



Trade Remedies
Authority

PROVISIONAL AFFIRMATIVE DETERMINATION AND RECOMMENDATION OF GUARANTEE

Investigation No. AD0049

**Dumping investigation into Suspension Poly(Vinyl Chloride)
originating from the United States of America**

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Section A: Introduction

1. This Provisional Affirmative Determination (PAD) and Recommendation to require a guarantee is made pursuant to paragraphs 11(3) and 13(3)(a) and 13(8A) of Schedule 4 to the Taxation (Cross-border Trade) Act 2018 (the Act).
2. The PAD has been made based on the evidence before the Trade Remedies Authority (TRA) in accordance with paragraph 11(3) of Schedule 4 to the Act.
3. This report includes:
 - a) summary of the facts considered during the investigation to date and an explanation of how the TRA has used the information supplied by interested parties in reaching its PAD and making a recommendation.
 - b) details of the analysis forming the basis of the PAD and recommendation.
4. It should be read in conjunction with other public documents available for this case on the [public file](#).
5. This investigation covers Suspension Poly (Vinyl Chloride) (S-PVC) (the goods concerned) originating from the United States of America (US). A description of the goods subject to this PAD and recommendation (the goods) can be found in **'Section E: The Goods Concerned and Like Goods'**.

A1. Period of Investigation and Injury Period

6. The period of investigation (POI) is 01 January 2023 to 31 December 2023.
7. To assess injury, the TRA has chosen to examine the period from 01 January 2020 to 31 December 2023 as the injury period (IP).

Section B: Preliminary Findings

B1. Preliminary Determination

8. The TRA has determined, based on the evidence before it, in accordance with paragraph 11(1) of Schedule 4 to the Act, that the goods concerned have been dumped in the United Kingdom (UK) and the dumping of the goods concerned has caused injury to a UK industry in those goods. As a result, the TRA has made a PAD in accordance with paragraph 11(3) of Schedule 4 to the Act.

B2. Recommended Guarantee

9. In line with paragraph 13(3) of Schedule 4 to the Act, the TRA recommends to the Secretary of State for Business and Trade (the Secretary of State) that all importers of the goods concerned should be required to give a guarantee in respect of any additional amount of import duty which would have been applicable, or potentially applicable, to the goods concerned if an anti-dumping amount had been applied to the relevant goods based on the PAD (an estimated anti-dumping amount).
10. This means that the importer who would be liable for the duty must provide a guarantee that they are able to pay the estimated anti-dumping amount if it becomes payable.
11. The TRA is satisfied that, in accordance with paragraph 13(4) of Schedule 4 to the Act, the guarantee is necessary to prevent injury being caused during the investigation to the UK industry in the like goods (defined in section '**E3: Like Goods**').
12. The TRA has determined that the guarantee meets the economic interest test and advises the Secretary of State accordingly.
13. In accordance with paragraph 14(1) and 14(2) of Schedule 4 to the Act we recommend that the guarantee may take the form of either a bank guarantee, a bond, or cash. His Majesties Revenue and Customs (HMRC) will administer the guarantee.

14. We recommend the estimated anti-dumping amount in relation to the goods concerned as stated in Table 1.

Table 1: Estimated anti-dumping amount	
Overseas producer	Duty amount
Formosa Plastics Corporation, USA	38.43%
All other US producers (residual amount)	56.01%

15. We recommend that the guarantee should be calculated by applying the estimated anti-dumping amount as an ad-valorem duty to the cost of insurance and freight (CIF) import value of the goods concerned.

16. If the TRA's recommendation to apply a guarantee is accepted, the Secretary of State will publish a Taxation Notice, in line with paragraph 15(5)(b) of Schedule 4 to the Act. This will give effect to the imposition of the guarantee. Affected importers will be notified that they need to set up the guarantee when first importing the goods concerned into the UK.

17. The TRA recommends that the requirement to give a guarantee ends six months from the day after the date of the publication of the Taxation Notice published under paragraph 15(5) of Schedule 4 to the Act, or when a final affirmative determination is accepted, rejected or varied by the Secretary of State or when a final negative determination is published by the TRA, whichever is sooner.

18. Further information in respect of the guarantee can be found in the Taxation Notice published by the Secretary of State and further guidance on guarantees is available on [GOV.UK](https://www.gov.uk).

Section C: Next Steps

19. The purpose of publishing this report is to inform interested parties and contributors of how the decisions to make a PAD and recommend a guarantee were reached during the course of the investigation to date, the basis upon which the provisional dumping margins have been calculated (as specified in “**Section G: Preliminary Findings on Dumping**”), and the basis on which the estimated anti-dumping amounts relevant to the recommended guarantee have been calculated.
20. Interested parties and contributors are invited to make submissions in response to this report. Any submissions received prior to the deadline for submission of comments on the Statement of Essential Facts (SEF) will be considered and addressed in the final determination for this investigation.
21. The TRA may consider submissions made after this date, but please note that it is not obliged to do so if it would cause an unnecessary delay in the preparation of the final recommendation. Where the TRA rejects information for any reason, it will publish the reasons for rejection in the final determination.
22. Submissions should be sent via our [Trade Remedies Service](#). Submissions should be accompanied by a [non-confidential version](#) which will be made available to other parties on the case’s public file.
23. If the TRA’s recommendation is accepted, the Secretary of State will publish a Taxation Notice, in accordance with paragraph 15(5)(b) of Schedule 4 to the Act. This will give effect to the imposition of the guarantee. Affected importers will be notified that they need to provide the guarantee when importing the relevant goods into the UK.

Section D: Background

D1. Initiation

24. On 7 November 2023 the TRA received an [application](#) lodged by Inovyn ChlorVinyls Limited (the Applicant), alleging that S-PVC originating from the US imported into the UK is being dumped and is causing injury to the UK industry.
25. The applicant represents 100% of the UK S-PVC industry. The applicant therefore has a collective output which constitutes at least 25 per cent of the total production in the UK of the like goods and no other UK producer has opposed the application, meaning that the requirement under regulation 52(2) of the Trade Remedies (Dumping and Subsidisation) Regulations 2019 (the Regulations) for the applicant to constitute the 'UK industry' has been met.
26. The application contained evidence of dumping and of resulting material injury that was sufficient to justify the initiation of the investigation under paragraph 9 of Schedule 4 to the Act. The application alleged in addition the threat of injury. The case was initiated by the TRA on 8 January 2024, and the [Notice of Initiation](#) was published on that date.
27. While the application also alleged threat of injury, because the application contained sufficient evidence of injury already caused, the investigation was initiated on that basis.

D2. Participation in the investigation

28. The TRA invited interested parties and contributors to register in order to participate in the investigation.

D3. Exporters/Producers from the United States of America

29. A full list of all cooperating participating US exporters and US producers can be seen in Table 28 in Annex A. Due to there being only six responses received, during the registration period, the TRA did not limit its examination of US exporters, so did not sample.

30. The TRA received full questionnaire responses from the following US producing exporter:
 - Formosa Plastics Corporation, USA (FPC USA)
31. The TRA received a full questionnaire response from the following US non-producing exporter:
 - Ravago Americas LLC dba Resintech (Resintech)
32. Rates will be allocated to US producing exporters only; non-producing exporters will not receive individual rates, with exports into the UK having the applicable producer rate applied to them in accordance with HMRC requirements.
33. The TRA has therefore recommended that a rate be applied to the cooperating producing exporter FPC USA, and a residual rate for all other US producers, as table 1 above describes.
34. Additionally, on the 7 March 2024, after initially indicating that they would complete a full questionnaire, US producer, Oxy Vinyls LP (Oxy) informed the TRA that they did not wish to respond to the TRA's request for information, but would cooperate with the remainder of the investigation. Oxy submitted a paper on 22 March 2024, published on 17 May 2024, questioning the validity of the application that led to the investigation.

D3.1. Non-cooperative US exporters

35. The deadline for completing a full questionnaire passed on 8 March 2024. The following parties who had completed a pre-sampling questionnaire, chose not to provide a full questionnaire:
 - Westlake Corporation, USA
 - Tricon International Ltd
 - Vinmar International LLC
 - Oxy Vinyls LP

The TRA, pursuant to regulation 49 of the Regulations, therefore deemed the above parties to be non-cooperative with regards to the investigation.

D4. Importers

36. During the registration period no importers of the relevant goods registered their interest in the case.

D5. Other Interested Parties/Contributors

37. Other Interested Parties/Contributors include:

- Genuit Group Plc
- Vestolit GmbH
- Eurocell Plc
- The British Plastics Federation

38. Annex A contains a summary of information received from interested parties/contributors.

D6. Verification of Data

39. This PAD and recommendation are based on the information before the TRA at the time of drafting, and the TRA deemed this information sufficient to reach a provisional determination and to make a recommendation.

40. We have completed verification activities and cooperating parties' information was verifiable. The verification reports are available on the [public file](#). We have satisfied ourselves that the information is complete, relevant, and accurate and can be used for the purpose of this investigation. Any additional relevant information obtained will be incorporated into the SEF and the TRA's final determination.

D7. Registration of imports

41. On the 14 May 2024, the applicant requested the TRA register the imports of S-PVC from the US. The reason given was to allow for possible duties to be collected from as early a date as possible, due to developments in other markets, including:

- 15 May 2023 - India imposed safeguard measures on the import of US S-PVC
 - 26 March 2024 - India announced an investigation in to dumping of S-PVC from, among other countries, the US
 - 14 June 2024 - the EU was scheduled to announce provisional measures on S-PVC from the US to come into effect on 12 July 2024
42. The applicant considered that these developments were likely to lead to deflections of trade from India and the EU into the UK. Given that S-PVC stores well they also stated there was a possibility that traders would import and stock the product in anticipation of potential UK measures.
43. Pursuant to Regulation 29 of the Act, the Secretary of State published [Trade Remedies notice 2024/07](#) on 25 July 2024, effective from 26 July 2024. This required HMRC to register the importation of S-PVC from the US, to facilitate the investigation into the goods.

Section E: The Goods Concerned and Like Goods

E1. Legislative Framework

44. The TRA refers to the goods we are investigating as the ‘goods concerned’ as per regulation 2 of the Regulations.
45. In accordance with paragraph 13(2) of Schedule 4 to the Act, the goods concerned which are the subject of this PAD and recommendation are referred to as the ‘relevant goods’. Since the goods subject to this PAD and recommendation are the same goods as defined in Section E2, this PAD and recommendation will hereafter only refer to the ‘goods concerned’.
46. In accordance with paragraph 7 of Schedule 4 to the Act for the purposes of the PAD and recommendation, the TRA refers to ‘like goods’ as those which are like the goods concerned in all respects or, if there are no such goods, goods that have characteristics which closely resemble them.

E2. The Goods Concerned

47. The investigation is in respect of S-PVC originating from the US, described as:
“Suspension Poly(vinyl chloride), not mixed with any other substance”
48. The Goods Concerned are subject to the following commodity codes:
 - 39041000 15
 - 39041000 80
49. It should be noted that the commodity codes changed during the POI (14 November 2023) from 3904 1000 10 and 3904 1000 90, both of which included some emulsion poly(vinyl chloride) (E-PVC) products, to 3904 1000 15 and 3904 1000 80, which represents only S-PVC. The commodity code for E-PVC was amended to 3904 1000 25 and 3904 1000 85.
50. The Goods Concerned are therefore S-PVC produced in the US for export to the UK. Similar goods sold on the US domestic market, goods imported into the UK

from third countries, and goods produced by the UK industry, are described as like goods if they meet the definition in paragraph 44 above.

