

INVESTIGATION No. AD0059

Dumping investigation into certain engine oils and hydraulic fluids imported into the United Kingdom from Lithuania and the United Arab Emirates

**Submission in Response
to
Statement of essential facts**

From UAB SCT Lubricants (Lithuania)

Dated 6 of October 2025

TRA case team have published a Statement of essential facts (**SEF**).

UAB SCT Lubricants (hereinafter - the **Company**) has taken the SEF into consideration, disagrees with SEF and the conclusions made therein, so therefore is submitting a response to the SEF in due course. The Company emphasizes that many of the arguments and supporting evidence it previously submitted in response to the Provisional Affirmative Determination (**PAD**) were not adequately assessed or were disregarded without proper justification. The Company maintains that:

- The determination of normal value and export price was conducted incorrectly;
- The dumping margin was therefore calculated erroneously;
- Imports from Lithuania should have been excluded from the scope of the investigation on the grounds of negligible volume; and
- The finding of material injury to the UK industry is not supported by evidence and fails to meet the legal requirements of the WTO Anti-Dumping Agreement (ADA).

The Company maintains its position that certain engine oils and hydraulic fluids imported into the United Kingdom from Lithuania have not been and are not being dumped in the UK. Accordingly, as because there wasn't and isn't dumping of the goods concerned, no any injury to a UK industry in those goods was made.

1) Radical and unexplained Increase in Duty Rate (84,72 for the Company and 95,36 % for all other Lithuanian exporters).

In SEF it is stated, that the rates of anti-dumping duty the TRA intends to recommend are 84,72 for the Company and 95,36 % for all other Lithuanian exporters. However, in the Provisional affirmative determination and recommendation to require a guarantee (PAD) adopted on May 14, 2025, the duty rate was set at only 11,60 % for the Company (and 49.59% for other exporters from Lithuania).

SEF does not contain clear grounds why such a radically higher duty rate was imposed on the Company (from 11.60% to 84.72%) and why the conclusions in SEF differ so radically from those in PAD. The reliability and integrity of the information and data used to calculate the Company's expenses raise reasonable doubts.

SEF does not specify what calculation methodology was used and on what specific data the Company was charged a duty of as much as 84.72%.

Such drastic fluctuations between SEF and PAD raise reasonable doubts as to the reliability, objectivity, and compliance with legal requirements of the calculations performed by the TRA.

2) Lithuania imports should be excluded from the scope of the investigation.

Article 5.8 of the WTO ADA determines that: *“An application under paragraph 1 shall be rejected and an investigation shall be terminated promptly as soon as the authorities concerned are satisfied that there is not sufficient evidence of either dumping or of injury to justify proceeding with the case. There shall be immediate termination in cases where the authorities determine that the margin of dumping is de minimis, or that the volume of dumped imports, actual or potential, or the injury, is negligible. The margin of dumping shall be considered to be de minimis if this margin is less than 2 per cent, expressed as a percentage of the export price. The volume of dumped imports shall normally be regarded as negligible if the volume of dumped imports from a particular country is found to account for **less than 3 per cent of imports** of the like product in the importing Member, unless countries which individually account for less than 3 per cent of the imports of the like product in the importing Member collectively account for more than 7 per cent of imports of the like product in the importing Member.”*

In SEF TRA stated that the most reliable import data that the TRA has access to is the publicly available, 8-digit HMRC OTS import data. TRA stated that: The most reliable import data that the TRA has access to is the publicly available, 8-digit import data that is provided by HMRC OTS.³² This data may include some goods that are out of the scope of this investigation, however, the TRA has assessed that most imports reported under these codes are likely to be the goods concerned. This is because the out-of-scope goods that can be defined under the same commodity codes (such as gear oil, locomotive lubricant etc) are more specialist in their application, and so are imported and consumed less than the goods concerned [131]. The TRA has examined the confidential 10-digit raw HMRC Customs declarations data. However, it cannot be used as it is potentially disclosive. Regardless, when comparing the raw HMRC customs declaration data at the 10-digit level to the HMRC OTS data at the 8-digit level, the differences between the two data sets are minimal. This allows the TRA the confidence to use the HMRC OTS 8-digit data as representative of the imports of the goods concerned for the purposes of the investigation [132].

