

Provisional Affirmative Determination and Recommendation of Guarantee

INVESTIGATION No. AD0059

Dumping investigation into certain engine oils and hydraulic fluids imported into the United Kingdom from Lithuania and the United Arab Emirates.

16 April 2025

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Section A: Introduction

1. This provisional affirmative determination (PAD) and recommendation to require a guarantee (Recommendation) is made pursuant to paragraphs 11(3), 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 and contributors in reaching its PAD and Recommendation.
 - 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, which are available on the public file at [AD0059 - Public File](#).
5. This investigation covers certain engine oils and hydraulic fluids imported into the United Kingdom (UK) from Lithuania and the United Arab Emirates. A full description of the goods subject to this PAD and Recommendation can be found in [Section E: The goods concerned and the like goods](#).
6. The Period of Investigation (PoI) is 1 April 2023 to 31 March 2024.
7. To assess injury, the TRA has chosen to examine the period from 1 April 2020 to 31 March 2024 as the Injury Period (IP).

Section B: Preliminary findings

B1. Preliminary determination

8. Based on the evidence before it, and in accordance with paragraph 11(1) of Schedule 4 to the Act, the TRA has determined, that:
 - a) Certain engine oils and hydraulic fluids imported into the United Kingdom from Lithuania and the United Arab Emirates, in relation to which this determination is made (as identified in [Section E2](#) (below) and defined in paragraph 13(2) of Schedule 4 to the Act) have been or are being dumped in the UK.
 - b) The dumping of these goods concerned has caused or is causing injury to a UK industry in those goods.
9. As a result, the TRA has made a PAD in accordance with paragraph 11(3) of Schedule 4 to the Act.

B2. Recommended guarantee

10. 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 relevant goods should be required to give a guarantee in respect of any additional amount of import duty that would have been applicable, or potentially applicable, to the relevant goods if an anti-dumping amount had been applied to the relevant goods based on the PAD (an estimated anti-dumping amount).
11. 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.
12. 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 a UK industry in the relevant goods (defined in [Section F: The UK industry and market](#)).
13. The TRA has determined that the guarantee meets the economic interest test and advises the Secretary of State accordingly.

14. The TRA recommends the estimated anti-dumping amounts stated in Table 1:

Figure 1: Estimated anti-dumping amounts.

Overseas exporter/producer:	Estimated anti-dumping amount /recommended provisional duty (ad valorem) (%):
UAB SCT Lubricants (Lithuania):	11.60%
All other Lithuanian exporters (residual dumping margin):	49.59%
Chempioil (UAE):	24.95%
SCT Chemicals FZE (UAE):	24.95%
All other UAE exporters (residual dumping margin):	59.40%

15. In accordance with paragraph 14(2) of Schedule 4 to the Act, the guarantee may take the form of either a bank guarantee, a bond or cash. HM Revenue and Customs (HMRC) will administer the guarantee.
16. 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 if a definitive remedy is implemented, on that date.

Section C: Next steps

17. The purpose of publishing this report is to explain to interested parties and contributors how the decisions to make the PAD and recommendation to require a guarantee were reached and allow these parties to make submissions in response to the preliminary findings; these include:
- a) The goods have been or are being dumped in the UK.
 - b) The dumping of the goods has caused or is causing injury to UK industry in the relevant goods.
 - c) How the estimated anti-dumping amounts have been calculated.
18. Interested parties and contributors are invited to make submissions in response to this report. Any submissions on this report 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.
19. 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.

20. Submissions should be sent via the TRA's [Trade Remedies Service](#). Submissions should be accompanied by a non-confidential summary, which will be made available to other parties on the public file at [AD0059 - Public File](#).
21. 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.
22. Further information on the guarantee can be found in the [Taxation Notice](#) (<https://www.gov.uk/government/publications/trade-remedies-notice-provisional-anti-dumping-duty-on-certain-engine-oils-and-hydraulic-fluids-from-lithuania-and-the-united-arab-emirates-uae/trade-remedies-notice-20258-provisional-anti-dumping-duty-on-certain-engine-oils-and-hydraulic-fluids-originating-from-lithuania-and-the-united-arab>).

Section D: Background

D1. Initiation

23. On 3 May 2024, the TRA received an application¹ lodged by Aztec Oils Ltd (Aztec) alleging that certain engine oils and hydraulic fluids imported into the UK from Lithuania and the United Arab Emirates have been or are being dumped and that the dumping has caused or is causing injury to the UK industry in the goods.
24. The TRA was satisfied that the application contained sufficient evidence of dumping and resulting injury to justify the initiation² of the investigation, and that the requirements referred to in paragraph 9 of Schedule 4 to the Act and regulation 51 of the Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019 (the Regulations) have been met.
25. The dumping investigation was initiated by the TRA on 17 June 2024 and the notice of initiation³ was published on that date.
26. The Secretary of State, the foreign governments of the exporting countries and other interested parties and contributors were notified accordingly and invited to register on the [Trade Remedies Service](#) to participate in the investigation.

D2. Conduct of the investigation

D2.1. Participation in the investigation

27. Upon initiation of the case the TRA contacted a large number (hundreds) of companies using contact details included in the application and found through open-source research.
28. All parties who correctly completed a pre-sampling questionnaire were accepted to the case.
29. The following complete pre-sampling questionnaires were received:⁴
 - Domestic Producers
 - Aztec Oils Ltd (Aztec)
 - Certas Energy Ltd
 - Ferguson & Menzies Ltd
 - Granville Oil & Chemicals Ltd

¹ [TRA Investigations - Trade Remedies Service - GOV.UK](#) - Application

² [TRA Investigations - Trade Remedies Service - GOV.UK](#) – Notice of Initiation

³ [TRA Investigations - Trade Remedies Service - GOV.UK](#) – Notice of Initiation

⁴ [Certain Engine Oils and Hydraulic Fluids from Lithuania and the United Arab Emirates - Trade Remedies Service - GOV.UK](#) – AD0059 Public file

- Paterson Enterprises Ltd (Paterson)
- Pennine Lubricants Ltd
- Syntol Ltd
- Witham Oil & Paint Ltd
- Importers
 - Lubriage Ltd
- Exporters / Overseas Producers
 - UAB SCT Lubricants
 - Chempioil FZE
 - SCT Chemicals FZE
- Foreign Governments
 - Delegation of the European Union to the United Kingdom of Great Britain and Northern Ireland
 - Embassy of the Republic of Lithuania to the United Kingdom
 - Ministry of Economy UAE
- Trade Bodies
 - United Kingdom Lubricants Association
- Contributors
 - Goldcrest Oil Ltd
 - Lancer Products Ltd
 - Whelan Refining Ltd
 - three anonymous contributors

30. Ten companies started, but did not complete, the pre-sampling questionnaire deficiency process so were not formally registered to the case.
31. No complete pre-sampling questionnaires were rejected.
32. In accordance with Regulation 57(2)(d) of the Regulations,⁵ the TRA decided to limit its examination to a sample of domestic producers. This is because the TRA considered that examining all domestic producers would be unduly burdensome and would prevent the timely completion of the investigation due to the number of registrations received.
33. The TRA published the notice of proposed sample on 8 August 2024. The TRA received one submission in response to this proposed sample, from Lubriage Ltd, that is available on [the public file](#). The final confirmed sample,⁶ published on 16 August 2024, is based on the largest volumes of production reported by the domestic producers, and includes the following 4 domestic producers:

⁵ [Statutory Instrument 2019/450, as amended](#).

⁶ [TRA Investigations - Trade Remedies Service - GOV.UK](#) – Notification of final sample

Figure 2: Sampled domestic producers.

Name	Production volume in the PoI (megalitres)
Paterson Enterprises Ltd	17-20
Aztec Oils Ltd	10-15
Granville Oil & Chemicals Ltd	5-10
Ferguson & Menzies Ltd	6-9

34. The following interested parties submitted full questionnaires, the non-confidential versions of these can be found on the [public file](#):

- Domestic Producers
 - Aztec Oils Ltd
 - Paterson Enterprises Ltd
- Importers
 - Lubriage Ltd
- Exporters / Overseas Producers
 - UAB SCT Lubricants
 - Chempioil FZE
 - SCT Chemicals FZE
- Trade Bodies
 - United Kingdom Lubricants Association

35. The TRA considers that the sampled domestic producers who returned a full questionnaire response (Aztec and Paterson) are representative of UK industry.

36. The TRA issued a survey to gather responses to the case from upstream and downstream industries and consumers. The TRA received 23 responses of which 15 were businesses and 8 were consumers. Details can be found on the [public file](#).

D2.2. Key milestones

37. The TRA requested registration of imports by HMRC,⁷ under Schedule 4, Paragraph 29 of the Act at a level which allows for the distinction between:

- Goods out of scope of the investigation: products that are not engine oil or hydraulic fluid; and

⁷ [Trade remedies notice 2024/11: registration of imports on certain engine oils and hydraulic fluids from Lithuania and the UAE - GOV.UK](#)

- Goods within scope of the investigation: passenger car motor oils, heavy duty commercial vehicle oils and hydraulic oils, grades: 5W-30, 5W-40, 0W-16, 0W-20, 0W-30, 10W-40, 10W-30, 20W-50, S40, S50, 15W-40, ISO32, ISO46, ISO68, HV32, HV46 and HV68.
38. This was required to facilitate an investigation into the importation of certain engine oil and hydraulic fluid from Lithuania and the UAE, as this would allow the TRA to recommend applying a measure retrospectively if the investigation found sufficient justification at the point of final determination.
39. The TRA confirmed the scope of the investigation prior to initiation on 17 June 2024. In its registration documents,⁸ the Ministry of the Economy of UAE submitted that:
- “The identification of the product under investigation shall consider the different use and users of the engine oils and hydraulic fluids. The scope shall be divided into different types, if necessary to be included, and not under one single type which is labelled “certain engine oils and hydraulic fluids”.
40. The TRA decided that the scope of the investigation was appropriate because: although the products have different uses, they are very similar, made in similar ways, with similar production processes and the same raw materials. Many of the producers, exporters and importers are the same for the two products. The TRA is able to recommend different measures for different products should this be justified.
41. The European Commission also made a submission to the investigation,⁹ in which it raised the following concerns:

Procedural issues – Industry support.

“The application does not mention how much this producer produces and what % his production represents in terms of total production in the UK. The complainant however submits a letter supporting the application by the United Kingdom Lubricants Association. This association allegedly represents 20 members who are blenders of finished lubricants which in total account for 75% of the market approximately. However, all data is provided in confidential format, mixed with data from 2019. Furthermore, it is not clear whether the Association is empowered [sic] to represent its members in an anti-dumping proceeding. Moreover, the said letter grants support to an application to investigate alleged dumping of imports from the United Arab Emirates but does not grant support to an application covering imports from Lithuania.”¹⁰

⁸ [TRA Investigations - Trade Remedies Service - GOV.UK](#)

⁹ [TRA Investigations - Trade Remedies Service - GOV.UK](#)

¹⁰ [AD0059 - European Union - Page 1](#)

Evidence at initiation

Evidence of dumping: “It is however not possible to reconcile the data in the dumping calculation with the offers submitted as price evidence. In addition, evidence of dumping refers to 3 models only and may not be representative of the whole product under investigation. In any case, no proper explanation of the calculation is provided in Annex 2 (Imports & Offers).”¹¹

Evidence of material injury: “The only information available is that the UK complainant claims to operate below expected profit levels of the lubricant manufacturing industry due to imports allegedly made at dumped prices by a particular importer. This information is insufficient as it refers only to one company who is not representative of the domestic industry, as explained above.”¹²

Causality: “Unfortunately, no information regarding a causal link is contained in the complaint. The complainant did not provide any information on other factors that may have had an impact on the situation of the domestic industry such as e.g. the important decrease in demand.”¹³

42. The TRA had assessed, at initiation, that there was sufficient evidence submitted in the application to demonstrate industry support, dumping, material injury and causality. The TRA assessed that industry support was demonstrated through the domestic trade body, as well as by communications included in the confidential application that indicated the support of individual companies.
43. The dumping calculation provided in the application is sufficient, it compared UK sales prices to those in Lithuania and the UAE, and contained as much data as could be reasonably expected from an applicant/industry.
44. Material injury was demonstrated in the application through the confidential business data that was submitted, this is also visible in the public accounts filed with Companies House by the applicant and referred to in the application.
45. Finally, causality was established in both the confidential and non-confidential versions of the application. As much of the application as is possible has been placed on the public file in a non-confidential format.
46. The TRA assessment of this information has not changed in light of the European Commission submission, and the TRA has concluded that there was sufficient information contained in the application to justify the initiation of this investigation.
47. Following an email enquiry regarding how associated parties will be assessed in the investigation, the TRA [published a notice](#) giving clarification that associated parties

¹¹ [AD0059 - European Union - Page 2](#)

¹² [AD0059 - European Union - Page 2](#)

¹³ [AD0059 - European Union - Page 3](#)

would be defined according to regulation 9(4)(e) of the Regulations and regulation 128 of the Customs (Import Duty) (EU Exit) Regulations 2018.

D3. Verification of data

48. This PAD and Recommendation is based on information available to the TRA at the time of drafting, and the TRA deems this information sufficient to reach a provisional determination and to make a recommendation. The data used in this PAD from interested parties is, at the time of calculation (October 2024), unverified.
49. Verification to assess the completeness, relevance, and accuracy of the information provided by eight sampled parties, four domestic producers, one importer, two exporters and an overseas producer, is ongoing at the time of drafting this PAD and Recommendation. Any additional relevant information obtained will be considered in the SEF and will be included in the TRA's final determination.

Section E: The goods concerned and the like goods

E1. Goods concerned

50. The TRA refers to the goods it investigates as the 'goods concerned' as per regulation 2 of the Regulations.

51. The goods concerned are:

Passenger car motor oils, heavy duty commercial vehicle oils and hydraulic oils, grades: 5W-30, 5W-40, 0W-16, 0W-20, 0W-30, 10W-40, 10W-30, 20W-50, SAE40, SAE50, 15W-40, ISO32, ISO46, ISO68, HV32, HV46 and HV68.

The goods concerned are imported into the UK under the following UK Global Tariff commodity codes:

- 2710198120
- 2710198130
- 2710198140
- 2710198190
- 2710198300

E2. Like goods

52. In accordance with paragraph 7 of Schedule 4 to the Act, 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 which, although not alike in all respects, have characteristics closely resembling those of the goods in question.

53. The TRA has determined that the goods concerned are defined by commonly understood, global industry standards, which are the basis for any products sold. For engine oils, these standards are defined by the Society of Automotive Engineers, and for hydraulic fluids, the standards are set by the International Standards Organisation. These standards relate to the properties of the engine oil or hydraulic fluid, and they set out the viscosity and purpose of the oil. Both the goods concerned, and the like goods manufactured in the UK, are manufactured, and sold on the basis that they meet the same set of standards. Therefore, the like goods manufactured in the UK are identical to the goods concerned (i.e. alike in all respects) and constitute "like goods" for the purposes of paragraph 7 of Schedule 4 to the Act.

E3. 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 ([Section E1](#)).

55. PCNs are created on the basis of the main physical characteristics differentiating the types of products, providing that those characteristics have an impact on price. The PCN structure used in this case can be seen in [Annex 1](#) below.
56. The PCN structure was provided to interested parties and contributors for comment in the pre-sampling questionnaires following initiation of the investigation.
57. In response to comments received from interested parties and contributors, modifications were made to the PCN table and included in the full questionnaires. These modifications included a clarification of the hydraulic oil grades, the ACEA (Association des Constructeurs Européens d'Automobiles) sequences, and additional detail in the packaging category.