E3. Like Goods

51. The like goods produced by UK industry is S-PVC that has the same general chemical make up as the goods concerned.
52. Like goods are also produced by the cooperating US producer, FPC USA for sale on the US domestic market, and is S-PVC that has the same general chemical make up as the goods concerned.
53. In identifying like goods, the TRA has considered:
 - physical likeness, such as physical characteristics;
 - commercial likeness, including competition and distribution channels;
 - functional likeness, such as end-use or interchangeability;
 - similarities in production, such as method and inputs;
 - other relevant characteristics.

E4. Product Control Numbers

54. The TRA uses product control numbers (PCNs) to define and group different types of products that fall under the goods description above, and to match exported goods with like goods.
55. Having considered these areas we concluded that the goods could be categorised under the one PCN number.
56. The PCN structure used in this case can be seen in Table 2:

Table 2: PCN Table	
Description	PCN
Suspension PVC, not mixed with any other substance	1

57. One interested party provided a comment on the PCN structure, asking that the structure should provide greater granularity for comparison. The majority of interested parties by volume of sales however agreed with the PCN structure

above, and therefore this structure was maintained. The party requesting a more detailed PCN structure chose not to submit a full questionnaire. No other concerns were raised by the interested parties, and in particular those that fully cooperated with the investigation did not raise any concerns regarding the PCN structure.

58. The investigation used a singular PCN structure, therefore there was a PCN match for our calculations for all goods that were S-PVC.

Section F: The UK Industry

F1. Overview

59. In accordance with paragraph 6 (1) of Schedule 4 of the Act, the UK industry is defined as all the producers in the UK of like goods or those of them whose collective output of like goods constitutes a major proportion of the total production of those goods in the UK. For the purpose of this investigation, we have defined the applicant as the 'UK industry', meeting the requirement of Regulation 52 of the Regulations.

F2. Scope of the UK Industry

60. The applicant's volume of production is 100% of UK production.

The applicant therefore meets the definition of "UK industry" under paragraph 6(1)(b) of Schedule 4 of the Act and will therefore be treated accordingly for the purposes of this investigation.

Section G: Preliminary Findings on Dumping

61. As defined in paragraph 1(1) of Schedule 4 to the Act, goods are 'dumped' in the UK when goods are imported into the UK and their export price is less than their normal value.
62. The TRA has investigated whether the goods concerned are being dumped in accordance with paragraphs 1(1) and 8(1)(a) of Schedule 4 to the Act.
63. Paragraph 1(2) of Schedule 4 of the Act defines the 'normal value' of goods as:
 - a) the comparable price, in the ordinary course of trade, for Like Goods when destined for consumption in the exporting foreign country or territory, or
 - b) such other price or value as may be determined in accordance with provision made by regulations for specified cases where it is not appropriate to use the price in paragraph (a)
64. The dumping margin is the difference between the export price and the normal value of the goods being dumped, described as a percentage of the export price at a level of the cost of insurance and freight (CIF).
65. The TRA has calculated dumping margins in accordance with paragraph 2 of Schedule 4 to the Act and regulation 6(2) of the Regulations. In our preliminary determination, calculating the dumping margin involved the following stages:
 - a) determining the normal value of the goods concerned;
 - b) determining the export price of the goods concerned;
 - c) ensuring a fair comparison between the normal value and the export price;
 - d) calculating the dumping margins.

G1. Normal value

66. In accordance with regulation 6(1) of the Regulations, Part 2 of the Regulations applies where the TRA is required to determine whether goods have been or are being dumped into the UK in accordance with paragraph 1 of Schedule 4 to the Act.

To make such a determination the TRA must determine the normal value of the goods concerned in accordance with regulation 6(2)(a) of the Regulations.

67. In accordance with regulation 7(1) of the Regulations, the TRA must use the comparable price to determine the normal value unless it is not appropriate to use that price.
68. Regulation 7(2) of the Regulations sets out the circumstances in which it is not appropriate to use the comparable price to determine the normal value of the goods concerned. This includes where there are no sales of the like goods in the ordinary course of trade in the domestic market of the exporting country or territory.
69. Regulation 9 of the Regulations sets out when the TRA may consider the sales of the like goods in the exporting country or territory as not being in the ordinary course of trade. This includes, in accordance with regulation 9(1)(a) of the Regulations, where the goods are sold at prices below the per unit (fixed and variable) costs of production plus administrative, selling and general costs (unprofitable sales).
70. Pursuant to regulation 9(2) of the Regulations, the TRA may only regard unprofitable sales as not being in the ordinary course of trade where it considers that the sales are made within an extended period of time (normally one year), in substantial quantities, and at prices which do not provide for the recovery of all costs within a reasonable period of time.
71. The TRA examined sales made by FPC USA in the exporting country during the POI (transactions under consideration for the determination of the normal value) and found that:
 - a) the weighted average selling price was below the weighted average per unit costs during the POI, calculated by reference to sales volume, and;
 - b) the volume of units sold below per unit costs represented more than 20% of sales.

72. The TRA found that unprofitable sales were made in substantial quantities, within an extended period of time, and at prices that were insufficient for the recovery of costs within a reasonable period of time. The TRA therefore found that sales of the like goods in the exporting country were not in the ordinary course of trade, and that it is not appropriate to use the comparable price to determine the normal value of the goods concerned.
73. Where it is not appropriate to use the comparable price the TRA must determine the normal value of the goods in accordance with regulation 8 of the Regulations.
74. The TRA calculated the normal value of the goods concerned by determining the costs of production plus a reasonable amount for administrative selling and general (AS&G) costs and profit in accordance with regulation 8(1)(a) of the Regulations. Full details can be seen in **Section G2. Constructed Normal Value**.

G2. Constructed Normal Value

75. As set out in **Section G1. Normal Value**, the TRA found that it is not appropriate to use the comparable price to determine the normal value of the goods concerned.
76. The TRA has determined the normal value of the goods in accordance with regulation 8(1)(a) of the Regulations, which sets out that the TRA must determine the costs of production plus a reasonable amount for administrative selling and general (AS&G) costs and profit, which have themselves been determined in accordance with regulations 11 and 12 of the Regulations.
77. Regulation 11(2) of the Regulations sets out that where regulation 11(3) of the Regulations applies, the TRA will normally calculate the costs of production of the like goods on the basis of records kept by the overseas producer.
78. Regulation 11(3) of the Regulations applies when the records of the overseas exporter are in accordance with generally accepted accounting principles of the exporting country, and reasonably reflect the costs associated with the production and sale of the like goods in the exporting country. The TRA considers FPC USA's records to be verifiable and for the purposes of a preliminary determination consider

that the requirements of Regulation 11(3) are met, and the TRA has therefore used these costs in constructing normal value.

79. In accordance with regulation 12(1) of the Regulations the TRA must determine a reasonable amount for AS&G costs and for profits when determining the normal value of the goods in accordance with regulation 8(1)(a).
80. Regulation 12(2) of the Regulations states that the TRA must determine the AS&G costs on the basis of actual data pertaining to the production and sales by the overseas exporter of the like goods, in the ordinary course of trade, in the domestic market of the exporting country or territory.
81. The TRA has determined the AS&G costs using FPC USA's total AS&G costs in respect of the like goods for the POI.

G3. Reasonable Level of Profit

82. The TRA found that it could not reasonably determine a level of profit based on actual profit levels pertaining to the production and sales of the FPC USA during the POI.
83. The TRA determined that production and sales of FPC USA were not made in the ordinary course of trade and so could not be used in accordance with regulation 12(2) of the Regulations.
84. Therefore, the TRA instead determined a reasonable level of profit under regulation 12(3)(c) of the Regulations based on the weighted average profit of those sales by the overseas exporter in question during the POI that were profitable, in the US domestic market.

G4. Export Price

85. In accordance with regulation 15(1) of the Regulations, the export price is the price the goods concerned are sold for, or the agreed price at which they are to be sold, to either an importer in the UK or a third party outside of the UK for export to the UK.

86. The TRA found that FPC USA export sales consisted of non-associated sales to importers in the UK, and third parties outside of the UK for export to the UK. We therefore used the export sales submitted by FPC USA for determination of the export price in accordance with regulations 15(1)(a) and 15(1)(b) of the Regulations.

G5. Fair Comparison

87. To ensure a fair comparison, the normal value and export price need to be compared at the same level of trade; normally on an ex-factory level and in respect of sales made at as near as possible the same time, in accordance with regulation 16(1) of the Regulations.

88. In accordance with regulation 16(2) of the Regulations the TRA may make adjustments for any differences which affect price comparability including differences relating to:

- a) conditions and terms of sale
- b) taxation
- c) levels of trade
- d) quantities
- e) physical adjustments

89. FPC USA reported fair comparison adjustments to their sales data. The TRA reviewed and adjusted those figures where the TRA deemed necessary.

90. The TRA determined that fair comparison adjustments to the export price were necessary to bring the export price to a comparable ex-factory level. The following fair comparison adjustments were made to the export price:

- a) Credit
- b) Freight Forwarding Charges
- c) Domestic Freight
- d) Packing

91. The TRA considered whether the fair comparison adjustments made to the domestic sales would need to be made to the constructed normal value to be able to compare this to the export price at the same level. Fair comparison adjustments for credit and level of trade were made to the constructed normal value in accordance with the data received from the participating US producer.

G6. Dumping Margins

92. In accordance with regulation 17(1)(a) of the Regulations, the TRA compared a weighted average normal value with a weighted average of prices for all comparable export transactions, from the cooperating US producing exporter, to calculate the dumping margin.

93. The TRA calculated a dumping margin for the US producing exporter that is cooperating in the investigation, FPC USA. There are currently no other cooperative US producing exporters.

94. The TRA calculated a dumping margin for all other non-participating US producing exporters. This is known as the residual amount.

95. The TRA has preliminarily determined that the cooperating US producing exporter, FPC USA has dumped S-PVC into the UK at the margin shown below in Table 3:

Table 3: Dumping Margins		
Country	US Producer	Dumping Margin
US	Formosa Plastics Corporation, USA	38.43%

96. In accordance with regulation 38(4)(b) of the Regulations the TRA has determined the residual amount taking account of information provided by FPC USA. In accordance with regulation 38(3) the TRA may determine the residual amount using any reasonable means. The residual amount has been determined using a method of selecting the highest dumping margin established for a given month in the POI,

between two production sites, which was January 2023. Table 4 shows the residual amount.

Table 4: Dumping Margins		
Country	US Producer	Dumping Margin
US	Residual amount	56.01%

97. These margins have been calculated based on the data submitted to the TRA. Once verification has been completed to assess the completeness, relevance and accuracy of the data, these margins may change in the Final Determination if applicable.

