



Safeguard Questionnaire (Producer) Extension Review

Case SE0041: Safeguard Measure on Certain Steel Products

Period of Investigation (POI):	01 April 2018 – 31 March 2023
Deadline for response:	22 October 2023
Case team contact:	SE0041@traderemedies.gov.uk
Completed on behalf of:	British Steel Limited

When you have completed this form, indicate the **confidentiality** status of this document by placing an X in the relevant box below and in the header. We strongly recommend this questionnaire to be completed on the computer, so this step is easy to complete:

- 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 must be returned to the TRA using the Trade Remedies Service (www.trade-remedies.service.gov.uk) by **22 October 2023**.

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The scope of this review

Goods subject to review

The goods subject to review in this extension review are detailed in the following table:

Product Number	Product Category	Commodity Codes
1	Non-alloy and other alloy hot-rolled sheet and strip	72081000, 72082500, 72082600, 72082700, 72083600, 72083700, 72083800, 72083900, 72084000, 72085210, 72085299, 72085310, 72085390, 72085400, 72111300, 72111400, 72111900, 72126000, 72251910, 72253010, 72253030, 72253090, 72254015, 72254090, 72261910, 72269120, 72269191, 72269199
2	Non-alloy and other alloy cold-rolled sheet	72091500, 72091690, 72091790, 72091891, 72092500, 72092690, 72092790, 72092890, 72099020, 72099080, 72112320, 72112330, 72112380, 72112900, 72119020, 72119080, 72255020, 72255080, 72262000, 72269200
4	Metallic coated sheet	72102000, 72104100, 72104900, 72106100, 7210690020, 7210690080, 72109080, 72122000, 72123000, 72125020, 72125030, 72125040, 72125061, 72125069, 72125090, 72259100, 72259200, 72259900, 72269910, 72269930, 72269970
5	Organic coated sheet	72107080, 72124080
6	Tin mill products	72091899, 72105000, 72121090, 72101100, 72107010, 72124020, 72101220, 72109040, 72101280, 72121010
7	Non-alloy and other alloy quarto plates	72085120, 72089020, 72254040, 72085191, 72089080, 72254060, 72085198, 72109030, 72085291, 72254012
12A	Alloy merchant bars and light sections	72283020, 72283041, 72283061, 72283069, 72283070, 72283089, 72286020, 72287010
12B	Non-alloy merchant bars and light sections	72143000, 72149110, 72149190, 72149931, 72149939, 72149950, 72149971, 72149979, 72149995, 72159000, 72161000, 72162100, 72162200, 72164010, 72164090, 72165010, 72165091, 72165099, 72169900
13	Rebar	72142000, 72149910
16	Non-alloy and other alloy wire rod	72131000, 72139149, 72271000, 72132000, 72139170, 72272000, 72139110, 72139190, 72279010, 72139120, 72139910, 72279050, 72139141, 72139990, 72279095
17	Angles, shapes, and sections of iron or non-alloy steel	72163110, 72163219, 72163310, 72163190, 72163291, 72163390, 72163211, 72163299
19	Railway material	73021022, 73021028, 73021050
20	Gas pipe	73063041, 73063049, 73063072, 73063077
21	Hollow section	73066110, 73066192, 73066199
25A	Large welded tube (1)	73051100, 73051200
25B	Large welded tube (2)	73051900, 73052000, 73053100, 73053900, 73059000
26	Other welded tube	73061100, 73061900, 73062100, 73062900, 73063012, 73063018, 73063080, 73064020, 73064080, 73065021, 73065029, 73065080, 73066910, 73066990, 73069000



Any reference to the goods subject to review refers to the product categories and commodity codes covered in the table above.

Please refer to the Notice of Initiation on the case file for additional detail regarding the existing safeguard measure.

Like goods

This questionnaire asks for information about your company's production and sales of the goods which are **like** the goods subject to review. 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 include 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 like goods, directly competitive goods or the goods subject to review by product category.



Instructions

About us, this case and this questionnaire

The Trade Remedies Authority (TRA) investigates whether trade remedies are needed to prevent injury to UK industry. The TRA has been established to provide the UK with its own independent trade remedies system.

As part of our work, we are carrying out an extension review of the safeguard measure relating to certain steel products.

This extension review will consider whether the expiry of the definitive safeguarding remedy would likely result in a continuation or a recurrence of serious injury to UK producers of the relevant goods.

Why should I take part?

We are asking domestic producers of certain steel products to complete this questionnaire to inform our review into whether the current safeguard measure should be extended or expire.

The information your company provides will help us to reach a fair and proportionate recommendation.

How do I respond?

Detailed guidance on how to complete the questionnaire is provided in the [instructions](#) section below.

Please provide all the information requested by **22 October 2023**. 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. Therefore, please provide as much detail as possible in your responses.

Where can I find more information?

Our [trade remedies guidance](#) provides general information about our investigations and processes we follow.



If you have any specific questions relating to the case, now or while you're completing the questionnaire, please contact the case team at SE0041@traderemedies.gov.uk.

You can also find out more about the regulatory basis of our investigations. The TRA conducts safeguard expiry reviews under section 35 of the *Trade Remedies (Increase in Imports Causing Serious Injury to UK Producers) (EU Exit) Regulations 2019/449*.

Instructions on completing this questionnaire

Preparing your response

This section sets out guidance on how to complete this questionnaire. Please contact the case team directly, using the email address on the cover of this questionnaire, if you have any queries or if you require assistance.

If you think you will not be able to complete the questionnaire within the required time, please contact the case team as soon as possible using the contact details on the cover of this questionnaire. **Due to the restricted timeframe of this extension review, the case team's ability to grant extensions is limited.** You will be required to outline the length of extension and the reasons for it. We will notify you of our decision.

If we can accommodate an extension, we will publish a note on our [public file](#) to record both the request and the extension granted.

How to answer the questions

Please read and follow all the instructions carefully. You will need to substantiate all claims with relevant data and information. You may be asked to attach supporting documents in appendices to supplement your responses. To help us verify your information, please retain all these documents, your completed spreadsheet annexes, and any calculations you 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 a question is "zero", "no" or "none", please write this.
- Please complete the spreadsheet 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 as soon as possible.

- Please provide all formulas and calculations used within your questionnaire response.
- If there is insufficient space in any part of the questionnaire to provide the details requested, or we ask for copies of additional information, please submit this information as 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).
- Unless otherwise stated, 'year' or 'calendar year' refers to the period 1 January – 31 December and 'quarter' refers to the associated three-month periods (e.g. 1 January – 31 March, 1 April – 30 June, etc).
- Identify all units of measurement and currencies used in tables, calculations and lists, if not provided by the corresponding instructions, and use units of measurement consistently (e.g. do not use kg and metric tonnes interchangeably).
- For all numerical figures, where appropriate please express every third number with a comma (e.g. '1,300' for one-thousand three hundred, '1,300,000' for one million and three-hundred thousand).
- Please limit all sales/currency/income figures to two decimal places, apply a full point as a decimal separator and use the appropriate currency symbol or abbreviation (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.
- Please refer to the case number, SE0041, in any correspondence with the TRA.

Preparing confidential and non-confidential versions

You will need to submit one confidential version and one non-confidential version of your questionnaire and the corresponding spreadsheet annex by the due date. This is so that we can publish the non-confidential version of your information on our public file. **Please ensure that each page of information you provide is clearly marked either “Confidential” or “Non-Confidential” in the header.**

Please see our guidance on [how to submit information](#) for further details on what can be considered confidential and how to prepare a non-confidential version of this questionnaire.

In preparing your response, please note the following:



- It is your responsibility to ensure that the non-confidential version does not contain any confidential information.
- Provide the source for all information or data you don't own and clearly state any restrictions on sharing it.
- If information is confidential, and due to exceptional circumstances, it is incapable of being converted into a confidential format (for example through partial redaction or indexing of figures), please remember to include a statement of reasons. The statement of reasons should be included in the non-confidential submission in place of the confidential information. You should state what the confidential information relates to and explain why it is not possible to delete or redact the answer in a way that would allow for a reasonable understanding of the confidential information (e.g. the data is capable of being reverse engineered, or the whole answer is extremely commercially sensitive).
- If you do not provide a non-confidential summary (or a statement of reasons why you cannot provide this) each time you provide confidential information, the TRA may disregard the information you give us.

All information provided to the TRA 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 will be stored in protected systems.

The non-confidential version of your submission will be placed on the public file, at <https://www.trade-remedies.service.gov.uk/public/case/SE0041/> .

Providing information from subsidiaries or associated parties

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 involved in the import, production, sale, R&D, distribution and/or supply of the like goods, directly competitive goods and/or the goods subject to review.