E4. PCN analysis

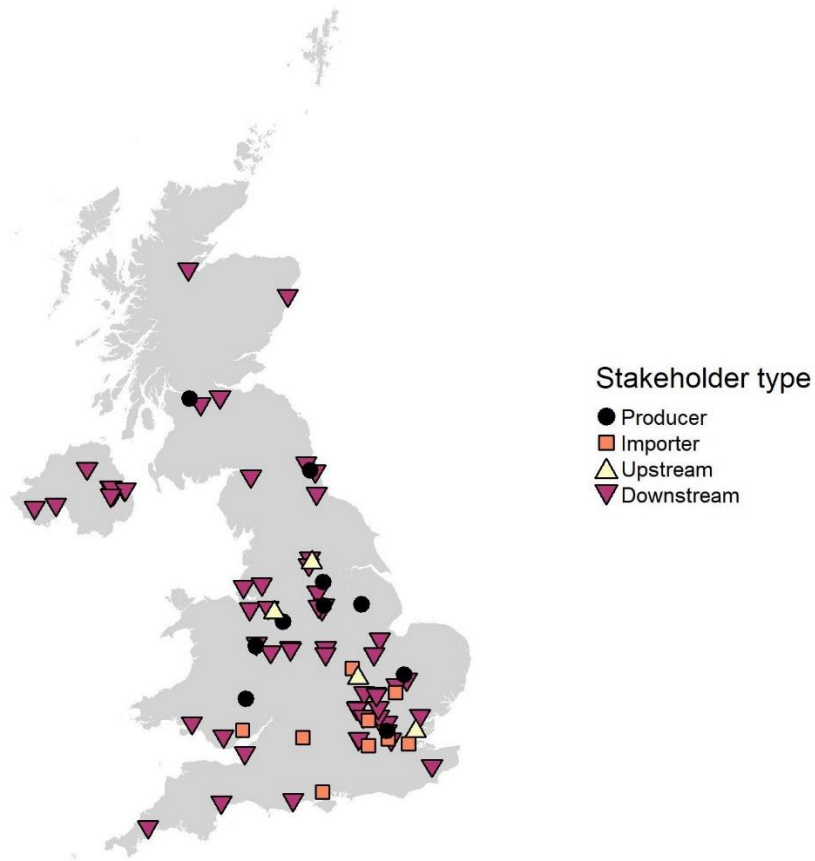
58. The TRA's calculations of dumping and injury margins are based on matching PCNs which ensures that it compares cost and price of comparable goods:
 - For dumping margin calculations, the TRA compares the PCNs produced and sold by overseas exporters in their domestic market with the PCNs produced and exported by these overseas exporters into the UK.
 - For injury margin calculations the TRA matches the PCNs produced and exported by overseas exporters into the UK with the PCNs produced by UK industry and sold on the UK market.
59. The TRA was not able to sufficiently match PCNs across all of the domestic like goods and goods concerned from Lithuania and UAE as PCN allocation by interested parties was inconsistent or absent in some of the submitted questionnaire data. Cost of production and sales data were not included in all questionnaire submissions. The TRA therefore manually matched the top selling PCNs, and used the available facts to ascertain the export and landed prices for the dumping and injury calculations.

Section F: The UK industry and market

F1. UK industry

60. In accordance with paragraph 6(1) of Schedule 4 of the Act, the UK industry is defined as:
- a) All the producers in the UK of like goods, or
 - b) those of them whose collective output of like goods constitutes a major proportion of the total production of those goods in the UK.
61. Upon initiation, the TRA contacted identified potential interested parties. This included domestic producers, importers, exporters, upstream and downstream businesses, trade bodies and governments. Following this, 9 domestic producers registered to the investigation. The TRA is aware of other (unregistered) domestic producers who have supported the application and initiation of the investigation but not participated further.
62. The TRA has determined that the domestic producers who registered to the case account for approximately 20-30% of domestic production. The TRA established that the UK industry is fragmented, made up of at least 21 known UK producers of various sizes.
63. The TRA has estimated UK production by scaling data from participating UK producers to the whole market. The production of UK producers who did not participate in the investigation has been estimated using the ratio of employees to production from participating UK producers. This has resulted in an estimated UK production of the like goods of 197 megalitres per year with sales of the like goods of more than £285m during the Pol.
64. UK producers are located across the UK, a selection of which are shown in figure 3 below, and not concentrated in any particular area. Most producers are small businesses employing less than 100 people on average.

Figure 3: A map shows the location of selected businesses from the economic significance section.



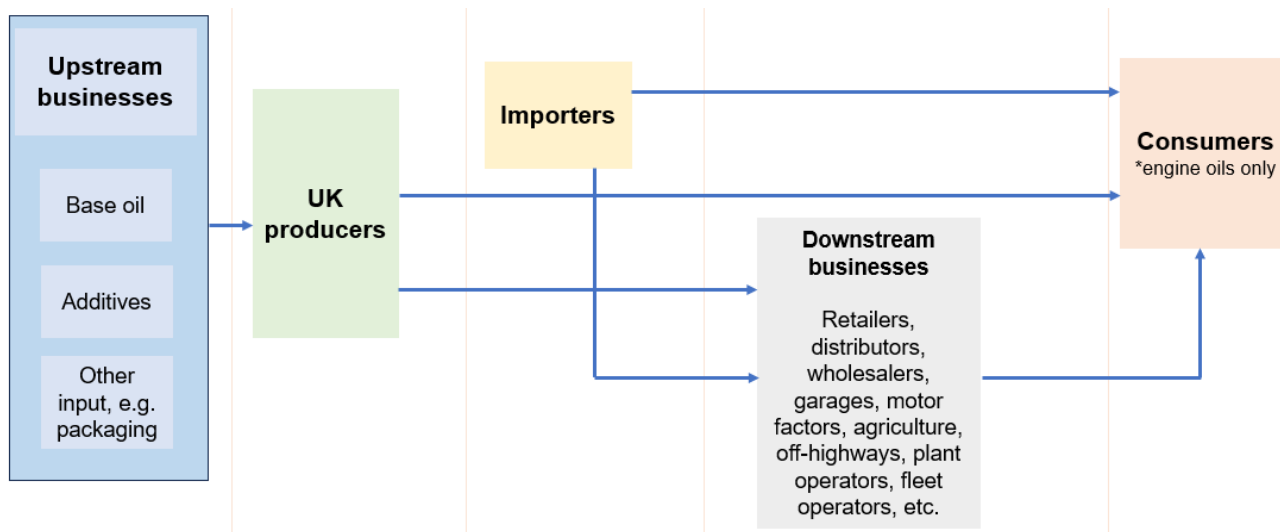
Contains National Statistics data © Crown copyright and database right 2023 and OS data © Crown copyright and database right 2023.

65. For the purposes of this investigation, we have defined UK industry as all the producers in the UK of the like goods. The TRA considered whether it would be appropriate to define UK industry as only the two, cooperating domestic producers. However, the TRA concluded that such an approach could mean that the TRA is overly focussed on the two domestic producers who are cooperating with the investigation.
66. Based on the information we have received in the response to our questionnaires and publicly available sources, the TRA has therefore concluded that in accordance with paragraph 6(1)(a) of Schedule 4 of the Act, the TRA considers UK industry to be all of the producers in the UK of like goods.

F2. UK market

67. As shown in Figure 4, certain engine oils and hydraulic fluids (CEOHF) are produced using base oil and additives. CEOHF can be used for a variety of applications including for commercial vehicles and machinery.

Figure 4: Supply chain for CEOHF



68. In addition to 21 known UK producers, the TRA identified 425 importers from HMRC's trader search who imported goods under the two commodity codes during 2023. The TRA estimates that more than half of the UK demand of CEOHF are supplied by imports.

F2.1. Trends

69. The UKLA stated that the UK market has recovered to pre-pandemic levels but that it is a "low-growth, mature market".¹⁴ In the longer term, increased uptake of electric vehicles is likely to reduce demand for engine oils. As sustainability becomes a more prominent issue, there is likely to be a shift towards more sustainable types of lubricants.¹⁵ The TRA has, based on preliminary data, found this to be the case.

F2.2. Competition

70. The market for engine oils and hydraulic fluids is well established but competitive with a lot of foreign and domestic businesses including many small businesses. Given the relatively low overhead costs and focus on prices rather than branding at the lower end of the market, the barriers to entry for new businesses are relatively low. As the products are made to common specifications, they are relatively homogeneous and substitutable.

¹⁴ [AD0059 Questionnaire UKLA - Page 8](#)

¹⁵ [AD0059 - Questionnaire Paterson Enterprises Ltd - Page 21](#)

The top end of the market has significant brand loyalty and is served by large multinational companies including Shell and Castrol. There is significant price competition at the lower end of the market.

71. The UK Industry and its consumers are finely balanced between price and quality.¹⁶ Brand awareness is high with consumers usually paying more for branded goods, which are sold alongside blenders own brands. However, all the products are manufactured to specifications that are set either by international regulatory organisations (such as ACEA grades, oil specifications), or by car manufacturers. They are interchangeable and substitutable, the quality of the products is claimed to be comparable, and the raw materials used in the production of the products is similar or identical.
72. The applicant, Aztec, have submitted that “base oils are procured on the open market with a price indicator (ICIS - Independent Commodity Intelligence Services). Additives are also procured on the open market mainly through distribution companies.”¹⁷ This means that prices are dynamic across the industry as both customers and suppliers use ICIS as a basis for cost indication.
73. Oil products are distributed in a variety of pack sizes (Bulk, IBC (Intermediate bulk containers), Barrels, Drums, 5Litre, 4Litre + 1Litre) which are standard across the industry with few variations. Cost differences can arise between plastic and metal containers.
74. UK industry is “...suffering injury from the product dumping activities as we are facing prices in the marketplace which are substantially below our raw material costs”.¹⁸ The TRA has, based on preliminary data, found this to be the case.
75. Aztec claim to have first noticed dumping activity in 2019, which then increased following the outbreak of war in the Ukraine, when prices of some imports of the goods concerned and like goods dropped significantly. Volumes of these imports have been increasing during 2024.¹⁹

F2.3. Distribution

76. Manufacturers use both direct and indirect distribution methods depending on location and size of order. Both the multinational organisations and UK based businesses each have an extensive set of distributors and distribution networks. Some also have long standing agreements with major UK retailers.

¹⁶ [AD0059 Questionnaire Paterson Enterprises Ltd – Page 19](#)

¹⁷ [AD0059 Questionnaire Aztec Oils Ltd - Page 24](#)

¹⁸ [AD0059 Questionnaire Aztec Oils Ltd - Page 32](#)

¹⁹ [AD0059 Questionnaire Aztec Oils Ltd - Page 32](#)

F2.4. Market Share

77. The TRA has attempted to estimate market share from the available evidence. Total UK sales have been estimated using known UK producer sales to estimate the sales of UK producers who did not participate in the investigation. This was added to HMRC import data from 2023 to estimate the total size of the market and market shares. Based on this, the TRA believes that almost half of total UK consumption is supplied by the 21 known UK producers.

Section G: Provisional findings on dumping

78. In accordance with paragraph 1(1) of Schedule 4 to the Act, goods are 'dumped' in the UK when those goods are imported into the UK and their export price is less than their normal value.

79. The TRA has assessed whether the goods concerned are being dumped in accordance with paragraphs 1(1) and 8(1)(a) of Schedule 4 to the Act.

80. Paragraph 1(2) of Schedule 4 of the Act defines the 'normal value' of goods as:

- The comparable price, in the ordinary course of trade, for like goods when destined for consumption in the exporting foreign country or territory, or
- 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).

81. The dumping margin is the difference between the export price and the normal value of the goods being dumped, in accordance with paragraph 2 of Schedule 4 to the Act. This is expressed as a percentage of the export price at CIF level.

82. 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 the preliminary determination, calculating the dumping margin involved the following stages:

- Calculating the normal value of the goods concerned.
- Determining the export price.
- Ensuring a fair comparison between the normal value and the export price.
- Calculating the dumping margins.

G1. Exporting country analysis

83. Based on information submitted in the application form by Aztec, in registration and questionnaire submissions from other interested parties, and from open sources, the TRA has established that:

- There was at least one Lithuanian producer of the goods in scope of the investigation during the period of investigation, which exported the goods concerned into the UK; and
 - there were more than twenty UAE producers of the goods in scope of the investigation during the period of investigation, of which at least one exported the goods concerned into the UK.
84. The most reliable import data that the TRA has access to is the publicly available, 8-digit import data that is provided by the HMRC Overseas Trade in Goods Statistics (OTS)²⁰. This data may include some goods that are out of the scope of this investigation, however, the TRA has assessed that the majority of imports reported under these codes are likely to be the goods concerned. This is because the out of scope goods that can be defined under the same commodity codes (such as gear oil, aviation lubricant etc) are more specialist in their application, and so are imported and consumed less than the goods concerned.
85. The TRA has examined the 10 digit, confidential raw HMRC Customs declarations data. The TRA is not able to use this data as it has not been quality assured, nevertheless, comparing the 10 digit data to the 8 digit data suggests that the vast majority of goods when imported against an 8 digit commodity code are within the scope of this investigation.
86. During the PoI, according to 8 digit OTS data,²¹ imports of the goods concerned accounted for an estimated volume of 4,098 tonnes from Lithuania and 18,648 tonnes from the UAE and export value of £12.29m GBP from Lithuania and £38.72m GBP from the UAE. This represents an import share of 17.30% by volume (3.11% for Lithuania, and 14.18% from the UAE).

G2. Normal value

87. Under Part 2 of the Regulations where the TRA is required to determine whether goods have been or are being dumped into the UK, regulation 6(2)(a) specifies that the TRA must determine the normal value of the goods concerned.
88. 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.

G2.1. Normal value in Lithuania

89. 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 circumstances where there are no sales of the like goods in

²⁰ [UK Trade Info from HM Revenue & Customs](#)

²¹ Source: <https://www.uktradeinfo.com/trade-data/ots-custom-table/?id=d288323e-769f-4faf-addc-db43951cf355> , <https://www.uktradeinfo.com/trade-data/ots-custom-table/?id=d288323e-769f-4faf-addc-db43951cf355> accessed 10 December 2024.

the ordinary course of trade in the domestic market of the exporting country or territory, in accordance with regulation 7(2)(a) of the Regulations. The “ordinary course of trade” assessment is set out in regulation 9 of the Regulations, and it sets out the conditions where sales of like goods in the exporting country or territory are not in the ordinary course of trade. This includes, at regulation 9(1)(a) of the Regulations, where goods are sold at prices below the per unit (fixed and variable) costs of production.

90. The TRA was not able to conduct an assessment of whether Lithuanian exporter’s (UAB SCT) sales were in the ordinary course of trade, as the Lithuanian exporter did not provide any cost details as part of its questionnaire response. The TRA had access to two, unverified, costs of production at the PAD stage, one from a sampled domestic producer (Paterson Enterprises) and the other from the UAE producer (SCT FZE).
91. The TRA chose to use the costs from the UAE exporter to determine UAB SCT’s normal value. This is because the UAE costs, whilst they may not be directly representative of UAB’s costs, are from the same group of companies as the Lithuanian producer, and therefore likely to cover similar inputs from similar sources of supply, with similar business decisions made. The TRA therefore constructed Lithuanian normal value based on the costs of production of the associated producer in the UAE, who is also participating in this investigation and did provide full costs as part of its questionnaire response.

G2.2. Normal value in the UAE

92. 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, because of a particular market situation or the low volume of sales in the domestic market of the exporting country or territory (regulation 7(3) of the Regulations), such sales do not permit a proper comparison between the like goods destined for consumption in the exporting country or territory and the goods concerned, in accordance with regulation 7(2)(b) of the Regulations. In relation to UAE domestic sales, all of the models that were selected for the PAD dumping calculation had low volumes of domestic sales, and therefore it was not appropriate to use the comparable price and the TRA constructed normal value based on UAE costs.

G2.3. Constructed normal value

93. As noted above, the TRA has determined that it is not appropriate to use the comparable price of the like goods in both Lithuania (UAB SCT) and the UAE (UAB FZE and Chempioil) to calculate the normal value, in accordance with regulation 7(2) of the Regulations. Consequently, the TRA has used an alternative method to calculate the normal value.
94. 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 costs and for profits, in accordance with regulations 11 and 12 of the Regulations.

G2.3.1. Costs of production

95. Where the TRA determines the costs of production for the purposes of regulation 8(1)(a) of the Regulations, it will do so in accordance with regulation 11 of the Regulations.
96. 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 exporter. Verification to assess the completeness, relevance, and accuracy of the information provided by interested parties is ongoing at the time of drafting this PAD. Consequently, the TRA is not yet able to determine whether regulation 11(3) is met.
97. Despite repeated attempts to obtain costs data from UAB SCT, the TRA did not receive any costs data from the registered, participating Lithuanian exporter (UAB SCT). Therefore, the only specific costs of production for like goods that the TRA had access to were those that were submitted by the UAE exporters (UAB FZE and Chempioil), who are part of the same group of companies as the Lithuanian exporter (UAB SCT). The TRA also received costs of production for like goods from the sampled UK domestic producers.
98. For the purposes of the PAD calculation, the TRA decided to use the cost of production as submitted by the UAE exporter for the construction of normal value for both Lithuania and the UAE. UAE costs were used for the Lithuanian exporter as the UAE costs are from the same company, in the PoI, and for identical products of the same brand. Whilst there may be some differences in the costs of production between Lithuania and the UAE, the TRA were unable to quantify any differences.

