

## **AD0062 - Tin mill products from China – TSUK’s request for registration of imports**

### **1. Introduction**

1. This submission is made by Tata Steel UK Limited (“TSUK”), the applicant in the above investigation. TSUK has noticed an increase in dumped imports from China in the period following the end of the investigation period (“POI”, i.e., 1 April 2023 – 31 March 2024). In light of current circumstances, the imports are likely to undermine the remedial effect of any measures imposed in this case, unless the Trade Remedies Authority (“TRA”) disciplines imports via registration.
2. TSUK therefore respectfully requests that the TRA initiate registration of imports pursuant to Regulation 91 of the Trade Remedies (Dumping And Subsidisation) (Eu Exit) Regulations 2019 (“Trade Remedies Regulation”).

### **2. Tin mill imports from China meet the conditions for registration and retroactive collection of anti-dumping duties**

3. Under Regulation 91 of the Trade Remedies Regulations, when a definitive remedy is implemented, duties may be payable up to 90 days preceding the implementation of a provisional measure. The level of duties charged will be determined by the definitive remedy that is implemented:
  91. — (1) The TRA may recommend that an anti-dumping amount should apply to goods from the relevant date specified in paragraph 19(3)(a) of Schedule 4 to the Act where paragraph (2) applies.
    - (1A) The TRA may recommend that an anti-dumping amount should apply to goods from the relevant date specified in paragraph 19(3)(b) of Schedule 4 to the Act where in an anti-dumping investigation—
      - (a) a final determination of injury is made (but not a threat of injury or material retardation of the establishment of an industry), or
      - (b) a final determination of a threat of injury is made, and the TRA determines that injury would have occurred in the absence of provisional measures.
    - (2) This paragraph applies where the Secretary of State has published a notice under paragraph 29(1) of Schedule 4 to the Act and the TRA considers in a dumping investigation that—
      - (a) there is a history of dumping which caused injury or the importer is, or should have been, aware that the overseas exporter practises dumping and that such dumping would cause injury to a UK industry;
      - (b) the injury caused to a UK industry was caused by a massive volume of dumped goods in a short period of time; and

- (c) in light of the timing and volume of the dumped goods and other circumstances (for example a rapid build-up of inventories of the dumped goods), the application of the anti-dumping amount to be applied is likely to seriously undermine the remedial effect of that amount. [(emphasis added)] [...]
4. Based on the above, the legal grounds for registration of imports are: (a)(i) history of dumping or alternatively, (a)(ii) that the importers were aware or should have been aware of the dumping, which could cause injury, and (b) there is a massive volume of dumped imports in a short period of time, (c) which is likely to seriously undermine the remedial effect of the duties. In this section, we demonstrate how each of these conditions are met in the present case.
- a. History of dumping over an extended period
5. Substantial record evidence demonstrates that Chinese exporters of tin mill products have been supplying to the EU market large volumes of low-priced product for a long period of time preceding the initiation of the investigation. In particular, TSUK's anti-dumping application shows that imports from China were sold in the EU at significant dumped prices, even in the months before the POI (the POI in the application was calendar year 2023, which preceded the POI in the investigation by a quarter). The estimated dumping margin in the application exceeded 50%.
6. Therefore, the first element of the condition for registration of imports set out in Regulation 91(2)(a) of the Trade Remedies Regulations is clearly met.
- b. Awareness of the importers of the dumping, the extent thereof and the injury
7. It is also clear that importers of tin mill products from China were, or should have been, aware of the dumping practices, the extent thereof and the alleged injury.
8. First, sufficient *prima facie* evidence of dumping and injury was included in TSUK's application, including a negative development of key performance indicators of the UK industry. Given the extent of the dumping evidence and injury data included in the application, it is reasonable to assume that importers would be aware, or should have been aware, of the situation.
9. Second, the application estimated dumping margins in the excess of 50% for the POI. The dumping calculation was based on a comparison between constructed normal value and export price (at ex-works level) of the product concerned when sold for export to the UK. The Chinese export prices to the UK were based on import statistics (as obtained from Trade Data Monitor). The applicant relied on Eurostat import prices into the EU. Eurostat is a publicly available platform, hence, importers were aware, or at least they should have been aware, of the dumping.
10. Third, as TSUK explained in its application, there is evidence of negotiations between the applicant and its customers in the UK showing UK producers had to

lower their prices to keep customers from sourcing from Chinese exporters. This suggests that the importers were aware of the dumped prices of Chinese imports.