Please note, both natural persons (individuals) and legal persons (e.g. companies) are considered to be associated where they meet the definition of 'Related Persons' in [Regulation 128 of the Customs \(Import Duty\) \(EU Exit\) Regulations 2018](#).

- If any of your subsidiaries or associated companies are also a UK producer of like goods or directly competitive goods, they should **also** complete a Producer questionnaire. Please make sure you provide your subsidiaries with access to it.
- Where your subsidiaries or associated companies are not producers but are involved in the sales of the like 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 as soon as possible, using the details provided on the cover of this questionnaire.

What happens next

Once you have completed your questionnaire responses, including the corresponding annex(es) and any additional documents requested, you must upload confidential and non-confidential versions through our [Trade Remedies Service](#). Following this:

- you will receive an email confirming the documents have been uploaded successfully;
- the case team will contact you if further information is required;
- the non-confidential responses will be placed on the public file; and
- the case team may contact you to arrange a visit to authenticate the information contained in your responses.

Authenticating the information you supply

The TRA will authenticate, as far as possible, the information provided to it. As part of this process, we may conduct authentication visits. If we need to authenticate information that you provide by visiting your premises, the case team will contact you to arrange this.

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.

Please keep a record of formulas and steps used in your calculations and other related material/documentation as it may be asked for during authentication.

Authentication visits may be conducted remotely or in person.

Please indicate any dates when you would be unable to host an authentication visit between the start of November 2023 to the end of December 2023.

<i>Unavailable between 25-29 December</i>

Appendix reference:

Once authentication is complete, the TRA will prepare a report and share a draft with you. The TRA will then ask you to prepare a non-confidential copy of the report for



the public record. If you feel some information in the report should be kept confidential, you will need to provide reasons for this.



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:	British Steel Limited
Legal structure (e.g. limited company, sole trader, partnership etc.):	Limited company
Year of establishment:	2019 (started trading in 2020)
Other operating names:	None
Company registration number:	12303256
Place of registration:	England and Wales
Name (point of contact):	Not for disclosure
Position:	Legal Director and Company Secretary
Address:	British Steel, Administration Building, Brigg Road, Scunthorpe, North Lincolnshire, England, DN16 1XA
Telephone No.:	01724 404040 (HQ number)
Email:	Not for disclosure
Website:	https://britishsteel.co.uk/

2. If you have appointed an external party to act on your behalf in this review, please provide their details and attach a letter confirming whether the TRA should contact them directly:

Name:	
Address:	
Telephone No.:	
Email:	
Confirm they have signed authority to act (Yes/No):	
Appendix reference:	



A2 About your company

1. Describe the role of your company in the UK market for the like goods and/or directly competitive goods (e.g. producer, producer/exporter, producer/importer or producer/distributor).

British Steel is a basic oxygen steelmaking manufacturer producing c. 3 million tonnes of steel per annum.

Steel products produced include Rail, Rods, Structural Sections and Special Profiles.

British Steel employs c. 4,200 people directly and over 20,000 people in the wider supply chain. With sites in Scunthorpe, Immingham, Teesside, Skinningrove and Lisburn, British Steel contributes significantly to the UK economy and provides quality products into sectors such as Transport, Construction, Automotive, Lifting & Excavating and Consumer Products.

Appendix reference:

2. 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
9 th March 2020	Acquisition	Acquisition of the business and assets of the British Steel group by Jingye Steel (UK) Holding Limited.
Mar-22	Sale	Sale of minor group company TSP Engineering Limited (12373971)

+Add additional rows as required.

3. List and explain all authorisations your company has been required to obtain to produce, sell, or to export the like goods and/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

Environment Permits (Regulator Environment Agency)



(Water discharge / abstraction licenses)
 (Waste exemptions)
 Greenhouse Gas Permits
 Landfill Permits
 NORM Permits
 ISO 14001:2015
 EU REACH
 EU CLP (Classification, Labelling and Packaging)
 UK ETS
 Local Authority Permits
 EU CBAM

Appendix reference:

4. List all international production standards (BS / EN etc) your company currently conforms to, for the like goods and/or directly competitive goods.

British Steel conforms to a number of production standards as listed in the confidential submission

Appendix reference:

5. Please describe all the other products (not including the like goods and/or directly competitive goods) produced or sold by your company in the UK

Direct cast bloom billet and slab; rolled billet

Appendix reference:

6. State whether your company is a member of any representative organisations (e.g. trade bodies, associations, Chambers of Commerce). If so, please provide a copy of the relevant documentation.

British Steel Limited are members of the following industry associations;
 a. 1



- b. 2
- c. 3
- d. 4

Appendix reference:

A3 Organisational structure

Please answer the questions below about the internal structure of your company and any associations with other companies. Both natural persons (individuals) or legal persons (e.g. companies) are associated where they meet the definition of 'Related Persons' in Regulation 128 of the *Customs (Import Duty) (EU Exit) Regulations 2018*.

1. Please explain, or demonstrate in a diagram, the legal structure of your company showing the internal hierarchical and organisational structure, all sites/locations and departments which are involved in the production, sales, R&D, supply and distribution of the like goods and/or directly competitive goods for domestic and export markets.

Corporate structure chart and internal organisational structure chart not disclosed (in confidential version only).

Appendix reference:

2. Please provide a written summary and a diagram/flow chart, if available, of your production process for the like goods and/or directly competitive goods that you produce in the UK. Clearly indicate the different production stages carried out by your company.

BOS steel manufacturing process based in Scunthorpe.

Continuous cast products – Bloom, Billet, Slab.

Finishing mills:

- *Scunthorpe Rail & Section Mill – rolling and further processing Sections (Group 17) and Rail (Group 19)*
- *Scunthorpe Rod Mill – rolling of Wire Rod (Group 16)*
- *Teesside Beam Mill – rolling of Sections (Group 17)*
- *Skinningrove & Darlington – rolling and further processing of Special Profiles Groups 1, 12, 17, and 19)*

Appendix document shared in confidential version to show flows of materials

Group numbers are safeguard product groups



Appendix reference:

3. Please complete **Annex 1 – Associated companies** for your company’s worldwide corporate structure and affiliations.

A4 Board members and principal shareholders

1. Please complete the table below for any shareholder with >5% holding in the company who also has interest in any organisation related to the production, marketing, administration, and sale of the like goods and/or directly competitive goods in the UK or internationally.

Name	Shareholding in company	Name of Other Companies in which person holds interest	Activity of other companies
Jingye Steel (UK) Holding Ltd 12302313	100%		

+Add additional rows as required.

2. Please complete the table below for any members of the Board of Directors who also has interest in any organisation related to the production, marketing, administration, and sale of the like goods and/or directly competitive goods in the UK or internationally.

Name	Position on Board of Directors	Name of Other Companies in which person holds interest	Activity of other companies
Name 1	Secretary and Director		
Name 2	Director	Jingye Steel (UK) Holding Ltd 12302313	Steelmaking
Name 3	Director	Jingye Steel (UK) Holding Ltd 12302313	Steelmaking
		Jingye Steel (UK) Services Ltd 12421219	Steelmaking



Name 4	Director	Jingye Steel (UK) Holding Ltd 12302313	Steelmaking
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+Add additional rows as required.

A5 Operational links with other companies or persons

- Please complete the table below if your company has established long term agreements or relationships with any company/companies located in the UK or internationally for the production (e.g. sub-contracting), supply and sale of the like goods and/or directly competitive goods, or the goods subject to review, or other licensing, technical patent or compensatory agreements in relation to these products. Please provide the relevant contract for each agreement listed.

Company name and address	Nature of agreement	Company registration number and place of registration	Appendix number of contract
FNsteel BV, Rapenburg 1 2952 AP Alblasserdam The Netherlands	FNsteel BV is a sister company of British Steel Limited, both companies being wholly owned by Jingye Steel (UK) Holding Limited. British Steel Limited supplies semi-finished steel products to FNsteel BV on an arms' length basis. These semi-finished steel products are then rolled into steel wire rod products by FNsteel BV for sale by FNsteel BV into EU and worldwide markets.	Netherlands KvK 2309313	

+Add additional rows as required

A6 Accounting practices

- Please supply the address where your company's accounting records are kept. If records are maintained in different locations, please indicate which records are kept at which location. If records are digital and do not have a physical location, please indicate this.

Records address	What records are held?
-----------------	------------------------



British Steel, Administration Building, Brigg Road, Scunthorpe, North Lincolnshire, England, DN16 1XA	Register of members (shareholders or guarantors) Register of directors Register of directors' usual residential addresses Register of secretaries Register of People with Significant Control (PSC register)

+Add additional rows as required

2. 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 this period or in your accounting practices over the POI, please describe these changes.

POI Pre acquisition year end 31-Mar Oldco changed to 31-Dec for Newco following asset acquisition. Acquisition date 9 March 2020.

