



Trade Remedies  
Authority

## TRANSITION REVIEW No. TD0027

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

#### Submission of Evidence

#### Ibstock PLC

#### Note to Public File

December 2023

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

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

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

Commodity codes:

6907 2100 00

6907 2300 00

6907 4000 00

6907 2200 00

6907 3000 00

#### Antecedents

Ibstock PLC (Ibstock) is a UK producer of like goods and an interested party in this transition review. Ibstock has not been able to fully participate in this transition review. Notwithstanding Ibstock's inability to participate, the TRA assessed it important to obtain evidence from this interested party for consideration during this transition review.

We conducted a facilitation visit with Ibstock on 13 September 2023. During this visit we obtained evidence from Ibstock as to its position in respect of this transition review. This was obtained in the form of an extended recorded interview with senior company stakeholders. Whilst on site, we visually verified production of like goods falling under commodity code 6907220000, which additionally could be legitimately categorised under commodity code 6907400000. However, it should be noted, that we did not undertake verification activities on the evidence obtained from Ibstock.

The following details a non-confidential summary of evidence submitted by Ibstock during the course of this transition review. This has been agreed with Ibstock. The TRA accept this non-confidential summary of evidence as the company's written submission of evidence to this transition review. Where appropriate, we have stated where we have visually verified specific detail of submitted information.

### **Ibstock PLC**

Ibstock is one of the largest producers of building products and solutions in the UK. The firm is over 200 years old and is still based in Ibstock, Leicestershire. It has 46 locations across the UK, 38 of which are manufacturing sites. The firm turned over £513m in 2022 and employs about 2,500 people.

Ibstock indicated that it is made up of three divisions: Clay, Concrete, and Ibstock Futures.

Ibstock advised that its Clay Division is the UK's largest brickmaker. Its Concrete Division makes concrete floor beams, lintels, fence posts, stairs and lift shafts.

### **Ibstock Futures**

Ibstock Futures focuses on new materials and modern methods of construction. It currently houses the existing brick slip, pre-fabrication and other new materials processes. As this is the division that manufactures like goods, the majority of our conversation focused on this part of the business.

Ibstock Futures currently has about 100 people associated with the production of like goods, across three facilities across the UK. Currently, all Ibstock slips are cut from existing bricks on a relatively small scale. The factory we visited employed 24 staff and produced between 3-4 million slips a year.

In 2021 Ibstock Futures announced a £50 million investment to build a new brick slip mass production facility outside of Wakefield. This facility would consist of two factories on the same site.

The first will be a fully automated brick slip cutting facility, capable of cutting [REDACTED] slips a year with only minimal staff. This will operate in addition to the existing slip cutting facilities, which will then focus on more complex and non-standard cuts that are more difficult to automate. The new cutting plant is due to be fully operational in early 2024.

The second will be a dedicated slip extrusion plant, producing 30 million slips initially but scalable to [REDACTED] should the market bear it. This is due to be operational at the beginning of 2025.

The combined factories would likely employ another 70-100 people.

Ibstock Futures currently produces [REDACTED] worth of like goods. This is about [REDACTED] of Ibstock PLC's overall turnover.

### **Goods**

Ibstock currently only produces brick slips from cutting existing bricks. Because of their moisture absorbency by weight, these slips usually conform to commodity codes 6907220000 and 6907230000 but could additionally conform to 6907400000.

Ibstock confirmed that it can currently cut slips to any thickness up to 50-60mm. Ibstock advise that all of their brick slips are non-structural.

Ibstock indicated that the goods produced at the new cutting factory would be essentially the same as those currently produced, only in greater volumes.

Ibstock indicated that the extrusion plant could technically produce slips to any size, but its current plan is to produce standard UK faced slips (215x65mm) at thicknesses between [REDACTED]. Ibstock indicated that slips thinner than 15mm often have problems holding the depth of pointing required for longevity and weather protection. They noted there are few incentives to make slips any deeper than necessary.

Ibstock assessed that non-structural brick slips can be distinguished from structural thin bricks in that structural thin bricks will usually have structural holes or indentations ("frogs") like normal bricks and will usually have an equal or greater depth than their height, although this may not always be the case.

