
Comments on the Statement of Essential Facts

**Concerning the Dumping Investigation into Tin Mill Products imported
into the United Kingdom from the People's Republic of China (PRC)**

No. AD0062

**Submitted on behalf of
the Shougang Group**

30 October 2025

Table of Contents

I. INTRODUCTION	2
II. THE TRA’S NORMAL VALUE CALCULATION METHODS VIOLATE THE ARTICLES 2.2, 2.2.1.1 AND 2.2.2 OF THE ADA OF WTO.....	2
III. THE TRA’S SEVERAL ADJUSTMENTS SHOULD BE REVIEWED AND ADJUSTED	7
III.1 THE COMMODITY CODE OF TIN USED BY SHOUGANG JINGTANG	7
III.2 THE ADJUSTMENTS MADE TO COSTS OF STEAM COAL AND SELF-PRODUCED ELECTRICITY FEE	8
III.3 THE ADJUSTMENTS MADE TO PCI COAL USED BY SHOUGANG JINGTANG	9
III.4 THE ADJUSTMENTS MADE TO COKE USED BY SHOUGANG JINGTANG.....	10
III.5 THE AVERAGE PROFITS OF LIKE PRODUCTS SHOULD BE USED TO CONSTRUCT NORMAL VALUE.....	10
IV. CONCLUSION.....	11

I. Introduction

- (1) On 26 September 2025, the Trade Remedies Authority (TRA) issued the Statement of Essential Facts (SEF) concerning the dumping investigation into the Tin Mill Products (the goods concerned) imported into the United Kingdom from the People's Republic of China (PRC).
- (2) According to SEF, as the only one cooperating producing exporter, the Shougang Group is granted an individual anti-dumping duty rate, which is 30.53%. On behalf of the Shougang Group, we hereby submit the following comments on SEF.

II. The TRA's Normal Value Calculation Methods violate the Articles 2.2, 2.2.1.1 and 2.2.2 of the ADA of WTO

- (3) Shougang Group notes that in SEF, the TRA has considered that 'the PMS in relation to Tin Mill Products prevents the proper comparison between the export price and the domestic sales price of PRC exporters of the goods concerned due to the differences in the composition of competition and level of import penetration between the UK and the PRC.'¹ As a result, the TRA has disregarded the sales of the like product in the ordinary course of trade in the domestic market and has constructed the normal value of the goods concerned by determining adjusted costs of production, plus an adjusted amount for AS&G costs and for profits according to Brazil benchmarks.
- (4) In doing this, TRA has actually violated *Article 2.2, 2.2.1.1 and 2.2.2 of the Anti-dumping Agreement (ADA) of WTO* for the following reasons.
- (5) **First**, TRA failed to give a reasoned and adequate explanation about how the so-called PMS in relation to China Tin Mill Products prevents the proper comparison between the export price and the domestic sales price, violating Article 2.2 of ADA.
- (6) The Shougang Group recalls that the Panel in *Australia – Anti-Dumping Measures on Paper* clearly clarified that the phrases "particular market situation" and "permit a proper comparison" in Article 2.2 of ADA operate together to establish the conditions under which domestic market sales can be disregarded as the basis for computation of normal value. "Specifically, that domestic sales 'do not permit a proper comparison' must be 'because of the particular market situation'."²
- (7) To assess the effect of the PMS, "the investigation authority must examine the domestic sales in order to determine whether a proper comparison between the two

¹ Para 205 in SEF.

² Panel Report, *Australia – Anti-Dumping Measures on Paper*, para. 7.27.

prices is permitted in spite of the effect of the particular market situation. The point is to be determine if there is a *comparable* domestic price. ... That determination is fact-specific and should be made on a case-by-case basis by the investigating authority *assessing the effect of particular market situation on the domestic price in relation to the effect on the export price*, if any. ... If the investigating authority finds that because of a particular market situation a proper comparison of the domestic price and the export price is not permitted, it is required to give a reasoned and adequate explanation of its conclusion.”³