While the HMRC OTS data can be considered a reliable source, there's a very high chance of a marginal discrepancy thus jeopardizing the full truthfulness of the investigation. The TRA themselves, does not state this information for a fact but rather leaving space for doubt – is likely to be the goods concerned. In Company's opinion, this is a key criterion/indicator that could lead to the exclusion of imports from Lithuania from the scope of the investigation, as it is just 0,14% more than negligible criteria. The Company is assured that the possible margin of error should have been assessed. In the Company's opinion, goods that are out of the scope of this investigation cannot be included in the calculation of the import share and it is high certainty, that this scope would be 0,14 % of adjustment deviation. So it also confirms, that the import volumes from Lithuania is less than negligible criteria.

Another particularly important factor should also be noted. According to the Company's data, big quantity of goods exported by the Company from Lithuania did not remain on the UK market but was immediately exported to Ireland. As the Company is unable to obtain information from UK customs, we kindly request TRA to obtain the following data from UK customs: what quantity of products originating in Lithuania

was exported to Ireland during the investigation period. **The quantity of products exported to Ireland must be eliminated from the quantity of goods exported from Lithuania to the UK.**

In this context, the SEF indicates that **Lithuania imports represent only 3.14 %** of total imports into the UK, **compared to 14.01 % from the UAE**, placing **Lithuania imports very close to de minimis level**. According to the factual import volume from the Company, **import share by volume for the Company was just 2,88 %** (*Company's response submission in response to PAD, Article 2*). The Company is not aware of what goods manufactured in Lithuania and in what quantities are exported to the UK by other countries, which may affect the fact that the percentage rate is higher than the Company's actual percentage rate of 2.88%.

Furthermore, there are indications that some UK manufacturers deliberately set up companies in Lithuania and imported goods from them to the UK solely in order to artificially exceed the de minimis threshold and unjustifiably bring Lithuania within the scope of the investigation (for example, Aztec oils baltic, UAB <https://www.aztecoils.eu/>).

Consequently, **Lithuania imports should be excluded from the scope of the investigation or at the very least not be assessed cumulatively with imports from the UAE.**

3. The cost of manufacturing goods and normal value in Lithuania was unjustifiably equated with the cost of manufacturing goods in the UK.

SEF establishes that the dumping margin is the difference between the export price and the normal value of the goods being dumped, described as a percentage of the export price at a level of the cost of insurance and freight (CIF) [125]. The Company maintains that the dumping margin was incorrectly determined because the normal value of the goods concerned and the export price were incorrectly determined.

TRA stated that *„The co-operating Lithuanian exporter, UAB SCT, provided a questionnaire response that did not include its costs of production. The TRA therefore used information obtained from secondary sources to establish the comparable price, doing so with special circumspection and, where practicable, verifying such information from independent sources, in accordance with regulation 47(5) of the Regulations“* [136].

The UAB SCT dumping calculation in the SEF uses UK costs of production, including base oil costs, with adjustments applied to energy and labour costs, to establish normal value which is then compared to UAB SCT export prices for the same models [59].

The Company considers that this methodology for determining normal value and cost is highly controversial and has led to unlawful and incorrect conclusions.