G2.3.2. Administrative, selling, and general costs

99. Where the TRA determines a reasonable amount for administrative, selling, and general (AS&G) costs for the purposes of regulation 8(1)(a) of the Regulations, it will do so in accordance with regulation 12 of the Regulations.
100. Regulation 12(2) of the Regulations sets out that, subject to regulation 12(3) of the Regulations, the TRA must determine reasonable amounts for the AS&G costs on the basis of the 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.
101. The TRA received AS&G costs from the UAE exporter, and so these costs were used to determine normal value for the UAE. The TRA did not receive AS&G costs from the Lithuanian exporter, and so was unable to apply regulation 12(2) as set out above. Regulation 12(3) was therefore used to establish the AS&G element to determine normal value for Lithuania. This regulation provides three options:

- 12(3)a): the actual amounts incurred and realised by the overseas exporter in question in respect of production and sales in the domestic market of the exporting country or territory of the same general category of goods,
- 12(3)b) the weighted average of the amounts incurred and realised by other overseas exporters subject to investigation in respect of production and sales of the like goods in the domestic market of the exporting country or territory; or
- 12(3)c) any other reasonable method provided that the amount for profit so established does not exceed the profit normally realised by other overseas exporters on sales of goods of the same general category in the domestic market of the exporting country or territory.

102. The TRA did not receive sufficient information to use either option a) or option b) as set out above, as no costs for in scope or out of scope goods in Lithuania were submitted, and no other overseas (Lithuanian) exporters subject to investigation have provided data. The TRA therefore used 12(3)c), any other reasonable method, to establish AS&G costs for Lithuania. To determine the normal value in relation to Lithuania in the PAD, the TRA has used the domestic AS&G costs for the UAE that were submitted by the related UAE exporter, as these were assessed to be the most reasonable method of calculation that was available at the time.

G2.3.3. Reasonable level of profits

103. Where the TRA determines a reasonable amount for profits for the purposes of regulation 8(1)(a) of the Regulations, it will do so in accordance with regulation 12 of the Regulations.
104. Regulation 12(2) of the Regulations sets out that, subject to regulation 12(3) of the Regulations, the TRA must determine a reasonable amount for profits on the basis of the 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. The three options under regulation 12(3) are set out above (in [Section G2.3.2](#)).
105. Domestic sales as submitted by Lithuania were incapable of being used for normal value, or to understand profit levels, as no costs were submitted, and so profit levels for domestic sales could not be calculated. No other producers from Lithuania provided costs or sales data. Domestic sales as submitted by the UAE were not in the ordinary course of trade, as they were not made in sufficient volumes, and so profit levels for domestic sales are not representative nor appropriate to use.
106. The only level of profits, for producers of engine oils and hydraulic fluids, that the TRA had access to, was the actual and target profit figures submitted by the sampled UK

domestic producers. The actual profit figures that have been submitted by the sampled UK domestic producers are alleged to be suppressed due to dumping, and so are not representative of normal market conditions and not appropriate to use as a reasonable level of profit.

107. The remaining profit figures for producers of engine oils and hydraulic fluids is the target profit figures submitted by the sampled UK domestic producers. One of these target profit figures was unusable in this context, as if it was applied to direct cost figures, it did not cover the overhead costs, and so would not have returned a profit. Therefore, the reasonable level of profit used by the TRA to determine normal value is the target profit reported by the second sampled UK domestic producer only. This was submitted to the TRA in the form of a fixed, gross amount of profit per litre of sales. Deductions were made to this target profit to account for tax and overhead costs. When applied to exporter normal values, this resulted in an average target net profit after tax for both countries, for all selected products, of 13.66% of the final sales price.

G3. Export price.

108. 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.

109. The TRA determined that the export price is unreliable because of an association or a compensatory arrangement between the overseas exporter and the importer of the goods concerned in the UK or the overseas exporter and a third party, in accordance with regulation 15(2) of the Regulations. This is because both exporters from the UAE and Lithuania, and the importer in the UK, have said that they are associated in their registration documents. This means that the export sales figures submitted by the Lithuanian and UAE exporters are not to an independent buyer, and so cannot be used as an export price in the PAD dumping calculation.

110. Neither the purchase volumes nor values provided by the associated importer are between independent parties, and the data submitted at the time of the PAD calculation was partial, with no details of the country imported from and no PCNs allocated. The associated importer submitted total sales values by product model, but no associated sales volumes, meaning that price analysis of these sales is not possible.

111. Obtaining export prices from secondary sources through open-source research, without having them submitted by interested parties, is a manual and time-consuming process. The TRA therefore had to limit the dumping calculation to the 20 products that had the highest total value of sales into the UK. This included four hydraulic fluid products and 16 engine oil products, covering a range of grades, specifications and packing options, to which the TRA assigned PCNs, by matching model numbers submitted by the Lithuanian exporter to the UAE's sales data. The UAE exporter had provided a model number to PCN matching, and since it is an associated party of the Lithuanian exporter, the TRA determined the same PCN matching would be appropriate to use for Lithuanian

exporter as well. This model number to PCN matching submitted by the UAE producer was also used to distinguish, and exclude, out of scope products from the associated importer's sales listing.

112. The TRA has constructed the export price on the basis of the price at which the goods concerned are first sold to an independent buyer in the UK, in accordance with regulations 15(2) and 15(4)(a) of the Regulations. To do this, the TRA used facts available by obtaining up to three prices per sampled product, two from distributors of engine oils and hydraulic fluids (where available), and one from a general online retailer. These export prices are from outside the Pol (October 2024), but where possible, were checked to ensure historical consistency.

G4. Fair comparison

113. 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 as near as possible the same time, in accordance with regulation 16(1) of the Regulations.

114. 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:

- conditions and terms of sale,
- taxation,
- levels of trade,
- quantities,
- physical adjustments.

115. As set out above (at [Section G2 Normal Value](#)) normal value has been constructed for both Lithuania and the UAE based on the unverified UAE costs of production. No fair comparison adjustments were necessary for normal value.

116. The export prices, obtained from the internet, were adjusted to remove the following components, to determine a price sold by the importer to the first independent buyer:

- Online retailers' fulfilment costs.
- Distributors costs and profits (based on actual costs and profits of an independent distributor).²²

117. To establish an ex-factory constructed export price, further adjustments were applied to remove the following elements:

²² This reasonable profit figure is 10.2% of turnover, with costs of 33.1% of turnover, based on business figures for 2023 reported by online retailer Autodoc, here: <https://autodoc.group/press-release-download-im-file/29/en> (accessed 08/10/2024)

- The importer’s actual costs from companies’ house.²³
- Reasonable profits for the importer (based on an independent distributors’ actual profits).²⁴
- Inland transport.
- Import charges.
- Overseas transport and handling charges (based on the questionnaire response from Lubriage).²⁵

G5. Dumping margin

118. In accordance with regulation 17(1)(a) of the Regulations, the TRA compared a weighted average normal value with a weighted average export price by PCN, to calculate the dumping margin for each overseas exporter for which the TRA is determining an individual estimated anti-dumping margin.

119. For all other overseas exporters, the TRA established a residual amount according to regulation 38 of the Regulations, which has been determined by taking the PCN with the highest dumping margin.

120. The provisional dumping margins are shown in the table below:

Figure 5: Provisional dumping margins

Overseas exporter/producer	Dumping margin (%)
UAB SCT Lubricants (Lithuania)	11.60%
All other Lithuanian exporters (residual dumping margin):	49.59%
Chempioil FZE (UAE)	24.95%
SCT Chemicals FZE (UAE)	24.95%
All other UAE exporters (residual dumping margin):	59.40%

²³ [Lubriage - Companies house](#)

²⁴ Again, the Autodoc profit figure of 10.2% was used here. <https://autodoc.group/press-release-download-image/29/en> (accessed 08/10/2024)

²⁵ [AD0059 - Questionnaire Lubriage Ltd](#)

Section H: Cumulation

121. In accordance with regulation 34 of the Regulations, the TRA can consider whether it is appropriate to cumulatively assess the effects of all of the dumped goods prior to proceeding to the injury and causation assessment. Cumulation may be considered by the TRA where goods from more than one foreign country or territory are subject to simultaneous dumping investigations. Cumulation means that the TRA may assess the effects of all of the dumped imports from all countries concerned, on the UK industry on a combined basis.

122. There are three requirements for cumulation that must be met:

- 1) The country wide dumping margin from each foreign country or territory are more than minimal; and
- 2) The import volumes of the dumped goods from each foreign country or territory are more than negligible; and
- 3) The TRA considers that a cumulative assessment is appropriate in light of the conditions of competition between:
 - i) the dumped goods from the different foreign countries or territories subject to the investigation; and
 - ii) the dumped goods and the like goods in the UK.

H.1. More than minimal criteria

123. The TRA considers that a dumping margin is more than minimal if it is greater than 2% of CIF value. As set out in Section G5, above, the TRA have assessed that the dumping margins for Lithuania are 11.60% - 49.59%, and for the UAE are 24.95% - 59.4% of CIF value. The TRA considers that this dumping is more than minimal.

H.2. More than negligible criteria

124. For the import volumes from a foreign country or territory to be more than negligible, the dumped goods or subsidised imports must account for at least 3% by volume of all goods concerned and like goods imported into the UK. This does not apply however where imports from a foreign country or territory individually account for less than 3% of total imports, but collectively account for more than 7% (less than 4% individually but more than 9% collectively for subsidised imports from developing countries).

125. The most reliable import data that the TRA has access to is the publicly available, 8-digit OTS import data.²⁶ This data may include some goods that are out of the scope of this investigation, so it is not a reliable source for average pricing. However, the TRA has assessed that the majority of imports reported under these codes are likely to be the goods concerned, and so it is sufficiently reliable, at this stage, to understand import

²⁶ [UK Trade Info from HM Revenue & Customs](#)

volumes generally. This is because the out of scope goods that can be defined under the same commodity codes (such as gear oil, aviation lubricant etc) are more specialist in their application, and so are imported and consumed less than the goods concerned. The TRA has examined the raw HMRC Customs declaration data. The TRA is not able to use this data as it has not been quality assured, nevertheless, comparing the 10 digit data to the 8 digit data suggests that the vast majority of goods when imported against an 8 digit commodity code are within the scope of this investigation.

126. The 8 digit OTS data²⁷ is:

Figure 6: Import volume and value by country, for commodity codes 27101981 and 27101983, for the Pol.

Country	Volume (thousands of metric tonnes) 27101981	Volume (thousands of metric tonnes) 27101983	Volume (thousands of metric tonnes) 27101981 + 27101983
Lithuania	4.3 (3.62 %)	0.2 (0.78%)	4.5 (3.14%)
The UAE	13.9 (11.65 %)	6.2 (25.78%)	20.1 (14.01%)
Lithuania plus the UAE	18.3 (15.26 %)	6.4 (26.56%)	24.6 (17.15%)
All imports	119.7 (100 %)	24.0 (100%)	143.7 (100%)

127. This import data demonstrates that, for the goods concerned as a whole across both commodity codes, individually, imports from Lithuania and the UAE account for more than 3% of total imports. Import volumes of the goods concerned to the UK, from both Lithuania and the UAE, are therefore more than negligible.

H.3. Conditions of competition

128. To assess the conditions of competition, the TRA must consider both the conditions of competition between the dumped goods from the different foreign countries or territories subject to the investigation, and the conditions of competition between the dumped goods and the like goods in the UK.

129. The physical characteristics and uses of the goods concerned from Lithuania, the goods concerned from the UAE and the like goods produced in the UK are alike. All the products are manufactured to specifications that are set either by international regulatory organisations (such as ACEA grades, oil specifications), or by car manufacturers. They are interchangeable and substitutable, the quality of the products is comparable, and the raw materials used in the production of the products is similar or identical. Finally, the function, technical specifications, tariff classification and customer

²⁷ Source: <https://www.uktradeinfo.com/trade-data/ots-custom-table/?id=d288323e-769f-4faf-addc-db43951cf355> , <https://www.uktradeinfo.com/trade-data/ots-custom-table/?id=d288323e-769f-4faf-addc-db43951cf355> accessed 10 December 2024.

requirements of the goods concerned from both Lithuania and the UAE, and the like goods produced in the UK, are the same.

130. The goods concerned from Lithuania and the UAE that the TRA have identified, have common or similar channels of distribution – they are sold to both distributors and end users. This is the same, or similar, to the channels of distribution that UK industry use when selling their like goods. The goods concerned from both countries, and the like goods produced by the UK, are being sold in the same areas of the domestic market (both in terms of geographical location, and in terms of online availability), at the same time periods of the investigation (continuously, throughout the Pol).

H.4. Cumulation comment from the European Commission

131. As part of its submission to the investigation,²⁸ the European Commission commented on cumulation:

“UAE export volumes to the UK are substantially higher than Lithuanian exports to the UK (from total imports analysed, UAE represents around 80% of imports and Lithuania 20%); and UAE average prices are considerably lower than Lithuanian prices. Therefore, Lithuanian and UAE imports should be de-cumulated for the purpose of the injury analysis.”

132. The TRA does not find this commentary on cumulation to be persuasive. This is because, the import prices at the 8 digit level are not reliable (may be subject to transfer pricing), and the accusation contained in the application is that the goods are being dumped in the UK by an associated importer, which may not be represented in the OTS data. Secondly, there are links between producers and exporters of the goods concerned in Lithuania and the UAE, in the case of the parties registered to the case, they are the same company who manufacture the same products, which are exported to the UK from both Lithuania and the UAE. Finally, whilst UAE import volumes in the Pol are indeed higher, Lithuanian import volumes throughout the IP remain substantial, and have been significant in that period.

H.5. Cumulation conclusion

133. The TRA has determined that, the dumping margins for Lithuania and the UAE are more than minimal, the import volumes of the goods concerned from Lithuania and the UAE are more than negligible, and that the goods concerned compete with each other and with the like goods produced in the UK. The TRA is therefore satisfied that cumulation is appropriate, and it will cumulatively assess the effects of the imports of the goods concerned from Lithuania and the UAE on the UK industry.

²⁸ [TRA Investigations - Trade Remedies Service - GOV.UK](#)

Section I: Provisional findings on injury

134. Injury is the term used when there is evidence of a UK industry being harmed by dumped goods. Paragraph 5 of Schedule 4 to the Act defines ‘injury’ to a UK industry in particular goods as:

- Material injury, or the threat of material injury, to the industry, or
- material retardation of the establishment of the industry.

135. In accordance with regulation 27(2) of the Regulations, as the TRA has determined that goods have been or are being dumped into the United Kingdom, 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
- the dumped goods have caused or are causing that injury to that UK industry.

136. 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 four 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.
- d) Any other factors it considers relevant.

137. At the time of these assessments, the injury information submitted to the TRA, by domestic industry, was partial, with limited non-confidential summaries. This, combined with the limited relevance of OTS price data, presented challenges for the TRA whilst completing the injury assessment.

138. To determine whether the dumped goods have caused or are causing injury to UK industry, in line with regulation 35 of the Regulations, the TRA has also examined whether any known factors other than the dumped goods (other known factors) have caused or are causing injury to a UK industry (see [Section I2](#) below).

I1. Injury Analysis

139. UK producers were sampled for the purpose of the injury assessments, as set out above (at [Section D2.1](#)). Four UK producers were sampled, of which two (Aztec and Paterson) provided questionnaire responses.

