



Verification report – UK Producer Case AD0049: Suspension Poly Vinyl chloride (S-PVC) originating from the United States of America

Period of Investigation (POI):	<i>01 January 2023 – 31 December 2023</i>
Injury Period:	<i>01 January 2020 – 31 December 2023</i>
Date of report:	<i>16 May 2024</i>
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Company verified:	Inovyn ChlorVinyls Limited

For further details, please see the [Notice of initiation](#) on the [public file](#).



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Executive Summary

On 8 January 2024, the Trade Remedies Authority (TRA) initiated a new anti-dumping investigation for Suspension Poly(Vinyl Chloride) (S-PVC) originating from the United States of America (US).

More information about the case can be found on the public file:

[Case AD0049 – Public File.](#)

The Period of Investigation (POI) is from 1 January 2023 to 31 December 2023.

Inovyn Chlorvinyls Limited (Inovyn), a domestic producer of S-PVC (the like goods), returned completed confidential, and non-confidential domestic producer questionnaires, associated annexes and supporting documentation (“questionnaire”). The TRA sought to verify the completeness, relevance and accuracy of the data submitted for the purposes of this investigation.

We compared questionnaire responses and accompanying evidence against information from open sources, such as Companies House, and HMRC, etc. Information was checked for consistency with audited financial statements (where possible) and responses from other interested parties. A walkthrough of the accounting systems was conducted online on 9 April 2024, to assess the level of reliance to place on data produced by the system. An onsite verification visit was performed in person between 22-25 April 2024, to assess the completeness, relevance and accuracy of the data provided in Inovyn’s questionnaire response and supporting documents.

The TRA have no concerns to report in respect of Inovyn’s questionnaire, associated annexes and supporting documents. We were able to verify the information provided by Inovyn in their questionnaire, associated annexes and supporting documents throughout the verification process.

Based on the verification activity undertaken, we concluded that there is a **reasonable level of assurance** on the completeness, relevance and accuracy of the information provided by Inovyn, and it can be used for the purpose of this review.



Purpose of verification

The purpose of the TRA's verification activity is to provide the assurance considered necessary to make a decision as to whether the information (data) provided by Inovyn is verifiable and can be used for the purposes of our investigation. Such data may then be considered in our assessments and analysis to determine whether injury is caused or likely to be caused to the UK industry by dumped imports of the goods concerned. Data will also be used for relevant calculations. This will form the basis for establishing appropriate measures where necessary, and to assess whether these are in the UK's economic interest.

We may carry out verification activity using desk and remote analysis or undertake work on-site. The activity undertaken will not seek to verify all information provided but to undertake the work considered appropriate and possible within the time constraints of the investigation to obtain assurance on which to base a decision.

This verification report documents the work we completed, the checks the case team carried out and conclusions reached about the reliability of information provided by the Inovyn.

Confidential information

The verified party, Inovyn, must provide a non-confidential version of the verification report marked as "non-confidential" in the header of the non-confidential verification report.

If any information contained in the confidential verification report is considered confidential, the party should delete or redact those sections and provide a non-confidential summary of the information removed. It must provide reasons as to why the particular information is considered confidential (see also [public guidance](#)).

The non-confidential version of the verification report will be placed on the public file.



Verification

Please find below a summary of work completed and the checks carried out by the case team to determine whether the information provided by Inovyn in its questionnaire response is verifiable.

A. Company structure and associations

What information was considered

We considered the following from the questionnaire:

- Company details
- Organisational structure, management, and ownership
- Associations with other companies
- Accounting practices

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

How the information was checked

Company Details

Inovyn is a chemicals manufacturing company ultimately owned by INEOS. The TRA compared information supplied by Inovyn to open-source data available on INEOS' website, Companies House, and industry websites. We found these details were consistent with information supplied in Inovyn's questionnaire.

Organisational structure, management, and ownership

Inovyn's audited financial statements for financial year ending 31 December 2023 were not available on Companies House as the independent audit is ongoing. Instead, we viewed the audited financial statements for year ending 31 December 2022, which confirmed Inovyn as the production company of like goods, and identified several subsidiaries that together form 'INEOS Inovyn Ltd'. We verified Inovyn's board members through official documents published on Companies House. The information we found was consistent with information supplied by Inovyn in their questionnaire.