Appendix reference:

3. For your company and any associated parties involved in the production, marketing or sales of your goods, please attach a copy of the annual reports, including the financial statements and audit report covering the POI.

British Steel Limited signed statutory accounts provided for FY2020 & FY2021 (accounts in confidential version only for business and commercial reasons)

Appendix reference:

4. If your accounts are unaudited, please attach a copy of your unaudited financial statements for the POI.

Not disclosed (in confidential version only)

Appendix reference:

5. Please attach a copy of your company's trial balance in spreadsheet form for all statutory period ends which occur during the POI. If for example, your statutory period end is 31 December, then trial balances should be provided as follows:

File not disclosed (in confidential version only)

Appendix reference:



6. For your company and any associated parties involved in the production, marketing or sales of the like goods, directly competitive goods or the goods subject to review, please attach copies of relevant management reports (e.g. management accounts including a profit or loss statement) for the profit centres that includes the like or directly competitive goods. Please provide these reports to cover the full range of periods set out in question 5.

File not disclosed (in confidential version only)

Appendix reference:

7. If your company is part of a group of companies, please also attach copies of the consolidated financial statements for each of the statutory periods that fall within the POI.

Management accounts supplied in confidential version only due to business and commercial reasons

Appendix reference:

8. Please provide a detailed description of your financial accounting system, explaining how sub-ledgers (e.g. costing, debtors, creditors) and other sales or production systems integrate with the general ledger. Please provide a description of how it links to the management accounting system, including any manual interventions. Please also attach:
- your company's chart of accounts
 - your company's cost centres

Most transactions interface directly into SAP ERP system include sales, purchases and ledgers. All underlying manufacturing reporting, supply chain management and invoicing systems are legacy mainframe applications.

Appendix reference:

9. Please describe your policy for currency conversion, with reference to your export sales. How do your financial systems convert currencies and what rates do they use? Please provide the rates that you have used to convert to or from £ GBP during the POI.



Sales in one month will have a range of FX rates based on when the original sales order entry date

Appendix reference:

10. Have you changed your financial policies during the POI? If so, please explain the changes, including dates and the reasons for those changes along with the impact of those changes relating to the like goods and/or directly competitive goods.

Policy changes described in confidential version of the submission for commercial reasons

Appendix reference:

SECTION B: About your goods

B1 Understanding your like goods and/or directly competitive goods

The goods subject to review in this extension review are defined in [‘the scope of this review’](#).

1. Please complete Annex 2 – Product comparison. If your company manufactures a range of like and/or directly competitive goods, list this information for each individual make and model in the range.
2. Please explain the internal coding system your company uses to classify your range of like goods and/or directly competitive goods. If your company uses multiple internal reference codes across departments, cross reference each one. Please provide, or attach, a guide setting out the product codes that you use.

Products are classified according to product code, dimension, grade and length.

Appendix reference:

3. Please provide details of your like goods and/or directly competitive goods regarding their production processes, interchangeability, raw materials used, degree of model differentiation channels of distribution and sale, pricing and other relevant characteristics.



BOS steel manufacturing process based in Scunthorpe.

Continuous cast products – Bloom, Billet, Slab.

Finishing mills:

- Scunthorpe Rail & Section Mill – rolling and further processing Sections (Group 17) and Rail (Group 19)
- Scunthorpe Rod Mill – rolling of Wire Rod (Group 16)
- Teesside Beam Mill – rolling of Sections (Group 17)
- Skinningrove & Darlington – rolling and further processing of Special Profiles Groups 1, 12 17 and 19)

Material flows appendix submitted in confidential version

Appendix reference:

4. Indicate in the box below any physical, commercial or functional differences between your products and the goods subject to review. If these differences cause distinguishable variations in price, explain those differences and the effect they have. Attach any evidence you have that is relevant.

The products are different sizes and shapes and with different properties dependant on the product application. The price dynamics vary by product and supply / demand balance.

Appendix reference:

5. If there are differences in characteristics within your range of like goods and/or directly competitive goods which cause distinguishable differences in price when compared to comparative goods produced by others, including the goods subject to review, explain those differences and the effect they have. Please attach any relevant evidence. This could take the form of sales brochures, input costs or research papers.

No fundamental differences, market supply / demand are the principal price determiner.

Appendix reference:

6. How does your company price the like goods and/or directly competitive goods produced by your company? Provide this information for each of the goods subject to review produced by your company and substantiate with evidence.

All pricing strategies are developed to ensure British Steel is competitive in the market. Pricing strategies are dependent on customer size, tenure of deal, product



requirements and service required. Some products are indexed prices linked to raw material indexes whilst some are spot prices.

Appendix reference:

7. How does your company sell the like goods and/or directly competitive goods (e.g. to resellers, directly to consumers, as part of a bidding process)? Are you aware of whether similar methods are used for the like goods and/or directly competitive goods? Please substantiate with evidence.

British Steel promotes all products via its website, social media, case studies and direct conversations with potential customers.

Appendix reference:

8. Does your company have any plans to begin, or stop, production of any of the like goods and/or directly competitive goods? If so, please explain the reasons for this, with reference to any impact that this change may have on other like goods and/or goods subject to review.

No plans to stop any of the respective goods.

Appendix reference:

B2 Understanding the UK market

1. Please provide a general description of the nature of competition within the overall UK market for the goods subject to review, the like goods and/or directly competitive goods.

(19) Railway Material – British Steel is the only UK producer of rail.

(16) Wire Rod –UK market is relatively small and has declined over recent years. Whilst there is more than one UK producer, imports continue into the UK market

(12,17) Sections – for heavy structural sections, British Steel is the only UK producer.

(1,12,19) Special Profiles – the UK domestic market is small and British Steel is the only producer for many niche, small batch products

Whilst British Steel is the only UK producer for most of the products in review, from an economies of steel production perspective, it would not be practical or sensible



in a small market to have multiple UK producers of the same products. The absence of other producers in the UK does not indicate a lack of competition in the UK market, considering the wider global overcapacity concerns.

** Note – in the following sections where it is applicable to comment on product categories specifically, the numbers used to refer to the product group correspond with the safeguard group number*

Appendix reference:

2. Please explain the end use of the goods subject to review, the like goods and/or directly competitive goods. If there are multiple uses for the like goods and/or directly competitive goods, list them and, where possible, estimate what proportion of your sales goes to each.

(19) Railway Material – used for passenger transport and freight railway networks

(16) Wire Rod – used for construction applications, automotive, and consumables such as bedding and seating

(12,17) Sections – used in the construction of buildings such as commercial, distribution, office and high-rise

(1,12,19) Special Profiles – crane rails used for warehousing, bulb flats used in the construction of ships, track shoe and other special profile products used in Yellow Goods manufacture

** Note – in the following sections where it is applicable to comment on product categories specifically, the numbers used to refer to the product group correspond with the safeguard group number.*

Appendix reference:

3. How price-sensitive is demand for the goods subject to review, like goods and/or directly competitive goods? To what extent does demand change in response to changes in price?

All products are price sensitive due to the general overcapacity in the steel market – buyers have many choices and options.

Appendix reference:



4. Do consumers buy from the cheapest producer, or are there other factors that influence their decision such as quality and service?

All products are price sensitive due to the general overcapacity in the steel market – buyers have many choices and options.

Appendix reference:

5. To what extent is it feasible for producers to change their level of production in response to changing market conditions such as increases in prices?

Very inflexible for a number of reasons:

- Blast furnace have to keep producing steel with reduction in tap frequency resulting in high risk to operational stability.
- The production cycle from purchase of raw material to finished goods can take a number of months which impacts on the opportunity to react to market changes.
- Limitations of the ETS scheme creates commercial pressures on production volumes.

Appendix reference:

6. Provide a general description of the trends and drivers of demand within the UK market for the goods subject to review, the like goods and/or directly competitive goods, including causes of demand fluctuations and any factors contributing to overall market growth or decline.

(19) Railway Material – dependent on UK Government spend for transport and infrastructure. The 2024-2029 budgets have just been finalised confirming a significant demand reduction. Most demand is for track maintenance.

(16) Wire Rod – linked to construction and automotive demand both of which are in decline during the review period.

(12,17) Sections – construction sectors fluctuate and are very dependent on public and private spend schemes. The current demand is very low as project finance is not readily available and high interest rates do not encourage new investment in commercial and office sectors.



(1,12,19) Special Profiles – Yellow Goods and construction related. The Yellow Goods market was experiencing a downturn prior to COVID-19. Since COVID-19, this has been exacerbated further with OEMs struggling to recover to previous levels

Appendix reference:

7. What are the major distribution and marketing channels within the UK market for the goods subject to review, the like goods and/or directly competitive goods?