- (8) In SEF, TRA did not examine the effect of the so-called PMS concerning the Tin Mill products on domestic prices in relation to export prices. Especially, TRA did not explain the effects of the so-called widespread state support, central industrial planning, the state-ownership and the prices of finance, land, labour, energy and raw materials used to produce Tin Mill Products on both domestic and export prices.
- (9) Instead, without explaining any reasons, TRA only claimed that the PMS caused the differences in the prevailing conditions of competition between the UK market and the PRC domestic market for Tin Mill Products.⁴ Regarding this matter, Shougang Group submits that the competition condition differences between the UK market and the PRC domestic market are caused by many factors and could not be simply attributed to the domestic market situation of China.
- (10) Furthermore, TRA failed to further explain how the competition condition differences between the UK market and the PRC domestic market prevents the comparability between the domestic and export prices of the Shougang Group.
- (11) In conclusion, according to the jurisprudence of the WTO, TRA’s determination that it is not possible to make a proper comparison between the PRC domestic price and export price due to the PMS is obviously inconsistent with Article 2.2 of the ADA.
- (12) The Shougang Group hereby submits that where there were sufficient sales of the like product in the ordinary course of trade in the domestic market, TRA should use the domestic prices to calculate the normal value. In specific, TRA should the average domestic prices in the ordinary course of trade for products concerned under “[redacted – commercially sensitive information]” PCN to calculate the normal value for this PCN. Using this method, the normal value for goods concerned under “[redacted – commercially sensitive information]” PCN should be [redacted – commercially sensitive information] RMB/Ton. For the calculation

³ Panel Report, *Australia – Anti-Dumping Measures on Paper*, paras. 7.74 and 7.76.

⁴ Para 202 in SEF.

worksheet, please refer to **Annex 1** Normal value for [redacted – commercially sensitive information].

- (13) **Second**, when constructing normal value for the Shougang Group, TRA made PMS adjustments to the actual cost of production of the Shougang Group according to benchmarks of the third country, i.e., Brazil, violating Article 2.2 and Article 2.2.1.1 of the ADA.
- (14) Concerning the costs of production, TRA has considered that “due to the PMS in the market for Tin Mill Products, the costs of production are unrepresentative because they do not reasonably reflect the Shougang Group’s production costs in a market if those costs and profits were substantially determined by market forces. Regulation 13(3) of the Regulations therefore applies, and the TRA has adjusted the exporter’s costs of production in accordance with Regulations 11(6) and 13 of the Regulations.”⁵
- (15) In specific, where TRA found that the price of the Shougang Group was lower than Brazil’s benchmark price, TRA increased the costs of relevant production factors of the Shougang Group according to the average benchmark prices across the POI, including certain raw materials and energy costs.
- (16) The Shougang Group recalls that Article 2.2 of the ADA clearly requires that the investigation authority should use the cost of production in *the country of origin* plus a reasonable amount for administrative, selling and general costs and for profits to construct normal value. Furthermore, Article 2.2.1.1 explicitly stipulates that “costs shall normally be calculated *on the basis of records kept by the exporter or producer under investigation*, provided that the following 2 conditions are met: (a) such records are in accordance with the generally accepted accounting principles of the exporting country and (b) such records reasonably reflect the costs associated with the production and sale of the product under consideration.”
- (17) In SEF, on the one hand, TRA acknowledged that the records of the Shougang Group meet the generally accepted accounting principles of the exporting country.⁶ However, on the other hand, TRA determined that the costs of production of the Shougang Group do not reasonably reflect the production costs in a market if those costs and profits were substantially determined by market forces.
- (18) Concerning the second requirement that records kept by exporters or producers “reasonably reflect the costs associated with the production and sale of the product under consideration”, the Panel in *EU – Biodiesel (Argentina)* clarified that this

⁵ Para 212 in SEF.

⁶ Paras. 210-212 in SEF.