There is a significant difference between the Lithuanian market and the UK market in terms of the size of the countries, the number of end-users and other factors. In conducting its investigation, TRA failed to consider the circumstances that UAB SCT Lubricants is one of the most modern factories in Europe. Advanced technologies and the latest scientific and technological achievements are used in the production of engine oils and lubricants. This is one of the Company's advantages, enabling it to produce products at lower costs. The Company constantly invests into its modernization, development and expansion; thus keeping the description of being a modern factory. Another very important aspect, is that as it was communicated multiple times during the on sight visit and showed in real life, was the ideology of the production of the Company. The Company solely works on the wholesales basis and that applies to both purchases and sales – while most of the UK producers are being their raw materials in smaller volumes and usually from their local traders, Company operates by purchasing a lot bigger wholesale volumes usually from the producers directly. Additionally producing the products faster and using fully automated process for this, the production costs themselves should be lower than of those applicants in the UK. Thus the cost price of products manufactured in Lithuania cannot be compared to

the cost price of products manufactured in the UK. Or it should be ascertained and verified that two equal productions by their power of operations are being compared.

TRA had every opportunity to rely on the data provided by the Company, on the basis of which the cost of the Company's production could be determined: audited financial statements, detailed sales data for the Lithuanian and UK markets, and other accounting documents provided. These documents confirm that the Company did not sell goods to the UK at lower prices than to other markets. Furthermore, during the visit of TRA representatives to the Company, they were given the opportunity to check all the necessary documents and they did it. After verification onsite, no comments were made in the conclusion that the Company had refused to cooperate and provide any data. This data was sufficient for the PAD to be made, and the Company answered all additional questions and provided the requested additional data, so it is completely unclear why, at the final stage of making SEF, the data provided by the Company suddenly became "insufficient."

The Company categorically disagrees with the fact that all the data and documents submitted, as well as the results of the onsite inspection, were not evaluated solely because the data on the cost of goods was not submitted in accordance with the method requested by the TRA (i.e., by filling in the Excel table section D in the pre-sampling questionnaire created by the TRA). The Company provided detailed explanations as to why it was not objectively possible to submit data on the cost of goods in the manner requested by the TRA (by filling in the Excel table created by the TRA), but these circumstances were not taken into account at all when SEF was adopted. As already mentioned, the Company provided other data and documents containing information on the cost of goods - *Costing information (the cost of sales, general and administrative costs) is provided in profit (loss) accounts (appendixes No. 9.2; 9.4; 9.6; 9.8 and 10 of Anti-Dumping Questionnaire (Exporter))*. There are no specific rules on how a company should calculate its production costs, and TRA cannot assume that their Excel spreadsheet is suitable for all manufacturers. Furthermore, TRA representatives were given the opportunity to review all necessary documents and data during the onsite verification and they actually did it. After the onsite verification, the Company submitted all additional data requested by TRA representatives (on February 26, 2025.): *[redacted – commercially sensitive information]*. The Company did not receive any comments or complaints from TRA regarding any missing data/documents. Moreover, TRA did not raise any additional questions regarding the cost of the Company's goods when adopting the PAD. Such actions violate not only the principles of objectivity, but also those of proportionality, fairness, and reasonableness.

Given that the adjusted cost of production of UK manufacturers cannot be compared to the cost of production of the Company due to a number of factors, the Company provides additional data on the cost of its production (*redacted – commercially sensitive information*) (Annex No. 1). We also provide a set of documents for one item as an example to substantiate direct costs (*redacted – commercially sensitive information*), and we are ready to provide such documents for each item of goods if necessary (Annex No. 2). **Company requests to add this data/ documents to the case file. These data and documents substantiate the cost of production of the goods, which is realistic and shows that none of the items sold to the UK were loss-making for the Company, i.e. the cost of production was not lower than the price of the goods sold to the UK. It should be noted that most of the data in the Excel table provided has already been submitted to TRA as Annex No. 16 (B4.2 Lithuania) to the exporter's questionnaire.**

The Company believes that this data should be added to the case file because, after PAD was made, the Company was not informed that all of the data it had submitted regarding the cost of goods and normal value would not be evaluated, and that the cost of goods would be equated to the cost of goods produced by UK manufacturers.