See point 8 below

Appendix reference:

8. Who are the general users/consumers/customers within the UK market for the goods subject to review, the like goods and/or directly competitive goods?

(19) Railway Material – network providers

(16) Wire Rod –suppliers of wire rope to the Oil & Gas sector,consumer goods, businesses part of larger integrated groups which limits external purchases

(12,17) Sections – channels to market via stockholders and fabricators for fabrication and erection of material on site.

(1,12,19) Special Profiles – channels to market vary by product. Bulb Flats and Crane Rails via stockists whilst cutting edge and masts via large OEMs

Appendix reference:

9. Please explain if, and how, the goods subject to review, the like goods and/or directly competitive goods compete with one another?

All products compete in the domestic market but product specifications generally mean that we do not see competition between different product groups.

Appendix reference:

10. Provide a general description of any government regulations or tax incentives affecting the production or sale of the goods subject to review, the like goods and/or directly competitive goods.



EU / UK ETS

Environmental Permitting Regulations

Reach Regulations

Appendix reference:

11. Provide a general description of developments in technology affecting the characteristics, demand or the production process of the goods subject to review, the like goods and/or directly competitive goods.

There have been no notable developments or technological advances effecting the UK market during the POI.

Appendix reference:

12. Provide a comment on any other factors which influence the market for the goods subject to review, the like goods and/or directly competitive goods (e.g. seasonality).

There is some seasonality in construction periods – typically busier during non winter months.

Appendix reference:

13. Are there any goods that your company does not produce that could be substituted for the goods subject to review and the like goods? Are these goods in direct competition with the goods subject to review or like goods?

None considered

Appendix reference:



SECTION C: Costs and production

C1 Cost to make and sell

1. Please complete **Annex 3 – Cost to make and sell** for your total goods and for the total like or directly competitive goods produced in the POI.
2. If your company is vertically integrated or some of the inputs (e.g. raw materials, energy) used in the production of your like goods and/or directly competitive goods are produced by an associated party, please provide details of this arrangement, and attach documentation demonstrating any agreements you have.

Not applicable

Appendix reference:

3. Please state the cost allocation method for each cost type listed in **Annex 3 – Cost to make and sell**.

All products are costed using full absorption standard costing with a price variance applied to reflect prevailing market raw materials costs.

Appendix reference:

C2 Cost reconciliation

1. Please complete **Annex 4 – Cost reconciliation**: please only fill in the white cells and include reference to the source documents of the inserted data.
2. See A6.5 TBs / Reconciliation 1.

C3 Production process

1. Please provide a written summary and a diagram/flow of your production process clearly indicating the different production stages completed by your company for the like goods and/or directly competitive goods.



BOS steel manufacturing process based in Scunthorpe.

Continuous cast products – Bloom, Billet, Slab.

Finishing mills:

- Scunthorpe Rail & Section Mill – rolling and further processing Sections (Group 17) and Rail (Group 19)
- Scunthorpe Rod Mill – rolling of Wire Rod (Group 16)
- Teesside Beam Mill – rolling of Sections (Group 17)
- Skinningrove & Darlington – rolling and further processing of Special Profiles Groups 1, 12 17 and 19)

Appendix reference:

2. Identify what parts of your production process take place in the UK and explain at what stage the most value is added to your like goods and/or directly competitive goods in the production process. Please describe the manufacturing process of the like goods and/or directly competitive goods, its level of complexity and the investment of capital involved. If a production process is carried out outside the UK, please explain the nature of the activity and where this process step takes place.

All British Steel semi-finished products for the production of finished goods are manufactured in the UK (headquartered in Scunthorpe). Semi-finished products are also supplied from the UK to FN Steel in the Netherlands for the production of as-rolled and processed Wire Rod.

The manufacturing process is complex, as is the nature of integrated steel making sites. Hot metal from the blast furnaces is combined with scrap and alloys at the steel plant before being cast down one of the continuous caster routes. The group has five rolling mills – four in the UK, one in the Netherlands – that convert the cast semi into finished product. The Scunthorpe site also includes a gas distribution network to reuse internally generated gases and two power stations that both generate electricity from surplus internal gases and blast air to operate the blast furnaces.

The majority of assets on the Scunthorpe site are dated with Steel Plant and Mills dating to 1970s and power stations and blast furnaces dating back to the 1950s, a relatively high level of essential replacement capex is required to keep the site operational.



Appendix reference:

3. Please provide the physical addresses (including town/city and county) of all your company's UK sites/facilities involved in the production of the like goods and/or directly competitive goods.

Company name	Physical address
British Steel Limited	Brigg Road, Scunthorpe, North Lincolnshire, England, DN16 1XA PO Box 1, Skinningrove, Saltburn by the Sea, TS13 4ET Lackenby Works, Middlesbrough, TS6 7RP Immingham Bulk Terminal Humber Road, Immingham DN40 3LZ

Appendix reference:

+Add additional rows as required

C4 Raw material (RM) and major input purchases

1. What are the essential raw materials, or other inputs, related to your production of the like goods and/or directly competitive goods? Please explain and provide an invoice and supporting documentation for two different raw material or other input purchases.

British Steel imports raw materials each year to satisfy our liquid steel production. The following raw materials are imported through the Immingham Bulk Terminal (IBT) at the port of Immingham:

- Coke – Japan, Australia, China, Columbia, US, Poland
- PCI Coal – USA and Australia
- Iron Ore – Brazil, USA, Mauritania, Sweden

Appendix reference:



C5 Purchases of goods

1. Complete **Annex 5 – Purchases of goods**. This should include information relating to your company's total annual purchases of the like goods, directly competitive goods and/or goods subject to review over the whole of the five-year POI. All figures should be reported net of recoverable tax. Please list for each year every country you have purchased from in a separate row.
2. Describe how these purchases fit into your business model. Please attach copies of any agreements or contracts that you have relating to your purchases of like goods, goods subject to review and/or directly competitive goods.

No purchases
Appendix reference:



SECTION D: Sales

D1 Sales annex

1. Please complete the sales table in **Annex 6 – Sales**.
2. Additionally, please complete the sales forecast table in **Annex 6 – Sales** providing quantitative estimates (e.g. projections or forecasts) for the sales revenue and quantity of like goods, directly competitive goods and for all other goods you produce on the UK market, for the next five years.

D2 Forward sales contracts

1. Do you have any forward sales contracts? Please complete **Annex 7 – Forward Sales Contracts**. Please explain the nature of these obligations and how the contracts are agreed.

Yes, generally sales contracts are monthly or spot deals with regular customers, with some business been on longer terms
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Appendix reference:

2. Would your forward sales contracts be affected if the existing safeguard measure on the goods subject to review were:
 - i) extended; or
 - ii) expired?

Please describe the nature of any changes and substantiate with evidence.

Yes. Our ability to secure forward contracts would suffer injury due to the increased competition we would face from either EU producers or low cost country steel producers outside of Europe, who would dump their excess production into UK
--

Appendix reference:

3. Please attach two examples of forward sales contracts.

Commercial examples provided in confidential submission

Appendix reference: D2.3



D3 Distribution channels and price setting

1. If applicable, please provide copies of price lists for the like goods and/or directly competitive goods for the POI.

Generally, price lists are customer specific and we do not issue a holistic price list at product group level. Supply demand balance can impact these
Some pricing policies are based on indexes, in particular for long term contracts.

Appendix reference:

2. If any price reductions have been applied to any of your sales of like goods and/or directly competitive goods during the POI, please provide a description. This includes discounts, rebates, credit terms, allowances and commissions.

- Explain the terms and conditions that must be met for any price reduction.
- Indicate any price reduction not included in an invoice price. Explain how the invoice price and the price reduction have been calculated.

Prices of sections have fallen significantly since summer 2022, mainly due to market forces I.E. over supply and reducing demand.

Appendix reference:

3. Please provide details of any distribution network for like goods and/or directly competitive goods if you have one.

British Steel historically had a Distribution network through the POI up until 09/03/2020 when British Steel was acquired by the Jingye Group.

Appendix reference:

4. Do your sales usually include delivery in the price? If so, please explain how you calculate delivery costs and prices.

Yes, sales are generally delivered price markets, so the suppliers have to include delivery in their costs

Appendix reference:

5. Does delivery price vary between customers? If this is the case, then please explain what these differences may relate to.



UK market is a delivered price. Exports are also a delivered market price, however costs of freight are a key determinant of commercial viability of any given market.

Appendix reference:

- 6. Please attach sales contracts for the top two customers by volume that you have sold like goods and/or directly competitive goods for the final year of the POI (1 April 2022 – 31 March 2023).