“calls for a comparison between, on the one hand, the costs as they reported in the producer/exporter’s records and, on the other, the costs actually incurred by that producer. We emphasize, however, that the object of the comparison is to establish whether the records reasonably reflect the costs *actually* incurred, and not whether they reasonably reflect some hypothetical costs that might have been incurred under a different set of conditions or circumstances and which the investigation authority considers more ‘reasonable’ than the costs actually incurred.”⁷

- (19) Moreover, the Panel in *EU – Biodiesel (Argentina)* found that “The investigating authority determined not to use the costs of the main raw material, soybeans in the production of biodiesel because ‘the domestic prices of the main raw material used by biodiesel producers in Argentina were found to be artificially lower than the international prices due to the distortion created by the Argentine export tax system’. In our view, this does not constitute a legally sufficient basis under Article 2.2.1.1 for concluding that the producers’ records do not reasonably reflect the costs associated with the production and sale of biodiesel.”⁸
- (20) According to above-mentioned WTO case law, that the TRA determined not to use the Shougang Group’s costs of certain raw materials and energy in the production of the Tin Mill Products merely because the Shougang Group’s prices are artificially lower relative to the benchmarks of Brazil, clearly violates Article 2.2 and 2.2.1.1 of the ADA.
- (21) **Third**, concerning the amounts for AS&G cost used to construct normal value, TRA increased the financial costs of the Shougang Group according to the benchmark costs calculated with the average daily Brazilian Selic interest rate during the POI, i.e., 12.70%,⁹ violating Article 2.2.2 of the ADA.
- (22) According to Article 2.2.2 of the ADA, when using the cost of production in the country of origin plus a reasonable amount for administrative, selling and general costs and for profits to construct normal values, the amounts for administrative, selling and general costs, including financial costs, shall be based on **actual data** pertaining to production and sales in the ordinary course of trade of the like product by the exporter or producer under investigation.

⁷ Panel Report, *EU – Biodiesel (Argentina)*, para. 7.242. See also Appellate Body Report, *EU – Biodiesel (Argentina)*, para. 6.56.

⁸ Panel Report, *EU – Biodiesel (Argentina)*, para. 7.248.

⁹ Paras. 241-244 in SEF.

- (23) In SEF, TRA acknowledged that the Shougang Jingtang provided the actual cost of finance incurred, including the start date, repayable date, and the interest rate charged on each finance product during the POI.
- (24) However, TRA disregarded the actual finance cost of Shougang Jingtang in the reason that “the benchmark cost (the cost that would have been incurred if the average daily Selic rate during the POI was applied to each loan) was higher than the cost calculated using the interest rates submitted by the Shougang Group” and increased the finance costs of the Shougang Group. By doing so, TRA act consistently with Article 2.2.2 of the ADA.
- (25) Moreover, the Shougang Group submits that the TRA’s approach did not constitute any other “reasonable” method permitted by Article 2.2.2(iii).
- (26) It is recalled that the WTO Panel in *EC - Salmon (Norway)* explicitly ruled that “a methodology for calculating SG&A that **inflates** SG&A costs above what they should have been cannot be ‘reasonable’ within the meaning of Article 2.2.2(iii)”.¹⁰
- (27) According to this ruling, that TRA used the much higher benchmark cost to adjust the finance costs of the Shougang Group is without doubts to inflate the finance costs of the Shougang Group and cannot be reasonable.
- (28) **Last**, when constructing normal value for the Shougang Group, TRA disregarded low-profit sales of the like product in the ordinary course of trade and only used the maximum profit of the like product to inflate the amount for profits, obviously violating Article 2.2 and 2.2.2 of the ADA.
- (29) The Shougang Group recalls that in *Morocco – Definitive AD Measures on Exercise Books (Tunisia)*, the Panel stressed that according to relevant provisions of Articles 2.2 and 2.2.2 of the ADA, “the reasonable amount for profits must be ‘based on actual data pertaining to production and sales in the ordinary course of trade of the like product by the exporter or producer under investigation’”.¹¹
- (30) By disregarding the low-profit sales of the like product in the ordinary course of trade, the TRA’s method to establish the amount for profits could not be based on “actual data” within the meaning of Article 2.2.2 of the ADA and therefore the amount for profits established as such could not be a “reasonable” amount for the profits within the meaning of Article 2.2 of the ADA.

¹⁰ Panel Report, *European Communities – Anti-Dumping Measure on Farmed Salmon from Norway*, WT/DS337/R, adopted 15 January 2008, para. 7.605.

¹¹ Panel Report, *Morocco – Definitive AD Measures on Exercise Books (Tunisia)*, para. 7.46.