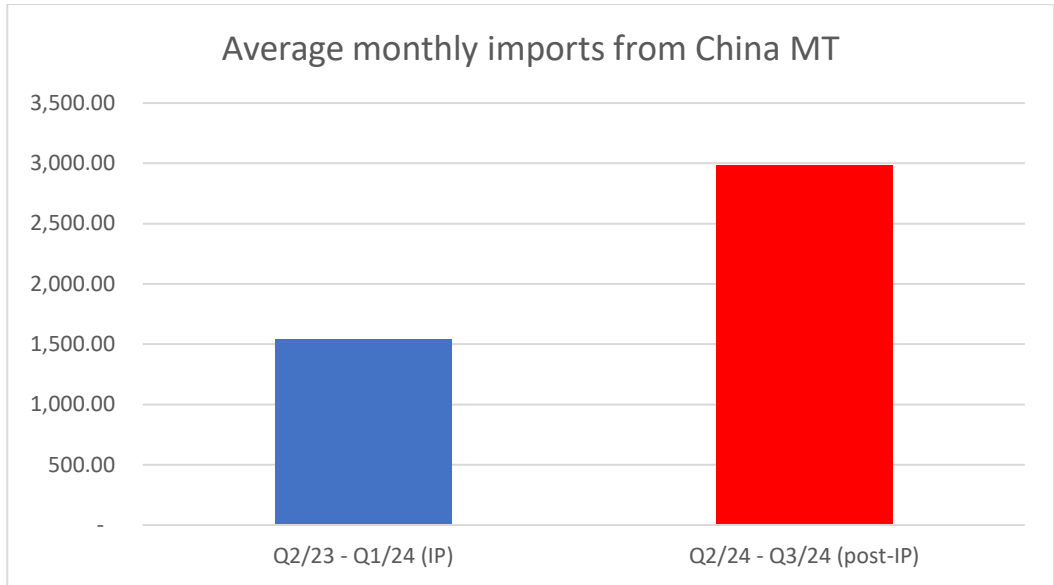
11. Lastly, as explained in the application, imports of tin mill products from China are subject to trade defence measures in other markets such as the EU. Imports from China have been subject to anti-dumping and countervailing duties imposed by the US since before the initiation of the present investigation. Furthermore, the Ministry of Investment, Trade and Industry of Malaysia also recently started an AD investigation into tinsplate imports from China and other three countries on 15 August 2024.<sup>1</sup> Thus, there can be no doubt that importers were aware of their dumping practices. Moreover, they could not be unaware that these prices could cause injury to the applicant.
12. In TSUK's view, the points above, alone or in combination, are sufficient for the TRA to conclude that importers were, or should have been, aware of the dumping practices and resulting injury effects taking place. The second element of the condition set out in Regulation 91(2)(b) is therefore also present in this case.

c. Further massive volume of imports in a short period of time

13. Import data shows a significant increase in imports of tin mill products originating in China in recent months. Imports are growing following the end of the POI, as demonstrated by the graph below, comparing the average monthly imports during the POI and post-POI. The graph clearly shows that imports from China doubled as they went from an average of around 1.5 thousand tonnes per month in the POI to 3 thousand tonnes per month in the six months following the POI (i.e., April-September 2024). (See ANNEX 1)