Section H: Preliminary Findings on Injury

98. Injury is the term used when there is evidence of a UK industry being harmed by dumped or subsidised goods. Paragraph 5 of Schedule 4 to the Act defines 'injury' to a UK industry in particular goods as:
- a) material injury, or the threat of material injury, to the industry, or
 - b) material retardation of the establishment of the industry
99. In accordance with regulation 27(2) of the Regulations, as the TRA has determined that goods have been or are being dumped into the UK, it must determine whether:
- a) UK industry has suffered or is suffering injury in accordance with regulation 30 of the Regulations (determination of injury); and
 - b) the dumped goods have caused or are causing that injury to that UK industry.
100. To determine whether a UK industry is suffering or has suffered injury from imports of the goods concerned, in line with regulation 30 of the Regulations, the TRA has examined three factors:
- a) the volume of the dumped goods during the injury period;
 - b) the effect of the dumped goods on prices of the like goods in the UK market during the injury period;
 - c) the consequent impact of the dumped goods on UK industry during the injury period;
101. To determine whether the dumped goods have caused or are causing injury to UK industry, in line with regulation 35 of the Regulations, we have also examined whether any known factors other than the dumped goods (other known factors) have caused or are causing injury to a UK industry. We considered the following factors:
- a) Volume of third country imports and prices
 - b) Changes in the pattern of consumption of the like goods in the UK

H1. Considerations of the injury and causation analysis

H1.1. HMRC Import Statistics

102. We used the official import statistics published by HMRC for our analysis. The official import statistics published by HMRC report import volumes in kilograms (kg). This has been converted to metric tonnes for this investigation (1mT = 1,000kg).
103. HMRC import statistics publicly available at an 8-digit level provide a good reflection of the trend of UK imports of S-PVC from the US. On 14 November 2023, the commodity codes changed from 3904 1000 10 and 3904 1000 90, both of which included some emulsion poly(vinyl chloride) (E-PVC) products, to 3904 1000 15 and 3904 1000 80, which represents only S-PVC. The code for E-PVC was amended to 3904 1000 25 and 3904 1000 85.
104. Research has demonstrated that the 8-digit HMRC data (3904 1000) for the US does not include E-PVC, and only contained S-PVC.
105. E-PVC was imported into the UK from the EU and made up approximately 10% of imports to the UK from EU countries under the 8-digit data from HMRC in the IP.
106. The 8-digit HMRC data doesn't take full account of products that move through special trade routes, for example bonded warehousing. Our review of the UK S-PVC market identified that a significant proportion of US imports entered the UK in this way.
107. HMRC has reported to the TRA that for the reporting year 2023 approximately 10% of EU imports entered the UK without country of origin identification, and that this was not believed to be related to a single EU country.
108. The TRA has used confidential 10-digit data from HMRC over the publicly available 8 digit data for analysis. However to demonstrate trends in this report 8 digit data has been used.
109. PSQ data from three US producing exporters and three US non-producing exporters showed that a total of 42,000-49,000mT was exported to the UK in the

POI. This represents 95-110% of the exports recorded by HMRC at an 8-digit level. The TRA knows of one US producer who did not complete a PSQ.

H1.2. Unit of measurement

110. The US industry commonly uses US cents per lb and US dollars per short ton as the metric for pricing. The UK industry commonly uses Great British Pounds (GBP) per mT as its metric for pricing. In order to compare the trends all volume units used have been converted to mT, and unit pricing as GBP mT.

H2. The volume of the dumped goods

111. In accordance with regulation 31 of the Regulations, when determining whether the UK Industry is suffering injury, the TRA has considered whether there has been a significant increase in the dumped goods in the UK either in absolute terms (the volume of dumped goods being imported into the UK market) or relative to domestic production or consumption.

H2.1.1. Volume of dumped goods in absolute terms

112. The TRA has assessed absolute changes in the volume of imports of the goods concerned from the US using HMRC 8-digit and confidential 10-digit data, along with confidential PSQ data.

Table 5: US imports of the goods concerned in mT				
	2020	2021	2022	2023
	Year one	Year two	Year three	POI
Volume (mT)	19,661	26,973	35,468	45,915
Indexed to 2020	100	137	180	234

Source: HMRC Import Statistics, Questionnaire responses

113. Table 5 shows the trend in absolute volume of imports originating from the US. During the IP there has been significant gain in volume, which has been prolonged, with year-on-year increases. US imports were 37% points higher in 2021, than 2020 and this pattern continued to rise as 2022 imports were 80% points higher than 2020, and 2023 were 134% points higher than 2020 volumes.

H2.1.2. Volume of dumped goods relative to domestic production

114. While there was a significant increase of US exports to the UK in 2022 and 2023 as Table 5 shows, this was at a time when UK domestic production saw mixed fortunes, with an increase in production for 2021 over 2020, but a subsequent decrease in production over 2022 and 2023. Table 6 below demonstrates this. US imports increased to 134% points above 2020 levels by 2023 while UK production saw a decline of 35% points in the same period.

Table 6: UK Production for UK Domestic sales

	2020	2021	2022	2023
	Year one	Year two	Year three	POI
UK production Volume (indexed)	100	120	75	65
US import volume (indexed)	100	137	180	234

Source: HMRC Import Statistics, Questionnaire responses

115. US imports of the goods concerned have increased significantly in the injury period, and when compared to the decreasing UK production volumes the change is even more significant.

H2.1.3. Volume of dumped goods relative to domestic consumption

116. UK consumption is calculated on the basis of HMRC and confidential data including:

- a) import volumes of the goods concerned,
- b) import volumes of like goods from third countries and
- c) domestic sales of the UK industry's like goods.

Table 7: UK consumption of S-PVC

	2020	2021	2022	2023
	Year one	Year two	Year three	POI
UK consumption (indexed)	100	138	119	114
US import volume (indexed)	100	137	180	234

Source: HMRC Import Statistics, Questionnaire responses

117. Table 7 above shows the change in total consumption of S-PVC. Overall consumption rose by 38% points in 2021. Consumption started to fall in 2022, with a reduction of 19% points and a further fall of 5% points in 2023.
118. As Table 7 shows, UK consumption of S-PVC increased significantly in 2021 following the COVID 19 period of 2020, when demand was low due to many industries not being fully operational in the UK, including the construction industry which is a significant user of S-PVC derived products (Pipes, PVC windows doors, insulated cabling etc). The initial growth in consumption in 2021, was followed by a decrease in demand leading to the consumption rate in 2022 and 2023 falling, with consumption in 2023 14% points above 2020 levels.
119. Comparing US imports to UK consumption, while US imports increased by 1% point less than UK consumption in 2021, in the years 2022 and 2023 US imports grew significantly in a declining UK market.
120. US imports of the goods concerned have increased significantly in the injury period, and when compared to the UK consumption volumes, it can be seen that US imports are increasing in volume at a greater rate than consumption, with the greatest increases seen in 2022 and 2023.

H2.2. Effect of dumped goods concerned on prices

121. In accordance with regulation 32 of the Regulations, to assess the effect of the dumped goods on prices of the like goods in the UK during the injury period, the TRA has considered whether:
- a) there has been significant price undercutting by the dumped goods as compared with the price of the like goods produced in the UK; or
 - b) the dumped goods have depressed or suppressed domestic prices of the like goods produced in the UK to a significant degree.

H2.2.1. Price undercutting

122. Price undercutting is where the imported goods are consistently sold at a price below that of the like goods in the UK.
123. An undercutting margin is calculated by comparing the UK sales price (ex-factory) with the import price (the landed price) for similar products during the POI. The landed price is the price of the goods concerned when they arrive at a UK port. It equates to the CIF import price plus any relevant import duties and other costs associated with importing. An undercutting margin (%) reflects the extent to which landed prices of the imported goods concerned are lower than the UK sales prices of the like goods.
124. The TRA analysed the submissions from interested parties to establish whether imports were affecting the prices in the UK market.
125. The TRA analysed import data from one US producing exporter and one US non-producing exporter who exported goods to the UK produced by a number of US producers. The volume of these imports into the UK represented a sufficient level of the goods concerned for the POI to provide a meaningful analysis.
126. The TRA calculated an average undercutting margin covering the PCN and found an undercutting margin of 26.79% during the POI. Table 8 below demonstrates the trend over the POI:

Table 8: Price undercutting analysis between UK and US S-PVC				
	2020	2021	2022	2023
	Year one	Year two	Year three	POI
UK average unit price (indexed)	103	180	224	148
US average unit price (indexed)	100	176	198	118

Source: HMRC Import Statistics, Questionnaire responses

127. Table 8 demonstrates the undercutting of the goods concerned from the US, Graphic 1 and 2 also provide a pictorial view of US prices over the IP comparing it to the other importing countries as well as the UK.

128. US undercutting has been present in the IP and became more significant in 2022 and the POI (2023).

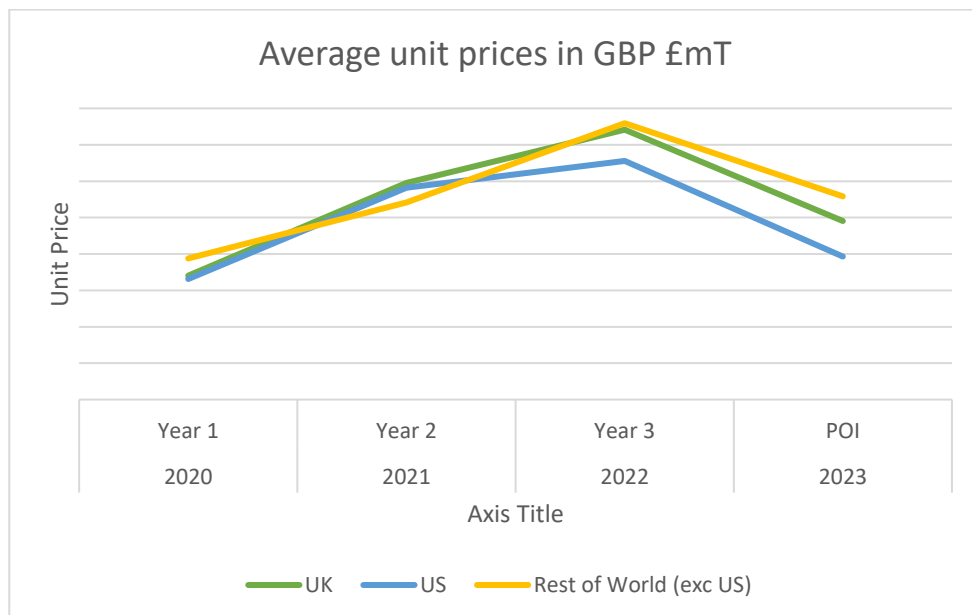
H2.2.2. Price depression

129. Price depression occurs when the UK industry is forced to reduce its domestic sales prices to compete against lower priced dumped goods.

130. The TRA compared the average domestic price of the UK industry like goods to the average import price of the goods concerned from the US to establish whether there was price depression during the injury period.

131. Analysis of confidential pricing data showed that US unit prices were comparable to UK and RoW (excluding the US) prices during 2020, 2021 (Graphic 1) and the first part of 2022. (which can be seen in Graphic 2).