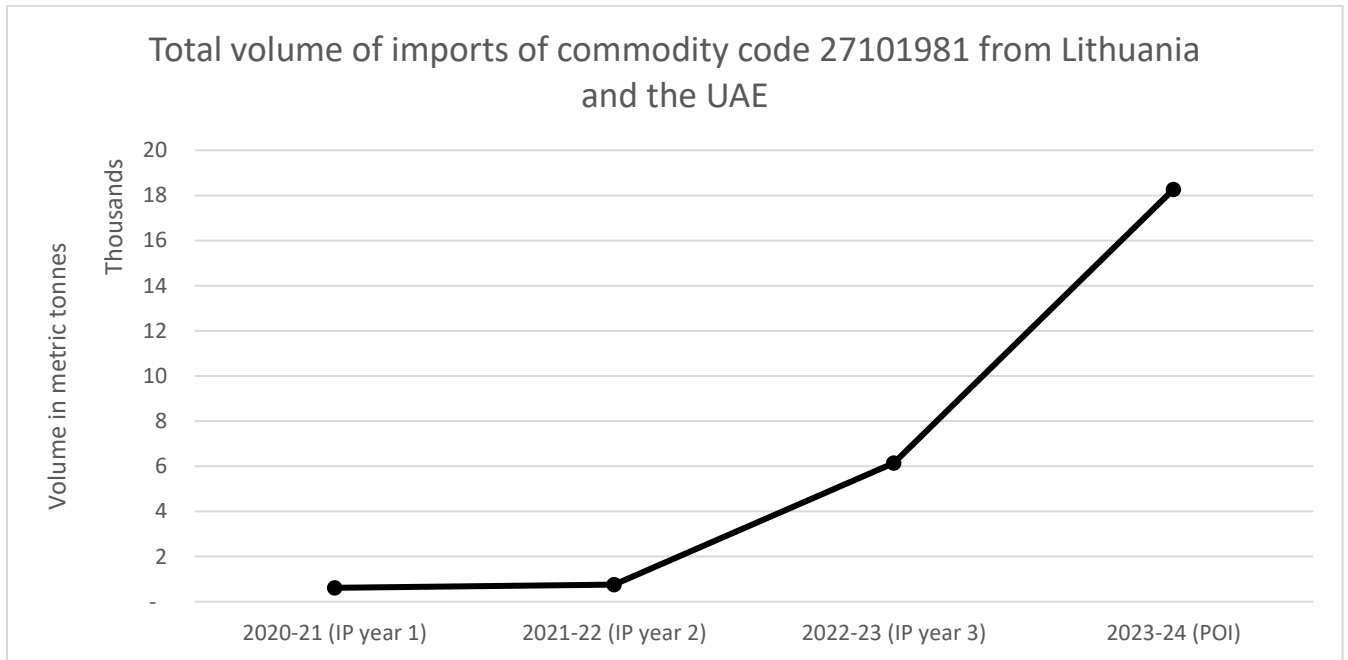
11.1 Volume of the dumped goods

140. In accordance with regulation 31 of the Regulations, when determining whether the UK Industry is suffering injury, the TRA has considered where 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.

11.1.1 Volume of dumped goods in absolute terms

141. The import data for this investigation, at a non-confidential, 8 digit level, includes some goods that are not in the scope of the investigation (such as gear lubricants, lubricants for the aviation industry and turbine lubricants). This makes it difficult to determine an exact volume of imports of the goods concerned. Our assessment is that most imports, imported under the two relevant 8 digit commodity codes, are in scope goods of engine oils or hydraulic fluids, as these are the most widely consumed goods within those codes.

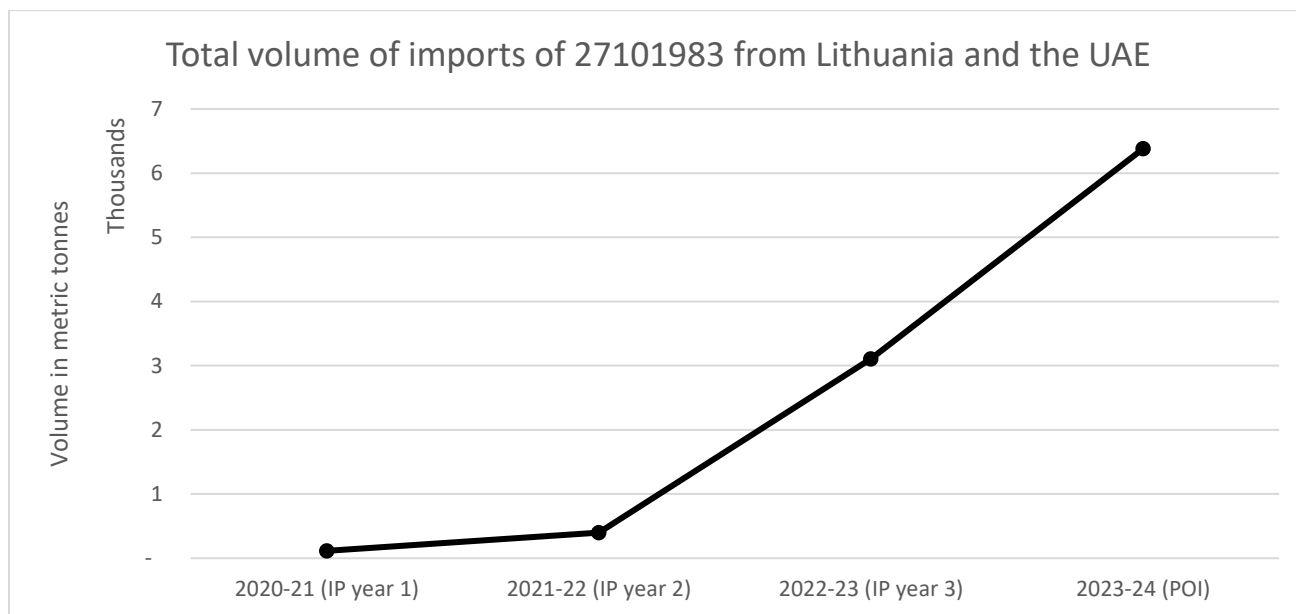
Figure 7: Source: <https://www.uktradeinfo.com/trade-data/ots-custom-table/?id=d288323e-769f-4faf-addc-db43951cf355> , <https://www.uktradeinfo.com/trade-data/ots-custom-table/?id=d288323e-769f-4faf-addc-db43951cf355> accessed 10 December 2024.



TONNES	2020-21 (IP year 1)	2021-22 (IP year 2)	2022-23 (IP year 3)	2023-24 (POI)
Lithuania	291	282	2,831	4,326
UAE	323	473	3,310	13,940
Total	614	755	6,141	18,266

142. The relevant import data shows that, over the IP (1 April 2020 – 31 March 2024), the volume of imports from Lithuania and the UAE of commodity code 27101981, which includes the goods concerned, has increased significantly, in absolute volume (see graph and table below).

Figure 8: Source: <https://www.uktradeinfo.com/trade-data/ots-custom-table/?id=d288323e-769f-4faf-addc-db43951cf355> , <https://www.uktradeinfo.com/trade-data/ots-custom-table/?id=d288323e-769f-4faf-addc-db43951cf355> accessed 10 December 2024.

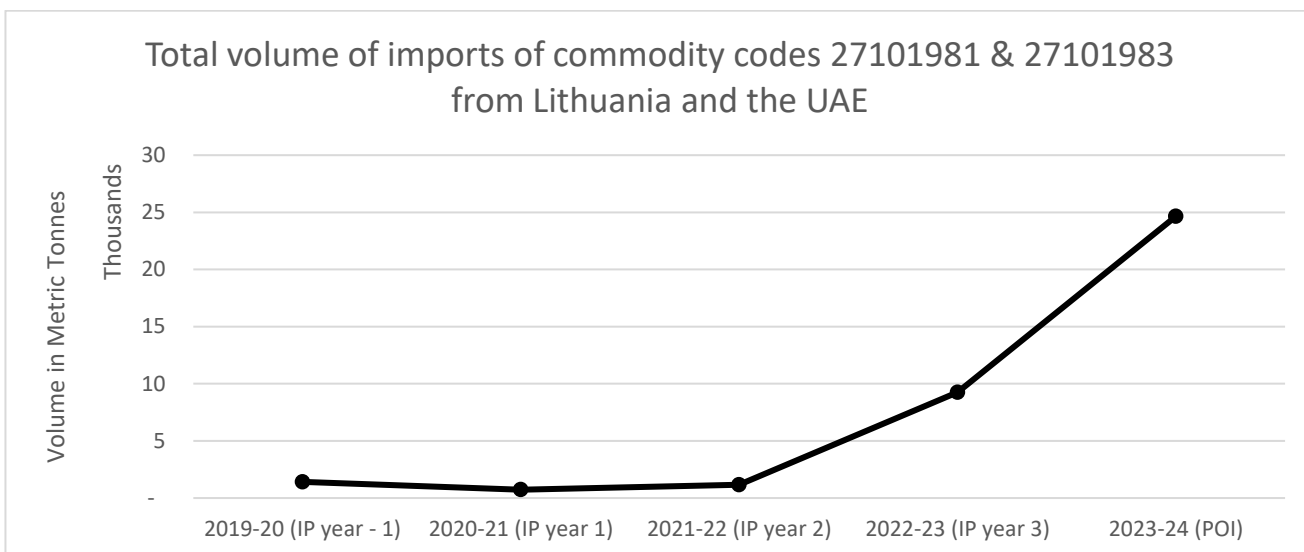


TONNES	2020-21 (IP year 1)	2021-22 (IP year 2)	2022-23 (IP year 3)	2023-24 (POI)
Lithuania	92	371	1,205	187
UAE	23	26	1,900	6,193
Total	115	397	3,104	6,381

143. This import data shows that, over the IP (1 April 2020 – 31 March 2024), the volume of imports in absolute terms from Lithuania and the UAE of commodity code 27101983, which includes the goods concerned, has increased significantly, in absolute volumes.

144. The import data for both commodity codes combined demonstrates a similar trend:

Figure 9: Source: <https://www.uktradeinfo.com/trade-data/ots-custom-table/?id=d288323e-769f-4faf-addc-db43951cf355> , <https://www.uktradeinfo.com/trade-data/ots-custom-table/?id=d288323e-769f-4faf-addc-db43951cf355> accessed 10 December 2024.



145. The combined commodity code data demonstrates that, over the IP (1 April 2020 – 31 March 2024), the volume of imports in absolute terms from Lithuania and the UAE of commodity codes 27101981 and 27101983, which includes the goods concerned, has increased significantly, in absolute volumes.

11.2. Effect of dumped goods concerned on prices.

146. 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 IP, the TRA has considered whether:

- There has been significant price undercutting by the dumped goods as compared with the price of the like goods produced in the UK; or
- the dumped goods have depressed or suppressed domestic prices of the like goods produced in the UK to a significant degree.

11.2.1. Price undercutting

147. Price undercutting is where the imported goods are consistently sold at a price below that of the like goods in the UK.

148. An undercutting analysis is a comparison of 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.
149. Due to the limited information provided by parties in their initial questionnaire responses (lack of sales volumes and PCN assignment by the cooperating importer), the undercutting calculation was limited to a selection of the top selling products of the goods concerned by total sales value (including both engine oil and hydraulic fluid products – the same products that were selected for the dumping margin, above, and underselling margin, below). The TRA has had to limit their examination in this way to remain compliant with case timelines, as significant manual manipulation and research was required.
150. The TRA determined that it would not be appropriate to use OTS import prices to complete this undercutting calculation. This is because, in this investigation, the OTS import prices are subject to the associations between the exporter and the associated importer, and so the prices reflected in that data are not to independent customers. This may distort a realistic assessment of undercutting. The TRA is therefore unable to assess undercutting over the whole of the IP, as the TRA does not have access to data upon which it would be reasonable to rely for this period. The undercutting analysis is limited to the sales prices of the goods concerned into the UK that the TRA had access to at the time of the assessment, which is internet sales prices during the PoI.
151. At the time of the PAD assessments (immediately after questionnaire responses were initially received by the TRA), no sales prices of the goods concerned to the first independent customer in the UK had been submitted to the TRA by the overseas exporters or associated importers. The TRA therefore completed an undercutting analysis based on the prices at which the goods concerned are available for purchase through a range of online sources. These prices were adjusted to remove reasonable independent distributor costs (minus 33.1%) and profits (minus 10.2%) based on the actual costs and profits that we were able to find for independent distributors of the goods concerned,²⁹ to arrive at a UK landed price (which also included transport to the UK and UK customs clearance charges).
152. The distributor costs and profits used in this calculation are the same used in the export price assessment for the dumping calculation. The online sales prices used were also the same between the two calculations, these prices were checked to make sure that they were consistent with historical sales prices throughout the PoI and IP, as much as possible.
153. To establish a UK sales price, the TRA calculated average sales prices of the like goods with the same PCN categories as the goods concerned, weighted by volume sold, using the sampled UK domestic producer's data.

²⁹ <https://autodoc.group/press-release-download-im-file/29/en>

154. The result of this calculation, based on unverified and partial data, was that the TRA established that there had been price undercutting of the goods concerned in the PoI. This price undercutting was significant, of the 23 PCNs examined, nine matched UK sales (these matches included both engine oil and hydraulic fluid products), all of which were undercut by landed import prices of the goods concerned. The result of this assessment is that, as an average weighted by sales volume across the matching PCNs, UK like goods were found to have been undercut by 37% of UK sales prices.
155. The TRA was not able to express this undercutting as a margin of import prices, because the TRA does not have sufficiently reliable data that provides import volumes by individual PCNs. The TRA was not able to perform this calculation over the whole of the IP, because (as stated, above) the OTS data that the TRA had access to did not reflect the specific allegations of dumping.

I1.2.2. Price depression

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

Figure 10: Average domestic sales prices per litre for engine oils

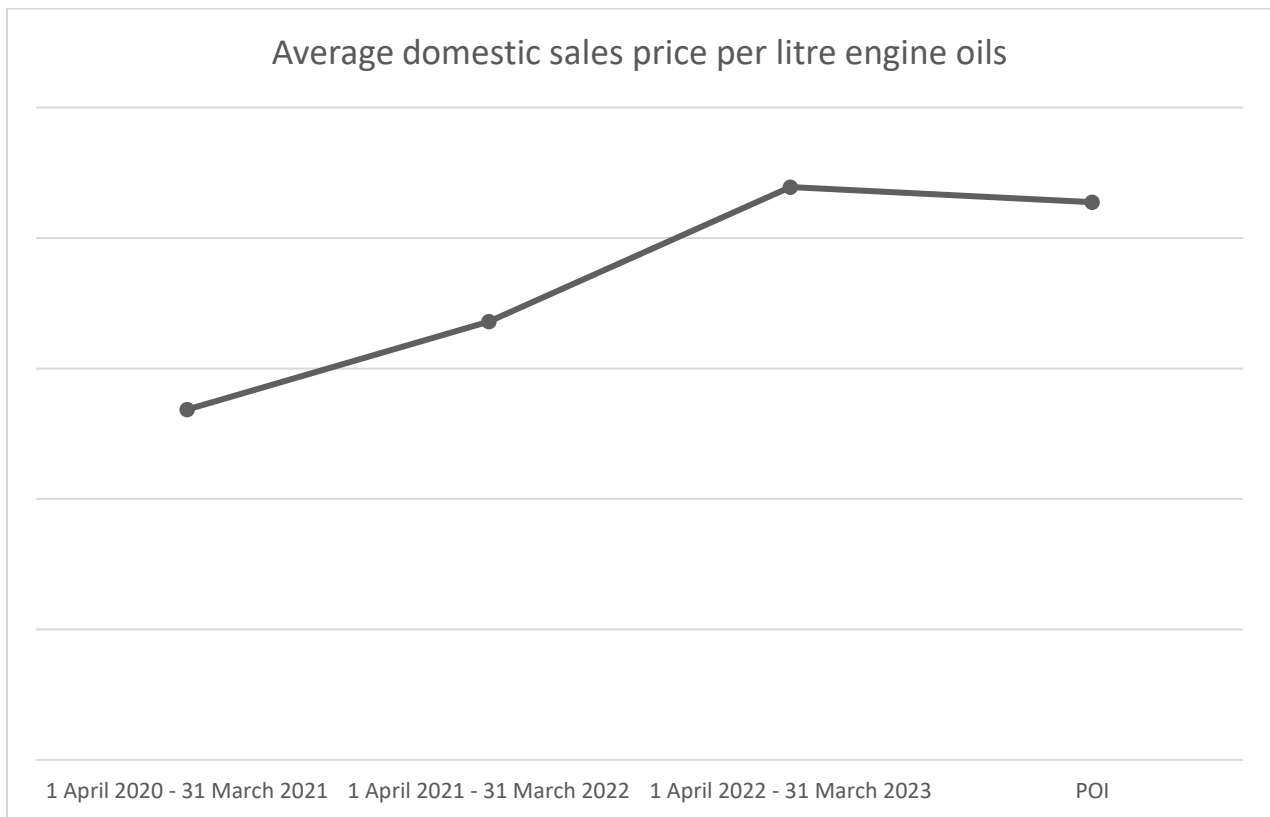
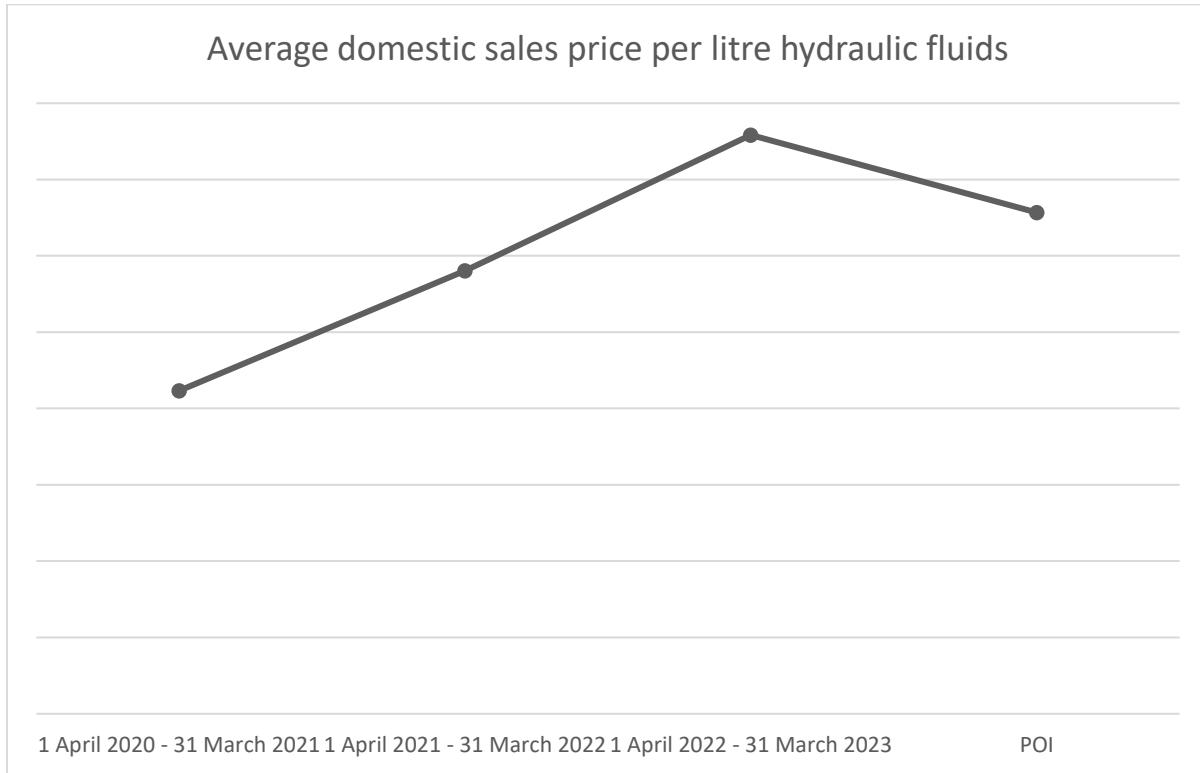