- (31) The Shougang Group submits that to act consistently with Articles 2.2.2 and 2.2 of the ADA, when constructing normal value for the Shougang Group, the TRA should use the weighted-average profits of the like product in the ordinary course of trade to establish reasonable amount for profits.
- (32) **In conclusion**, considering the above-mentioned TRA's violations of the ADA relative to assessments of PMS's effects and PMS adjustments concerning costs of production and financial costs, the Shougang Group respectfully request the TRA to remedy the violations by:
- (a) where there were sufficient sales of the like product in the ordinary course of trade in the domestic market, using the domestic prices of the like product to calculate the normal value; and
 - (b) when constructing normal value for the Shougang Group:
 - (i) using the production cost records kept by Shougang Jingtang to establish the costs of production for the goods concerned;
 - (ii) using the actual cost of finance incurred by Shougang Jingtang to establish reasonable amount for AS&G costs; and
 - (iii) using the weighted-average profits of the like product in the ordinary course of trade to establish reasonable amount for profits.

III. The TRA's Several Adjustments Should be Reviewed and Adjusted

- (33) If the TRA insists to use third-country's benchmarks to construct normal values for the Shougang Group, the following adjustments should be corrected. This does not mean that the Shougang Group agrees with the TRA's normal value construction methods and the Shougang Group reserves its rights to make further comments concerning the matter.

III.1 The Commodity code of tin used by Shougang Jingtang

- (34) The Shougang Group notes that the TRA used the commodity code “[redacted – commercially sensitive information]” to source the benchmark price for the tin used by Shougang Jingtang to produce the goods concerned. The goods under the commodity code “[redacted – commercially sensitive information]” are [redacted – commercially sensitive information]. However, the tin used by Shougang Jingtang to produce the goods concerned is [redacted – commercially sensitive information]. The correct commodity code to source the benchmark for tin should be “[redacted – commercially sensitive information]”.
- (35) The purchase documents concerning tin provided by Shougang Jingtang could prove this. Before the on-the-spot verification, the TRA requested Shougang

Jingtang to provide documents concerning 25 purchase transactions sampled by the TRA. The No. 24 sampled transaction is concerning tin and [redacted – commercially sensitive information]. Besides, according to material name in the Table D12 provided by Shougang Jingtang, [redacted – commercially sensitive information].

- (36) Consequently, the Shougang Group submits that the TRA should use the commodity code “[redacted – commercially sensitive information]” to source the correct third country benchmark.
- (37) According to the import data of Brazil under the commodity code “[redacted – commercially sensitive information]” for the POI sourced from the Trade Map of the International Trade Center, the average CIF price of tin imported by Brazil for the POI is [redacted – commercially sensitive information] RMB/Ton. Comparing this price (the inland freight costs added) with the average purchase price of Shougang Jingtang reported in Table D12, which is [redacted – commercially sensitive information] RMB/Ton, the adjustments ratio relative to the costs of tin of Shougang Jingtang should be [redacted – commercially sensitive information]. Please refer to Annex 2 for the calculation details.

III.2 The Adjustments made to costs of steam coal and self-produced electricity fee

- (38) The Shougang Group notes that the TRA used the commodity code “[redacted – commercially sensitive information]” to source the benchmark of steam coal and made adjustments to the costs of steam coal and costs for self-produced electricity according to the differences between the purchase price of Shougang Jingtang and the benchmark price of steam coal.
- (39) The Shougang Group recalls that during the on-the-spot verification, Shougang Jingtang explained that [redacted – commercially sensitive information]. The main raw material that Shougang Jingtang mainly used to produce electricity is steam coal.
- (40) Consequently, the Shougang Group is in the view of that the TRA should not adjust the self-produced electricity fees booked in manufacturing overhead according to the benchmark of steam coal.
- (41) Besides, it is also recalled that during the on-the-spot verification, Shougang Jingtang showed the costs of steam coal for the tinplate in the financial system. The TRA checked that they are consistent with the preparation worksheet for Table D10 and took the preparation worksheet for Table D10 as Verification Exhibit 6.