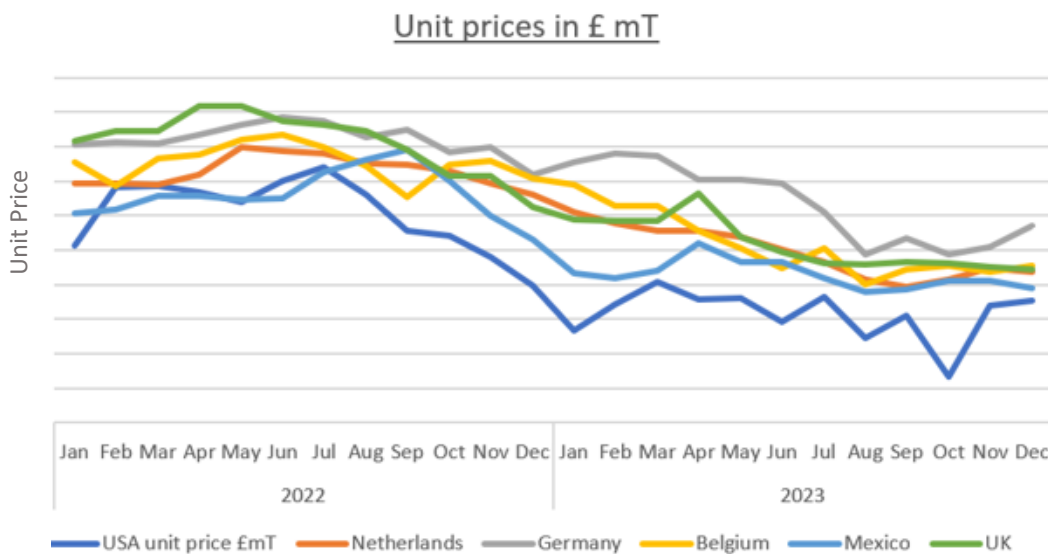
Graphic 1: Average unit prices in GBP per mT over the injury period.



Source: GTT confidential subscription service data

132. From the start of 2022 (Graphic 1 and 2) US unit prices rose at a slower rate than UK and RoW prices, but from July 2022, US prices were decreasing at a much greater rate when compared to the unit prices of UK and RoW. The latter part of 2022 and beginning of 2023 saw the difference in unit price increasing. The applicant has stated that this led to them reducing sales prices in order to retain sales.

Graphic 2: Top 5 importers to the UK and UK producer average monthly unit prices in GBP per mT over 2022 and 2023.



Source: HMRC confidential data and confidential questionnaire data

133. We compared the average domestic price of the UK produced like goods to the average import price of the goods concerned from the US, as well as the top five countries who export S-PVC to the UK, to establish whether there was price depression during the injury period, and if this price depression was caused by US imports or another source.

Table 9: Average import price from the top 5 countries including the US and Average UK Industry sales price, indexed to US 2020 prices				
	2020	2021	2022	2023
	Year one	Year two	Year three	POI
USA	100	176	198	118

Netherlands	106	172	220	148
Germany	158	188	639	186
Belgium	112	107	231	158
Mexico	102	139	204	129
UK	103	180	224	148

Source: HMRC Import Statistics, Questionnaire responses

134. Table 9 above shows that imports from the US were the lowest for the top five importing countries by volume for 2020, 2022 and 2023. In 2021 Mexico, Netherlands and Belgium were lower. We considered this data point, and compared it to independent confidential 8-digit data from Global Trade Tracker (GTT). The confidential GTT data indicated that both Mexico and Belgium unit prices were lower in 2021 than the US. HMRC volume data (Table 8) demonstrates that although Mexico, Netherlands and Belgium increased sales volume in 2021, they did not do so at the same rate as UK consumption increased (Table 7) and therefore lost market share. It is therefore unlikely that the lower prices of Mexico, Netherlands and Belgium in 2021 caused price depression, and the following year of 2022 their unit prices were higher than the US.

135. Table 9 shows that the average price of the goods concerned has increased over the injury period. US pricing increased to 198% points above 2020 levels by 2022 but fell rapidly in 2023 (see Graphic 2 and Table 8). UK pricing was 224% points above 2020 levels in 2022. Falls in US pricing brought UK pricing down, and Graphic 2 above shows the US pricing falling over the POI.

136. When taken into consideration alongside the increased volume of US imports, it appears that the UK industry is facing downward price pressure (price depression) from the dumped goods concerned, forcing it to reduce prices to levels that it claims are unsustainable for its business operations. Price depression was more significant in 2022 and 2023 with a 26% point difference in 2022 and 30% points difference in 2023 (POI).

H2.2.3. Price suppression

137. Price suppression occurs where lower priced imports of the goods concerned prevent, to a significant degree, the UK industry from increasing its domestic sales prices to a level that would otherwise have occurred.
138. To assess whether there was any evidence of price suppression, the TRA examined changes to domestic sales prices and changes to the cost of production for the like goods produced in the UK during the injury period.
139. Confidential cost of production data showed that during the IP the UK producer was able to increase prices in line with the increased costs in 2022, however due to the reduction in prices that can be seen mid-year in Graphic 2, the UK producer was forced to lower prices in order to compete with the decreasing price of US dumped imports which were entering the UK in increasing volume.
140. During the POI some downward effects on energy pricing allowed the UK producer to lower prices, but it was still not able to lower prices to compete with US dumped imports, as Graphic 2 demonstrates.
141. The TRA reviewed confidential data from the UK producer which indicated that there was pressure in the market to reduce pricing to US levels in order to compete and retain the customer base.

H2.3. Impact of dumped goods concerned on UK industry during the injury period

142. In considering, for the purpose of regulation 30(2)(c) of the Regulations, the impact of the dumped goods on the UK industry, pursuant to regulation 33 of the Regulations the TRA must take into account all relevant economic factors and indices having a bearing on the UK industry including:
- actual and potential decline in sales, profits, output, market share, productivity, return on investments, and utilisation of capacity;
 - factors affecting domestic prices of the like goods;
 - the magnitude of the margin of dumping;
 - actual and potential negative effects on cash flow, inventories, employment, wages, growth, the ability to raise capital or investments

H2.3.1. UK industry sales

143. To assess whether the UK industry has been injured or is being injured, we assessed whether there has been a decline in both the volume and value of domestic sales of the UK like goods. A decline in domestic sales may be an indicator that the UK industry is suffering injury.

Table 10: UK Domestic sales				
	2020	2021	2022	2023
	Year one	Year two	Year three	POI
Value (indexed)	100	210	163	94
Volume (indexed)	100	120	75	65

Source: Questionnaire responses

144. Table 10 shows the trend in the UK industry's sales figures from the Applicant's submission. There had been an upwards trend in the UK industry sales volume during the initial stages of the injury period, following recovery from the Covid 19 year of 2020, which was heavily impacted with lower sales due to downstream industry shutdowns and lack of demand from the building sector, a larger buyer of S-PVC. The second year, 2021 saw demand increase as business sectors moved out of lock downs from COVID-19 but it also coincided with S-PVC prices nearly doubling in the period as demand soared.

145. Sales by volume and value fell significantly in years three and four. With year four (POI) value of sales being 6% points below 2020 levels, and volume sales being 35% points below 2020 levels.

H2.3.2. Profitability

146. To assess whether the UK industry has been injured or is being injured, we assessed whether there has been a decline in profit during the injury period.

Table 11: UK industry net profit margin				
	2020	2021	2022	2023
	Year one	Year two	Year three	POI

Profitability of "Like Goods" (indexed)	100	228	232	89
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Source: Questionnaire responses

147. Table 11 shows a significant reduction in the profit margin of the UK industry from 2022 to 2023 (the POI), and a reduction when compared with the rest of the injury period. The applicant explained in the application that UK industry aim for a 15% net profit year-on-year. This level is necessary due to the industry being heavily investment driven, with significant financial resources spent on research and development, and keeping up to date with increasing regulatory and environmental restrictions.

148. UK industry did not meet the aim of 15% target profit for the like goods in the COVID year of 2020 when UK consumption was low due to many business areas being on shut down, or in the POI when sales were heavily affected by dumped imports from the US. However, for 2021 and 2022 the UK industry exceeded the target profit level for the like goods.

149. The UK industry state within their application that they have had to accept loss-making sales to maintain their presence in the UK market as they bid with competition from the dumped US prices. This may become unsustainable for the UK industry in the long term if it continues. The decline in profits during the injury period is an indicator of injury suffered by the UK industry.

H2.3.3. Output and capacity utilisation

150. To assess whether the UK industry has been injured or is being injured, the TRA assessed whether there has been a decline in output and use of production capacity during the injury period. A decline in these economic factors may indicate that the UK industry is suffering injury.

151. Output is measured by the volume of like goods produced by the UK industry during the injury period. Capacity utilisation is calculated by looking at output relative to capacity. Capacity utilisation allows us to understand whether the UK industry is using its full capacity to produce the like goods during that period.

Table 12: Indexed UK industry output, capacity and capacity utilisation

	2020	2021	2022	2023
	Year one	Year two	Year three	POI
Maximum capacity (indexed)	100	100	100	100
Output (indexed)	100	103	66	60
Capacity utilisation (indexed)	100	103	66	60

Source: Questionnaire responses

152. The UK industry is not in a position to supply 100% of UK consumption and the UK market relies upon imports to meet the remainder of demand. Table 12 shows the UK industry production capacity has remained static over the injury period.

However, output and capacity utilisation declined during the same period to below 2020 levels. Output saw a decline of 40% and capacity utilisation a similar fall of 40% from 2020 to 2023. While UK consumption of S-PVC decreased from 2022 into 2023, consumption remained 14% points above 2020 level. However for UK industry output and capacity utilisation was at 60% points of 2020 levels.

153. The UK industry requires high production utilisation to remain viably profitable. If this current trend continues, the UK industry is in danger of not reaching a viable profitability level to re-invest.

H2.3.4 Market Share

154. Market share is calculated by dividing the specific sales volumes (based on country of origin) by the total UK consumption figures:

Table 13: Indexed UK Market Share of Top Five Importers and UK

	2020	2021	2022	2023
	Year one	Year two	Year three	POI
Market share of UK producers	100	87	63	57
Market share of US imports	100	106	157	218
Market share of Netherland imports	100	108	135	76
Market share of German imports	100	140	179	97
Market share of Belgium imports	100	47	78	49

Market share of Mexican imports	100	71	94	84
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Source: HMRC Import Statistics, Confidential Questionnaire responses

155. Table 13 shows the market share of S-PVC split at a country level. Despite a reduction in demand for S-PVC from 2021 in the UK market, UK producers saw a greater loss in market share which has been filled by increased market share from US and EU imports.

156. During the injury period, imports from the US have increased in volume from the baseline in 2020 by 134% in 2023 (see Table 5). US market share increased overall, despite events such as the shipping crisis which led to higher ocean freight costs and delays in shipping goods via sea routes, affecting supply via ocean freight such as US and Rest of World (RoW) product.

157. The effect of the increased US volumes in imports, is that they increased their market share in 2023 by 118% points over the 2020 level, while UK industry lost 43% points of market share in the same period.

H2.3.5. Productivity and employment

158. To assess whether UK industry is suffering injury, we assessed whether there has been a decline in employment and productivity during the IP. A decline in these factors may indicate the UK industry has suffered or is suffering injury.

159. We assessed employment trends by analysing how the number of employees in the UK industry has changed throughout the injury period. Productivity is measured by establishing the output. In this instance the UK industry used metric tonnes per employee during the IP. The number of employees includes employees working on the production of like goods and employees working in operational and administrative roles linked to the production of like goods.