4. The equation of the Company's export prices to the UK with Lubriage Ltd's selling price to the first independent buyer in the UK is incorrect and distorts the actual price of the Company's exports to the UK.

In SEF it is stated: *When conducting the dumping calculations for UAB SCT in Lithuania, and SCT FZE in the UAE, the TRA determined that the export price is unreliable because of an association or a compensatory arrangement between the overseas exporters and the importer of the goods concerned in the UK or the overseas exporter and a third party, in accordance with regulation 15(2) of the Regulations [170]. The TRA has constructed the export price for both UAB SCT and SCT FZE based on the price at which the goods concerned are first sold to an independent buyer in the UK, in accordance with regulations 15(2) and 15(4)(a) of the Regulations [171].*

Although TRA applied deductions to the sales price to the first independent buyer, Lubriage Ltd's sales to its buyers in no way reflect the actual price of the Company's exports to the UK. It was stated very strictly that no operation process or/and sales information is shared between the two companies as they are two different legal entities. Moreover, the Company provided all requested documents relating to the sale of goods to the UK - performing tests of accuracy and relevance on sales to UK and domestic sales transactions TRA has selected, all Sales orders, Invoices, Evidence of bank receipts, shipping documentation (where applicable), packing lists and any other relevant source documentation were provided. It is these documents that show the actual price of the Company's exports to the UK, and accordingly, all of the data provided was verified by TRA representatives during on-site verification.

The Company has no influence on the pricing of Lubriage Ltd's sales to UK buyers.

TRA also failed to take into account the fact that UAB SCT Lubricants proved and substantiated that goods were and are exported to the UK at market prices, which are not lower than the selling price in other countries and in the domestic market. This fact was also showcased, communicated to the TRA verifiers during the on-site visit and was accepted with understanding by them that at SCT UAB the products are produced without any kind of difference to where they will be loaded and there is no difference in the quality or price of being sold to UK, EU, Lithuania market or third world countries.

Furthermore, in SEF it is stated, that TRA identified that some of Lubriage's sales in the UK were made to an associated company, Carousel Car Parts (Carousel). Lubriage and Carousel qualify as related under regulation 15(7) of the Regulations, as they shared the same director for parts of the POI. Carousel did not submit a questionnaire response to the investigation, so whilst these sales did enter the UK market, the TRA does not have a sales price to an independent buyer for these sales. The TRA has decided not to exclude these sales from the dumping calculation, as to do so would incentivise non-cooperation (given that these sales to Carousel were made at dumped prices) [172]. Thus, TRA acknowledges that it has no data on the sale of goods to Carousel, but does not eliminate these sales, merely stating that sales to Carousel were made at dumped prices. In the company's opinion, such an investigation is procedurally incorrect: if there are no independent prices or if significant bias is established, such transactions must be eliminated from the investigation and not a priori considered "dumping."

5. Two representatives of UK domestic producers are unjustifiably treated as representatives of the entire UK industry.

The TRA has determined that the UK producers who registered to the case account for approximately 20-30% of domestic production. The TRA established that the UK industry is fragmented, made up of at least 21 known UK producers of various sizes [108].

The production of UK producers who did not participate in the investigation has been estimated using the ratio of employees to production from participating UK producers, based on Companies House records. This has resulted in an estimated UK production of the like goods of 197 megalitres per year

with sales of the like goods of more than £285m GBP during the POI [109]. The TRA considered whether it would be appropriate to define UK industry as only the two, cooperating domestic producers [111].

However, in the Company's opinion, the determination of the UK industry made in SEF is unfounded and incorrect, and leads to the conclusion that the investigation was conducted essentially on behalf of two specific local producers (Aztec) rather than the entire UK industry, because just these two producers provided questionnaire responses.