Example included in confidential submission

Appendix reference:

- 7. Please attach sales contracts for the top two customers by volume that you have sold like goods and/or directly competitive goods for the final year of the POI (1 April 2022 – 31 March 2023)

Example included in confidential submission

Appendix reference: D 2.3

- 8. Please select examples of domestic sales of like goods and/or directly competitive goods of different products/models to two different customers that you sold to during the POI. Attach as an appendix a complete set of documentation for these sales. Where possible, include purchase orders, commercial invoices, order acceptances, discounts or rebates, credit and debit notes, contracts of sale, freight and insurance details, bank documentation and all other relevant documents.

Example included in confidential submission

Appendix reference

- 9. Please select examples of export sales of like goods and/or directly competitive goods of different products/models to two different customers that you have sold to during the POI. Attach as an appendix a complete set of documentation for these sales. Where possible, include purchase orders, commercial invoices, order acceptances, discounts or rebates, credit and debit notes, contracts of sale, freight and insurance details, bank documentation and all other relevant documents.

Example included in confidential submission

Appendix reference:

D4 Captive use



1. For products classified for internal use in **Annex 2 - Product Comparison** please specify how these goods were used.

N/A – British Steel has no captive sales (i.e. consumers have alternative options).

Appendix reference:

2. Please comment on whether your internal use of the like goods and/or directly competitive goods would be affected if the existing safeguard measure on the goods subject to review no longer applied. Please attach evidence to support your answer where possible.

N/A – British Steel has no captive sales (i.e. consumers have alternative options).

Appendix reference:



SECTION E: Imports

E1 Imports

1. Please comment on how imports have developed during the POI.

Normal level of imports during the period
Appendix reference:

2. If available, please submit any information concerning global export capacities, both currently, and for the foreseeable future. Please substantiate any claims with evidence, where possible.

All our products have a global over supply dynamic. For example structural sections, the EU capacity is 22 Million Tonnes, and demand is approx 9 Million Tonnes
Appendix reference:

3. Please comment on the likelihood of trade diversion to the UK, if the existing safeguard measure were to be removed. In particular, what impact, if any, would you expect trade measures, safeguards measures or other forms of trade control in third country markets to have on the UK market?

Diversion to the UK would be a certainty if the current safeguards were removed. UK market would be awash with cheap imports from various regions. This situation would cause serious injury to UK producers and would risk their financial viability
Appendix reference:

4. Please comment on the likelihood of the recurrence of an increase in imports of the goods subject to review if the existing safeguard measure were:
- i) extended; or
 - ii) expired.

Please substantiate with evidence.

Extremely likely imports would increase substantially to the UK if safeguards were removed
Appendix reference:



SECTION F: Serious injury

In Section F information should be provided for each of your like goods and/or directly competitive goods. The relevant annexes for this section are **Annexes 8 and 9**. Please substantiate all injury data with evidence.

The data requested in this section covers the POI, as specified on the front page.

The data for the POI will be used to make our recommendation to the Secretary of State which may include provision for the safeguard measure to expire or be extended.

F1 Serious injury

1. Has serious injury been removed, or reduced, in whole or in part due to the application of the definitive safeguarding remedy? Serious injury means a significant overall impairment to your position or the threat of such impairment. Please provide comments in the boxes below and substantiate with evidence.

Injury has been partially mitigated by quota implementation particularly imports from low cost steelmaking countries / developing countries. Where costs are lower due to lack of carbon cost, lower energy costs.

Appendix reference:

2. Is your business currently suffering from serious injury, or is there a threat of serious injury?

If so, please describe the nature and degree of the injury. This can relate to prices, volumes or profits associated with your production and sales of the like or directly competitive goods, or to wider aspects of your business. Please specify and substantiate your claims with evidence.

Please note that if threat of such impairment has been alleged, we need to examine how imminent the threat of the situation is in developing into actual serious injury. Include why the threat of such impairment is clearly imminent.

There are a number of examples where British Steel are suffering serious injury: UK Market for construction sections has shrunk while the import quotas have increased year on year. UK Market size has shrunk by one third since the reference period. UK import market share has increased significantly. Effectively no quotas are



in place for Europe where certain counties benefit from favourable government energy pricing policies.

In contrast British Steel has to fight for a limited share of the EU Other Counties quota for the nearest alternative market. British Steel is forced to look further afield for sales opportunities

Similarly with Rail, The available import quota has increased to now being approx 25% of the available market. The UK only has access to approx 2% of the European rail market when comparing safeguard quota levels.

For Rods sales it is difficult to know if there are injuries due to inclusion of mesh in with rods grades.

Capacity utilisation across all products remains underutilised verses the peak or verses potential. Like for like employment figures have reduced over the years due to the business need to assess footprint and reduce costs as far as possible.

Profit margins and total business profit (loss) remain critical. The ongoing increased levels of raw materials, utilities costs and other fixed costs associated with an integrated steel plant verses the accepted market price levels for finished products remains out of balance and the sector continues to experience ongoing financial difficulties. Historical lack of positive financial returns have hindered investment into processes and efficiencies, and instead limited to essential maintenance and repair.

Appendix reference:

3. Would your business suffer from serious injury if the existing safeguard measure on the goods subject to review was:

- i) extended or
- ii) expired?

If so, please describe the nature and the degree of the injury and provide supporting evidence.

For each of the product categories relevant to British Steel, further injury over and above the current financial situation would be evident if the measures would be removed.

If the safeguard measures were to be removed, we would anticipate an increase in imports, in particular of railway materials, where the returns are more attractive than other products. If the UK safeguard measures were removed but EU TRQs remain in place, the options for British Steel's sales are limited, whereas the UK would be a "dumping ground" for EU producers.



For sections, exporters look to import large volumes which disrupts the price levels and on occasions could be classed as dumping in the UK to fill their own EU production capacity.

Demand levels for all products have not recovered to pre-covid levels and unlikely to do so for a number of years. It is therefore expected that injury will still occur even with the measures in place as they are currently designed. There is a need for the TRA to consider ways in which the measures can be more effective therefore, given current circumstances to reflect reduced demand levels. This may include a reduction in the levels of the tariff rate quotas.

Appendix reference:

4. Do the circumstances of UK producers, or domestic or overseas market conditions, affect the likelihood that serious injury caused by the importation of the goods subject to review in increased quantities is likely to recur?

Yes we can confirm this is the case as highlighted above with the UK market size for construction and rail.

Appendix reference:

F2 Production and production capacity

1. Please provide the production volume, production capacity and capacity utilisation for each of the like goods and/or directly competitive goods produced by your company in **Annex 8 – Injury** for the POI.
2. Describe the method used to calculate production capacity (e.g. number of shifts, working days per year, name plate versus actual capacity, idle time for machinery maintenance and changes in the production process etc.) and capacity utilisation.

Production capacity has been assumed as nameplate capacity of each – this has been submitted in the confidential submission

Appendix reference:

2. Please list any products that are, or can be, produced on the same equipment as the like goods and/or directly competitive goods. Please describe whether any production of other goods could be switched to produce like goods and/or directly competitive goods. Please explain how you have accounted for this in your calculation of manufacturing capacity.

Rail and sections can be produced at Scunthorpe Rail and Section Mill.



Several section sizes can be flexed across Scunthorpe Rail and Section Mill and Teesside Beam Mill.

A few angles can be flexed between Scunthorpe Rail and Section Mill and Skinningrove.

Appendix reference:

3. Please explain the allocation method used for production capacity and substantiate with evidence.

The steelmaking capacity for the two blast furnace operation is higher than mill rolling capacity and significantly higher than current operating levels and demand for existing downstream rolling mills.

Appendix reference:

4. Please explain the cause(s) of any significant recent changes in your production volume, production capacity and capacity utilisation and substantiate with evidence.

British Steel being a new company under new ownership, the footprint of the business has changed vs the POI. Previously, the Hayange Rail Mill in France was part of the British Steel group. This provided a route to market for bloom from Scunthorpe then rolled to Rail to satisfy the domestic, European and other export markets.

The balance between semi-finished products and finished products is not balanced, a change to the business model and operation of one rather than two blast furnaces could be considered. This would have detrimental effects to the number of employees and the contribution to the region. All previous financial analysis has proven it would be difficult to effectively operate a business on a single blast furnace.

Aside from a major change to the business footprint, production volumes have been restricted to manage market demand. The steel market saw an extraordinary level of price and cost inflation early 2022 with selling prices and costs soaring to record levels as a direct result of the Ukraine crisis, especially with energy costs increasing 20 times above historic costs. However, since late 2022, steel prices have collapsed by around 40%, but raw material costs remain largely unchanged today from the extremely high levels seen in H1 of 2022, so producers are facing a cost/price squeeze and heavy loss making.

The price slump has been mostly caused by a collapse in demand and huge stock corrections with customers desperate to manage liquidity- so aswell as a significant fall in margins for steelmakers, sales volumes in UK markets are down 35-40% from normal levels- and normal market demand not expected to recover before 2025/26.