160. Table 14 below provides figures of the UK industry's employment and productivity throughout the injury period.

Table 14: Productivity and employment

	2020	2021	2022	2023
	Year one	Year two	Year three	POI
Employee numbers (Indexed)	100	98	97	99
Productivity (Indexed)	100	105	68	60

Source: Questionnaire responses

161. Over the IP the UK industry employment level was reasonably static, and only saw a slight decrease in the number of employees working on or connected to the production of S-PVC, with employment in the POI being at 99% of 2020 levels.

162. However, as explained in H2.3.3. capacity for the UK industry remained static for the injury period. Therefore, with a decline in demand of UK produced S-PVC from 2021 productivity fell during 2022 and the POI of 2023.

163. Productivity levels have dropped 40% in the period. The largest drop occurring in 2022, which coincided with a significant drop in UK consumption of S-PVC. In the same period 2022, UK and third country imports saw a loss of market share, while US imports gained market share.

H2.3.6. Effect on wages

164. Table 15 below provides the median wage of the UK industry. The average wage remained stable throughout the injury period, but in real terms fell as it did not increase with inflation, noting that inflation in the UK in 2022 rose to 11.1% briefly before falling to 4.2% in 2023.

Table 15: UK industry wages

	2020	2021	2022	2023
	Year one	Year two	Year three	POI
Median average wage (Indexed)	100	99	104	101

Source: Questionnaire responses

H2.3.7. Investments, Return on investments and Cash Flow

165. To assess whether UK industry is suffering injury, we assessed whether there has been a decline in investments, decline in return on investments (ROI) and decline in cash flow during the injury period.

166. ROI measures business performance and earnings arising from investments. Cash flows and cash flow forecasts give us an overview of a business's capability to invest, maintain operations and grow. A decline in these factors may indicate the UK industry has suffered or is suffering injury.

Table 16: UK industry return on investments and cash flows				
	2020	2021	2022	2023
	Year one	Year two	Year three	POI
Investments (Indexed)	100	155	160	163
Cash Flow (Indexed)	100	500	359	72
Return on investments (Indexed)	100	453	324	76

Source: Questionnaire responses

167. Investments show increased spending through the injury period and POI, but this is largely due to replacement of assets at end of life and environmental and Health and Safety investments to be able to continue to operate. There has been no investment for increasing capacity.

168. The UK industry state that a drop in profitability in 2023 has affected their ability to invest (see H2.3.2.). Planned investments for 2024 have not gone ahead, with only investments required to maintain regulatory / licencing requirements being prioritised. The decrease in investments in 2023 and beyond coincides with the drop in profits in 2023.

169. Return on investments trend is more severe, increasing in 2021 before decreasing to below 2020 levels in 2023. Cash flow did increase initially in 2021 following a significant increase in sales following the 2020 COVID year but also fell to below 2020 levels in 2023.

170. Although these three indicators fluctuate, the trend in return on investments is a stronger indicator of injury to the UK industry, coinciding with the price pressures from dumped US S-PVC in the later part of 2022 through to 2023 and the fall in sales. This has significant negative implications for an industry that is heavily investment driven.

H2.3.8. Inventories

171. To assess whether the UK industry is suffering from injury, we assessed whether there has been a change to inventory levels that may indicate the UK industry has suffered or is suffering injury.

Table 17: UK industry inventory				
	2020	2021	2022	2023
	Year one	Year two	Year three	POI
Closing stock (Indexed)	100	115	95	91

Source: Confidential Questionnaire responses

172. The UK industry assess their stock levels in terms of volume and inventory days.

Table 17 shows a decline in stock levels of 9% across the injury period. This signifies a slower turnover of sales as the period progresses, which could be linked to the increasing difficulty of the UK industry in selling its products within the UK market due to the lower price of US imports. It must be noted that a large proportion of S-PVC goods are made to order based on expected sales rates from contracts. However, a certain proportion of production will be made in anticipation of demand through additional sales.

H2.3.9. Growth

173. The TRA considered the UK industry’s market share, production, sales and employment figures for the IP and POI. The trend for these factors are shown in the Table 18 below.

Table 18: UK industry growth factors				
	2020	2021	2022	2023
	Year one	Year two	Year three	POI

UK consumption of S-PVC (Indexed)	100	138	119	114
UK industry domestic sales volume (Indexed)	100	120	75	65
UK Market share (Indexed)	100	87	63	57
UK production (Indexed)	100	103	66	60
Employment (Indexed)	100	98	97	99

Source: HMRC data, confidential questionnaire data

174. We measured growth by comparing trends in total UK consumption of S-PVC with the UK industry domestic sales, UK industry's market share, production and employment figures.

175. The UK S-PVC consumption has increased over the IP. The UK industry sales employment remained close to 2020 levels with a 1% point reduction by the POI. It therefore didn't follow UK consumption.

176. The UK industry's market share and production have declined over the IP. It's clear that the increased consumption in the UK has not benefited the UK industry with regard to their market share.

177. Similarly, although their domestic sales volume did grow at the beginning in 2021 over the IP we would expect it to have continued to grow in line with consumption however it did not, production being down to 65% of 2020, while consumption was at 114% of 2020 levels.

178. The UK industry does not appear to have grown as would have been expected when comparing it to UK consumption over the IP.

H2.3.10. Magnitude of the margin of dumping

179. Table 4 above demonstrated that the dumping margin was significant, with a range of 38.43% to 56.01%. When considered with the increased volume of imports from the US of the goods concerned, see Table 5, it is clear that the dumped US S-PVC is likely to be having an effect on UK industry, as the US goods have been able to enter the UK market in both volume and at a reduced price.

H2.3.11. Factors affecting domestic price of the like goods

180. The TRA has assessed factors affecting domestic prices in Section H2.21 Price undercutting, H2.2.2 Price depression and H2.2.3 Price Suppression above and concluded that there has been significant price undercutting, as well as price depression and suppression in 2022 and 2023 by the goods concerned.

H2.3.12. Other factors considered relevant

181. The TRA does not consider there to be any other relevant factors.

H2.4. Conclusion on UK industry

182. The TRA has assessed factors affecting domestic prices in Section H2.3 above and concluded that there has been significant impact on the UK industry in the IP and POI.

183. We have identified a significant signs of injury when examining the in injury factors above, including loss of market share, factors affecting price of the like goods,, reduced profitability, lower return on investments, reduced output, reduced capacity utilisation and productivity.

184. The above evidence before the TRA indicates that the UK industry is suffering material injury. The existence of evidence before the TRA of material injury led to a determination that it was not necessary to investigate whether there is also a *threat* of injury to UK industry.

H3. Causation and non-attribution

185. In accordance with regulation 35 of the Regulations, injury caused by other known factors must not be attributed to dumped imports of the goods concerned. The TRA considered whether any other known factors, other than the dumped goods, caused or are causing injury to the UK industry.

186. The TRA considered the following:

- a) Volume of third country imports and prices
- b) Changes in the pattern of consumption of the like goods in the UK

187. The TRA received on 22 March 2024 a [submission](#) from OXY, which raised a concern that if any material injury exists, US imports are not the cause. The TRA addresses the causation and non-attribution arguments raised by OXY below.

H3.1. Volume and the prices of imports that are not dumped or subsidised into the United Kingdom

188. Imports from third countries to the UK were examined to ascertain whether they break the causal link between the dumped goods from the US and injury to the UK industry. Tables 19 and 20 focus on the five largest importing countries into the UK which were the US, Netherlands, Mexico, Belgium and Germany.

Table 19: Top 5 countries with largest Import volume into the UK indexed to 2020				
	2020	2021	2022	2023
	Year one	Year two	Year three	POI
USA	100	147	186	236
Netherlands	100	149	160	87
Mexico	100	97	111	96
Belgium	100	65	93	56
Germany	100	193	213	110

Source: HMRC Import Statistics

189. Table 19 outlines the five countries with the highest volume of S-PVC imported to the UK. The Netherlands remained the largest importer into the UK over the IP. The US being the second largest importer by 2023, from being the fifth largest in 2020. While the US exports rose consistently over the IP, the remainder of the top five nations' exports to the UK were less consistent and only Germany increasing sales by 2023 from 2020. The remainder, Netherlands, Belgium and Mexico, imported less in 2023 compared to 2020, with Belgium falling 44% points.

190. UK consumption of S-PVC fell 5% points, in 2023 from 2022, however US imports increased by volume a further 50% points over the 2022 level.

Table 20: Average import unit price of top five largest import countries and the US				
	2020	2021	2022	2023

	Year one	Year two	Year three	POI
USA	100	176	198	118
Netherlands	100	162	208	139
Germany	100	119	406	118
Belgium	100	96	207	141
Mexico	100	137	201	127
UK	100	175	218	144

Source: HMRC Import Statistics and questionnaire data

191. Table 20 above shows the indexed average unit price of S-PVC as they enter the UK. While the Netherlands was the largest exporter in the whole IP, 2020 to 2023 (by volume) the prices of S-PVC as a unit price were comparable to UK unit prices. In the POI however the position changed, with US pricing seeing a significant fall, compared to not only UK prices but also that of third country imports, imports from the US became the second largest into the UK by volume.

192. The level of imports from the Netherlands, Belgium and Germany significantly decreased in volume over the IP making it unlikely that those imports caused the injury felt by the UK industry.

193. The data detailed above shows that in 2020 and 2021 the UK industry was in good health. From 2022 UK industry sales fell, and UK industry suffered a greater loss of market share while the US market share increased.

H3.2. Changes in the pattern of consumption of the like goods in the UK

194. The UK left the EU on 31 January 2020 and entered a transition period until 31 December 2020. The UK producer of S-PVC does not consider that the UK leaving the EU has caused a contraction in demand for S-PVC or change in the pattern of consumption.

195. The EU exit was only raised by Resintech in the questionnaire process. Resintech claimed that “significant changes in trade regulations, tariffs, and market dynamics resulting from the UK’s withdrawal from the European Union had a profound impact on the competitiveness and viability of the domestic industry”.

196. The TRA reviewed this but did not find any evidence to indicate that a contraction in the UK S-PVC market was caused by the EU exit. In fact UK consumption of S-PVC increased over the POI, and while the initial increase in consumption slowed in 2022 and 2023 this reduction has been seen to be due to a reduction in demand from the various sectors of downstream industry that buy S-PVC goods, most notably construction, automotive who have seen reduced sales. This is widely perceived to be a result of interest rates and inflationary effects.

197. The COVID-19 pandemic that arose in early 2020 and the subsequent lockdown periods enforced by the UK government (from March 2020) caused a reduction in consumption of S-PVC within the UK during this period. Due to country wide imposed restrictions a large part of the UK building trade was not operating during 2020 which had a significant impact on demand for S-PVC. Other industries were affected by reduced demand as the UK economy was not operating at full capacity and introductions of workplace distancing in some sectors reduced production.

198. While consumption of S-PVC was lower, the UK production industry of S-PVC was seen as nationally important, and key worker status was given to S-PVC production and UK production continued. Lower sales effected profitability for the UK producer in this period. This position however turned around for the following year 2021.

199. In the following year of 2021 demand for S-PVC was led by the building sector as it recovered from shutdowns, and demand increased. Consumption in the UK rose significantly over the 2020 level, with a 38% increase over 2020 UK production increased and sales increased for the UK producer. This period of 2021 was immediately after the time the UK left the EU. It is therefore unlikely with the increased production and sales that the UK leaving the EU was a cause of injury for the UK producer.