Ibstock noted that there is currently no published EN standard for brick slips, but that the industry is in the process of developing one.

### **Exports**

Ibstock advise that Ibstock PLC used to export a large volume of bricks, but that this has declined to about [REDACTED] bricks a year. Ibstock currently export few brick slips, but may look at increased exports once volume manufacture is established.

### **Market Share**

Ibstock indicated that the UK consumes approximately 2.5 billion bricks a year. They assess that they have between 30-35% of the brick market share.

Ibstock estimate that the UK consumes approximately 100-120 million non-structural brick slips each year. Based on that estimate Ibstock Futures currently provide about [REDACTED] of demand. Ibstock estimates that about 70% of UK consumed non-structural brick slips are imported, and these mostly come from Germany, Holland, Spain and Italy.

Ibstock stated that most imported slips are extruded.

### **Manufacturing**

Ibstock indicated that its current brick slip production is based on cutting finished bricks. They indicated about [REDACTED] of the bricks it cuts are manufactured in-house and that it can usually produce only one or two slips from a single brick.

Ibstock advised that the non-Ibstock bricks they cut are provided directly by the customer, so the initial material cost is born by them.

Ibstock indicated that once their automated slip cutting factory opens next year, it anticipates that [REDACTED] cut slips will still be produced from third-party bricks provided by the end user, in order to ensure exact finishes and colours specified by designers, architects and planners.

Ibstock will start to produce slips by extrusion in 2025.

### **Costs**

Ibstock have indicated that the end price of cut bricks slips is necessarily higher because it starts with a finished good as a raw material. It noted that the process involves removing up to 50% of the brick material although this has some nominal value as a by-product.

Ibstock stated that extruded brick slips are generally less costly to produce because there are fewer processes needed to make the end product and less energy to fire and transport them.

Ibstock advise that their automated factories will produce more slips using fewer people, so the cost per unit produced is likely to decrease.

### **Substitutability**

Ibstock noted that non-structural brick slips are themselves a substitute product for bricks. They primarily allow a brick aesthetic whilst allowing for quicker, more lightweight, more carbon efficient construction methods.

Ibstock assess that there is a chance that non-structural brick slips will take market share from the brick market. This said, Ibstock have indicated that it assesses there is a place for both heavy and lightweight construction methods and so neither bricks nor brick slips are at immediate risk of replacing each other.

### **Brick slip industry**

Ibstock noted that the UK slip industry is currently very fragmented as the volumes of production are low and the cutting of slips can be undertaken on a very small scale. Ibstock are not aware of any other UK companies currently producing non-structural brick slips in large volumes.

### **Industry - demand**

Ibstock indicated that the total market for bricks in the UK is about 2.5 billion bricks a year. About half a billion of these are imported, mostly from Europe, India and Pakistan.

Ibstock noted that the UK traditionally has a brick aesthetic and it has enjoyed a revival recently.

Ibstock have noted that the UK brick manufacturing industry is not generally able to meet UK brick demand on its own.

Ibstock estimate the market for non-structural brick slips at being between 100 and 120 million slips consumed in the UK per year, but indications are that this will increase considerably.

Ibstock have noted that the recently developed 'Build Offsite Property Assurance Scheme' (BOPAS) and renewed government support for lighter, more energy efficient construction has contributed to a favourable market for brick slips. Ibstock's investment into the new brick slip production facility underlines its confidence in the future demand for these like goods.

Ibstock have noted that the market seems to be moving towards an increase in consumption of non-structural brick slips and that the UK would be an increasingly attractive market for imports. Whilst the PRC does not traditionally export bricks in any great volume, the incentive to produce and export extruded non-structural brick slips to the UK would be considerable were the measure to be revoked.

### **The measure**

Ibstock indicated that the PRC is likely to be able to produce slips more cheaply than the UK. [REDACTED].

It indicated that PRC imports would likely push the overall price of brick slips down.

Ibstock have indicated that it is in favour of the UK varying the measure by extension.