

PRC like goods selling price calculation based on UK retails

Using our knowledge of the UK retail market, retailers typical margin expectations and the costs involved in the supply chain from PRC to retail in the UK we can create a reasonably accurate FOB cost for PRC like goods.

	Annex C1.2	Annex C1.3
Retail	31.49	22.99
VAT (20%)	5.25	3.83
Retail ex. VAT	26.24	19.16
Delivery Charge	5.02	-
Less delivery	21.22	19.16
Retailer Margin ¹	8.49	7.66
Retailer Buy Price	12.73	11.50
Supplier Margin ²	3.18	-
Supplier cost	9.55	-
Duty ³	1.68	2.02
Freight ⁴	2.22	2.22
FOB £	5.65	7.25
Weight (Kg)	3.75	5.00
Cost/Kg	1.51	1.45

Calculation notes

Retailer Margin ¹	Retailers typically work on a margin in the region of 40% or higher
Supplier Margin ²	Product in C1.2 supplied by an importer they typically operate on a 25% margin
Supplier Margin ²	Product in C1.3 likely imported directly by the retailer
Duty ³	Based on lowest duty rate achievable from China 3.2% + 18.1% - 21.3%
Freight ⁴	Based on door-to-door cost of £4,000 and 1,800 boards per 40'HC container

Conclusion

The estimated FOB costs provided represent the upper end of likely pricing from PRC exporters. UK retailers, who typically work with significant profit margins, are unlikely to absorb additional indirect costs such as container unloading and warehousing, which are not included in this calculation.

As shown by the Alibaba listing (\$8.50 = £6.80 at an exchange rate of \$1.25 to £1) and the calculations of £5.65 to £7.25, these prices represent only 50% to 75% of the direct material and labour costs borne by the sole UK manufacturer. This vast disparity highlights the continued pricing distortion in PRC-made goods, allowing them to be sold at artificially low prices.

However, the implications of this extend beyond just ironing board sales. Ironing boards are a key part of a broader laundry product range, and their availability is crucial to maintaining relationships with major UK retailers. The elimination of UK-manufactured ironing boards would not only lead to the loss of ironing board sales but could also trigger a significant shift in retailer sourcing decisions. Retailers who once relied on UK suppliers may look to overseas competitors for a complete laundry range, including indoor airers, ironing boards covers, and accessories, causing further erosion of the UK manufacturer's presence in the market.

For the only UK manufacturer, this could result in a significant loss of market share across the entire laundry sector. The displacement of UK-made ironing boards could pave the way for overseas suppliers (or importers) to dominate the broader laundry category, weakening domestic production capacity and undermining the entire manufacturing ecosystem.

Without continued anti-dumping measures, UK manufacturing faces not only the threat of significant job losses and factory closures but also the loss of long-standing relationships with retailers and a broad range of laundry product sales. The disappearance of UK ironing boards would jeopardise more than just one product it would signal the beginning of a larger retreat of UK manufacturing from this important.

In addition to the economic implications, the loss of UK ironing board manufacturing to imports could also have significant environmental consequences. UK-based production benefits from shorter supply chains, reducing the carbon footprint associated with transportation. If production shifts entirely to China, the environmental impact will increase due to longer shipping distances, leading to higher emissions from container ships, which are major contributors to global CO₂ levels. Furthermore, imported goods often involve more packaging and may not adhere to the UK's stricter environmental regulations regarding energy usage, waste disposal, and resource efficiency in manufacturing. This shift would exacerbate the environmental burden, further intensifying the carbon emissions associated with overseas production and the transport of goods.