



## TRANSITION REVIEW No. TD0027

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

#### Submission of Evidence

#### Forterra PLC

#### Note to Public File

January 2024

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

Forterra PLC (Forterra) is a UK producer of brick products. Despite not currently producing like goods, they remain a valuable contributor in this transition review. This is because of its current investment activities in respect of the future production of like goods (non-structural brick slips). Forterra has not been able to fully participate in this transition review. Notwithstanding Forterra's inability to participate,



the TRA assessed it important to obtain evidence from this contributor for consideration during this transition review. This assessment is based upon the acceptance that this contributor will become a producer of like goods during the lifetime of this measure, should we ultimately recommend variance of the measure by extension. As such, we assess that it is prudent to remain mindful of the likely future impact of the measure, or its revocation, upon this future producer of like goods, when conducting our likelihood of injury assessment in respect of the UK industry.

Evidence was obtained from Forterra in the form of an extended recorded interview with senior company stakeholders on 26 September 2023.

The following details a non-confidential summary of evidence submitted by Forterra during the course of this transition review. This has been agreed with Forterra. The TRA accept this non-confidential summary of evidence as the company's written submission of evidence to this transition review.

### **Company**

Until early 2015 Forterra was known as Hanson Building Products, a part of Hanson UK owned by Heidelberg Cement Group. Forterra was acquired by Lonestar Funds in 2015 and subsequently became a PLC in 2016. Forterra produces, among other things, clay bricks, concrete blocks, precast concrete products, beams, and hollow core flooring. Forterra stated that it has [REDACTED] manufacturing locations in the UK. It employs [REDACTED] staff and is headquartered in Northampton.

### **Brick slips**

Forterra supply non-structural brick slips and produce several products incorporating brick slips. These are currently manufactured by cutting a faces off of existing bricks.

These resulting slips would have the same moisture absorbency coefficient by weight of the brick (usually between 4-6% but occasionally as high as 14%), so they could conform to commodity codes 6907220000, 6907230000 or 6907400000.

This process is currently outsourced to various small companies and Forterra considers this to be a value-add process to their brick products rather than the manufacture of brick slips as a product in their own right.

Forterra notes that as the brick market is constrained, manufacture of brick slips in this way diverts goods from its core sales market. It currently diverts [REDACTED] bricks into brick slips, so these represents a negligible proportion of its current



output. As such, Forterra does not consider itself to be a producer of the like goods at this time.

### **New facility**

Forterra have reacted to the increase in demand for non-structural brick slips by developing £12 million into a brick slip extrusion facility in Accrington, due to go live in the second half of 2024. This will help satisfy demand for brick slips without diverting existing brick output and will allow slips to be manufactured at lower cost and with less waste than the cutting process.

Forterra indicate that they will be a producer of the like goods from that time.

Forterra indicate that the new facility will share a site with an existing brick plant and will make use of one of its two existing tunnel kilns. The facility will initially run with [REDACTED] staff initially, going up to [REDACTED] when the plant reaches capacity. Forterra indicate that they expect to produce [REDACTED] a year by 2030 which it anticipates would grant it [REDACTED] of market share.

Forterra anticipate that the majority of there like goods would be sold domestically.

The slips produced in the new facility would have the same moisture absorbency coefficient by weight of current cut slips (usually between 4-6% but occasionally as high as 14%), so they could conform to commodity codes 6907220000, 6907230000 or 6907400000.

### **The measure**

Forterra had been authorised by its board to invest multimillion pounds in a new brick slip facility. Were the measure revoked, Forterra believe that goods subject to review would be dumped into the UK, pushing the selling price for their new slips down and threatening their anticipated return on investment.

As such, Forterra indicates that it is in favour of the measure being varied by extension.