

# Statement of essential facts

INVESTIGATION No. AD0059

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

**22 September 2025**

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# Section A: Introduction

## A1. Investigation

1. This investigation covers the alleged dumping of certain engine oils and hydraulic fluids imported into the United Kingdom (UK) from Lithuania and the United Arab Emirates (the UAE). A full description of the goods concerned and intended recommendation can be found in [Section D: The goods concerned and like goods](#).
2. This section briefly summarises the legal framework for this statement of essential facts (SEF) and the Trade Remedies Authority (TRA)'s main findings. The background to and details of the investigation are explained fully in the subsequent sections.
3. This SEF sets out a summary of the facts considered by the TRA during the investigation, those facts that have formed the basis of the TRA's intended final determination and the anti-dumping measure that the TRA intends to recommend to the Secretary of State for Business and Trade (Secretary of State).
4. It should be read in conjunction with other public documents available for this case, which are available on the public file at [Trade remedies service - AD0059](#).
5. This SEF also informs interested parties who have supplied information how the TRA has considered and used the information provided to it. The SEF provides details of the analysis forming the basis of the intended determination and allows interested parties to make submissions in response.
6. Interested parties, contributors and any other person who has supplied information to the TRA are invited to make submissions within 15 calendar days of the publication date of this SEF, i.e., before 23:59 hours (BST) on 7 October 2025, as per Regulation 62(2) of The Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019 (S.I. 2019/450) (as amended) (the Regulations).
7. Any submissions received after this date may not be accepted by the TRA if to do so would significantly impede the progress of this investigation. Where the TRA rejects information for any reason, it will publish the reasons for rejection in the final determination.
8. Registered interested parties to the case can make submissions on the [Trade Remedies Service online platform \(TRS\)](#). These submissions must be accompanied by a non-confidential version of the submission for the public file. Those not registered on the TRS may send submissions by email to [AD0059@traderemedies.gov.uk](mailto:AD0059@traderemedies.gov.uk). These submissions must also be accompanied by a non-confidential version for the public file.
9. In exceptional circumstances it may not be possible to summarise confidential information. If this is the case, interested parties must provide a 'statement of reasons' setting out the reasons why

the TRA should treat the information as confidential and why summarisation of the information is not possible, as defined under regulation 45(6)(b) of the Regulations.

10. For further information about our investigations, please see our [public guidance](#).

## **A2. Legal framework**

11. This SEF is made pursuant to regulation 62 of the Regulations. It includes:

- The recommendation that the TRA intends to make.
- A summary of the facts considered during the investigation.
- Those facts referred to in the summary that formed the basis of the intended recommendation.
- Details of how the TRA has used the information supplied by interested parties in making the intended final determination.
- Details of the analysis forming the basis of the intended recommendation.

## **A3. Period of investigation and injury period**

12. The period of investigation (POI) is 01 April 2023 to 31 March 2024.

13. To assess injury, the TRA has chosen the period from 01 April 2020 to 31 March 2024 as the injury period.

## **Section B: Summary and findings**

### **B1. Dumping**

14. In accordance with paragraph 1(1) and 8(1)(a) of Schedule 4 to the Taxation (Cross-border Trade) Act 2018 (the Act) the TRA has examined whether dumping of the goods concerned (for definition see [Section D1 Goods Concerned](#)) has occurred.
15. The TRA has concluded that the goods concerned have been dumped into the UK from Lithuania and the UAE (see [Section F: Dumping](#)).

### **B2. Injury**

16. In accordance with paragraphs 5 and 8(1)(b) of Schedule 4 to the Act, the TRA has examined whether the dumping of the goods concerned has caused or is causing injury to a UK industry in the like goods.
17. The TRA has concluded that the UK industry has suffered injury and that the dumped goods from Lithuania and the UAE have caused injury to the UK industry (see [Section H: Injury](#)).

### **B3. Economic interest test (EIT)**

18. The TRA has considered the evidence before it and the following factors set out under paragraph 25 of Schedule 4 to the Act:
- The injury to UK industry in the like goods caused by dumping of the goods concerned 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
  - Such other matters as the TRA considered relevant.
19. The TRA has concluded that the application of the anti-dumping measures it intends to recommend to the Secretary of State meets the EIT (see [Section J: Economic Interest Test](#)).

### **B4. Intended final determination and recommended measure**

20. In accordance with regulation 62(1) of the Regulations, before making a final affirmative determination for the purpose of paragraph 11(5) of Schedule 4 to the Act, the TRA must publish a

SEF that sets out the intended final determination, a summary of the facts considered during the investigation, and those facts that formed the basis of the intended final determination.

21. The TRA intends to make a final affirmative determination in respect of the goods concerned originating from Lithuania and the UAE. 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, SAE 40, SAE 50, 15W-40, ISO32, ISO46, ISO68, HV32, HV46 and HV68.