Appendix reference:



5. Would your production volume, production capacity and capacity utilisation for the like goods and/or directly competitive goods be affected if the existing safeguard measure on the goods subject to review were:
- extended; or
 - expired?

Please describe the nature of any changes and substantiate with evidence.

To remove the measures would put further pressure on the business performance, increase working capital requirements, reduce confidence in UK production and possibly lead to reduced overall volume production and make our investor very reluctant to invest in the UK economy. Evaluations also show that the business is unsustainable on a single blast furnace operation.

Appendix reference:

F3 Employment

1. Please provide the average number of employees in full-time equivalent roles (part-time employees should be included in the full-time equivalent) for each of the like goods and/or directly competitive goods in **Annex 8 – Injury** for the POI. This number should be broken down for the employees involved in the production, administration & management, and distribution & sales of the like goods and/or directly competitive goods. Please include any contract labour (temporary workers).

Please also provide employment figures for your company as a whole.

Please provide annual median wage figures for all your company's sites/facilities involved in the production of the like goods and/or directly competitive goods.

2. Please explain any allocation method used for employment and substantiate with evidence. Please specify how many of these employees work on products other than the like goods and/or the directly competitive goods.

Direct FTE employed by rolling mills have been allocated to like goods based on production volumes on the mill. Direct mill average wages have been used.

Indirect FTE employed elsewhere in Iron and steelmaking and central functions have been allocated based on total volumes. Indirect average wages have been used.

Overall average wages are calculated as a weighted average.

Wages are assumed to be employee salary.

Workings have been submitted in the confidential submission



NOTE. In reality much of the iron and steelmaking headcount are fixed. Mill shift levels can vary with step changes in production

Appendix reference:

3. Please explain the cause(s) of any significant recent changes regarding employee numbers and/or median wages and substantiate with evidence.

Changes to employee numbers have been shared in the confidential submission

Appendix reference:

4. Would your employment and wages be affected if the existing safeguard measure on the goods subject to review were:

- i) extended; or
- ii) expired?

Please describe the nature of any changes and substantiate with evidence.

If the measures were to be removed, further restructuring of the business may be necessary depending on the severity of the increased imports and loss of business to British Steel. Capacity increments are in significant volumes from a iron making perspective. Loss of sales would initially lead to a single blast furnace operation, which is not considered viable long term.

Appendix reference:

F4 Productivity

- 1. Please provide the productivity for each product category of the like goods and/or directly competitive goods manufactured by your company in **Annex 8 – Injury** for the POI. This should be provided as the average output in volume per employee for the like goods and/or directly competitive goods.
- 2. Please explain the cause(s) of any significant recent change(s) to productivity and substantiate this with evidence.

Productivity reductions over the years due to business strategy and reaction to safeguard measures from EU.

Appendix reference:

3. Would your productivity for the like goods and/or directly competitive goods be affected if the existing safeguard measure on the goods subject to review were:



- i) extended; or
- ii) expired?

Please describe the nature of any changes and substantiate with evidence.

Productivity would be reduced if the safeguards were to be removed, with loss of sales due to increased imports. The business would need to consider aligning employment levels to sales volumes. Productivity of such a scale integrated steel manufacturer will have significant effects if large numbers / shifts would need to be amended.

Appendix reference:

F5 Profitability

1. Please provide the profit before tax for sales for each product category of the like goods and/or directly competitive goods sold in the UK and the rest of the world in **Annex 8 – Injury**, for the POI.
2. Specify how you have calculated profit. Please explain the allocation method used for profit and substantiate with evidence.

This includes Fully Costed Material and transport costs plus selling expenses associated which the different types of material sold.

Appendix reference:

3. Please explain the cause(s) of any significant recent changes in the profitability of your like goods and/or directly competitive goods and substantiate this with evidence.

The last 2 years has seen a huge decline in the automotive and construction industries which has amongst other factors been directly linked to COVID, global economic downturn, energy price escalation driven by the Ukraine war and high inflation and interest rates.

ETS and costs of carbon plays a huge impact on profitability.

Appendix reference:

4. Would your profitability of the like goods and/or directly competitive goods be affected if the existing safeguard measure on the goods subject to review were:



- i) extended; or
- ii) expired?

Please describe the nature of any changes and substantiate with evidence.

If the safeguards were to be removed, more imports of rail and sections would enter the UK market. This would have significant effect on British Steel's profitability and put at risk the current market prices.

We see evidence in both the rail and construction markets that customers can manage their purchasing in line with tariffs.

Appendix reference:

- 5. For each product category of like goods and/or directly competitive goods, please provide what level of profit before tax, as a percentage of turnover, your company would expect to generate for sales in the UK only in the absence of the increase in imports and explain how you arrived at this figure.

PBT margins are not considered a relevant measure for profitability, this has been explained in the confidential submission and an alternative has been provided for assessment.

Appendix reference:

F6 Return on investment (ROI)

- 1. Please provide the return on investment (ROI) for each of the like goods and/or directly competitive goods in **Annex 9 – Investments** for the POI.
- 2. If you are unable to report ROI for the like goods and/or the directly competitive goods only, please report ROI for the segment that contains the like goods and/or directly competitive goods, and if you are unable to do this, provide ROI for the total company. Please provide an explanation and reasoning for this.

All major investments undertaken since the acquisition have a long implementation timescale with early projects only starting to be commissioned at the very end of the POI. It is therefore too early to calculate a ROI.

Appendix reference:

- 3. Please explain the method used to establish ROI of your like goods and/or directly competitive goods and substantiate with evidence.

See F6.2



Appendix reference:

4. Please explain the cause(s) of any significant recent changes regarding the ROI of your like goods and/or directly competitive goods and substantiate with evidence.

See F6.2

Appendix reference:

5. Would your ROI for the like goods and/or directly competitive goods be affected if the existing safeguard measure on the goods subject to review were:

- i) extended; or
- ii) expired?

Please describe the nature of any changes and substantiate with evidence.

Returns would deteriorate against any mill specific projects. The bigger risk is to project suspension or unwillingness to invest if sales deteriorate as a result of safeguard removal.

Appendix reference:

F7 Investment and ability to raise capital

1. Please explain in the box below if your company's level of investment, ability to make investments and/or ability to raise capital have changed during the POI. Explain the allocation method used for investment. If there have been changes, please describe their nature and cause and substantiate with supporting evidence, e.g. funding proposals, loan approvals or other relevant financial documentation.

Investments are reviewed on a case by case basis and prioritised on level of returns, benefit to the operation and alignment with strategy.

Appendix reference:

2. Would your investment and ability to raise capital be affected if the existing safeguard measure on the goods subject to review were:

- iii) extended; or
- iv) expired?

Please describe the nature of any changes and substantiate with evidence.



Removal of safeguards would damage working capital reducing free cashflow for investment. Removal of safeguards would also effect the confidence of the shareholder and undermine established business plans for long term investment.

Appendix reference:

F8 Stocks

1. Please provide end of year stocks for each product category of the like goods and/or directly competitive goods manufactured by your company in **Annex 8 – Injury** for the POI.

Detail provided in confidential submission

Appendix reference:

2. Please explain the cause(s) of any significant recent changes regarding the stocks and substantiate with evidence.

Stock levels are always a business focus with regards to managing cash but maintaining sufficient levels to continue good service to the market.

Appendix reference:

3. Would your stocks of the like goods and/or directly competitive goods be affected if the existing safeguard measure on the goods subject to review were:
 - i) extended; or
 - ii) expired.

Please describe the nature of any changes and substantiate with evidence.

As part of normal stock controls, levels of stock would be readjusted in line with market and production levels.

Appendix reference:

F9 Cash flow

1. Please provide the cash flow for each of the like goods and/or directly competitive goods in **Annex 8 – Injury** for the POI. Please explain the allocation method used for cash flow and substantiate with evidence.

Cash flow included in the Management accounts at an organisation level – submitted in confidential version for business and commercial reasons

Appendix reference:



2. Please explain the cause(s) of any significant recent changes regarding your cash flows and substantiate with evidence.

Changes explained in confidential submission due to business and commercial sensitivities
Appendix reference:

3. Explain any variances between your actual and forecasted budgets over the POI, with reference to your cash flow from operating activities.

Changes explained in confidential submission due to business and commercial sensitivities
Appendix reference:

4. How would your cash flow for the like goods and/or directly competitive goods be affected if the existing safeguard measure on the goods subject to review were:
 - i) extended; or
 - ii) expired.
 Please describe the nature of any changes and substantiate with evidence.

The removal of safeguards will limit accessible sales for British Steel and would further increase the cash requirements for the company
Appendix reference:

F10 Other factors

In addition to the injury factors covered above, are there any other factors that you consider to be relevant when assessing whether the goods subject to review has caused and/or is likely to cause serious injury to your company? Please explain and support with data where possible.

