it should be noted that the continuation of safeguard measures would eliminate any competitive pressure for the few (one, maximum two) UK producers of goods falling into product category 14, therefore causing an excessive concentration of the offer.

Moreover, in the long term the protection ensured by safeguard measures may cause structural problems in terms of innovation and competitiveness, since the UK producers would have no incentives to improve their processes and their products. This will affect their ability to compete in the international markets.

Therefore, Valbruna UK submits that there would be no real benefit to any player in the UK industry should the safeguard measures be continued on stainless steel products falling into product category 14.

Appendix reference: N/A

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.

Should the existing safeguard measures be continued (and applied to imports from EU countries as well), this would cause significant disruptions to closely integrated UK-EU supply chains in many strategic industries.

Valbruna UK would like to re-emphasise that the UK and the EU stainless steel markets are closely integrated, and that any safeguard measure applicable to product category 14 should be terminated or at least rebalanced in favour of the EU countries given the long-standing supply-chain relationship between UK and EU companies.



Please refer to **Appendix 16** - Article - UK Steel expects major exports disruption to EU **[Limited – Confidential subscription content]**.

This will ensure protecting the interests of all stakeholders in the UK market, including the industrial users and customers and not only the domestic producers.

Appendix reference: **Appendix 16**

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.

Valbruna UK refers to the arguments put forward in its **Product Scope Submission**, showing that the continuation of the existing measures with regard to goods falling into product category 14 is not in the economic interest of the UK.

Appendix reference: **N/A**



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: **TF0006**
Company name: **VALBRUNA UK LTD.**

Date : 11 December 2020

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	X
Section B – Goods	X
Section C – Imports and purchases	X
Section D – Sales and selling expenses	X
Section E – Company performance	X
Section F – Causation of injury	X
Section G – Economic interest	X
Section H – Next steps and declaration	X

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

Appendix reference	Document title
1 (confidential)	Valbruna UK internal organization chart
2 (public)	Valbruna UK extract from Company House
3 (confidential)	Valbruna UK Articles of Association
4 (public)	Valbruna UK Certificate of Incorporation
5 (public)	Valbruna UK Accounting Standards
6 (combined)	Financial Statements of Valbruna UK Ltd.
• 6.a (public)	Financial Statements of Valbruna UK Ltd. (2013-2019)
• 6.b. (confidential)	Financial Statements of Valbruna UK Ltd. (01-06 2020)
7 (confidential)	Valbruna UK Trial Balances
8 (combined)	Valbruna Group Consolidated Financial Statements
• 8.a (public)	Consolidated Financial Statements (2013-2019)
• 8.b. (confidential)	Consolidated Financial Statements (01-06 2020)
9 (confidential)	Valbruna UK Chart of Accounts
10 (public)	Outokumpu Stainless Steel Bars Production Brochure
• 10.a (public)	Outokumpu High Performance Bar Brochure
• 10.b (public)	Outokumpu Sheffield Bar & Rod product size range
11 (public)	Products manufactured by Acciaierie Valbruna SpA
• 11.a (public)	Acciaierie Valbruna - Product Scope Summary
• 11.b (public)	Valbruna General Catalogue English 2020



12 (public)	Stainless steel use per sector in 2019
13 (public)	Liberty Speciality Steels 2019 Financial Statements Excerpt
14 (public)	UK stainless steel bars import statistics 2013-2020
15 (public)	ISSF Market Forecast for 2021
16 (confidential)	Article - UK Steel expects major exports disruption to EU