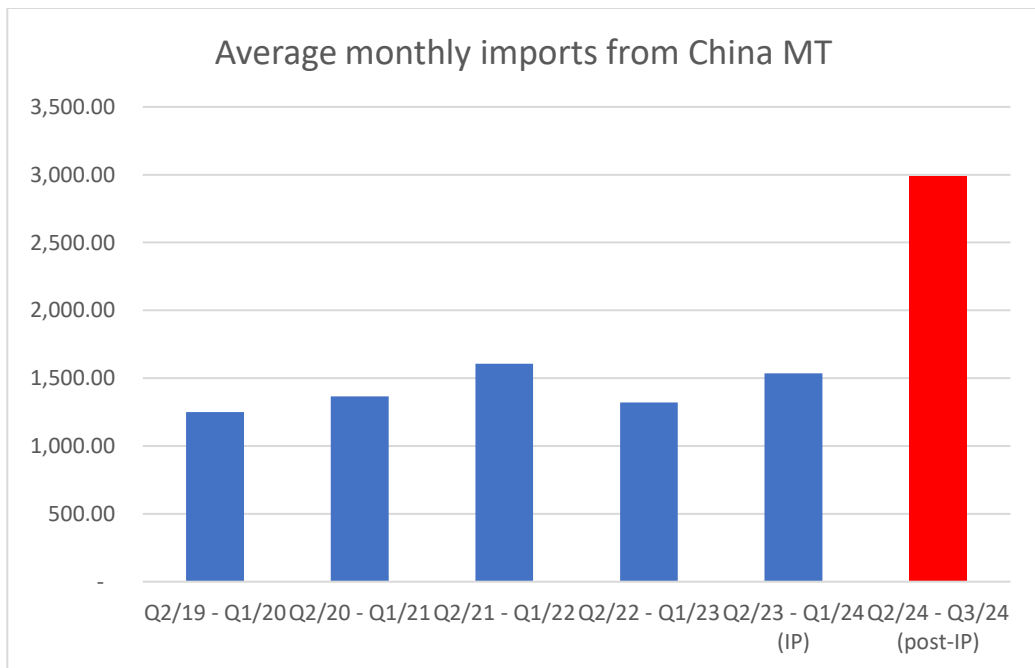
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<sup>1</sup> Ministry of Investment, Trade and Industry of Malaysia, Media Statement on the Initiation of an Anti-Dumping Duty Investigation Concerning Imports of Flat-Rolled Products of Iron or Non-Alloy Steel, of a Width of 600mm or more, Clad, Plated or Coated with Tin (Electrolytic Tinsplate or Tinsplate) Originating or Exported from the People's Republic of China, the Republic of India, Japan and the Republic of Korea, 15 August 2024, available [here](#) and provided in Annex 1 to this submission.



Source: TDM.

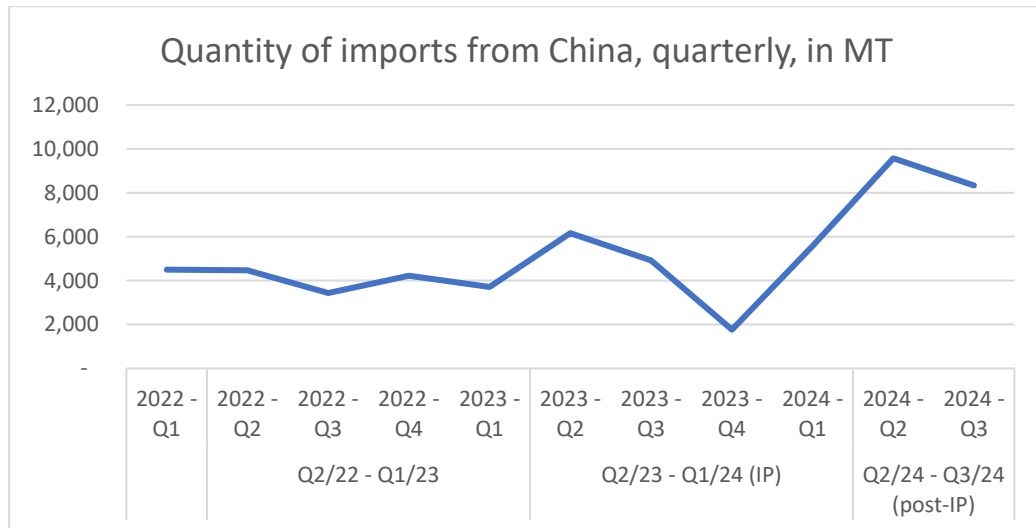
14. The increase of imports from China during the whole period considered is a trend likely to continue for the future, as demonstrated by the increasingly higher monthly average of imports since 2020 until post-IP.