22. The goods concerned are subject to the following commodity codes:

- 2710198120
- 2710198130
- 2710198140
- 2710198190
- 2710198300

23. The TRA has determined that the goods concerned have been or are being dumped in the UK and that the dumping of the goods concerned has caused or is causing injury to a UK industry in those goods. The TRA has determined that the application of the anti-dumping measures it intends to recommend to the Secretary of State meets the EIT.

24. The TRA intends to recommend that the Secretary of State impose an ad-valorem duty for a period of five years applicable to imports of the goods concerned.

25. The rates of anti-dumping duty the TRA intends to recommend are:

Table 1: Recommended ad valorem duty rates

<b>Overseas exporter/producer</b>	<b>Duty amount (%)</b>
UAB SCT Lubricants (Lithuania):	84.72%
<b>All other Lithuanian exporters (residual rate):</b>	95.36%
Chempioil (UAE):	34.35%
SCT Chemicals FZE (UAE):	34.35%
Atlantic Grease and Lubricants FZE (UAE):	0.00%
<b>All other UAE exporters (residual rate):</b>	34.55%

## Section C: Background

### C1. Initiation

26. On 03 May 2024, the TRA received an application ([AD0059 - Application](#)) lodged by Aztec Oils Ltd (Aztec) alleging that certain engine oils and hydraulic fluids imported into the UK from Lithuania and the UAE have been or are being dumped and that the dumping has caused or is causing injury to a UK industry in those goods.
27. The TRA was satisfied that the application contained sufficient evidence of dumping and resulting injury to justify the initiation of the investigation, and that the requirements referred to in paragraph 9 of Schedule 4 to the Act and regulations 50 and 51 of the Regulations had been met.
28. The dumping investigation was initiated by the TRA on 17 June 2024 and the [Notice of initiation](#) was published on that date.
29. The Secretary of State, the foreign governments of Lithuania and the UAE and some other known interested parties and contributors were notified and invited to register on the [Trade Remedies Service](#) to participate in the investigation.
30. After the publication of the preliminary affirmative determination (PAD) in April 2025, four new parties registered to the case, one contributor and three interested parties. From these parties, two new exporter questionnaire responses, one importer questionnaire response and one contributor questionnaire response were submitted to the TRA. A list of all submissions can be found in [Annex A](#).

### C2. Participation in the investigation

31. The TRA invited interested parties and contributors to register in order to participate in the investigation.
32. [Annex A: Interested parties and contributors](#) contains a summary of information received from all interested parties and contributors.

#### C2.1. UK producers

33. The following domestic producers registered to the case:

- Aztec Oils Ltd
- Certas Energy Ltd
- Ferguson & Menzies Ltd
- Granville Oil & Chemicals Ltd

- Paterson Enterprises Ltd (Paterson)
- Pennine Lubricants Ltd
- Syntol Ltd
- Witham Oil & Paint Ltd
- One anonymous domestic producer

34. Owing to the number of responses to the pre-sampling questionnaire received during the registration period, the TRA limited its examination of domestic producers. The TRA published a notice of proposed sample on 16 August 2024.

Table 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

35. Of the four sampled domestic producers, two, Aztec and Paterson, provided questionnaire responses.<sup>1</sup>

## C2.2. Exporters from Lithuania and the United Arab Emirates

36. The following exporters and overseas producers registered to the case:

- a) Exporters:
- UAB SCT Lubricants (UAB SCT) (Lithuania).
  - Atlantic Grease & Lubricants FZC (Atlantic).
  - Chempioil FZE (Chempioil) (UAE).
  - Oscar Lubricants (Oscar).
- b) Overseas producers:
- SCT Chemicals FZE (SCT FZE) (UAE)

37. UAB SCT<sup>2</sup>, Chempioil<sup>3</sup> and SCT FZE<sup>4</sup>, Atlantic, and Oscar submitted questionnaire responses.

<sup>1</sup> [TRA Investigations - Trade Remedies Service - GOV.UK](#) – Aztec questionnaire submission, [TRA Investigations - Trade Remedies Service - GOV.UK](#) – Paterson questionnaire submission.

<sup>2</sup> [TRA Investigations - Trade Remedies Service - GOV.UK](#) – UAB SCT Lubricants questionnaire response

<sup>3</sup> [TRA Investigations - Trade Remedies Service - GOV.UK](#) – Chempioil FZE questionnaire response

<sup>4</sup> [TRA Investigations - Trade Remedies Service - GOV.UK](#) – SCT Chemicals FZE questionnaire response

38. The TRA decided that because SCT FZE and Chempiol are related parties they would be treated as one entity for the purposes of this investigation.