200. February 2022 saw the invasion of Ukraine. The impact of this on European markets led to higher energy prices and brought about an inflationary effect on many products in most markets. For the UK S-PVC industry this meant an increase

in the cost of manufacturing as the product is energy intensive to produce. They were able to increase unit prices at the beginning of 2022. Chart 1 and 2 shows how all countries increased prices over this period. However, with downward price pressure from US imports in the later part of 2022 and 2023 this pulled domestic prices down.

201. Inflation and subsequent interest rate increases from 2022 reduced growth in the housing market / building sector which had a knock on effect to demand of S-PVC. UK automotive industry saw a reduction in consumer demand for end products as consumer spending reduced. Other industries using S-PVC saw a reduction in demand which caused a contraction in the UK S-PVC market. Although a contraction occurred in the UK market over 2021 levels, demand remained 14% above 2020 levels, but it was UK industry that saw a greater reduction in demand over the IP when compared to other countries imports.
202. Comparing the UK industry sales volume to the drop in consumption (measured by volume) from 2021 to 2023 of 24% points, UK industry sales (see table 10)), dropped by a much larger proportion, of 46% points in 2023, at a time when US S-PVC increased import volume by 94% points (2021 to 2023). Therefore, the evidence indicates that while there has been some effect on UK industry due to the reduced demand for S-PVC from several factors, including COVID-19, overall change in demand in the market, interest rates, inflation, the significant cause of injury has been the dumped goods from the US that have injured the UK industry with price suppression and undercutting.
203. Having considered the other known factors that could be causing the injury, including imports from third countries, interest rate increases, inflation, COVID and the EU Exit, we did not find sufficient evidence to break the causal link between the Goods Concerned and the injury identified.
204. Having regard to all the available information, we have not identified any additional factors that we deem relevant for the injury analysis.

H4. Conclusions on Injury

205. After an assessment of 15 injury factors, we have concluded that the UK S-PVC industry has suffered injury caused by the increased volume of dumped goods originating from the US.
206. We have identified a significant increase in dumped goods from the US which has coincided with various injury factors including loss of market share, price depression, price undercutting, reduced profitability, lower return on investments, reduced output utilisation and productivity.
207. Other known factors including 3rd country imports and prices have been assessed and it has been concluded that the evidence does not suggest a break to the causal link due to the combined effect of significant increased volume and low average dumped unit price of the US S-PVC during the POI.
208. The TRA therefore concluded that UK industry suffered injury during the IP within the meaning of paragraph 5(1) of Schedule 4 to the Act. Substantial undercutting by imports of the goods concerned originating in the US, combined with a surge in import volumes, has been evidenced to be a significant cause of the injury suffered by the UK industry.
209. The application alleged that UK industry was suffering material injury but also alleged that there was a threat of material injury. Given the conclusion above that material injury is being suffered a decision was reached that it was not necessary to give any further consideration at this stage to the allegation of threat of material injury.

H5. Injury Margin

210. The injury margin is the extent at which the UK industry is being injured. The default methodology is to base the estimate of injury margins for each exporter on underselling margins. This is calculated by comparing a benchmark UK price (the target price) with the import price (the landed price). The target price is the price that a UK producer would expect to sell its like goods at if it were not being affected

by the dumped goods. The total amount of underselling is then expressed as a percentage of the total import value of the goods concerned. This method was used to calculate an injury margin for the cooperating US producing exporter.

211. We also calculated an injury margin for all non-cooperative US producing exporters. This is known as the residual margin.

H5.1 Target Price

212. The target price is the price that a UK industry would expect to sell its like goods at if it were not being affected by the dumped goods.

213. We calculated the target price by using the UK industry cost of production for the like goods, adding their AS&G costs, and applying a normal rate of profit. The normal rate of profit was set at between 10-15% (confidential profit margin) in this instance, which was based on historical data from the UK Industry and what the TRA believe is expected by the S-PVC industry under normal competition. This profit margin is higher than might be expected for other industries due to the high-investment nature of the goods and the need to invest in research and development to ensure the business is competitive as it also transitions to net zero carbon in 2050 to meet UK legislation, and targets.

H5.2 Landed price

214. The landed price is the price of the goods concerned as they enter the UK port. It equates to the CIF import price plus any relevant import duties and other costs associated with import.

215. We calculated the landed price by using the verified exporter's CIF UK export price. The CIF value was provided in USD and converted to GBP, and we have used the Bank of England monthly exchange rate to convert the price to GBP.

H5.3. Residual Amount

216. Regulation 38(3) of the Regulations states that the TRA may determine the residual amount using any reasonable means.

217. In line with regulation 38(4) of the Regulations we determined the residual margin taking into account information contained in the UK producer's and US producer questionnaires.

218. The residual margin has been set using the same methodology for the dumping margin, by selecting the highest injury margin established using data, in a given month of the POI, between two production sites, which in this instance was the month of December 2023, when the injury margin was 74.64%.

H5.4. Injury Margins

219. Using the approach and data detailed above, the TRA determined the following margins outlined in Table 21.

Table 21: Injury Margin		
Country	US Producer	Injury Margin
US	Formosa	55.50%
US	Residual Rate	74.64%

Section I: Lesser duty rule and form of provisional measure

220. The TRA calculated provisional anti-dumping amounts and injury margins for Formosa Plastics Corporation USA, and for all other US producing exporters, it calculated a residual rate. In accordance with paragraph 14(3) and paragraph 14(4) of Schedule 4 to the Act, and regulation 36 of the Regulations, the recommended guarantee should be set at a level that does not exceed the anti-dumping amount, in relation to the goods as determined by the TRA as part of its provisional affirmative determination, or the amount which the TRA is satisfied would be adequate to remove the injury to the UK industry in the goods if that amount is less than the anti-dumping amount.

221. Table 22 provides the comparison of the dumping and injury margins, and the implementation of the lesser duty rule to arrive at an estimated anti-dumping amount/amount of guarantee that is the lesser amount.

Table 22: Estimated anti-dumping amount/Amount of guarantee			
US producer	Dumping Amount	Injury Amount	Estimated anti-dumping amount/Amount of guarantee
Formosa Plastics Corporation, USA	38.43%	55.50%	38.43%
All other US producers (residual amount)	56.01%	74.64%	56.01%

Section J: Economic Interest Test

J1. Introduction

222. In accordance with paragraph 13(8A) of Schedule 4 to the Act, the TRA may recommend to the Secretary of State that all importers of the relevant goods should be required to give a guarantee in respect of any additional import duty which would have been applicable, or potentially applicable, to the goods if an anti-dumping amount had been applied to the goods based on the PAD.
223. In accordance with paragraph 13(8A) the TRA may only make that recommendation if it is satisfied that requiring a guarantee in accordance with its recommendation meets the Economic Interest Test (EIT).
224. The EIT is set out in paragraph 25 of Schedule 4 to the Act and is, in accordance with paragraph 25(3) of Schedule 4 to the Act, presumed to be met unless the TRA is satisfied that the requirement of the guarantee is not in the economic interest of the UK.
225. In line with paragraph 25 of Schedule 4 to the Act, the TRA has taken account of the following factors in conducting the EIT:
- a) the injury caused by dumping of the goods to the UK industry in the like goods and the benefits to that UK industry in removing that injury;
 - b) the economic significance of affected industries and consumers in the UK;
 - c) the likely impact on affected industries and consumers in the UK;
 - d) the likely impact on particular geographic areas, or particular groups, in the UK;
 - e) the likely consequences for the competitive environment, and for the structure of markets for like goods, in the UK; and
 - f) such other matters as the TRA considers relevant.
226. As this is a provisional determination, only the period from the implementation of a guarantee until the final determination will be considered for assessing any impacts.

Longer term impacts that may result from the imposition or non-imposition of a final measure will be addressed in the SEF.

J1.1. Evidence Base

227. In addition to questionnaire responses received, the TRA also received eight responses from the [Downstream business survey](#) which contained information relevant to the EIT.

228. The TRA has supplemented these with evidence from background research and collated additional information from UK government data sources, and recognised market data providers. The TRA has also conducted research relating to parties that have not participated in this investigation.

229. The sections that follow assess each of the factors of the EIT in turn.

J2. Injury caused by dumping and benefits to UK industry in removing injury

230. In Section H on the preliminary findings on injury, the TRA found that the UK industry has been suffering material injury as a result of the dumped goods from the US.

231. An assessment of the 15 injury factors revealed that the sharp rise in volume of imports during POI of S-PVC from the US coincided with a decline in the UK industry. Several indicators including profits, sales, market share, productivity, output, capacity utilisation and return on investments, showed negative trends during the injury period. Furthermore, we identified evidence of price undercutting (with an average margin of 26.78% during the POI) and underselling, as contributing to price depression in the UK industry. The injury assessment concluded that there would be further injury to the UK industry were a guarantee not imposed.

232. The EIT explores the expected benefits to the UK producer and the impact on the rest of the UK supply chain from implementing this guarantee.

J3. Economic significance of affected industries and consumers in the UK

233. This section sets out the relative size and significance (using a range of metrics such as sales or turnover) of the affected industry and consumers within the UK S-PVC supply chain. From the available evidence, the TRA identified the following groups to be potentially affected by the proposed measure:

- a) **Upstream businesses:** primarily suppliers of raw materials to produce S-PVC
- b) **UK producer** of S-PVC
- c) **Importers** of S-PVC
- d) **Downstream businesses:** manufacturers that use S-PVC as an input in the production of end goods

234. It should be noted that we observed an overlap between the importer and downstream groups (for instance, some downstream businesses are also importers of S-PVC). To avoid double counting, we have grouped these businesses based on their principal activity.

J3.1. Upstream businesses

235. We did not receive any submissions from upstream businesses, but from the UK producer questionnaire response, we identified six such businesses based in the UK. These businesses supply raw materials used in the production of S-PVC, accounting for about 50% of the value of the producer's purchases of raw materials.

236. Our analysis of the available evidence suggests that less than 1% of the turnover of these upstream businesses is accounted for by sales to Inovyn Ltd. Overall, S-PVC is not important for these businesses.

237. The selected businesses employ around 800 staff, with a combined annual turnover of approximately £820m and an estimated Gross Value Added (GVA) of £109m per year. Overall, the companies show low to moderate vulnerability to economic

shocks, though those with fluctuating sales or declining profits may be more vulnerable.

J3.2. UK Producers

238. There is only one known producer of S-PVC in the UK. This producer- Inovyn submitted a questionnaire response.

239. From the information obtained via questionnaire responses, the producer employed between 150 and 220 staff who are directly involved in S-PVC production. Based on the four most recent published accounts, the business generated an average annual turnover of £412m across all its operations. We estimate their GVA, a measure of their total economic contribution, to be £197m, with an estimated Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) of about £141m. During the POI, the producer experienced a sharp decline in both sales and profitability, highlighting their vulnerability to economic shocks. Furthermore, the available evidence suggests that S-PVC is very important to the producer, contributing a significant percentage to the company's annual turnover.

J3.3. Importers

240. Importers play an important role in supplying S-PVC to meet the demands for the product in the UK, however, we did not receive questionnaire responses from UK importers of S-PVC. From our research, we are aware of 156 businesses which import S-PVC into the UK. We selected 14 businesses that were frequent importers (at least 1 transaction each month during our POI) of the product under the 8-digit commodity code, 39041000, for which data was available.