Figure 11: Average domestic sales prices per litre for hydraulic fluids



157. The TRA is unable to use OTS data for import price comparison, as it is not specific to the goods concerned and includes out of scope products. In any event, the TRA has found no evidence of price depression, as, generally, UK industry have not reduced their prices over the IP (with the exception of the final year of the IP to the POI).

I1.2.3. Price suppression

158. Price suppression occurs where price increases for the like goods, which otherwise would have occurred, have been prevented to a significant degree due to the price of the goods concerned.

159. Whilst domestic sales prices have generally increased (see above graphs), costs of production have also increased over the IP. Increasing domestic sales prices therefore do not preclude the occurrence of price suppression.

160. The TRA has not been able to complete a detailed price suppression analysis. This is because, whilst the TRA does have access to 8-digit import data and domestic sales prices for the IP, the TRA does not have sales prices of the goods concerned by the related importer to independent customers. The TRA aims to revisit its conclusions once it has such data.

161. The undercutting analysis (set out above) demonstrated that import prices of the goods concerned are lower than domestic sales prices of like goods. This is reflected in

comments submitted to the TRA from domestic interested parties. UKLA have submitted that:

“Material injury- the dumping of engine oil and hydraulic fluid from the UAE and Lithuania if proven, has caused direct material injury to members of the UKLA through reduced sales volumes, reduced sales values and reduced margins.[...] The dumping of finished engine oil and hydraulic oil from the UAE and Lithuania has caused sector-wide reputational damage as customers and end users have come to expect a deflationary market of reducing prices for engine oil and hydraulic fluid which is unrealistic [...] This has led to margin suppression and price depression as customers expect increasingly cheaper goods and in effect a race to the bottom, even though companies are subject to the same inflationary pressures across the wider economy arising from raw materials price increases and wage labour costs as other companies.”³⁰

162. To conclude, the TRA have established that imported prices are lower than UK sales prices (see price undercutting, above). Whilst domestic sales prices have increased, domestic interested parties have stated that these dumped, lower priced imports are affecting their ability to set sales prices and sell at a profit (profitability is assessed in more detail below). The TRA has therefore determined that the dumped goods have suppressed domestic prices of the like goods produced in the UK to a significant degree, on the basis of the evidence available at the time that the assessments were conducted.

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

163. In considering, for the purpose of regulation 30(2)(c), the impact of the dumped goods on the UK industry, 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.

164. The UK industry that has participated fully in this investigation are the sampled UK domestic producers, Aztec, and Paterson. As can be seen from the non-confidential questionnaires that they have submitted to the public file, these two companies have experienced differing levels of injury. The TRA has assessed that these differing levels

³⁰ [AD0059 Questionnaire UKLA - Page 9 & 10](#)

of injury are likely to be caused by the different market positions, and sales prices, of the two companies.

165. Aztec are a comparably new company, of around 25 years old, who focus on providing the most competitive price point/value possible for its customers, whilst maintaining quality. Paterson Enterprises are a fifth-generation family business, around 150 years old, who focus on providing the best quality product possible for its customers, whilst maintaining competitive pricing. Both Aztec and Paterson are part of, and representative of, UK industry (see UK industry section, above).

11.3.1. Actual and potential decline in sales

166. Aztec have reported in its questionnaire response that the volume of domestic sales of engine oils have fallen by 25-30% over the IP, and that the volume of domestic sales of hydraulic fluids have declined by 20-25%. This is consistent with the confidential data that it has submitted to the TRA.

167. Paterson have submitted that domestic sales volumes have increased by 52% for engine oils, and 21% for hydraulic fluids, over the IP. This is consistent with the confidential data that it has submitted to the TRA.

Figure 12: Source: Aztec and Paterson Enterprises questionnaire submissions (available on [AD0059 public file](#))

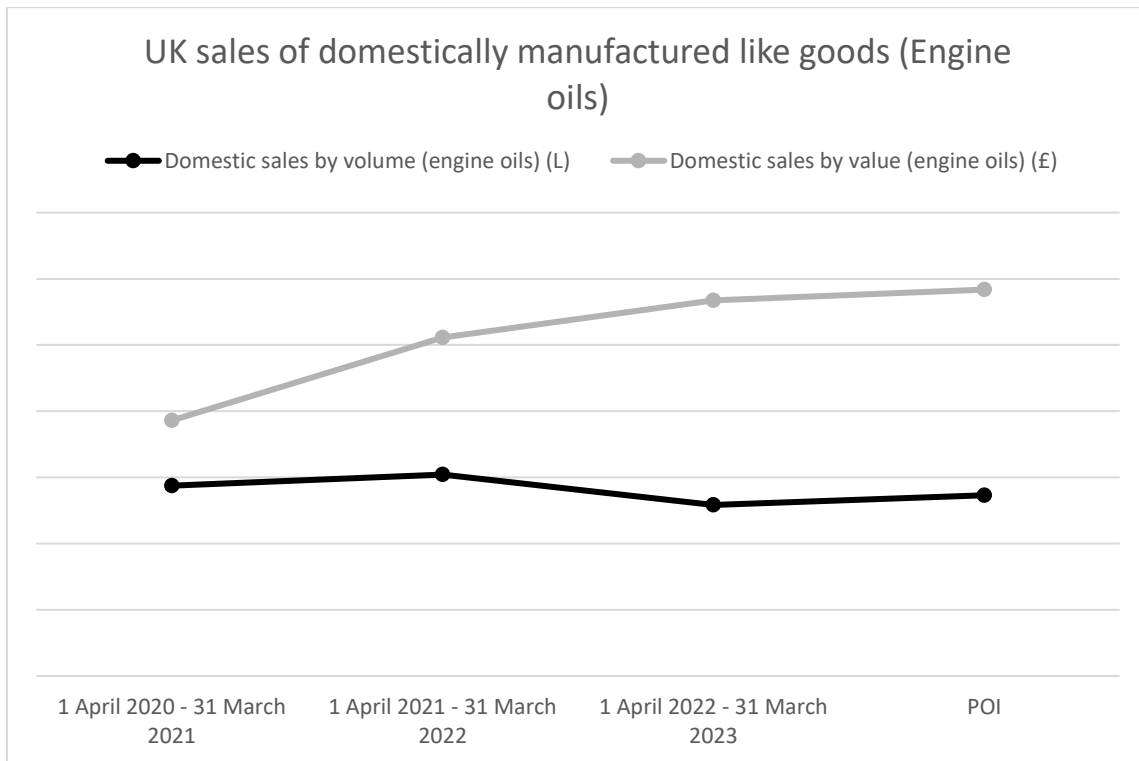
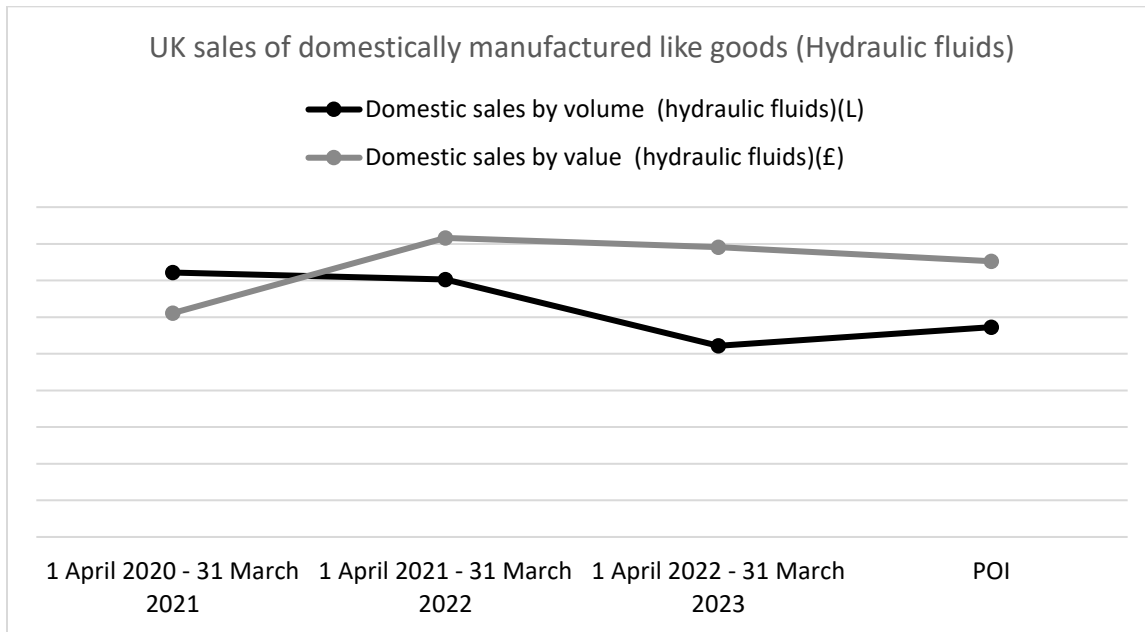


Figure 13: Source: Aztec and Paterson Enterprises questionnaire submissions (available on AD0059 [public file](#))



I1.3.2. Actual and potential decline in profits

168. Aztec has reported in its questionnaire response that its actual profits have declined over the IP. Aztec’s audited accounts³¹ document a reduction in gross profit from financial year 2023 to financial year 2024 of 18.75%, and a reduction in operating profit over the same period of 62%. This is consistent with the confidential data that it has submitted to the TRA. Aztec have therefore suffered an actual decline in profits over the IP.

169. Paterson has submitted that its profitability has increased over the IP, with net operating profits after tax increasing by approximately 13% for engine oils, and 7% (with a high of plus 12%) for hydraulic fluids. Paterson has therefore not suffered an actual decline in profits over the IP.

I1.3.3. Actual and potential decline in output

170. Aztec has submitted, in its non-confidential questionnaire response, that:

“...the company’s output figures for engine oils and hydraulic fluids demonstrate[e]... the large drop in literage in the year ending 31st March 23 & the Pol compared to the two preceeding [sic] years.” This statement is supported by the data submitted to the TRA in the confidential copy of the questionnaire, and the TRA have assessed that Aztec have suffered an actual decline in output.

³¹ [AZTEC OILS LIMITED filing history - Find and update company information - GOV.UK](#)

171. The information reported by Paterson indicates that Patersons’ output has increased over the IP, for both engine oils and hydraulic fluids, in terms of volume and in terms of value.

I1.3.4. Actual and potential decline in market share

172. Aztec has not provided a market share estimation to the TRA, in either its confidential or its non-confidential submission. Given the fact that Aztec’s output and sales volume has declined, the TRA has assessed that it is likely that Aztec has also suffered an actual loss of market share over the IP.

173. Paterson has estimated its market share, based on the estimates of the total UK market that were submitted to the TRA by the UKLA. The TRA assesses that these estimations by Paterson are likely lower than the actual market share that Paterson has. This is because the Paterson submitted market share has been calculated by comparing a smaller category of like goods (which are only engine oils and hydraulic fluids) against a market amount submitted by the UKLA for all lubricants and greases, which includes out of scope goods.

174. The market share that Paterson has submitted shows an increase over the IP. This is consistent with the other data that Paterson has submitted, showing an increase in sales volumes.

I1.3.5. Actual and potential decline in productivity

175. Aztec has not submitted non-confidential summaries to the TRA regarding its number of employees, or the productivity of those employees. The TRA is therefore limited by legislation in its ability to consider the confidential productivity information submitted by Aztec.³² However, this information is available for the whole company as part of its audited accounts,³³ which record 90 employees in 2020, 94 employees in 2021, 90 employees in 2022, 88 employees in 2023, and 83 employees in 2024. Whilst not all these employees will be working on like goods, it is likely that most of them do, as the majority of the products sold by Aztec are like goods.

Figure 14: Aztec total number of employees during the injury period

Year:	2020-21 (IP year 1)	2021-22 (IP year 2)	2022-23 (IP year 3)	2023-24 (POI)
Average monthly number of persons employed by Aztec during the year:	94	90	88	83

³² [Regulation 45 of The Trade Remedies \(Dumping and Subsidisation\) \(EU Exit\) Regulations 2019](#)

³³ [Aztec Ltd - Companies house](#)

176. Paterson has submitted that the productivity of its employees has increased over the IP, by 38% in relation to engine oils, and 16% in relation to hydraulic fluids. This is against a backdrop of an increase in 8% of the number of employees. This makes it clear that Paterson has not suffered an actual drop in productivity.

Figure 15: Paterson employees and their output for both engine oils and hydraulic fluids for the injury period

Year:	2020-21 (IP year 1)	2021-22 (IP year 2)	2022-23 (IP year 3)	2023-24 (POI)
Total number of employees (FTE)	100%	106%	106%	108%
Number of employees for like goods (engine oils)(FTE)	100%	102%	105%	103%
Number of employees for like goods (hydraulic fluids)(FTE)	100%	102%	105%	103%
Average output in volume per employee for like goods (engine oils)(FTE)	100%	124%	132%	138%
Average output in volume per employee for like goods (hydraulic fluids)(FTE)	100%	128%	105%	116%

I1.3.6. Actual and potential decline in return on investments

177. Aztec has stated that it has reduced its investments as a result of dumped products. Paterson has not submitted information in relation to its investments, and so the TRA are unable to consider any actual or potential decline in return on Paterson's investments.

I1.3.7. Actual and potential decline on utilisation of capacity

178. Aztec has not submitted a non-confidential summary of its capacity utilisation information, and so the ability of the TRA to consider the confidential capacity information submitted is limited.³⁴ Paterson's data shows that capacities have increased throughout the IP, with capacity utilisation fluctuating, and slightly increasing over that period.