Source: TDM.

15. Chinese imports have taken increasingly more market share over the period considered. Notably, post-POI, the market share taken by Chinese imports increased considerably by 5% (from 8% to 13%).

16. The increase in Chinese imports in the post-POI period is also clear if one follows the historical development in imports over an extended period of time, on a quarterly basis. The data does show a significant increase in imports from China in the latter parts of the POI, which further intensified in the months and quarters following initiation. This is demonstrated by the following graph.

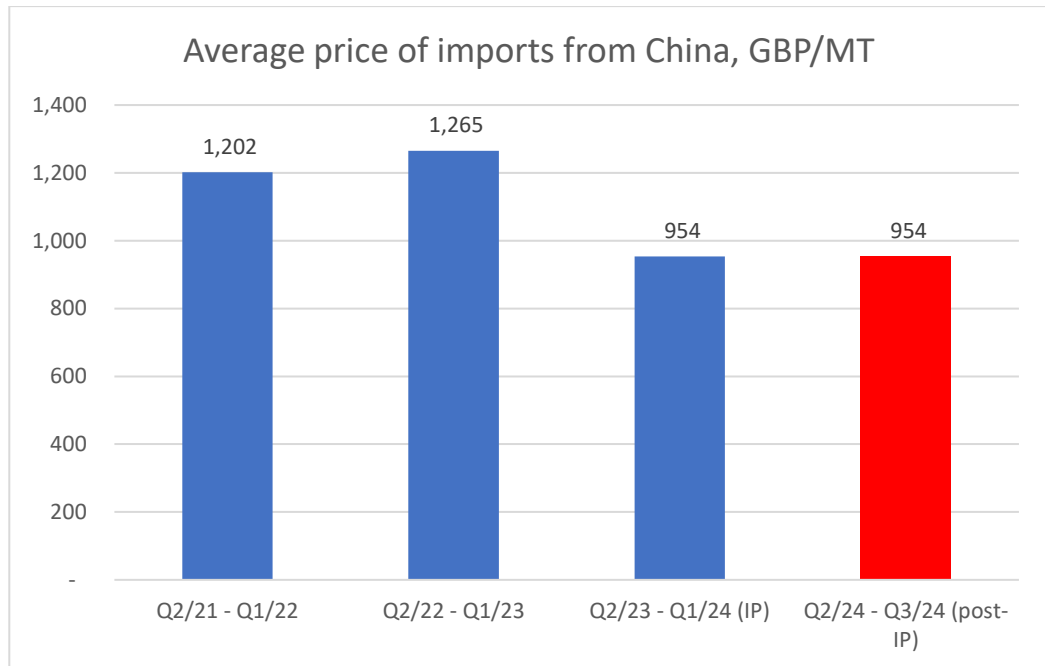


*Source: TDM.*

17. TSUK submits that, in this case, the post-POI increase of tin mill Chinese imports clearly demonstrates a further substantial increase of imports in absolute and relative terms over a short period of time, meaning that the third condition under Regulation 91(2)(c) of the Trade Remedies Regulations has also been satisfied in this case.

d. Undermining of the remedial effect of the measures

18. When considering whether an additional rise of imports would undermine the remedial effect of definitive duties, investigating authorities (including the EU Commission) have in previous cases also considered whether there was evidence of a decreasing trend in the import prices. In this case, both circumstances are present.
19. The rise in imports post-IP, discussed above, already suggests a likelihood that they will undermine the remedial effect of a definitive duty once imposed. In addition, there is evidence of a decreasing trend in the import prices of the product concerned, which have remained at the same (very low) level during the post-POI periods at GBP 954 per tonne as the average in the POI (Q2 2023-Q1 2024). This is demonstrated by the following graph.