Furthermore, according to Article 5.4 of the WTO Anti-dumping Agreement ('ADA'), 5.4 "*An investigation shall not be initiated (...) unless the authorities have determined, (...) that the application has been made by or on behalf of the domestic industry. The application shall be considered to have been made "by or on behalf of the domestic industry" if it is supported by those domestic producers whose **collective output** constitutes more than 50 per cent of the **total production** of the like product produced by that portion of the domestic industry expressing either support for or opposition to the application. However, no investigation shall be initiated when domestic producers expressly supporting the application account for less than 25 per cent of total production of the like product produced by the domestic industry.* Given that Aztec Oils Ltd represents only approximately 7% of the market, it is unclear how does TRA ensure that the domestic industry's total input reaches the required threshold.

6. UK industry did not suffer any actual decline.

The Company does not agree with TRA conclusion, that UK industry is suffering from actual material injury [268].

In SEF it is stated that TRA selected UK producers to be sampled for the purpose of the injury assessments, as set out above (at Section C2.1 UK producers). Four UK producers were sampled, of which two (Aztec and Paterson) provided questionnaire responses [206]. The TRA received full injury data from two UK producers [267].

The investigation identified only one company that had unsuccessful trading, namely the applicant Aztec. As can be seen from the SEF charts, all of the business performance indicators of the above-mentioned producer; Paterson, that participated in the investigation improved: for example, Aztec reported in its verified questionnaire response that the volume of domestic sales of engine oils have fallen by 25-30% over the injury period, and that the volume of domestic sales of hydraulic fluids have declined by 20-25% [238]. Paterson submitted that domestic sales volumes have increased by 52% for engine oils, and 21% for hydraulic fluids, over the injury period [239].

Aztec's audited account's 46 document a reduction in gross profit between financial year 2023 and 2024 of approximately 19%, and a reduction in operating profit over the same period of 62% [240]. Paterson's audited accounts document an increase in gross profit between financial year 2023 and 2024 of approximately 10% and an increase in net operating profits after tax of approximately 28% [241]. Information from Paterson indicates that its output has increased over the injury period for both engine oils and hydraulic fluids, both in terms of volume and value [244]. Paterson has submitted that the productivity of its employees has increased over the injury period, by 38% in relation to engine oils, and 16% in relation to hydraulic fluids [249]. Paterson's supplied data shows capacities have increased throughout the injury period, although capacity utilisation has fluctuated, there was an overall upward trajectory [251].

TRA also stated, that: „This is because, whilst the injury data for the two cooperating domestic producers (Aztec and Paterson) **is contrasting**, both producers are being undercut and undersold, and the actual injury suffered by Aztec is representative of injury which is being suffered by UK industry as a whole, whilst Paterson have been able to limit the extent of the actual injury that they have suffered due to a differing market position [266].

In the Company's opinion, the conclusion suggests that Peterson simply took over part of Aztec's customer base and sales market. As it can be seen, Paterson's performance indicators improved to a greater extent than Aztec's performance indicators declined.