³⁴ [Regulation 45 of The Trade Remedies \(Dumping and Subsidisation\) \(EU Exit\) Regulations 2019](#)

I1.3.8. Factors affecting the domestic prices of like goods

179. Factors that affect the domestic prices of like goods include dumping, which the TRA has established. Other factors that have been submitted as affecting the domestic prices of like goods include the prices of raw materials and inputs, in particular base oil prices. Base oils are globally traded commodities that are derivatives of crude oil, the price of which can fluctuate dependent on global market conditions.

I1.3.9. The magnitude of the margin of dumping

180. The margin of dumping that the TRA have calculated for this case ranges from 11.60% (in relation to the cooperating Lithuanian exporter) to 59.40% (residual rate for the UAE).

I1.3.10. Actual and potential negative effect on cash flow

181. The TRA received confidential cash flow information from Aztec, but no non-confidential summary, or statement of reasons as to why one is not possible, was submitted. This limits the TRA's ability to consider the cash flow information submitted by Aztec.³⁵ Paterson did not submit any cash flow data to the investigation.

I1.3.11. Actual and potential negative effect on inventories

182. The information submitted to the TRA, by interested parties, regarding inventories is partial. The TRA has assessed that engine oils and hydraulic fluids on the domestic market are generally blended to order.

I1.3.12. Actual and potential negative effect on employment

183. The TRA has found that that there has been an approximate 8% decrease in the number of employees at Aztec, and an approximate 8% increase in the number of employees at Paterson, over the IP.

I1.3.13. Actual and potential negative effect on wages

184. Aztec's profitability, volume production and sales have reduced over the IP. Its number of employees has also reduced. According to filings with Companies House,³⁶ the average salary (total wages and salaries divided by total number of employees) was (£2,296,837 / 90 =) £25,520 as of 31 March 2020, at the start of the IP. For the financial year ending on 31 March 2024, the average salary for Aztec was (£2,568,319 / 83 =) £30,943. This is an increase in average salary of 17.5% in four years (with the 8% decrease in employment, noted above).

185. Paterson's accounts are filed with companies house as part of a group,³⁷ as of the end of July 2020 it reported an average salary for all employees (the majority of which work

³⁵ [Regulation 45 of The Trade Remedies \(Dumping and Subsidisation\) \(EU Exit\) Regulations 2019](#)

³⁶ [Aztec Oils Ltd overview - Find and update company information - GOV.UK](#)

³⁷ [Paterson Enterprises Ltd overview - Find and update company information - GOV.UK](#)

in the Lubricants business) as (£6,624,000/217 =) £30,525, and as of the end of July 2023 this had risen to (£8,193,000 / 221 =) £37,072. This is an increase of 21% in three years.

186. The TRA has compared this information from the sampled domestic producers to the changes to average salaries in the United Kingdom over the same period of time. ONS data³⁸ records that average weekly regular pay was £512 in March 2020, rising to £637 in March 2024. This is an increase of 20% in four years. The same data indicates that the average weekly regular pay in July 2020 was also £512, and in July 2023 it was £617. This is also an increase of 20% in three years.

I1.3.14. Actual and potential negative effect on growth

187. The TRA has assessed growth in terms of company size, revenue, market share and profitability over time. Revenue, market share and profitability have already been assessed above. In relation to company size, the TRA has looked at investments to determine whether domestic producers are growing.

188. Aztec has submitted to the TRA that it has reduced its investments as a result of dumping (see above, actual or potential decline in return on investments).

189. Paterson has not suffered an actual negative effect on growth.

I1.3.15. Actual and potential negative affect on the ability to raise capital or investments.

190. The TRA has received no information in relation to this injury factor and is unable to assess this injury factor with sufficient detail.

I1.4. Other factors considered relevant.

191. The TRA has not identified other factors considered relevant to the injury assessment.

I1.5 Economic factors assessment conclusion

192. Aztec and Paterson, who form part of UK industry and are representative of it, have claimed that they are subject to injury.

193. The TRA has determined that UK industry, as a whole, has actually suffered from material injury in relation to sales, profitability, output, productivity, return on investments, capacity utilisation, the margin of dumping, employment, wages, and growth. This is because, whilst the injury data for the two cooperating domestic producers (Aztec and Paterson) is contrasting, both producers are being undercut and undersold, and the actual injury suffered by Aztec is representative of injury which is being suffered by UK industry as a whole, whilst Paterson have been able to limit the

³⁸ [Average weekly earnings in Great Britain - Office for National Statistics](#)

extent of the actual injury that they have suffered due to a differing market position. Figures 12 and 13 demonstrate, that if the data is aggregated, both Paterson and Aztec have experienced injury in relation to sales volumes and values.

194. The TRA has therefore determined that UK industry is suffering from actual material injury.

12. Causation and non-attribution

195. The TRA have assessed that UK industry is suffering from injury, in particular in the form of an actual decline in sales, an actual decline in profits, an actual material decline in output, an actual material decline in market share, an actual material decline in productivity, an actual decline in return on investments, an actual material decline of utilisation of capacity, an actual material negative effect on employment, an material negative effect on wages and an actual material negative effect on growth.

196. The following graphs set out the sales of like goods, made by UK industry:

Figure 16: Source: Aztec and Paterson questionnaire submissions (available on [AD0059 public file](#))

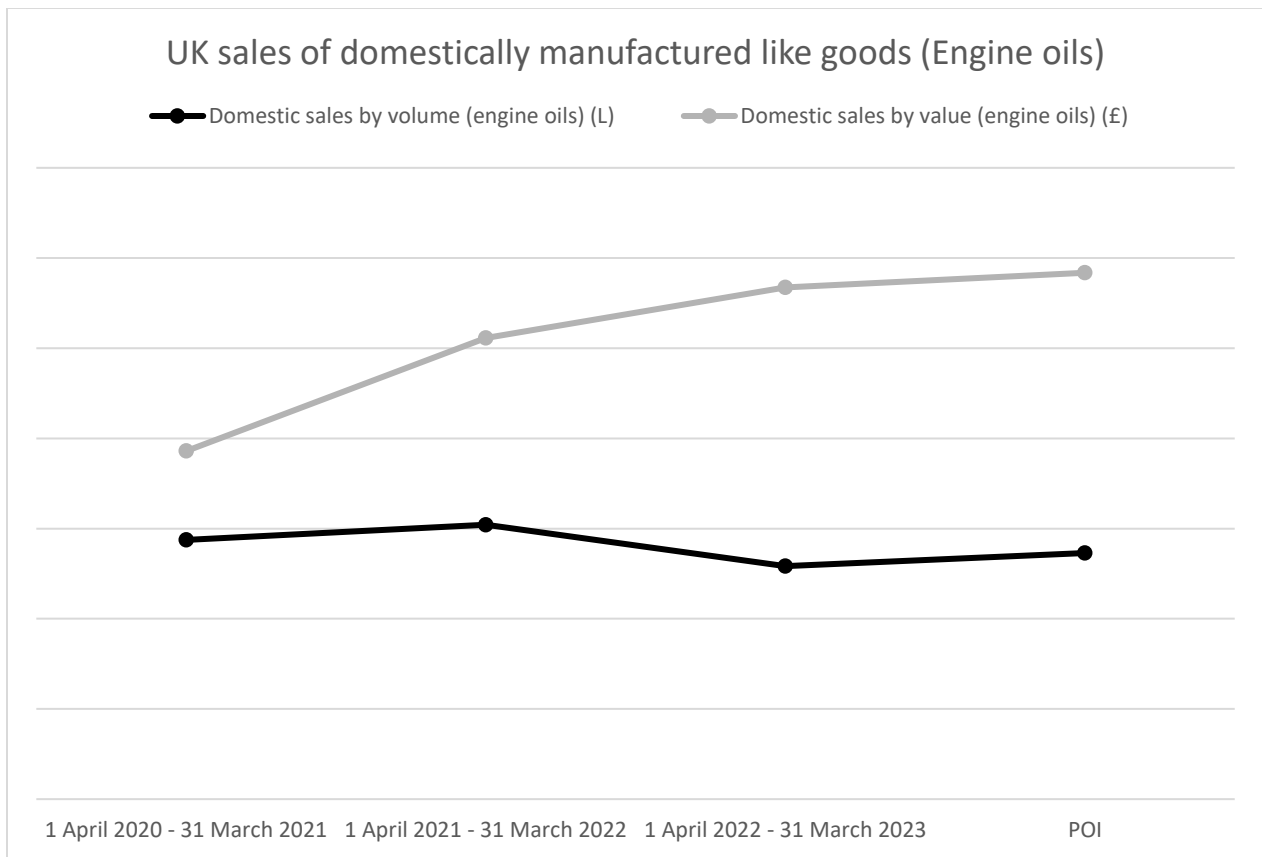
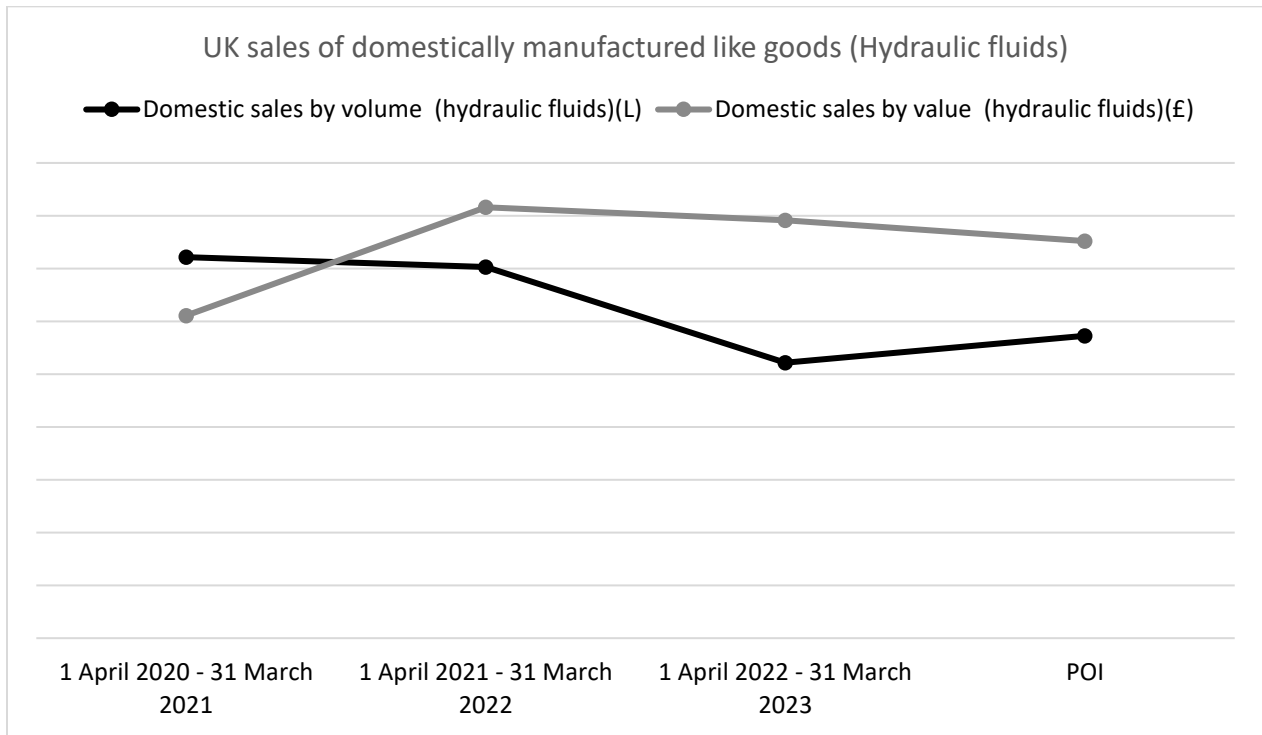
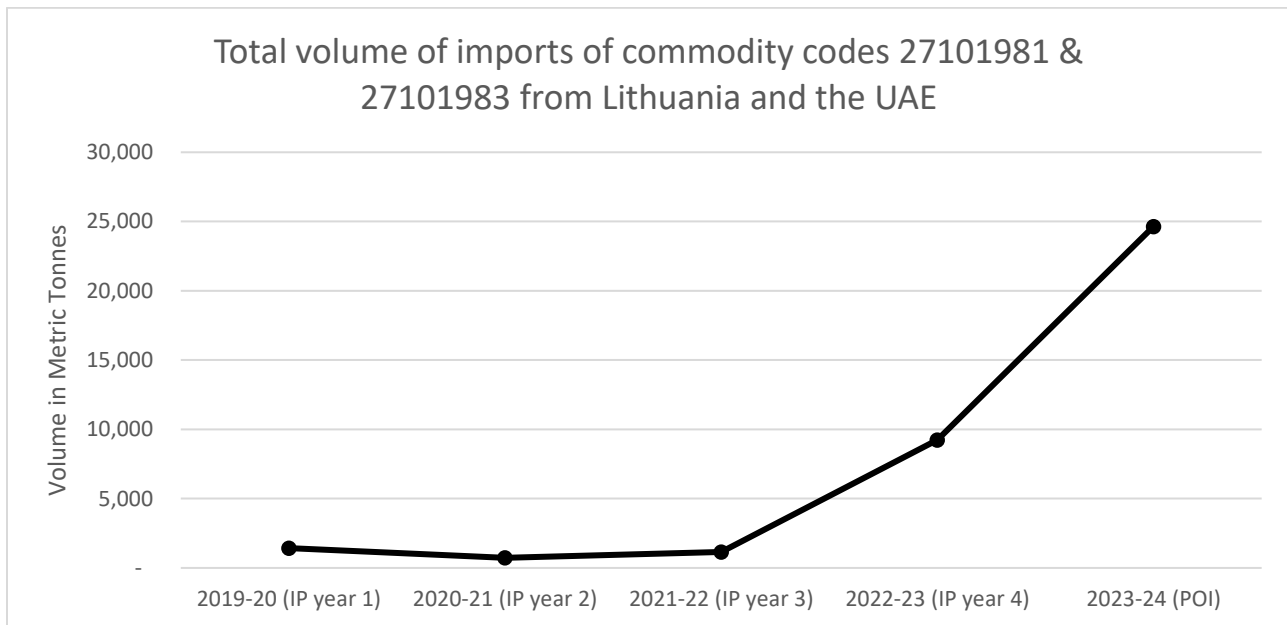


Figure 17: Source: Aztec and Paterson questionnaire submissions (available on AD0059 [public file](#))



197. These graphs show that injury in terms of reduced sales volumes (and values, in terms of hydraulic fluids) began in the second year of the IP, that is 1 April 2021-31 March 2022. Injury then increased into the third year of the IP, that is 1 April 2022-31 March 2023.

Figure 18: Source: <https://www.uktradeinfo.com/trade-data/ots-custom-table/?id=d288323e-769f-4faf-addc-db43951cf355> , <https://www.uktradeinfo.com/trade-data/ots-custom-table/?id=d288323e-769f-4faf-addc-db43951cf355> accessed 10 December 2024.