Associations with other companies

Inovyn's questionnaire listed the subsidiaries within INEOS Inovyn Ltd as associated parties. This information was cross-checked with Inovyn's audited financial statements for year ending 31 December 2022 as well as other filings at Companies House, and along with the websites of the INEOS group of companies. During desk-based verification activities, we were able to confirm the addresses of Inovyn's associated companies. During on-site verification, Inovyn provided additional information which allowed us to clarify the ownership percentage and principal activities of each associated company in the INEOS structure. We



reviewed Inovyn’s domestic sales transactions listing to identify transactions to these associated parties, and they were correctly categorised as associated transactions. We have established a reasonable level of assurance regarding the completeness, relevance and accuracy of the information provided by Inovyn on its associated parties.

Accounting Practices

The independent auditor’s report of Inovyn’s audited financial statements for year ended 31st December 2022 confirmed the financial reporting framework as FRS 101 “Reduced disclosure framework”. The financial reporting standard applicable in the UK and Republic of Ireland” (UK GAAP). The auditors report provides an unmodified opinion which demonstrates that the financial statements present a true and fair view of the company’s affairs.

Systems Walkthrough

On 9 April 2024, the TRA remotely conducted a walkthrough of Inovyn’s accounting systems:

SAP – with Fusion - Integrated financial accounting software that records the ledgers, general accounting and forms the basis of financial accounts.

Hyperion – for consolidated accounts of Inovyn.

Technical Economic report (TER) – production cost reporting.

QlikView Billing – Online software for sales and distribution data.

Big file – fed by SAP this is a sales database.

The TRA identified two transactions from the questionnaire annex (one for sales and one for raw materials) and Inovyn walked through the SAP system for these. Supporting documentation for each transaction was viewed from order to payment confirmation. The purchase of raw material was traced to the technical economic report for a product and subsequent payment to the supplier. The TRA also followed the sale through to the receipt of payment for the invoice from the customer. The data, supported by primary evidence, tracked through the SAP system, together with their described system processes gave us reasonable assurance of the sources of data used by Inovyn.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Exceptions/Findings/Adjustments



No issues were found with the data presented and checked. No adjustments or amendments are required.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Conclusions

The information relating to company structure and associations provided by Inovyn is verifiable. Based on the work done, we have a reasonable level of assurance that the information can be treated as complete, relevant and accurate and can therefore be used by the TRA for dumping and injury assessments and for any other purpose within the investigation.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

B. Goods

What information was considered

We examined the following from the questionnaire, annex and supporting documents:

- Description of the goods under review and comparability to the like goods and other goods produced by Inovyn.
- Product Control Number (PCN) allocations
- Inovyn’s Internal Coding System
- UK market for the goods

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

How the information was checked

Goods description and comparability to the goods subject to review and other goods produced by Inovyn.

We gained an understanding of Inovyn’s like goods and other products produced by Inovyn during an on-site facilitation visit where we were able to observe and inspect the production process, see the input materials and the finished goods after the manufacturing process. We gained further understanding of the like goods produced by Inovyn via the INEOS website which includes detailed product information. We were able to confirm that Inovyn’s like goods meet the goods description for S-PVC.



PCN Allocations

In this investigation only one product control number was identified – S-PVC. Therefore, if the good is S-PVC it is in scope. No separation of the goods was required beyond this. We cross checked the products in the sales listing with Inovyn’s product list to check that the description matched the product as S-PVC, cross checking with the Inovyn technical sheet for each grade of S-PVC. We found information regarding the sales of the like good matched the single PCN, i.e. S-PVC. We believe we can treat the information as relevant and accurate.

Inovyn’s Internal Coding System (ICS)

Inovyn’s questionnaire explained its ICS. This ICS enabled Inovyn to identify the like goods it produces. We cross checked the characteristics of each ‘line’ ICS with information on Inovyn’s website and with technical data sheets for each grade of S-PVC produced. We found no incorrectly categorised products. Inovyn’s other products, such as Chlorine, Caustic Soda etc. have been correctly identified and not listed in the “like goods”..