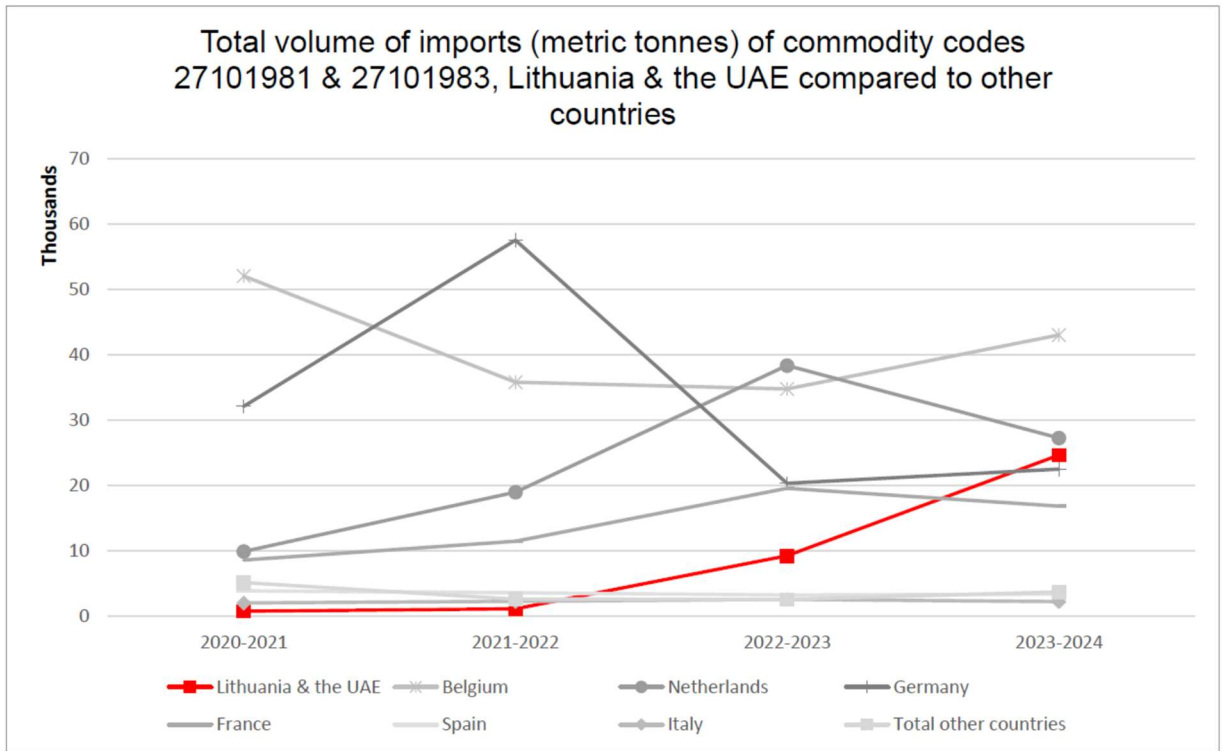
It should be pointed out that while making the alleged injury assessment, only 2 companies were reviewed (that is far from the entire UK market). The fact that the revenues and turnover of other market participants also increased should also have been taken into account (*Annex 1 of submission in response*):

Turnover (Average 7 companies)	612 527 818,00	580 521 256,00	496 549 500,00	417 153 078,00
COS (Average 7 companies)	- 473 823 762,00	- 460 230 262,00	- 383 804 758,00	- 310 510 493,00
Gross Profit (Average 7 companies)	138 704 056,00	120 290 994,00	112 744 742,00	106 642 585,00
Gross Profit Margin (Average 7 companies)	22,64%	20,72%	22,71%	25,56%

Costs (such as wages, electricity and other utility costs, fuel costs, vehicle fleet costs, etc.) are already an internal matter for each business entity (business model, etc.), so it is necessary to evaluate GROSS rather than NET, i.e. to compare turnover and margin. The turnover of UK industry participants has increased (even NET). These circumstances explain why only two UK domestic producers (Aztec Oils Ltd and Paterson Enterprises Lt) submitted full questionnaires and agreed to disclose their financial data.

Therefore, TRA made an incorrect and unjustified conclusion that UK industry, as a whole, has actually suffered from material injury in relation to sales, profitability, output, productivity, return on investments, capacity utilisation, the margin of dumping, employment, wages, and growth. The decline of Aztec, the only domestic producer, cannot be equated with the decline of the entire UK industry.

Even more, TRA made an incorrect and unjustified conclusion that causation remains established because of significant increase in the volume of imports from Lithuania and the UAE. Figure 15 in paragraph 279 clearly shows that the market share of importers from the UAE and Lithuania increased not at the detriment of UK domestic producers, but due to a decrease in the market share of for example German importers:



The diagram shows that the market share of UK manufacturers' sales did not decrease due to imports, as import volumes remained largely unchanged, i.e. did not change the share of the consumption market, did not displace UK producers from the UK sales market. Thus, market sharing occurred in the importer segment, not at the expense of domestic producers, however, TRA did not take this fact into account when adopting SEF.