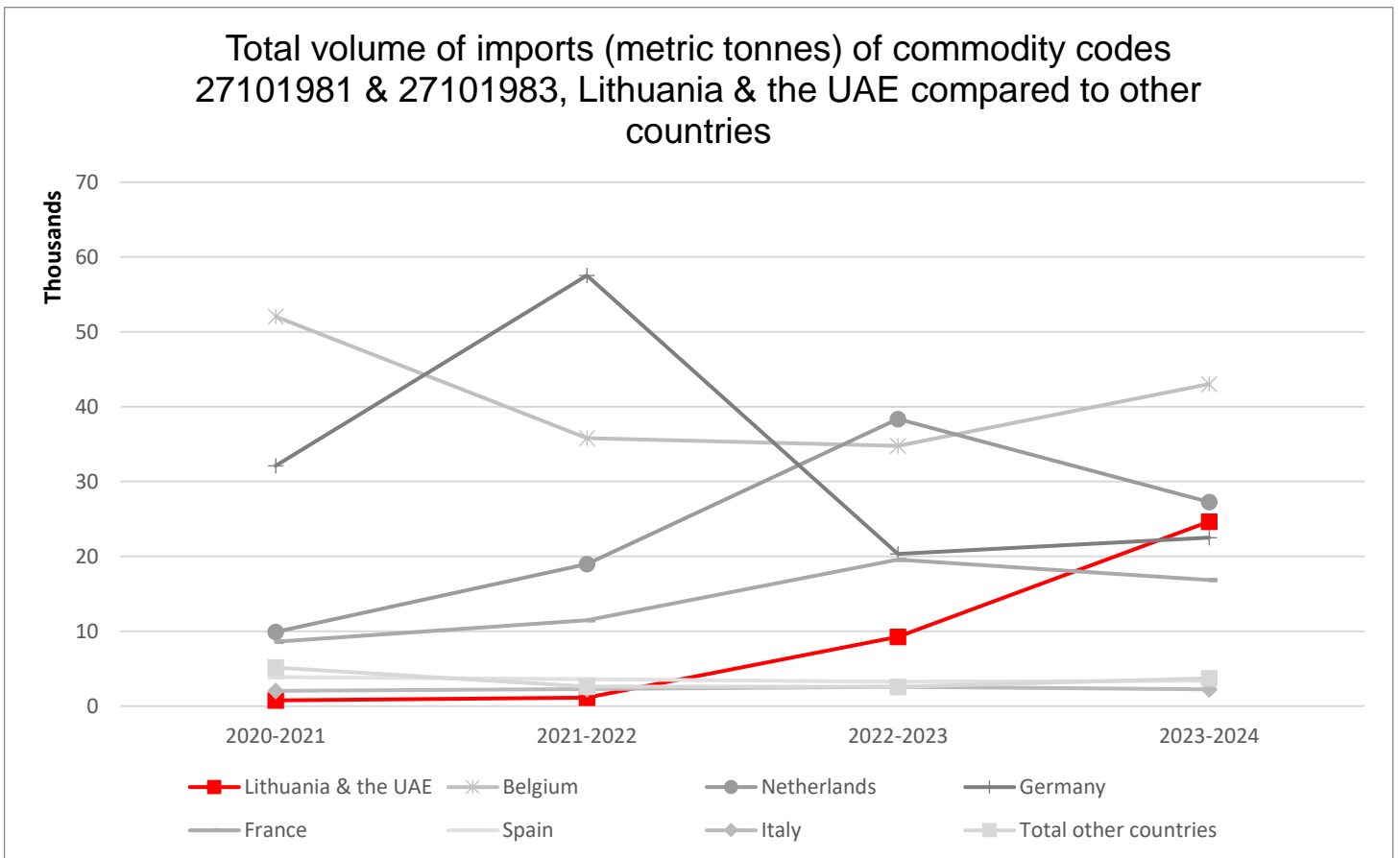
198. The graph of import volumes demonstrates that imports of the goods concerned began to increase from 2021 to 2022 and grew at their fastest rate between 2022 and 2023, increasing in volume by more than 800%.
199. The import values (and resultant average pricing), as recorded in the OTS data, are not reliable in this case. This is due to the associations between the exporters and the importer, as the specific accusation made in this case is that the price discount is being applied by the associated importer after the products are imported to the UK. OTS data does not take account of this, and the first sales prices to independent customers (which have not been submitted by the associated importer at the time of the PAD assessments) are required to reliably assess possible impacts of sales prices on whether causation is established or not.
200. The TRA has determined that there is a time coincidence between the imports of the goods concerned and the injury suffered by UK industry, which supports the existence of a causal link.
201. 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.
202. The following factor was considered by the TRA:

- The volume and the prices of imports of like goods from other countries into the United Kingdom.

203. The TRA has examined 8 digit import data for the two relevant commodity codes.³⁹ The import data for this investigation, at a non-confidential, 8 digit level, includes some goods that are not in the scope of the investigation (such as gear lubricants, lubricants for the aviation industry and turbine lubricants). This makes it difficult to determine an exact volume of imports of the goods concerned. Our assessment is that most imports, imported under the two relevant 8 digit commodity codes, are in scope goods of engine oils or hydraulic fluids, as these are the most widely consumed goods within those codes.
204. As stated above, the import values (and resultant average pricing), as recorded in the OTS data, are not reliable in this case. Nevertheless, the OTS volume data is relevant, and that data forms part of the TRA's assessment of third country imports in relation to causation.

³⁹ Source: <https://www.uktradeinfo.com/trade-data/ots-custom-table/?id=d288323e-769f-4faf-addc-db43951cf355> , <https://www.uktradeinfo.com/trade-data/ots-custom-table/?id=d288323e-769f-4faf-addc-db43951cf355> accessed 10 December 2024.

Figure 19: Source: <https://www.uktradeinfo.com/trade-data/ots-custom-table/?id=d288323e-769f-4faf-addc-db43951cf355> , <https://www.uktradeinfo.com/trade-data/ots-custom-table/?id=d288323e-769f-4faf-addc-db43951cf355> accessed 10 December 2024.



205. The volume of imports data, displayed in the graph above, demonstrates that import volumes of the two relevant commodity codes have increased over the IP. No country other than the countries concerned have shown a sustained increased imports to the UK over the whole of the IP. Therefore, the increase in imports appears to be due to a significant increase in the volume of imports from Lithuania and the UAE. The TRA has assessed that causation remains established.

13. Conclusion

206. The TRA has determined that UK industry is actually suffering from material injury. There is a timely coincidence between the occurrence of that injury and the imports of the goods concerned that establishes causation. There are no other factors, known by the TRA, that affect causation.

14. Provisional injury margin

207. The injury margin is the extent at which the UK industry is being injured. The default method is to base the injury margin for each exporter on its underselling margin. This is calculated by comparing a benchmark UK price (the target price) with the import price (the landed price) for each PCN.
208. 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. This consists of the full costs of production, plus administrative, selling, and general costs (AS&G), with a further addition for target profits. Costs of production are the direct costs of production by PCN, with the applicable indirect costs added to them. AS&G costs are the apportionment of the ancillary and support costs, spread across the range of products. Target profit is the profit levels that the two domestic producers have stated they aim to make in usual market conditions, these figures have been provided as gross costs, and so the TRA deducted average overhead costs and an allowance for tax from these target profit figures.
209. In the injury calculation for this case, the target price is an average of the target prices of Aztec and Paterson, weighted by the domestic sales volume of each relevant PCN. This target price consists of the costs of production based on Paterson's costs of production, as the costs of production submitted by Aztec were incomplete at the time of the PAD calculations.
210. Target UK profit was added to these costs of production based on the target profit figures supplied in the questionnaire responses. This target profit was provided on a gross basis, and so deductions were made from the target profit to allow for overheads and tax. This overhead cost was based on the actual overheads submitted by a domestic producer, and tax allowance was set at 20%. The result of these deductions is that the target profit figures used, for some products, are negative values.
211. The average of the weighted net target operating profit figures used in the underselling calculation is 0.62% of the final sales price. This is below the profit levels that parts of UK industry have made during the IP (see profitability assessment above). However, it is based on the gross target profit figures submitted by UK industry, with the removal of average overhead and an allowance for tax, to arrive at a net target profit.
212. This target profit differs on a net basis after tax, from the reasonable profit used to construct normal value in the dumping calculation. This is because, whilst both calculations use the same starting point (the submissions of UK industry of profit levels expected in the absence of injury), they are expressed on a net basis after tax, as percentages of different costs of production (UAE for normal value, UK for undercutting). Additionally, the injury target profit is a weighted average based on both cooperating UK producers' submissions, considered as representative of UK industry, whereas the normal value reasonable profit uses one of the cooperating UK producers' target profits which is an absolute gross value on a per litre basis.

213. At the time of the calculation (October 2024), the importer that made the first sale to the independent customer had not submitted a complete sales listing. Obtaining landed prices manually, from secondary sources, without having them submitted by interested parties, is a resource and time-consuming process. The TRA therefore had to limit the injury calculation to the 20 products that had the highest total value of sales into the UK (the same product selection that was used in the dumping calculation). This included four hydraulic fluid products and 16 engine oil products, covering a range of grades, specifications and packing options, to which the TRA assigned PCNs on behalf of the importer, using the unverified model number to PCN matching submitted by the UAE producer (for the same model numbers, as the companies are associated).
214. This model number to PCN matching submitted by the UAE producer was also used to distinguish, and exclude, out of scope products from the associated importer's sales listing. The same models were used in both the dumping and injury margin calculations, to ensure comparability.
215. The TRA examined landed prices by taking the prices that goods concerned were offered for sale to independent buyers on the internet using facts available from secondary sources. The TRA then made adjustments to remove reasonable amounts for distributor costs and profits, as well as importer costs and reasonable profits. The resultant landed price is then the price of the goods concerned once they have been landed in the UK and import charges paid. The total amount of underselling is then expressed as a percentage of the total declared CIF import value of the goods concerned. This method was used to calculate an injury margin for each cooperating exporter based on volumes exported to the UK.
216. In accordance with regulation 38 of the Regulations, the TRA calculated a residual injury margin for overseas exporters where it has not determined an individual dumping amount and the exporter is not a non-sampled overseas exporter within the meaning of regulation 37 of the Regulations. This residual margin is the highest injury margin calculated by model for each country respectively.

217. The provisional injury margins are shown in the table below:

Figure 20: provisional injury margins

Overseas exporter/producer	Injury margin (%)
UAB SCT Lubricants (Lithuania):	71.62%
All other Lithuanian exporters (residual dumping margin):	74.55%
Chempioil (UAE):	76.28%
SCT Chemicals FZE (UAE):	76.28%
All other UAE exporters (residual dumping margin):	84.78%

Section J: Lesser duty rule and form of provisional measure.

218. The TRA calculated provisional anti-dumping amounts and injury margins for UAB SCT (Lithuania) and SCT FZE / Chempioil (The UAE) and for all other overseas exporters. In accordance with paragraph 14(3) and paragraph 14(4) of Schedule 4 to the Act, and regulation 36 of the Regulations, the estimated anti-dumping amount should be set at a level that does not exceed the margin of dumping, 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 margin of dumping.

Figure 21: Overseas dumping margin, injury margin, recommended guarantee

Overseas exporter/producer	Dumping margin (%)	Injury margin (%)	Estimated anti-dumping amount /recommended provisional duty (ad valorem) (%)
UAB SCT Lubricants (Lithuania):	11.60%	71.62%	11.60%
All other Lithuanian exporters (residual dumping margin):	49.59%	74.55%	49.59%
SCT FZE / Chempioil (UAE):	24.95%	76.28%	24.95%
SCT Chemicals FZE (UAE):	24.95%	76.28%	24.95%
All other UAE exporters (residual dumping margin):	59.40%	84.78%	59.40%

Section K: Economic interest test

K1. Introduction

219. In accordance with paragraph 13(3)(a) 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.
220. In accordance with paragraph 13(8A) of Schedule 4 to the Act, where the TRA makes a recommendation under sub-paragraph (3), it must advise the Secretary of State whether and why it considers that requiring importers to give a guarantee in accordance with the recommendation would meet the economic interest test (paragraph 25).
221. 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.
222. In line with paragraph 25 of Schedule 4 to the Act, the TRA has taken account of the following factors in conducting the EIT:
- 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;
 - the economic significance of affected industries and consumers in the UK;
 - the likely impact on affected industries and consumers in the UK;
 - the likely impact on particular geographic areas, or particular groups, in the UK;
 - the likely consequences for the competitive environment, and for the structure of markets for like goods, in the UK; and
 - such other matters as the TRA considers relevant.
223. 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. In this assessment, the TRA have considered the potential impacts of imposing provisional measures for six months. Longer term impacts that may result from the imposition or non-imposition of a final measure will be addressed in the SEF.

K1.1. Evidence Base

224. In addition to the evidence set out above (at [Section D2.1](#)), the TRA conducted a [business and consumer survey](#) and received 23 responses which contained information relevant to the EIT. These responses were from:

- 1 upstream business
- 14 downstream businesses
- 8 consumers.

K2. Injury caused by dumping and benefits to UK industry in removing injury

225. [Section I](#) sets out the injury assessment. This concluded that UK industry has suffered from actual material injury. One of the two sampled domestic UK producers is suffering from a decline in most of the injury factors considered (including sales, profits, and employment). This material injury and potential injury is likely to put the market participation of some or all of the UK producers at risk so removing this injury is likely to result in significant benefits to UK industry.

K3. Economic significance of affected industries and consumers in the UK

226. The TRA identified the following groups to be potentially affected by the proposed measure:

- **Upstream businesses:** suppliers of raw materials and inputs to produce certain engine oils and hydraulic fluids (CEOHF)
- **UK producers** of CEOHF
- **Importers** of CEOHF
- **Downstream businesses** for CEOHF including distributors, and automotive parts and accessories dealers.
- **Consumers** of engine oils.

227. There is some overlap between these groups (for instance, some producers also import CEOHF). To avoid double counting, the TRA has grouped these businesses based on their principal activity and whether their activity has been confirmed through registration.

228. The TRA has identified businesses in each of these groups and looked at a selection of them because it was not feasible to investigate all known businesses given case time constraints. For each selected business, the TRA looked at the four most recent published accounts, where available.

K3.1. Upstream businesses

229. The main upstream industries in the supply chain include base oil, additives, and packaging. The TRA is aware of 82 upstream businesses, one of whom submitted a survey response. The TRA selected four UK upstream businesses, one from a survey response, and the three which sold the most goods used in the manufacture of CEOHF to UK producers.
230. The survey respondent, who employed less than 10 staff, indicated that CEOHF is very important to them. For the other selected businesses, known sales to CEOHF producers accounted for just over 1%, on average, of their turnover suggesting that the product was still somewhat important to upstream businesses.
231. The selected businesses employ 487 staff, with a combined annual turnover of approximately £131m and an estimated Gross Value Added (GVA) of approximately £21m per year. Three of the selected businesses are unlikely to be vulnerable to negative economic impacts with a growing or stable workforce. While one business has experienced declines in employment and turnover.

K3.2. UK Producers

232. The TRA has identified 21 known UK producers through research and evidence submitted and examined six UK producers which employed around 750 staff with a total GVA of around £65m. The examined businesses included the five largest businesses which submitted pre-sampling questionnaires and the largest known producer that did not engage with the investigation. On average, during the most recent years over 50% of their total turnover was accounted for by sales of CEOHF which indicated that these goods are very important to them.
233. Most of the selected businesses had strong growth and rising employment which indicated that they are unlikely to be as vulnerable to economic shocks. Nevertheless, Paterson and Aztec showed a medium vulnerability with decreasing employment in 2023 and a slight decrease in sales for Aztec. This assessment considers financial data for the entire company whereas the injury assessment in Section H1 considers only data relating to the like goods.
234. Based on the product ranges of the selected businesses and their questionnaire responses, selling the CEOHF appears to be their main business activity which suggests that CEOHF is very important to them.

K3.3. Importers

235. The TRA received a questionnaire response from one importer, and used HMRC's trader search to identify traders that imported the like goods under the two 8-digit commodity codes, 27101981 and 27101983. There were 425 businesses that imported goods under these codes during 2023. Although some of these imports are likely to be

out of scope of the investigation, it is likely that the majority of these businesses could be affected by a measure on CEOHF.

236. The TRA selected 10 importers who imported goods under both codes every month in 2023 but classified two of these as downstream businesses based on their primary business activity. This left eight selected importers including Lubriage.
237. The selected importers collectively employed around 3,334 staff, had a combined turnover of around £20,858m and a combined GVA of around £1,582m. The evidence suggests that the like goods are very important to Lubriage and somewhat important to the other businesses.
238. More than half of the selected businesses show moderate vulnerability to economic shocks, with declining employment and EBITDA but growing turnover and GVA. One business experienced negative EBITDA, highlighting their vulnerability to economic shocks.

K3.4. Downstream businesses

239. Industries which buy CEOHF include distributors, automotive, marine and agriculture.
240. Based on evidence submitted, the TRA is aware of 1,059 UK-based downstream businesses. The TRA selected:
 - The three businesses with the most known purchases of engine oils.
 - The three businesses with the most known purchases of hydraulic fluids.
 - The three largest businesses who submitted a survey response.
 - Two businesses who imported CEOHF every month in 2023 but whose primary activity was as vehicle dealers.

This gave a total number of 11 selected downstream businesses to investigate in more detail.

241. The TRA estimates the selected downstream businesses employed around 3,500 people. They had a combined turnover of around £2,353m, and a total GVA of around £260m.
242. The importance of CEOHF to these businesses varies a lot depending on the sector. CEOHF is very important to distributors but somewhat important to vehicle dealers. Most of the selected businesses are unlikely to be vulnerable to negative economic impacts as they demonstrated strong growth in employment, turnover and profitability.