UK market for the goods

We cross checked the information relating to the UK market for the goods produced by Inovyn as outlined in their questionnaire using the INEOS website and various downstream producer websites. We also cross checked this information with data and information held by subscription-based data providers. We found no issues with the information supplied by Inovyn.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Exceptions/Findings/Adjustments

We found no issues with the data presented and checked. No adjustments or amendments were required.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Conclusions

The information relating to the company’s goods provided by Inovyn is verifiable. Based on the work done, we have a reasonable level of assurance that the information can be treated as complete, relevant and accurate and can therefore be used by the TRA for dumping and injury assessments and for any other purpose within the investigation.



If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

C. Costs

What information was considered

We considered the following from the questionnaire, annexes, and appendixes:

- Direct and indirect cost components
- Sample of relevant cost components – major inputs, VCM, direct labour, manufacturing overheads, AS&G etc.
- Shared services, and apportionment
- Costs affected by vertical integration
- Depreciation and amortisation policies and methods
- Cost allocations for any by-products and/or joint products
- Associated party transaction and arm’s length prices

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

How the information was checked

Upward verification

We checked the main raw material input (VCM) to the trial balance for the POI and the injury period and found that it matched. This represents the majority of costs to make. We gained a reasonable degree of assurance that this data is complete.

It was not possible to reconcile total costs to make for the like goods provided in the questionnaire response to financial statements as the financial statements do not provide cost data at the right level, given the complexity of the group structure, and the way costs are internally allocated.

We therefore carried out additional verification procedures for completeness including reconciliations of data provided to core financial systems and outputs. We also carried out a greater degree of downward verification.

Downward verification

Downward verification work was completed to check the accuracy and relevance of the transactions listed in the questionnaire annex response. These procedures were enhanced in this case to consider completeness.



We checked 50% of the VCM purchases in the POI. We received the purchase order, supplier invoice, goods received confirmation, remittance advice and bank statement. We were able to trace all transactions to source documents with no material variances. Transfer pricing was also checked against the His Majesty's Revenue and Customs (HMRC) approved calculation methodology.

We selected individual transactions to test the cost to make, in addition to testing the direct and indirect labour costs, therefore testing every area of the CTM. We checked the accuracy and relevance of the data by tracing cost data provided by Inovyn in the questionnaire annex response to source documents. Inovyn provided source documentation associated with a sample of selected transactions and demonstrated its accounting system in reference to these transactions during the verification visit. The SAP system allowed full sight of transactions from purchase order through to payment. We received the purchase order, supplier invoice, goods received confirmation, remittance advice and bank statement.

We reviewed the method for allocating AS&G costs and concluded that it was reasonable and consistently applied. We also traced a sample of AS&G costs to source documents and through the SAP system.

We reviewed the direct labour cost in the questionnaire annex and were able to reconcile this to the direct labour cost per the general ledger for the Newton Aycliffe site (production site for the like goods).

We reviewed the allocation key for allocated central labour cost in the questionnaire annex and were able to reconcile this to the allocated labour cost per the general ledger for the Newton Aycliffe site.

All documents provided matched to a raw materials/cost to make purchase transaction, we were able to follow this down to the original purchase order on all the sampled transactions including transactions selected during on-site verification.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Exceptions/Findings/Adjustments

We found no issues with the data presented and checked. No adjustments or amendments are required.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):



Conclusions

The information relating to costs provided by Inovyn is verifiable. Based on the work done, we have a reasonable level of assurance that the information can be treated as complete, relevant and accurate and can therefore be used by the TRA for dumping and injury assessments and for any other purpose within the investigation.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

D. Sales

What information was considered

Upward Verification

- Transaction-by-transaction domestic sales data for the like goods.
- Accounts walkthrough.
- Audited financial statements.
- Trial Balances
- Management accounts.

Downward verification

- Transaction-by-transaction domestic sales data for the like goods.
- Sales source documentation, such as purchase order, order confirmation, invoices, and payment remittances/bank reconciliation.
- Internal accounts system data - walkthrough screenshots.
- Rebates and price reductions
- Management accounts

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

How the information was checked

Upwards Verification

We performed upwards verification for the sales data submitted by Inovyn by reconciling the sales information reported in its questionnaire annex to figures in its parent company's trial balance (Not audited for the POI as auditing was still in progress).



We walked through the accounts data on the SAP system and the link to the management accounts data.