7. Concerns raised by European Commission (EC) and The Embassy of the Republic of Lithuania to the United Kingdom (hereinafter – “Embassy”) were rejected unreasonably, without justification.

In response to the EC's and Embassy's arguments, the TRA limited itself to a formal assessment, that there was sufficient evidence submitted in the application to demonstrate industry support, dumping, material injury and causality. No response was given to the EC's comment on the association's (UKLA) powers to represent its members in the anti-dumping investigation, nor to the comment that the association did not support the request covering imports from Lithuania. Company therefore justifiably considers that there were no grounds for investigating Lithuanian imports.

EC commented that UAE export volumes to the UK are substantially higher than Lithuanian exports to the UK (from total imports analysed, UAE represents around 80% of imports and Lithuania 20%); and UAE average prices are considerably lower than Lithuanian prices. Therefore, Lithuanian and UAE imports should be de-cumulated for the purpose of the injury analysis. In response to this EC's comment on cumulation, which refers to the insignificant volume of Lithuanian imports, TRA just stated that the price is unreliable because trade is between related companies (no argued response to the EC's comment on volume). And, secondly, TRA argues that that it is the same company manufacturing the same products (again, it does not respond to the EC's comment on Lithuanian imports low volume). The EC clearly expresses that Lithuania should be excluded from the investigation because it imports too little compared to the imports from UAE, but the TRA didn't respond to this comment in any way, just arguing that the export price is unreliable because trade is between related/associated companies, while remains silent on the issue of volume and does not respond to this argument.

UAB SCT Lubricants supports the main arguments of European Commission and Embassy and supports the opinion that imports from Lithuania were unjustifiably included in the investigation.

Conclusion

UAB SCT Lubricants proved and substantiated that goods were and are exported to the UK at market prices, which are not lower than the selling price in other countries and in the domestic market.

However, TRA did not assess these particularly significant factors. UAB SCT Lubricants once again states and confirms that goods concerned are being exported to the UK at market price, thus, the injury to the UK market did not and could not have been made. Exporting to the UK market is no different from exporting to other countries and selling domestically.

SEF did not take proper account of the fact that during POI only [redacted – commercially sensitive information] of the production of the Company was exported to UK, [redacted – commercially sensitive information] was sold at the domestic market so the rest part of the production – [redacted – commercially sensitive information] was exported to third countries.

In conducting its investigation, TRA failed to consider the circumstances that UAB SCT Lubricants is one of the most modern factories in Europe. Advanced technologies and the latest scientific and technological achievements are used in the production of engine oils and lubricants. This is one of the Company's advantages, enabling it to produce products at lower costs. Anyway, it shall be noted that there is no difference between the price of the production exported to UK or other countries and sold in domestic market because of these factors.

Furthermore, there is a significant difference between the Lithuanian market and the UK market in terms of the size of the countries, the number of end-users and other factors, thus a comparison of the UK market and sales volume with the Lithuanian market had to be assessed.

In view of the above circumstances, it can be concluded that SEF is superficial, unclear, not based on specific calculations, adopted without considering the arguments presented by the Company and without evaluating the data submitted by the Company, therefore it must be reviewed. In view of all the arguments set out in this response to the SEF, TRA is respectfully requested:

- **to accept and analyse additional data on the cost of the Company's goods;**
- **review and properly assess the data already submitted by the Company on the cost of goods and the price of exports to the UK;**
- **to declare the imports of oils from Lithuania negligible (below 3%) and, consequently, to terminate the anti-dumping investigation regarding the import of oils from Lithuania, given that a considerable volume sold to the UK was actually exported to Ireland and did not stay in the UK market;**
- **if it is nevertheless decided to apply a duty, to review its level regarding imports from Lithuania.**

ANNEXES:

1. Data on the cost of the Company's goods (confidential);
2. Documentation on the costs of production (confidential).