K3.5. Consumers of engine oils

243. Submissions made by Paterson ⁴⁰ indicated that the two like goods have different markets: engine oil is a consumer product employed in a combustion engine vehicle to protect an engine while hydraulic fluid is an industrial product employed in hydraulic systems, used in a variety of applications, such as forklift trucks, log splitters and automotive lifts.
244. The end users of hydraulic fluids are generally businesses so only consumers of engine oils are likely to be affected by a measure. Paterson noted that there are two main types of engine oil within the marketplace: passenger car engine oils and commercial vehicle engine oils.
245. The TRA received only eight consumer responses which is not a representative sample so we can only draw limited conclusions from the survey.
246. The results showed half of respondents considered quality to be the most important consideration when buying engine oil and that they buy a particular brand of engine oil. The second most important factor was price, but no survey respondent indicated that they would stop buying engine oil altogether if the price rose indicating that is an essential product.
247. One downstream business responded that owners of older vehicles which are past their warranty period are more likely to purchase cheaper engine oils. Using DVLA data⁴¹ the TRA estimates that around 73% of licensed vehicles are more than five years old, so these owners may be more likely to favour cheaper engine oil instead of premium brands. This data does not include electric cars which do not need engine oils.

K3.6. Summary table

(see next page)

⁴⁰ [TRA Investigations - Trade Remedies Service - GOV.UK](#), Paterson questionnaire response, section B2, page 18

⁴¹ [Vehicle licensing statistics data tables - GOV.UK](#), VEH1107, accessed 15 November 2024.

Table 2: Summary table for the significance metrics for affected industries				
	Upstream businesses	UK producers	Importers	Downstream businesses
Total known businesses	82	21	425	1,059
Total selected businesses	4	6	8	11
Estimated importance of like goods to this group	Somewhat important to very important (UK producer raw material purchases vs upstream business turnover)	Very important (revenue from the like goods vs total turnover for the business)	Somewhat important but very important to Lubriage. (% of import transactions under the two commodity codes, import values vs total turnover for Lubriage)	Not important to very important (like goods purchases as % of turnover, survey responses)
Total employment of selected businesses	487	751	3,334	3,476
Total GVA of selected businesses (£m)	20	65	1,582	262
Total turnover of selected businesses (£m)	130	323	20,858	2,353
Average EBITDA margin for selected businesses (%)	5%	10%	6%	4%
Vulnerability assessment to economic shocks	Low to medium vulnerability	Low to medium vulnerability	Low to medium vulnerability	Low to medium vulnerability

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

Methodology: The importance of the like goods 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 years.

K4. Likely impact on affected industries and consumers

248. In this section, the TRA assesses the overall impact that the proposed provisional measure might have on the identified affected groups. This is done by considering how prices and quantities of CEOHF might change (i) if the measure were to be implemented, and (ii) if it was not implemented. The likely impact is the difference between these. Multiple scenarios have been assessed due to the uncertainty around the effects of the measure.

K4.1 Evidence and key assumptions

249. The TRA has estimated the size of the UK market and shares for producers from different countries using import data and known UK sales from participating producers. The TRA has used the ratio of sales of CEOHF to total company turnover to estimate the sales for non-participating UK producers.
250. Prices and costs for UK, UAE and Lithuanian producers, and for UK importers have estimated using data from questionnaire responses. The TRA only used cost data from one UK producer as the cost data from the second UK producer was incomplete at the time of making the provisional determination. The Lithuanian producer provided prices in euros so the TRA used HMRC exchange rates to convert to pound sterling.
251. With these estimates, the TRA has had to assume affected businesses which submitted full questionnaires were similar to other affected businesses due to a lack of data on these.
252. The TRA used the ratio of import values per kilogram and our estimates of Lithuanian and UAE prices to estimate the prices for CEOHF from other countries.
253. The TRA has assumed that demand for CEOHF will not change given the potential size of the price changes and the fact that it is an essential product for end users.
254. For UK producers, the TRA assumed that their marginal costs were equal to their variable costs (assumed to be costs of raw materials, energy and transport costs).
255. The TRA has assumed changes would occur immediately and would last for six months while the measure is in place.

K4.2. Scenarios modelled

256. Given a provisional measure would only be in place for up to six months, the TRA did not consider it likely that any UK producers would choose to exit the market regardless of whether a measure were to be imposed. The TRA did consider it possible that UAE and Lithuanian imports could temporarily stop entering the UK market for the duration of the provisional measure if UK producers chose to keep their prices low.

257. If a measure were not to be imposed, the TRA has assumed that prices and quantities of CEOHF would be likely to remain as they are at present (Scenario A).
258. If a provisional measure were to be imposed, the TRA has assumed that importers from the UAE and Lithuania would be likely to raise their prices by up to the level of the measure. If UK producers and importers from third country producers chose to keep their prices at current levels, it is possible that UAE and Lithuanian importers could temporarily stop supplying the UK market so one scenario has been modelled to represent this possibility (Scenario B). Another scenario has been modelled where UK producers and third country importers choose to match the price increases of UAE and Lithuanian importers (Scenario C).
259. Scenarios B and C are both plausible and capture two alternative possibilities. The TRA believes that Scenario B is more likely than Scenario C but that the true impacts are likely to fall somewhere between these two scenarios.

K4.3. Estimated welfare impacts of extending the measure on affected UK businesses and consumers

260. The TRA estimated welfare impacts for each scenario by looking at the change in producer and consumer surplus. Consumer surplus is the welfare a consumer gets from buying a product due to the difference in the value they place on it and the price they pay for it. Producer surplus is the welfare a producer gets from selling a product due to the difference between the cost of producing it and the revenue they gain from it.
261. Producer and consumer surplus were estimated using the following formulas:

$$[1] \text{Producer Surplus} = (\text{Price per unit} - \text{Marginal Cost}) * \text{Quantity sold}$$

$$[2] \Delta \text{Consumer Surplus} = \frac{Q_{\text{measure}} + Q_{\text{no_measure}}}{2} * (P_{\text{no_measure}}^C - P_{\text{measure}}^C)$$

Where:

Q_{measure} is the quantity of CEOHF consumed with a measure

$Q_{\text{no_measure}}$ is the quantity of CEOHF consumed without a measure

$P_{\text{no_measure}}^C$ is the average price of CEOHF without a measure

P_{measure}^C is the average price of CEOHF with a measure

262. Table 2 shows the welfare impacts for the modelled scenarios. The impacts on different groups are explained in the following sections.

Table 3: Estimated welfare impact if a provisional measure is imposed (£m)

Scenario	UK producers (£m)	Importers/Downstream Businesses/Consumers (£m)
B: UAE and Lithuanian importers exit the market	£4.9	-£13.6
C: UK producers and all importers raise their prices by the level of the measure	£55.4	-£121.7

K4.3.1. UK producers

263. UK producers are likely to benefit from the measure by around £5m to £55m. The size of the benefit will depend on the degree to which they are able to raise their prices in response to the measure being imposed.

K4.3.2. Importers, downstream businesses and consumers

264. The provisional measure is likely to result in a combined loss to importers, downstream businesses and consumers of around £14m to £122m. The scale of this loss will depend on whether UK producers and third country importers are able to raise their prices in response to the measure. How this welfare loss is split between importers, downstream businesses and consumers will depend on the degree to which importers and downstream businesses are able to pass on cost increases to their customers. The TRA will estimate how these costs may be apportioned to these different groups at the SEF stage.

K4.3.2 Overall welfare impacts

265. The TRA estimates that the measure could lead to net losses in welfare of around £9m to £66m.

K5. Likely impact on particular geographic areas, or particular groups, in the UK

266. This section explores how impacts of the proposed measure are likely to be geographically distributed and whether any particular groups might be disproportionately impacted.

K5.1. Likely impact on particular areas

267. The TRA has assessed the geographical significance of affected groups, using employment, at the level of Travel to Work Areas (TTWAs).

268. The TRA used the following sources for the employment analysis.

- Questionnaire responses: these included site locations.
- Dun and Bradstreet business directory: this provides the location of known sites and estimates of employment by site for listed companies.
- ONS estimates of working age population by TTWA.

269. Due to a lack of engagement from most of the selected businesses, the TRA used Dun and Bradstreet to estimate employment by site but scaled down these estimates wherever the sum of employment from all sites exceeded the total employment in the most recent published accounts. Where sites were listed without employment figures, the TRA assumed employees were distributed equally between all sites.

270. The TRA excluded two selected importers and one downstream business from this analysis. These businesses had a very large number of sites, so the TRA considered it to be very unlikely that they constituted a significant portion of local employment in any area of the UK.

271. The TRA did not find any areas where the estimated employment from affected groups constituted a significant portion of the working age population of any TTWA. The selected businesses were either small or had a lot of sites.

272. No business clusters were found in any TTWA. The evidence suggests that the supply chain for CEOHF is dispersed across the UK as shown in [Section F1](#).

K5.2. Likely impact on particular groups

273. The TRA considered the likely impact on particular groups including those with protected characteristics as defined by the [Equality Act 2010](#). The TRA has found no evidence to suggest that any particular groups would be disproportionately affected by the measure.

K6. Likely consequences for the competitive environment, and for the structure of the market, in the UK

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

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

275. As described in [Section F](#), the CEOHF market consists of several small businesses with 21 known UK producers and 425 known importers. There are relatively low barriers to entry for new businesses.

276. The provisional measures could increase the prices of dumped goods from the two countries, which is likely to reduce the ability of suppliers from these countries to

compete. However, as shown in [Section 12](#), imports from third countries are a significant source and it is likely that suppliers in third countries will be able to compete with or without the imposition of a guarantee.

277. The TRA concludes that the number or range of suppliers is unlikely to be affected within the period for which a provisional measure is imposed.
278. There is no evidence to suggest that suppliers would face reduced incentives to compete vigorously with the imposition of a guarantee.
279. The provisional measures could limit consumers' ability to buy cheaper engine oils from Lithuania and the UAE but there is no evidence to suggest that consumers of cheaper engine oils have a particular preference for products from these countries. Therefore, the TRA has no evidence that consumer choices would be significantly affected by the imposition of a guarantee.

K7. Such other matters as the TRA considers relevant

280. 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.
281. By 2035 all new cars and vans sold in the UK will have to be zero emission vehicles which would not require engine oils.⁴² In the longer run this means that the market for engine oils is likely to shrink but this is unlikely to be a significant factor during the period of a guarantee.

K8. Conclusions

282. 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.
283. As described in previous sections, the TRA determined that the UK industry has been suffering material injury due to the dumped goods from the two countries. The injury assessment concluded that there would be further injury were a provisional measure not recommended.
284. The economic significance section assessed the financial metrics of the different groups that make up the supply chain for CEOHF in the UK. The TRA found that CEOHF are very important to UK producers, Lubriage and distributors; somewhat important to most importers and upstream businesses; and less important to vehicle dealers.
285. In the impacts section the TRA found that the imposition of a provisional measure would have a positive impact on UK producers but a negative impact on importers,

⁴² [Pathway for zero emission vehicle transition by 2035 becomes law - GOV.UK](#)

downstream businesses, and consumers. The imposition of a provisional measure is likely to reduce overall welfare.

286. The TRA found no evidence of significant impacts on any particular geographic areas or groups.
287. In the competition section, the TRA determined that the market is competitive given the range of suppliers from other countries. The TRA found no evidence of any significant impacts during a period of a guarantee.
288. Having considered the evidence submitted by interested parties and all of the factors listed in the legislation, the TRA concludes that the EIT is met for the proposed requirement of a guarantee.

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

L1. Preliminary findings

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

- The goods concerned have been or are being dumped in UK.
- Potential and / or actual injury is occurring to UK industry; and
- the dumping of the goods concerned has caused or is causing this injury UK industry.

L1.1 Provisional findings on dumping

290. The preliminary determination in calculating the dumping margin involved the following stages:

- Calculating the normal value of the goods concerned.
- Determining the export price.
- Ensuring a fair comparison between the normal value and the export price.
- Calculating the dumping margins.

291. The TRA calculated dumping margins in accordance with paragraph 2 of Schedule 4 to the Act and regulation 6(2) of the Regulations.

292. The margin of dumping that the TRA have calculated for this case ranges from 11.60% (in relation to the cooperating Lithuanian exporter) to 59.40% (residual rate for the UAE).

L1.2 Provisional findings on injury

293. The TRA completed an underselling calculation. The result of this calculation, based on unverified and partial data, was that the TRA established that there had been price underselling of the goods concerned. This price underselling was significant, ranging at 69-74% for the identified goods concerned from Lithuania, and 74-89% for the identified goods concerned from the UAE.

294. The TRA also considered other injury factors, and found that actual material injury is being suffered, and is likely to be suffered, by UK industry.

L1.3. Provisional conclusions on the economic interest test

295. The TRA concludes that the economic interest test is met for the proposed requirement of a guarantee.

L2. Recommendation

296. The TRA recommends that exporters/importers of the goods concerned be required to provide a guarantee.

L2.1 Amount of guarantee

297. The TRA recommends the following estimated anti-dumping amounts for calculating the amount of the guarantee:

Figure 22: Estimated anti-dumping amounts.

Overseas exporter/producer	Estimated anti-dumping amount /recommended provisional duty (ad valorem) (%)
UAB SCT Lubricants (Lithuania):	11.60%
All other Lithuanian exporters (residual dumping margin):	49.59%
Chempioil (UAE):	24.95%
SCT Chemicals FZE (UAE):	24.95%
All other UAE exporters (residual dumping margin):	59.40%

298. The form of duty used to calculate the amount of guarantee is ad valorem, as this is the most appropriate form of duty in this case to account for the dumping at the point of import, where the duty is collected.

L2.2. Form of a guarantee

299. The TRA recommends 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.

L2.3. Period of the guarantee

300. If the TRA's Recommendation 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.

301. 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 1: PCN table

Code 1	Category 1 (oil grade)	Code 2	Category 2 (AECA Oil Sequences)	Code 3	Category 3 (OEM Performance Levels)	Code 4	Category 4 (pack type)
11	Oil grade 5W30	A3	Light duty petrol A3	P01	VW 504.00/507.00, Porsche C30, BMW LL04	C01	Bulk (No Container)
12	Oil grade 5W40	A5	Light duty petrol A5	P02	MB 229.52, 229.51	C02	1000lt IBC
13	Oil grade 0W16	A7	Light duty petrol A7	P03	VW 508.00/509.00, Porsche C20	C03	Barrel - Plastic
14	Oil grade 0W20	B4	Light duty diesel B4	P04	No OEM Performance Level	C04	Barrel - Steel
15	Oil grade 0W30	B5	Light duty diesel B5	P05	Other OEM performance level	C05	20lt Drum - Plastic
16	Oil grade 10W40	B7	Light duty diesel B7	R06	Renault RN720, MB 226.51, MB 229.51	C06	20lt Drum - Steel
17	Oil grade 10W30	C2	Light duty both C2	R07	Ford WSS-M2C913-D, STJLR.03.5003	C07	25lt Drum - Plastic
18	Oil grade 20W50	C3	Light duty both C3	R08	Ford WSS-M2C950-A, STJLR.03.5007	C08	25lt Drum - Steel
19	Oil grade SAE 40	C4	Light duty both C4	R09	STJLR.03.5006, STJLR.51.5122	C09	5lt Plastic Bottle
20	Oil grade SAE 50	C5	Light duty both C5	R10	Renault RN17	C10	4lt Plastic Bottle
21	Oil grade 15W40	C6	Light duty both C6	R11	MB 229.51	C11	1lt Plastic Bottle
22	Oil grade ISO32	C7	Light duty both C7	R12	MB 229.3	C12	Other container size (please specify at question 1, below)
23	Oil grade ISO46	E1	Heavy duty E1	R13	PSA B71 2312		
24	Oil grade ISO68	E4	Heavy duty E4	R14	PSA B71 2010		
25	Oil grade HV32	E7	Heavy duty E7	R15	GM dexos 2		
26	Oil grade HV46	E8	Heavy duty E8	R16	GM dexos 1		
27	Oil grade HV68	F1	ACEA C2 & C3	R17	API SP		
30	Oil grade other	F2	ACEA C3 & C4	R18	CES 20078, Volvo VDS3, Caterpillar ECF-2		
		F3	ACEA C5 & C6	R19	Scania LDF-3		
		F4	ACEA A3 & B4	R20	API CK-4, Volvo VDS 4.5, Renault RLD-3, Mack EO-S 4.5		
		F5	ACEA A5 & B5	R21	API CK-4, Cummins CES 20086		
		F6	ACEA A7 & B7	R22	MB 228.51, DTFR 15C110		
		F8	API specification please contact us to allocate a category number	R23	Scania LDF-4		
		G1	Not applicable	R24	MAN M3677		
				R25	API CI-4		