241. The four most recently published accounts for the 14 selected businesses revealed that they employed about 7,000 staff across the UK, with a combined turnover of approximately £1.5bn. We estimate their combined GVA to be £442m. The evidence suggests that S-PVC is somewhat important to the sampled businesses. Furthermore, more than half of these businesses appear resilient to economic shocks, as they exhibited strong growth and stable profits.

J3.4. Downstream businesses

242. We identified 33 downstream businesses and selected 7 of the major purchasers of S-PVC from the producer. These businesses employed about 5,300 people and their combined turnover was approximately £1.1bn, according to their four most recently published accounts. For the same period, we estimate their combined GVA was about £330m.

243. While we did not receive questionnaire responses from UK downstream businesses, we conducted a survey of the known downstream businesses using Qualtrics and received 8 complete responses after excluding incomplete and duplicate entries. According to the responses received, S-PVC is used as an input in the manufacture of products for industries such as automotive, construction, healthcare, electrical and packaging. The results showed that although respondents purchase a large percentage of their S-PVC from the UK, they also import the product from other countries.

244. The evidence from our analysis shows that S-PVC is somewhat important to the downstream group. While two of the selected businesses showed low turnover and profits, the remaining five are unlikely to be vulnerable to negative economic impacts as they demonstrated strong growth in sales and profitability.

J3.5. Consumers

245. S-PVC is not an end-consumer good; instead, it is widely used in building and construction, automotive, and packaging industries, where it serves as a key input in the manufacturing of goods that are eventually purchased by consumers. This part of the supply chain has not been included in our economic significance analysis or impacts analysis.

J3.6. Summary

- Table 23 summarises the evidence on the economic significance of S-PVC imports for segments of the S-PVC supply chain.

Table 23: Summary table for the significance metrics for affected industries

	Upstream businesses	UK producer	Importers	Downstream businesses
Total known businesses	11	1	156	33
Total selected	6	1	14	7
Estimated importance of S-PVC to the group	Not important	Very important	Somewhat Important	Somewhat Important
Total employment of selected businesses	809	Between 150-220 ¹	7,011	5,331
Total GVA of selected businesses (£m)	109	196	442	332
Total turnover of selected businesses (£m)	824	412	1,529	1,094
Average EBITDA margin for selected businesses (%)	6	34	11	12
Vulnerability assessment to economic shocks	Low to medium vulnerability- generally steady growth but fluctuating profits for some businesses.	Medium to high vulnerability-sharp decline in sales and profits during POI.	Medium vulnerability- generally steady growth, but some businesses with low profits.	Low vulnerability- most businesses with strong growth and stable profits.

Sources: Questionnaire responses, Companies House, and Dun & Bradstreet.

Methodology: The importance of S-PVC to each of the groups was estimated using the comparison metrics set out in brackets for each group. GVA was estimated by summing operating profits, employment costs, depreciation, and amortisation. Average EBITDA margin was estimated by dividing the sum of operating profit, depreciation, and amortisation by turnover. The assessment of vulnerability to negative economic impacts was made by looking at financial data from the most recent four accounts.

¹ [TRA Investigations - Trade Remedies Service - GOV.UK \(trade-remedies.service.gov.uk\)](https://www.gov.uk/trade-remedies.service.gov.uk)

J4. Likely impact on affected industries and consumers

246. This section assesses the overall impact a provisional 6-month measure might have on affected groups. We approach this by examining how prices and quantities of products in the S-PVC supply chain might change under two scenarios: (i) if a provisional measure is imposed, and (ii) if no provisional measure is imposed. We then consider the possible impacts of any changes in the prices and quantities on the affected stakeholders.

J4.1 Evidence and key assumptions

247. From the questionnaire responses, we understand that S-PVC is a homogenous product in the UK market, with no differences in quality or other features between the product supplied from different countries. Consequently, competition is based solely on prices. In the long run, this means that users will switch to the supplier offering the lowest price. However, in the short-run, due to existing commercial contracts, users are unlikely to change suppliers.

J4.2. Impact on prices and quantities if a provisional measure is imposed

248. Based on the injury and dumping assessments, proposed anti-dumping duties range from 38.43% to 56.01%.

249. The imposition of a provisional measure is likely to raise the prices of imports from the US, potentially by up to the value of the measure. This might also result in increased prices for domestically produced S-PVC, particularly as the UK producer needs to maintain a robust profit margin to support ongoing investments. However, it is uncertain whether the price increases by the domestic producer will be substantial. Given that imports are essential to meet UK demand for S-PVC, the UK producer must still compete on prices with imports originating from other countries. A measure might allow the UK producer to compete more fairly with imports from the US.

250. The anticipated increase in import prices due to the imposition of a provisional measure is expected to significantly reduce S-PVC imports from the US. In the immediate future, a decline in import volume may not occur due to existing contracts with suppliers. However, as these commercial contracts are fulfilled, the reduction in import volumes is likely to become apparent. With the available capacity in the UK, the expected decrease in imports from the US could be offset by domestic production or imports from other countries. Despite the potential price increases for S-PVC, we expect demand to remain stable since S-PVC cannot be easily substituted.

251. Importers sourcing S-PVC from the US may face higher prices due to the imposition of a provisional measure. However, this impact is likely to be temporary, as importers may eventually switch to more competitively priced sources of S-PVC, given our assumption that the product is not differentiated between suppliers.

252. The prices for downstream businesses that use S-PVC as an input in their production process, will largely depend on their supplier. However, we do not anticipate changes in prices and quantities for the downstream businesses within the period of implementing a provisional measure. The evidence available suggests that if they were to experience any cost increases, they might hesitate to raise prices so they can maintain their market position, and instead seek out cheaper sources for their S-PVC. For the period of the provisional measure, we consider that importers are likely to absorb any increased costs. Survey evidence also indicates that any increase in the cost of S-PVC is likely to be passed on by downstream businesses to the consumer of the final products.

253. We expect that overall consumption of S-PVC will remain stable in the short term. Although survey responses indicate that demand for S-PVC is relatively sensitive to price changes, we do not expect a decline in demand because existing commercial contracts are likely to limit immediate shift in supplier

choice. We have evidence that during periods of global price increases between 2021 and 2022 these were not passed onto downstream businesses.

254. Table 24 summarises the expected impacts on prices and quantities for affected groups, if a provisional measure is imposed.

Table 24: Expected impacts on affected groups if a provisional measure is imposed		
Stakeholder Group	Price	Quantity
Producers	Moderate increase	No change or moderate increase
Importers	Increase	No change, if importers switch to rest of the world producers or decrease, if UK producer increases output
Downstream	No change	No change

J4.3. Impact on prices and quantities if a measure is not imposed

255. The evidence available suggests that the UK producer for S-PVC is currently experiencing a reduction in their market share and capacity utilisation because of the injury caused by dumped goods from the US. During the injury period, the volume of domestic production declined significantly, and there was evidence of price undercutting and depression resulting from the dumped S-PVC.

256. If a measure is not imposed, dumped goods from the US may continue to displace domestically produced S-PVC. There is a high chance that the price undercutting of dumped goods from the US might continue to cause injury, as

well as cause the quantities produced by the UK producer to decline due to their inability to compete with the prices of the dumped goods. Moreover, profits could also be adversely affected, potentially leading the UK producer to exit the UK market and moving production to its plants in the EU.

257. The UK producer highlighted the risk of further injury due to potential trade deflections from India and the EU. This is following India's imposition of safeguard measures on 15 May 2023, as well as their recent anti-dumping investigation on S-PVC launched on 26 March 2024, against the US. The EU also announced provisional measures against S-PVC imports from the US which came into effect on the 12 July 2024. There is a risk that increased imports from the US, originally intended for India and the EU could be redirected to the UK in the absence of a measure. We recognise this risk, particularly given the rise in S-PVC imports from the US during the injury period.

J5. Likely impact on affected industries and consumers

J5.1. UK Producer

258. Imposing a measure would prevent additional injury to the UK industry from the US. In the short term, this measure would allow the UK producer to compete with fairly priced imports and sustain the production levels needed to meet the demands of the domestic market. In contrast, not imposing a measure would likely result in the UK industry continuing to lose market share due to price undercutting goods from the US, as they would struggle to lower prices further. This could lead to a further decline in the market position of the UK producer over the long term, potentially leading to their exit from the market.

J5.2. Importers

259. If a measure is imposed, importers sourcing S-PVC from the US would likely experience price increases up to the level of the measure, while those sourcing the product from other countries may see no change. The impact on importers

sourcing S-PVC from the US would depend on their ability to absorb the increased costs, as they are unlikely to be able to pass these cost increases to downstream businesses within the period in which the provisional measure is imposed. If a measure is not imposed, we do not anticipate any significant short-term effects on importers.

J5.3. Downstream businesses

260. If a provisional measure is imposed, we do not anticipate price increases for downstream businesses due to existing contracts. However, if they do face any cost increases, those costs could be passed on to end-users of final products. This could depend on price sensitivity and ability of downstream businesses to source S-PVC from alternative sources. However, if no provisional measure is imposed, we do not anticipate significant short-term impacts on these businesses.

261. Table 25 summarises the range of overall impacts on the affected groups considered in our analysis.

Table 25: Expected overall impacts on affected groups if a measure is imposed	
Group	Expected overall impacts
UK producer	Significant positive impact for domestic producer, as additional injury is prevented.
Importers	Negative impact, as increased costs are likely to be absorbed until importers are able to switch to more affordable suppliers.
Downstream businesses	No significant impact, as this group is unlikely to experience higher S-PVC prices in the short term due to existing contracts with suppliers. However, if they do experience any cost increases, those are likely to be passed on to consumers of their final goods.

J5.4. Upstream businesses and Consumers

262. We have not assessed the impact on these groups because our economic significance analysis indicates that S-PVC is not important to upstream businesses. Consumers were not included in our analysis, as S-PVC is not considered to be a consumer good.

J6. Likely impact on particular geographic areas, or particular groups, in the UK

263. This section examines how the impacts of the proposed measure are likely to be geographically distributed and whether any particular groups might be disproportionately affected. This geographic analysis considers the three groups to which S-PVC was deemed to be at least a somewhat important product: UK producer of S-PVC, UK Importers of S-PVC, and Downstream businesses.

J6.1. Likely impact on particular areas

264. We considered the geographic areas where the UK producer, importers and downstream businesses are located. We have assessed geographic impacts using employment and indicators of deprivation at a Travel to Work Area (TTWA) level for the UK producer, importers, and downstream businesses.

265. The data used for the geographic significance analysis were sourced through questionnaire responses, Dun & Bradstreet business directory and the ONS estimates of working age population by TTWA. We assessed the geographic significance by exploring the employment of affected industries as a proportion of employment in each TTWA.

266. In our analysis, where employment is less than 1% of the working age population within a TTWA, we considered this to indicate that there is no likelihood of a disproportionate negative geographic impact. However, we found two areas where the estimated employment from the affected groups constituted about 1% of the working age population of the TTWAs they are located.