- (42) According to the financial system, the specific types of steam coal used include [redacted – commercially sensitive information]. To prove this, Shougang Jingtang provided screens of the financial system, which are reconciled with Verification Exhibit 6, as Annex 3.
- (43) According to the purchase information reported by Shougang Jingtang in Table D12, the average purchase price for these types of steam coal during the POI is [redacted – commercially sensitive information] RMB/Ton. Comparing this price with the import data of Brazil under the commodity code “[redacted – commercially sensitive information]” sourced from the Trade Map, the adjustment ratio should be [redacted – commercially sensitive information]. Please refer to Annex 4 for the calculation details.
- (44) Considering the above-mentioned circumstances, the Shougang Group hereby respectfully requests the TRA to review the calculation of steam coal’s adjustment ratio and the representativeness of the data source from the GTT and make adjustments accordingly.

III.3 The adjustments made to PCI coal used by Shougang Jingtang

- (45) The Shougang Group notes that the TRA used the commodity codes “[redacted – commercially sensitive information]” and “[redacted – commercially sensitive information]” to source the benchmark of PCI coal.
- (46) The Shougang Group agrees with the TRA that PCI coal could not be attributed into one single commodity code. However, after reviewing the specific types of PCI coal used by Shougang Jingtang, the Shougang Group found out that the PCI coal could be classified into three commodity codes, i.e., [redacted – commercially sensitive information]. For the specific types of PCI Coal, please also refer to Annex 3.
- (47) According to the purchase information provided by Shougang Jingtang in Table D12, Shougang Jingtang’s average purchase price of PCI Coal is [redacted – commercially sensitive information] RMB/Ton. Comparing this price with the import data of Brazil under the commodity codes [redacted – commercially sensitive information] sourced from the Trade Map, the adjustment ratio should be [redacted – commercially sensitive information]. Please refer to Annex 5 for the calculation details.
- (48) Considering the above-mentioned circumstances, the Shougang Group hereby respectfully requests the TRA to review the calculation of PCI coal’s adjustment ratio and the representativeness of the data source from the GTT and make adjustments accordingly.

III.4 The adjustments made to Coke used by Shougang Jingtang

- (49) The Shougang Group notes that the TRA used the commodity code “[redacted – commercially sensitive information]” to source the benchmark of coke used by Shougang Jingtang.
- (50) According to the purchase information reported by Shougang Jingtang in Table D12, the average purchase price for coke during the POI is [redacted – commercially sensitive information] RMB/Ton. Comparing this price with the import data of Brazil under the commodity code “[redacted – commercially sensitive information]” sourced from the Trade Map, the adjustment ratio should be [redacted – commercially sensitive information]. Please refer to Annex 6 for the calculation details.
- (51) Considering the above-mentioned circumstances, the Shougang Group hereby respectfully requests the TRA to review the calculation of coke’s adjustment ratio and the representativeness of the data source from the GTT and make adjustments accordingly.

III.5 The average profits of like products should be used to construct normal value

- (52) Concerning the amount for profits used to construct normal value, the Shougang Group considers that, having already adjusted production and financial costs to align with Brazilian benchmarks, the TRA’s decision to exclude low-profit sales and rely solely on maximum profit levels to construct the normal value is highly unfair to the Shougang Group.
- (53) Regarding this matter, the Shougang Group would like to draw the TRA’s attention to the fact that in 2023 and 2024, mainly due to high raw material and financial costs, leading Brazilian producers of the goods concerned were operating at a loss throughout 2023 and 2024. For instance, for 2023, the net profit rate of Companhia Siderúrgica Nacional S.A. is -1.72% and its financial costs accounted for about 14.77% of its total turnover. For the details, please refer to the 2024 Annual Report of Companhia Siderúrgica Nacional S.A. provided as Annex 7.
- (54) Therefore, the Shougang Group requests the TRA to use the average profits of like products in the ordinary course of trade to establish the reasonable amount for profits.

IV. Conclusion

- (55) As the only one exporting producer, the Shougang Group respectfully requests the TRA to consider the above-mentioned matters and to adjust the dumping margin of the Shougang Group accordingly.
- (56) If the TRA has any questions about the matters mentioned, the Shougang Group is willing to provide further information to clarify.

PU Lingchen / Wang Lulu

Chance Bridge Law Firm