Other factors adding to injury of the UK Steel sector include the higher priced electricity costs incurred by the UK verses other EU manufacturers. Costs are 60%-80% higher in some comparisons – this does not allow a level playing field and adds to the injury of the sector. Reference UKSteel.org.
Appendix reference:

1. If you have identified another factor that you consider to be relevant to the injury assessment, please comment on the future position of the UK industry, in relation to that factor, if the existing safeguard measure were:
 - i) extended; or
 - ii) expired.



Please substantiate with evidence.

2. According to UK Steel, their analysis suggests that UK electricity prices after supercharger implementation. However as network charges compensation (NCC) is only 60%, a large advantage remains for competing EU steelmakers

Appendix reference:

F11 Liberalisation Rate

1. Do you have any comment to make on the current rate of liberalisation of the safeguard measure? Do you think it should be varied? If so, please describe why and how.

The current rates of liberalisation (c +3% per year) do not reflect the reality of a reducing UK market in all products. The liberalisation should be calculated against current UK market and not at a historical higher market. The world is different now – all liberalisations are reducing market share options for domestic suppliers and impacting business performance.

To restore a more realistic balance, the actual quotas should be reduced.

Any increase in liberalisation from current levels will bring future business strategy reviews potentially impacting future investments.

Appendix reference:



SECTION G: Causation

G1 Link between serious injury and an increase in imports

1. Please comment on any link between the serious injury, or threat of serious injury, that you have referenced in Section F, and the current or future imports into the UK. The injury factors specified above can be used to explain if there is a causal link. Please substantiate with evidence and consider the following questions:
 - Has any current or potential future increase in imports caused serious injury to the industry, or would threaten serious injury, and if so, why? Why has the industry not been able to adjust to this?
 - Are imports into the UK been sold at prices lower than the like goods and/or directly competitive goods, or do you expect them to be in the future?
 - Has any price undercutting by the goods subject to review caused you to lower the prices of the like goods and/or directly competitive goods produced by your company, or do you expect it to in the future?
 - Have current or potential future imports of the goods subject to review impacted other factors mentioned in the serious injury section such as production, market share, cash flow or investments? If so, how?
 - How have imports of the goods subject to review developed whilst the safeguards measures have been in place, and what impact has this had on any injury factors?

Increased import levels in a mature market, such as the UK, cause undeniable injury to the UK steel sector. There is a limited market demand, hence the impact of increased imports reduces the market share of domestic manufacturers, such as British Steel.

Imports of sections and rods in particular are typically lower than market price levels and in some instances could be considered as dumping into the UK as a way of utilising the excess capacity of European mills. Lower priced imports into the UK are disruptive to the entire market structure and cause the price levels to be reduced to the lowest price offered. British Steel has to react to imports and be competitive.

Appendix reference:

2. How would the cause(s) or degree of serious injury change if the existing safeguard measure on the goods subject to review were:
 - i) extended; or
 - ii) expired.



Please describe the nature of any change and substantiate your claims with evidence.

Injury to British Steel and UK producers would significantly increase if safeguard measures were removed. See above.

Appendix reference:



G2 Other causation factors

1. Please comment on any other factors, separate from any current or potential increase in imports of the goods subject to review, that may have caused serious injury or threaten to cause serious injury to the UK industry. This may include:
 - UK demand for the like goods and/or directly competitive goods;
 - the overall situation on the world market of the like goods and/or directly competitive goods and the demand for exports;
 - the competitiveness of your company (including quality, efficiency and performances of your production lines);
 - the reasons and consequences of any reductions in your exports to other markets.

This list is non-exhaustive. Please add any additional relevant information explaining the current and potential future state of the UK industry and substantiate your response with evidence.

Injury is largely caused by import levels which are related to a number of other factors such as global overcapacity within the steel sector, S232, increased protectionism and more recently the impact of COVID-19 and uncertainties surrounding Brexit. Also the UK market in 2023 has seen the lowest demand level since 2008 for sales of steel sections, down 20% y-o-y since 2021, so with imports remaining at normal levels, this has seen % market share of imports increase this year as part of a much reduced overall market demand. UK government budgets in public procurement are reduced which means demand for rail goods are decreasing significantly.

Appendix reference:



SECTION H: Adjustment plans

When completing this extension review, we must consider any adjustments made by UK producers. Any adjustment plans should set out how UK producers of the like goods and/or directly competitive goods intend to continue to adjust to the importation of goods in increased quantities. An adjustment plan will need to be supported with evidence. Please contact the case team if you would like to take an alternative approach, e.g. an industry-wide plan.

An adjustment plan should set out the following:

- i) How you intend to adjust to the importation of the goods subject to review in increased quantities.
- ii) Potential innovation, research and development initiatives to improve the competitiveness of your company.
- iii) Changes intended to improve efficiency, including workforce effectiveness and investing in new or different machinery.

H1 Your company adjustment plan

1. Please explain your company's adjustment strategy since the implementation of the UK safeguard measure on certain steel products. In your answer, please refer to:
 - what you intended to do to adjust to the importation of the goods subject to review in increased quantities and why these adjustments have been identified;
 - the actions that you plan to take to achieve the intended changes and adjust to the importation of the goods subject to review in increased quantities; and
 - the timeframe for completing the actions.

The actions presented in the adjustment plan should cover, but are not limited to:

- changes to selling prices and/or volumes; and
- changes to costs, such as direct material costs, labour costs and manufacturing overheads (indirect expenses).

The EU safeguard measures were introduced and intended to keep import levels at the average of 2015 to 2017. The percentage adjustment to the base levels have increased year on year by 3% since introduction while UK market sizes have reduced.

British Steel will continue to demonstrate contribution to the local and national economy from an economic, social and environmental perspective. British Steel has over the POI, and continues to demonstrate consistent adjustment in a number of



ways, such as changing business footprint, adjustments to volume production and outputs as required, cuts to cost base where possible, carbon reduction investments.

Appendix reference:

2. Please explain how and when the actions described in question H1.1 (above) have been completed. Indicate whether and how these actions have affected:

- selling prices and/or volumes; and
- costs, such as direct material costs, labour costs and manufacturing overheads (indirect expenses).

If you have been unable to complete any of the actions from your initial plan, please explain the reasoning for this and the impact this has had on the adjustment of your business.

Investment plan comment

All of the adjustments referred to in the previous section are ongoing and are considered on a daily basis to help the business strive towards sustainability. External factors in Automotive supply chains, Brexit and COVID-19 have been challenging to deal with and have impacted demand.

The continued safeguard measures will help to minimise import surges to the UK market which will cause further disruption. The ongoing overcapacity issues and sector changes regarding sustainability will mean increased pressure on improvements and adjustment activities for British Steel.

Appendix reference:

3. Please explain your company's adjustment strategy if the safeguard measure is extended. In your answer, please refer to:

- what you intend to do to adjust to the importation of the goods subject to review and why these specific factors have been chosen;
- the actions that you plan to take in order to achieve the intended changes to adjust to the importation of the goods subject to review; and
- the timeframe for completing the actions.

The actions presented in the adjustment plan should cover, but are not limited to:

- changes to selling prices and/or volumes; and
- changes to costs, such as direct material costs, labour costs and manufacturing overheads (indirect expenses).

Where possible, please provide evidence, including from past experience, of how the adjustment plan can be delivered given the nature of your business, the



competitive environment and the expected timeframe for completion. If you have previously made similar adjustments to your business, such as cutting costs, this could be relevant evidence as to whether the actions set out in the plan can be reasonably achieved.

Whilst so much uncertainty and global overcapacity remains, the UK safeguard measures are essential to UK producers. The adjustment and continuous business changes can only be implemented if the UK safeguard measures are extended to provide a level of certainty that UK markets will not be subject to import surges and price disruption.

Future investment and decarbonisation relies on safeguards being extended to underpin the future business strategy / direction.

Appendix reference:



SECTION I: Economic interest

The Economic Interest Test helps the TRA assess the economic impact of a measure compared to what would happen if it the measure was not in place. There are six factors which the TRA must consider as part of the Economic Interest Test:

- i) The serious injury caused by the importation of goods in increased quantities to UK producers of those goods and the benefits to that industry in 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 TRA consider relevant.

The questions in this section will contribute to this assessment. Please provide information broken down by each of your company's UK sites/facilities, where relevant and possible.

I1 Background

1. Please list **your main suppliers of inputs** (e.g. producers of raw materials) for the like goods and/or directly competitive goods, indicating whether they are imported or domestically sourced. Where possible, please provide this information by product category.