We observed how the management accounts values for the sales of the like goods had been constructed in the accounting system. The supporting values for sales were generated entirely from SAP (i.e. no manual intervention). We reconciled the sales of the like goods to Inovyn's product level management accounts extracted directly from its accounting system and reconciled the data further to the group accounts and trial balance within an acceptable level of materiality.

Downwards Verification

We performed downwards verification to ensure that the sales data provided by Inovyn is reconcilable to source documentation. We requested source documentation associated with a sample of sales transactions and Inovyn demonstrated its internal accounting system in reference to these transactions during the verification visit. We gave forward notice of some of the transactions and chose transactions to test during on-site verification.

Transaction selection was based on the accounting system walkthrough findings and the analysis of questionnaire annex sales data. The transactions chosen were spread across the POI to provide assurance on unit prices over time and between buyers. Transactions were chosen which provided a broad range of customers, and large transactions, including either end of the POI.

We received the following documents for each transaction:

- A purchase order,
- An order confirmation,
- A sales invoice or credit note,
- Proof of dispatch and delivery of goods, and
- A source document confirming payment.

All documents provided matched to a sales transaction, we were able to follow this down to the original purchase order on all the sampled transactions including transactions that were selected during on-site verification.

We checked for price reductions and rebates and confirmed that the net price after any discount is applied is the price listed in the sales T by T listings, so we are comfortable that there are no material price reductions not reported in the questionnaire and annexes.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):



Exceptions/Findings/Adjustments

There were no exceptions, findings, and adjustments to report with regards to the sales of the goods.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Conclusions

The information relating to sales provided by Inovyn is verifiable. Based on the work done, we have a reasonable level of assurance that the information can be treated as complete, relevant and accurate and can therefore be used by the TRA for dumping and injury assessments and for any other purpose within the investigation.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

E. Injury

What information was considered

Injury

- Domestic and export sales value and volume for the like goods.
- Profitability for all goods and like goods.
- Production output by volume and value for the like goods.
- Market share for the like goods.
- Investments and return on investment (ROI) figures.
- Total production capacity and capacity utilisation for the like goods.
- Cashflow for like goods.
- Inventory of the like goods.
- Employment, median wage.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

How the information was checked

- **Domestic and export sales value and volume for the like goods.**



The Injury period aligned with Inovyn’s accounting period, 1 January – 31 December. We verified UK domestic sales of the like goods excluding scraps. We tested accuracy of the sales numbers for the injury period using their sales data file that covered sales and exports from all their sites. We analysed the data to recreate the export and UK sales numbers within the Annex for all four years of the IP.

The data provided in the annex matched the data detailed in the SAP based ‘big file’ and for the injury period, the financial statements.

Table 1: Indexed sales

	Period			
	2020	2021	2022	2023
Value indexed to 2020	100	210	163	94
Volume indexed to 2020	100	120	75	65

- **Profitability for all goods and like goods.**

There was insufficient granularity on profit at a financial statement level for the like goods. We tested the profitability at a legal entity level and compared this to the like goods profits disclosed. Where there were differences in the relative trends, we obtained adequate evidence and explanations.

We also sample tested transactions relating to the data provided in the Questionnaire annex regarding costs and sales and found no issues.

Table 2: Indexed profitability of like goods

	Period			
	2020	2021	2022	2023
Profitability of "Like Goods" indexed to 2020	100	228	232	89

- **Production output by volume and value for the like goods.**

During the verification visit production figures for the whole injury period were sighted, from the Technical Economic Report data. We tested this data by calculating expected output volumes based on sales and closing stock levels for total like goods, and this demonstrated that the quoted output numbers in the annex were reasonable.

- **Market share for the like goods.**



10-digit HMRC import data (based on country of origin), and sales data from questionnaire returns were considered to provide an estimated UK market size.

Inovyn obtained market share data from ARCO in the POI and injury period. This was tested against the data set provided by HMRC. There were some differences in the total volumes which can be accounted for in the limited public availability of the HMRC data, but the trend followed the same path. There were no other issues identified with reasonableness of the market share over the course of the Injury Period.

- **Investments and return on investment (ROI) figures.**

The Annex data was examined, and the allocation of investments queried. A document walkthrough on SAP showed that investments were directly related to the S-PVC production site for the Like Goods. Investment being based on replacement of end-of-life assets, and meeting licence to operate requirements, rather than increasing capacity. No discrepancies or issues were identified with the annex data submitted.