267. Table 26 shows the proportion of employment of the affected businesses relative to employment within their TTWA.

Table 26: Socio-economic indicators for affected TTWAs					
Stakeholder	TTWA	Unemployment rate (%) (2020)	Job Density (2019)	Proportion of working-age population with no formal qualification (2021) (%)	Total employment relative to TTWA employment
Importer	Pwllheli and Porthmadog	4.31	0.8	34.7	1.00%
Downstream	Hawick and Kelso	5.51	0.77	39.9	1.83%

J6.2. UK Producer

268. The UK producer operates two sites across the UK and provided employment data for these two sites. The site located in North-east England is responsible for the production of S-PVC, while the other located in the North-west, handles administrative functions. For both sites however, employment is not a significant proportion of the total employment within the different TTWA where they are located. We do not expect the imposition or non-imposition of a measure to have any significant impacts.

J6.3. Importers

269. We considered the locations of the selected importers using available evidence and found that sites for these companies are located across England. Using data obtained from Dun and Bradstreet, we determined that one importer

employs about 1% of the working age population within the Pwllheli and Porthmadog TTWA in Wales.

J6.4. Downstream businesses

270. For downstream businesses, which are predominantly manufacturers of S-PVC based goods, the Dun and Bradstreet data also revealed that one business, located within the Hawick and Kelso TTWA in Scotland, employs about 1.83% of the working age population.

271. Although employment numbers represent a significant proportion of the working-age population in those TTWAs, we do not anticipate that these geographic areas will be negatively impacted by the imposition of a measure. This is because since the businesses involved are large and diversified, there is a possibility that they might source their S-PVC from less expensive suppliers outside of the US. Furthermore, the survey responses we received from downstream businesses indicate that any increase in the price of S-PVC due to the measure may be passed on to consumers of the final products.

J6.5. Likely impact on particular groups

272. The TRA considered the likely impact on particular groups including those with protected characteristics as defined by the [Equality Act 2010](#).

273. No evidence was provided regarding potential impacts on any particular groups, either as workers or consumers. There is no evidence to suggest that there will be disproportionate impacts on particular groups.

274. We therefore conclude that the imposition or non-imposition of a measure is unlikely to have any significant impact on groups with protected characteristics or other groups.

J7. Likely consequences for the competitive environment, and for the structure of the market, in the UK

275. The assessment of the likely consequences for the competitive environment and structure of the UK market considers four factors:

- a) the impact on the number or range of suppliers;
- b) the impact on the ability of suppliers to compete;
- c) the impact on the incentives to compete vigorously; and
- d) the impact on the choices and information available to consumers.

J7.2. Background

276. There is only one known UK producer and many importers and downstream businesses for S-PVC. There are also a range of suppliers in the US and other countries exporting to the UK. During the POI, the UK imported S-PVC from 31 countries, including the US.

277. We estimated that the UK producer accounted for about 29% of the total domestic consumption of S-PVC during the POI. See Tables 13 and 19 above for details on market share and countries with largest import volumes to the UK.

J7.3. The impact on the number or range of suppliers

278. There are high barriers to entry into the UK S-PVC market; these include high capital investment, stringent regulatory compliance, and technological expertise. The level of expertise required to efficiently produce S-PVC at scale means there is unlikely to be an increase in the number of UK producers with the imposition or non-imposition of a provisional measure.

279. The imposition of a provisional measure might lead to a decrease in the number or range of suppliers from the US into the UK market. However, this effect may not be immediate if existing contracts and outstanding orders still need to be fulfilled. Despite potential exits by US suppliers, we anticipate the UK market will

remain competitive due to the presence of suppliers from various other countries exporting S-PVC to the UK. The measure will enable the UK industry to compete fairly with imports from the US. Any reduction in S-PVC imports from the US is likely to be offset by an increase in domestic production, imports from other countries, or a combination of both.

280. We conclude that the number or range of suppliers is unlikely to be affected within the period for which a provisional measure is imposed.

J7.4. The impact on the ability of suppliers to compete

281. We do not expect there to be any impact on the ability of suppliers to compete if a provisional measure is imposed.

282. Imposing the provisional measure would increase the prices of the dumped goods from the US but is not likely to reduce the ability of suppliers from other countries to compete in the UK market.

283. The elimination of price undercutting will enable the UK producer to sustain S-PVC production and compete on equal terms with imports of S-PVC from the US. The consistent need for imports to meet UK demand indicates that suppliers from other countries will keep the market competitive, regardless of whether a measure is imposed.

J7.5. The impact on the incentives to compete vigorously

284. There is no evidence to suggest that suppliers would face reduced incentives to compete vigorously with the imposition or non-imposition of a measure, with suppliers importing from 31 countries in the POI.

J7.6. Impact on the choices and information available to consumers

285. S-PVC is not directly supplied to final consumers. There is no evidence to suggest that imposing a measure would negatively impact consumer choice or the availability of information.

J8. Such other matters as the TRA considers relevant

286. As part of the EIT assessment, the TRA can consider any other factors that may be relevant in concluding whether the proposed guarantee is in the economic interest of the UK.

287. We have found no evidence of any other relevant factors for the period of the proposed guarantee.

J9. Conclusions

288. In accordance with paragraph 25 of Schedule 4 to the Act, the EIT is met in relation to the requirement of a guarantee if the application of the guarantee is in the economic interest of the UK. This test is presumed to be met unless the TRA is satisfied that the application of the guarantee is not in the economic interest of the UK.

289. As described in previous sections, we determined that the UK industry has been suffering injury due to the dumped goods from the US. The injury assessment concluded that there would be further injury were a provisional measure not recommended.

290. The economic significance section assessed the financial metrics of the different groups that make up the supply chain for S-PVC in the UK. We found that S-PVC is very important to the UK producer, somewhat important to importers and downstream businesses, but not important to upstream businesses.

291. In the impacts section we found that the imposition of a provisional measure would prevent further injury to the UK industry by levelling the playing field, allowing it to compete with imports from the US. While this may have a negative impact on importers that source S-PVC from the USA, we expect no significant impact on downstream businesses.

292. We concluded that the imposition or non-imposition of a measure is not expected to have any geographical impacts due to sites being distributed across the UK and employment for each site being a small proportion of total employment in most areas. The affected businesses which employ about 1% of the population of their TTWA, are large and diversified; they are likely to source their S-PVC from more affordable suppliers. There was no evidence of impacts on particular groups with protected characteristics.

293. In the competition section, we determined that the market is competitive given the range of suppliers from other countries. The imposition of a measure would create fair competition by increasing the prices of S-PVC imports from the US.

294. Having considered the evidence submitted by the relevant parties and all the factors listed in the legislation, we conclude that the EIT is met for the proposed requirement of a provisional measure.

Section K: Summary of provisional findings and recommendation to require a guarantee

K1. Preliminary findings

295. In accordance with paragraph 11(1) of Schedule 4 to the Act, the TRA determined that:

- a) the goods concerned have been dumped in UK; and
- b) the dumping of the goods concerned has caused injury to a UK industry in those goods.

296. We are satisfied that, in accordance with paragraph 13(4) of Schedule 4 to the Act, requiring the guarantee in accordance with our recommendation is necessary to prevent injury being caused during the remainder of the investigation to the UK industry in the like goods

K2. Recommendation

297. In line with paragraph 13(3)(a) of Schedule 4 to the Act, the TRA recommends to the Secretary of State that all importers of the goods concerned should be required to give a guarantee in respect of the estimated anti-dumping amount given in Table 27 below.

298. In accordance with paragraph 14(1) of Schedule 4 to the Act a recommendation of a guarantee under paragraph 13(3) is required to specify the goods and include; the form of the guarantee; how an estimated anti-dumping amount applicable to the goods should be determined for the purpose of calculating the amount of the guarantee; how the amount of the guarantee should be calculated, and the period during which the requirement to give a guarantee should apply.

K2.1 Form of a Guarantee

299. We recommend that the guarantee takes the form of a bank guarantee, a bond or cash in accordance with paragraph 14(2) of Schedule 4 to the Act.

K2.2. Estimated anti-dumping amount

300. The TRA has compared the dumping and injury margins that we have calculated. In line with paragraph 14(3)(a) Schedule 4 to the Act, the TRA must recommend an estimated anti-dumping amount which does not exceed the margin of dumping, which the TRA is satisfied would be adequate to remove injury. Table 27 below sets out the estimated anti-dumping amount that each group of US producing exporters is subject to. Both rates provided are based on the rate of dumping which is the lower of the dumping and injury margins calculated.

K2.3. Amount of guarantee

301. We recommend the following estimated anti-dumping amounts for calculating the amount of the guarantee:

Table 22: Estimated anti-dumping amount/Amount of guarantee			
US producer	Dumping Amount	Injury Amount	Estimated anti-dumping amount/Amount of guarantee
Formosa Plastics Corporation, USA	38.43%	55.50%	38.43%
All other US producers (residual amount)	56.01%	74.64%	56.01%

302. The guarantee should be calculated by applying the estimated anti-dumping amount as ad-valorem duties to the CIF import value of the goods concerned.

303. The commodity code to which the rates will apply and the detailed description of the goods concerned is given in [Section E2: The Goods Concerned](#).

K2.4. Period of the Guarantee

304. If the TRA's recommendation to apply a guarantee is accepted, the Secretary of State will publish a Taxation Notice, in line with paragraph 15(5)(b) of Schedule 4 to the Act. This will give effect to the imposition of the guarantee. Affected importers will be notified that they need to set up the guarantee when first importing the goods concerned into the UK. A guarantee will be required during the period of the provisional remedy.

305. The TRA recommend that the requirement to give a guarantee ends six months from the day after the date of the publication of the Taxation Notice, or when the definitive remedy is implemented, whichever is the sooner.

Annex A: Summary of information received from interested parties and contributors

306. Table 28 lists the cooperating interested parties and contributors:

Table 28 Cooperating Interested Party / Contributor List	
Interested Party name	Status
Inovyn ChlorVinyls Limited	Applicant / UK Producer
Formosa Plastics Corporation, USA	US Producing Exporter
Ravago Americas LLC DBA Resintech	US Non-Producing Exporter
Genuit Group Plc	Contributor
Vestolit GmbH	Contributor
Eurocell Plc	Contributor
The British Plastics Federation	Trade Body

307. Table 29 below lists the information submitted to the TRA by interested parties and contributors to date and the extent to which information submitted has been considered by the TRA in reaching its decisions on the provisional affirmative determination and recommendation.

Table 29: Summary of information received from interested parties and contributors			
	Interested Party	Information Received	Status
1.	Inovyn	Application	Applicant / UK Producer
2.	Inovyn	Pre-Sampling Questionnaire	Applicant / UK Producer
3.	Inovyn	Questionnaire	Applicant / UK Producer
4.	Oxy	Comments on the Application	US Producing Exporter
5.	Oxy	Pre-Sampling Questionnaire	US Producing Exporter

6.	Oxy	Comments on business survey	US Producing Exporter
7.	Resintech	Pre-Sampling Questionnaire	US Non-Producing Exporter
8.	Resintech	Questionnaire	US Non-Producing Exporter
9.	Resintech	Injury Submission	US Non-Producing Exporter
10.	Formosa	Pre-Sampling Questionnaire	US Producing Exporter
11.	Formosa	Questionnaire	US Producing Exporter
12.	Westlake	Pre-Sampling Questionnaire	US Producing Exporter
13.	Vinmar	Pre-Sampling Questionnaire	US Non-Producing Exporter
14.	Tricon	Pre-Sampling Questionnaire	US Non-Producing Exporter
15.	Vestolit	Pre-Sampling Questionnaire	Contributor