Product Category	Inputs provided	Name of the supplier	Origin: UK or imported?
Raw Materials	Iron Ore, Coal and Coke	Various suppliers	
Raw materials	Scrap	Various suppliers	
	Appendix reference:		

Please **list your main customers** of the like Goods and/or directly competitive goods. Where possible, please provide this information by product category.

Product Category	Name of downstream businesses
Rods	Various International Customers – names provided in confidential submission
Special Profiles	Various International Customers – names provided in confidential submission



Rail	Various International Customers – names provided in confidential submission
Sections	Various International Customers – names provided in confidential submission
	Appendix reference:

12 Your company

1. Please complete **Annex 10 – Economic Interest Test**, providing current employment figures in full-time equivalents (FTE) for each of your company’s UK sites or facilities. Where possible, please **specify your answers by relevant product categories**.
2. How would these employment figures be affected if the existing safeguard measure were expired? Please support your claims with evidence.

British Steel’s financial situation would be compounded if safeguards were removed or reduced. The company would be faced with evaluating the future viability of each mill that is materially impacted by this scenario.

The initial reaction would be to consider production levels and evaluate the number of shifts required or even mill closures. The impact of a mill closure would be mirrored in overheads, steelmaking and the wider supply chain in disadvantaged regions.

Employee numbers by location provided in confidential submission

Appendix reference:

3. How would your domestic sales of the like goods and/or directly competitive goods be affected if the existing safeguard measure were expired? Please support your claims with evidence.

British Steel market share would be impacted significantly if the safeguard measures were to be removed, in particular for two products produced by British Steel (product specific examples provided in confidential submission)

Of British Steel’s total production, c.50% of sales are to the UK market – it is critical to maintain the highest domestic share possible. With c.50% of sales reliant on export markets, the current EU TRQs for Rail and Sections exclude British Steel selling to Europe. If this remains the case, protection of the UK market is even more critical.

Furthermore, there are numerous local companies who would and are being affected when British Steel suffers poor financial performance driven by imports. BS generally supports 5 jobs for every 1 direct employee in the upstream supplier base.



Furthermore, BS customer base is impacted in the same scenario with many of the, reliant on the BS service level. Any potential loss to such a core foundation industry would have a massive impact on the wider economy.

Appendix reference:

I3 Potential Impacts of a measure

1. Please describe how you would expect a decrease in the import prices of the goods subject to review to affect each of the following. Where possible, please **specify your answers by relevant product categories** and support your claims with evidence.

- Domestic prices of like goods and/or directly competitive goods in the UK;

Rods – it is undoubted that aggressive or reduced pricing from import suppliers will have a negative effect and drag prices down.

Sections - would have a huge impact to our business as we would need to react to maintain share. The sections sector is exposed to this risk with the level of quota being so high.

Rail would similarly see a huge reduction in margin as suppliers would seek new sources of goods.

Appendix reference:

- Total UK production of like goods and/or directly competitive goods;

The answer is similar for all product lines – the business would need to review the extent of price erosion and choose whether to compete – this would invariably lead to a lower level of production for of some products.

Appendix reference:

- Total imports of the goods subject to review to the UK; and

A decrease in import price would likely increase the volume of imports and would create a cycle of continual erosion.

Appendix reference:



- Total exports of like goods and/or directly competitive goods from the UK.

We would either see lower production which would lead to reduced employees and lower profitability, or we would choose to export more and maintain volumes and cover fixed costs. The business choice is essentially the lesser of two evils.

Appendix reference:

2. Do you know of any related industries that would be affected if the existing safeguard measure expired? Where possible, please **specify your answers by relevant product categories**.

Please consider in particular:

- Upstream industries – those who produce inputs (such as raw materials) needed for the production of the like goods, directly competitive goods and/or goods subject to review;

Upstream – local supply chains providing raw materials and services to British Steel would be significantly impacted by any reduction or further deterioration to the business footprint.

Appendix reference:

- Downstream industries – those who purchase the like goods, directly competitive goods and/or goods subject to review;

Downstream – key UK consumers of British Steel products may be impacted significantly if the measures were removed and if British Steel was no longer a viable business. Key infrastructure products, such as Rail and Sections where British Steel is the only UK producer, would be reliant on importers which would impact availability and cash flow. The loss of the UK steel industry as a foundation sector also has detrimental impact to the contribution of the UK economy.

Appendix reference:

- Industries for complimentary goods – those which would typically be bought alongside the like goods, directly competitive goods and/or goods subject to review (such as ink being bought with printers);



Other markets or products would not be impacted. Supply of steel is still required and will continue – there will be no shortage of supply.

Appendix reference:

- Any other industries not covered by the previous categories.

There will undoubtedly be other industries impacted such as service providers to the wider UK foundation industry.

Appendix reference:

3. To what extent would you expect any changes in prices of goods subject to review to be passed onto end-users? Please support your answer with evidence.

While the intention is always to pass on changes in price to end-users, this can be a challenge with the volatile commodity prices witnessed during the POI period.

Increased costs passed onto end-users very much depends on market circumstances, i.e. if demand is there and raw material prices increased, the ability to recover the increases are more favourable. However, if cost increases are not visible to the supply chain and not set against favourable demand levels, any cost increases are then expected to be carried by the steel producer, which negatively impacts on their already strained financial situation.

Appendix reference:

4. Would your plans for investment or expansion in the UK over the next five years be affected if the existing safeguard measure expires? Please support your claims with evidence.

Yes.

If the safeguard measures are removed or are not strengthened, this would impact on the commercial cases to support investment plans. Without a strong commercial case and secure market demand, the financial evaluations would be difficult to justify and therefore investment plans would be negatively impacted.

Appendix reference:



5. As a public body, the TRA 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.

Please provide any relevant information about whether any of these groups or any other particular group might be disproportionately affected if the existing safeguard measure expired.

N/A – no reason why the safeguard measures would impact or disproportionately affect.

Appendix reference:

13. How would the number or range of suppliers be affected if the existing safeguard measure expired? Where possible, please **specify your answers by relevant product categories** and provide an explanation.

With the exception of Wire Rod products, British Steel is largely the only UK producer of other products subject to review. Due to the UK market's demand of products, the market is not big enough to sustain multiple UK steel producers. Therefore we need to continue the measures to protect the UK manufacturing steel sector.

Appendix reference:

14. How would the suppliers' ability to differentiate their products by price, quality, service or innovation in the UK market be affected if the existing safeguard measure expired? Where possible, please **specify your answers by relevant product categories** and provide an explanation.

All product groups need a strong domestic market. This is where many of the service and product innovations are developed as this is the market we have the



highest service levels and customer relationships. Product differentiation opportunities would reduce for BS, but increase for importers.

Appendix reference:

15. How would the cost of switching between suppliers be affected if the existing safeguard measure expired? Where possible, please **specify your answers by relevant product categories** and provide an explanation.

Most companies would not incur any significant cost or expense by either switching or bringing in new suppliers.

Appendix reference:

16. How would the suppliers' ability to set agreed prices between themselves or for certain customers or products be affected if the existing safeguard measure was expired? Where possible, please **specify your answers by relevant product categories** and provide an explanation.

Suppliers do not set agreed prices amongst themselves as this is anti-competitive

Appendix reference:

17. How would the choices available to downstream businesses or end-users be affected if the existing safeguard measure expired? Where possible, please **specify your answers by relevant product categories** and provide an explanation.

If the safeguard measures expire, then we could see new suppliers emerge which may change choice but definitely increase risk to their operations.

Appendix reference:

18. How would the ability of downstream businesses or end-users to make informed decisions be affected if the existing safeguard measure expired? Where possible, please **specify your answers by relevant product categories** and provide an explanation.

This is a feature of how the BS position is impacted – there would be an increase in imports which would weaken ourselves as a domestic supplier. This would bring uncertainty on how downstream business can believe in BS business viability and would clearly increase significantly the risk to our customers.

Appendix reference:



6. Are there any additional economic factors that you consider to be relevant for the Economic Interest Test in this investigation?

Economic assessments should also take into consideration UK content for Public Procurement, supporting UK manufacturers to keep jobs in the UK. UK steel producers have a competitive offer, and this should be a responsibility of UK Government to protect the UK economy.

- For every 1,000 tonnes of steel, 10 UK jobs are created and protected
- 31,900 people are **directly** employed in the UK steel sector with an additional 52,300 further jobs supported in supply chains and local communities
- The UK Steel industry **directly** contributes £1.6bn to the UK economy, with an additional £3.9m contribution created in supply chains and local communities

Appendix reference:



SECTION J: Next steps

Next steps

The questionnaire, spreadsheet annex and any appendices should be submitted through the Trade Remedies Service (www.trade-remedies.service.gov.uk) by **22 October 2023**. The checklist in Section K 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/the-tras-investigation-process#questionnaires-and-information-gathering>.