- **Total production capacity and capacity utilisation for the like goods.**

Total production capacity and capacity utilisation has been reconciled to the component elements of its calculation. The rationale given behind maximum capacity was reasonable, and declared figures for utilisation matched the production volume for each year. Utilisation was tested to the technical economic report and compared with total sales and change in stock. The data provided in Inovyn's annex was found to be reasonable.

Table 3: Capacity utilisation indexed

	Period			
	2020	2021	2022	2023
Capacity Utilisation indexed to 2020	100	103	66	60

- **Cashflow for like goods.**

We confirmed that there were no exceptional cashflows to or from investments and capital financing, so most of the cash movements during the IP were related to normal P&L operations rather than significant (long-term) changes in the balance sheet. We therefore tested the reasonableness of the cashflow figures against the indexed profits. This gave us assurance that the cashflow figures in the Annex were reasonable.

Table 4: Net Cashflow indexed

	Period			
	2020	2021	2022	2023



Net Cashflows indexed to 2020	100	504	360	63
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- **Inventory of the like goods.**

We examined the stock levels and values provided. We checked stock levels in the Annex were consistent with sales and outputs for each. This gave us assurance that the stock levels and value figures in the Annex were reasonable.

- **Employment, median wage.**

We compared the questionnaire annex response against data provided from the SAP system. We recreated the correct selections in the main pivot tab (that uses the data and allocations from SAP and the allocation key) to calculate an FTE for employees involved in SPVC production based at Newton Aycliffe.

We viewed a screen shot of employee wages that worked at the production site in Newton Aycliffe. We used these numbers to recalculate the figures to those contained in the annex as the mean wage (not median wage).

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

We have taken out reference to discount and rebates, as we believe our discount/rebate system is business confidential data and also should be removed for to ensure we are aligned with anti-competitive guidelines.

Exceptions/Findings/Adjustments

There were no exceptions, findings, and adjustments to report with regards to the Injury section.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Conclusions

The information relating to injury factors provided by Inovyn is verifiable. Based on the work done, we have a reasonable level of assurance that the information can be treated as complete, relevant and accurate and can therefore be used by the TRA for dumping and injury assessments and for any other purpose within the investigation.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):



F. Economic Interest Test

What information was considered

We considered the following information submitted in Inovyn’s questionnaire, annexes and supporting documents and were able to verify:

- Location of production facilities
- Employment figures

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If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

How the information was checked

Location of production facilities

We checked the location of Inovyn’s production site of Newton Aycliffe as submitted in Inovyn’s questionnaire by visiting the site in-person during a facilitation visit and then visiting the Runcorn administration office for the on-site verification visit.

Employment figures

Inovyn used information recorded in their accounts system. We checked these figures with confidential payroll data while on site and found the data matched.

We tested the reasonableness of central costs allocation and FTE employees for central tasks such as HR, IT, Sales, Finance etc. We were able to test office occupancy while we were present on site, and test the allocations of FTE employees and found them to be reasonable.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Exceptions/Findings/Adjustments

No issues were found and there are no adjustments necessary.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):



Conclusions

The information relating to economic interest provided by Inovyn is verifiable. Based on the work done, we have a reasonable level of assurance that the information can be treated as complete, relevant and accurate and can therefore be used by the TRA for EIT and injury assessments and for any other purpose within the investigation.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Conclusions

- We have obtained sufficient and appropriate evidence in order to conclude that the information provided by the company under all of the sections above is verifiable. Therefore, we have a reasonable level of assurance that the information is complete, relevant and accurate for the purpose of this investigation.



Annexes

Annex 1: Meetings

Date and duration	Type of authentication	Company representatives	TRA representatives
06/12/2023 Facilitation Visit	<input type="checkbox"/> remote <input checked="" type="checkbox"/> on-site	[Confidential]	[Confidential]
09/04/2024 Accounts walk through	<input checked="" type="checkbox"/> remote <input type="checkbox"/> on-site	[Confidential]	[Confidential]
22-25/04/2024 Verification	<input type="checkbox"/> remote <input checked="" type="checkbox"/> on-site	[Confidential]	[Confidential]