*Source: TDM.*

20. As can be seen in the graphs these prices were much lower compared to prices in previous time periods; a phenomenon that occurred despite the rise in raw material prices. The only possible explanation why this occurred is that Chinese exporters lowered their prices so they can acquire a bigger share of the UK market at the expense of UK production. Something that TSUK explained already in its application.
21. Another point that should be highlighted is that tin mill products can be stored for extended periods. If imports are allowed to continue to surge, without the possibility of retroactive measures, significant inventories are likely to build up from now until the imposition of provisional measures. These inventories, which could then be sold by the importers free of anti-dumping duties, would seriously undermine the remedial effect of possible duties.
22. Imports during the investigation period (2023) caused injury to the applicant, as detailed in the application. TSUK has shown that further imports threaten to worsen this injury. The case files provide abundant evidence that a continued increase in low-priced imports from China would further harm the industry.
23. The conditions spelled out in Regulation 91(2)(c) are therefore clearly met: the dumped goods (in light of their timing and volume) are likely to seriously undermine the remedial effect of possible duties.

### **3. The situation is bound to get worse if registration is not imposed**

24. Imports from China are likely to continue to be significant in the following months given recent developments on the market, unless they are disciplined via registration (entailing the potential for retroactive imposition of duties).

25. TDM import data was only available up to September 2024. This being said, at the date of this submission, we are also aware of other recent developments that suggest that Chinese imports have remained significant due to Chinese market conditions of large output and poor demand, which brings prices further down. Platts Global Market Outlook of August 2024 notes that Chinese steel prices have been falling, triggered by “*strong production, and poor [domestic] steel demand.*” (See ANNEX 2)
26. Platts report that a mill source indicated that Chinese steel prices hit a seven-year low in August. It is clear that dumping their excess capacities in attractive export markets is part of the Chinese exporters’ strategy. A Chinese steel mill source confirmed that “*mills are going through extreme difficulties. If you want to get some orders, you have to fall further than market levels. (...) Domestic demand is also very weak, so we’ll have to take some export orders.*”
27. Chinese tin mill producers have limited options to unload their excess capacities in third countries, including Asian markets, as other jurisdictions have an unattractive internal market or have trade defence measures in place (or have started trade defence investigations) on tin mill products. According to Platts Global Market Outlook of August 2024, “*steelmakers across Asea are pushing back against China’s increased steel exports in the form of trade measures*”.
28. These circumstances, associated with the increased quantities of imports in recent months, suggest that exporters from China, under pressure to unload their excess capacities in attractive markets such as the UK, are trying to export significant volumes of product in anticipation of possible imposition of measures. This will add to the injury already suffered by the industry in earlier periods caused by pressure by imports.
29. Indeed, in the face of high levels of imports at undercutting prices, TSUK’s situation has deteriorated. Surging dumped imports sold at undercutting prices caused the Applicant to lose a substantial part of the market and drove it into losses. The rise in imports in recent months, only bound to continue or further continue due to the circumstances highlighted above, can only exacerbate the fragile situation of the industry and cause even further injury, unless urgent measures are taken. This can be avoided only if the imports are disciplined via registration.
30. In sum, this continued import surge is likely to seriously undermine the effect of definitive duties unless registration is imposed forthwith.

#### 4. Conclusion

31. TSUK submits that there is more than enough evidence to justify the registration of imports with a view to future retroactive collection of anti-dumping duty. The legal test for registration is met.
32. This would also be good policy. It would ensure that the effectiveness of the Trade Remedies Regulations is respected by preventing producers of tin mill products

in China from using the period prior the conclusion of the TRA's investigation to dump increased volumes of their production on the UK market.

33. TSUK therefore calls on the TRA to commence registration of tin mill imports from China as soon as possible.

List of Annexes

ANNEX 1 – Eurostat (TDM) import data for tin mill products

ANNEX 2 - Platts Global Market Outlook of August 2024