39. Although Oscar submitted a questionnaire response, it did not provide a sufficient confidential questionnaire response within the given timeframe. As a result, the TRA was unable to calculate an individual rate for Oscar, and they will consequently be subject to the residual rate.

### **C2.3. Importers**

40. The following importers registered to the case:

- Lubriage Ltd
- One anonymous importer

41. Both Lubriage Ltd (Lubriage)<sup>5</sup> and the anonymous importer<sup>6</sup> submitted a questionnaire response.

### **C2.4. Foreign government**

42. The following foreign governments registered to the case:

- Delegation of the European Union to the United Kingdom of Great Britain and Northern Ireland (The European Commission).
- Embassy of the Republic of Lithuania to the United Kingdom (The Lithuanian Embassy).
- Ministry of Economy United Arab Emirates (The UAE Ministry).

### **C2.5. Contributors and other interested parties**

43. The following contributors and other interested parties registered to the case:

- UK Lubricants Association (UKLA)
- CGN Ltd.
- Goldcrest Oil Ltd.
- Lancer Products Ltd.
- Miswa Chemicals Ltd. (Miswa)
- Specialised Products (Western) Ltd.
- Carousel Car Parts Ltd.

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<sup>5</sup> [TRA Investigations - Trade Remedies Service - GOV.UK](#) – Lubriage Ltd questionnaire response

<sup>6</sup> [TRA Investigations - Trade Remedies Service - GOV.UK](#) – Anonymous importer questionnaire response

44. There were also five contributors registered who chose to remain anonymous. The UKLA submitted a questionnaire response.<sup>7</sup>

### C3. PAD responses

45. The following contributors and interested parties provided responses to the PAD:

- [The European Commission](#)
- [The Lithuanian Embassy](#)
- [UAB SCT](#)
- [Lubriage Ltd](#)
- [Aztec](#)
- [Paterson](#)
- [UKLA](#)
- [Miswa Chemicals Limited](#)
- [Atlantic Grease & Lubricants FZC](#)
- [Oscar Lubricants](#)
- [One anonymous importer/distributor](#)

46. These PAD responses are available on the public file.<sup>8</sup> The TRA has responded to the specific points raised below.

#### C3.1 Initiation and investigation process

47. Lubriage submitted a PAD response claiming that the investigation should be terminated pursuant to regulation 64 of the Regulations. Regulation 64 of the Regulations does not apply in this case, as the volume of dumped goods is more than negligible, injury is also more than negligible, and the TRA does not consider it appropriate to otherwise terminate the investigation. Lubriage further claimed that UK producers have an ability to pivot to switch to importing, that had not been considered in the PAD. The TRA is satisfied that the blending of oils and additives is a substantive production process that adds value and produces a final good for the end user. Companies that blend in the UK are therefore domestic producers of like goods in accordance with the regulations and are not importers.

48. The European Commission submitted that the PAD did not provide clarity regarding domestic industry representation, nor did it set out the proportion of production represented by the applicant and questioned the UKLA's authority to represent UK industry. UAB SCT raised similar points in its PAD response. The TRA has assessed that there is sufficient evidence for the initiation and continuation of this investigation, reasons for this were set out in the PAD (para 24 & 42) and are further defined in this [Section E1. UK Industry](#). This investigation has considered all information submitted by cooperating parties as well as external sources. The TRA is unable to disclose the

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<sup>7</sup> [TRA Investigations - Trade Remedies Service - GOV.UK](#) – UKLA questionnaire response

<sup>8</sup> [Public file AD0059](#)

identities of the domestic producers that supported the application, as this support was provided on a confidential basis. The TRA remains fully satisfied that this support meets the relevant regulatory and WTO requirements.

49. The TRA established that the UKLA does have the power to represent its members. This is because engagement with government agencies is one of the services that the UKLA provides<sup>9</sup>, the UKLA is the UK delegation of the relevant European trade body, it is long established with historical precedent<sup>10</sup>, it claims to represent the “majority” of the UK lubricants industry<sup>11</sup> and the board of the UKLA includes individuals from a range of UK producers and importers.<sup>12</sup> The UKLA stated that they agreed with the scope of the investigation in its registration documents, which signals its support of the investigation in relation to both Lithuania and the UAE.<sup>13</sup>
50. One anonymous importer, Miswa (a contributor) and two UAE exporters (Atlantic and Oscar), registered with the investigation after the PAD was published, and submitted requests to participate in the investigation. On this occasion, the TRA decided to provide the opportunity to submit questionnaire responses.
51. Miswa further submitted its concern that the proportion of exports by individual exporter had not been set out in the PAD. However, there is no requirement on the TRA to set out the import volumes from single companies or express them as a proportion of total imports. Despite this, the import volumes of the companies who submitted questionnaire responses are available on the public file,<sup>14</sup> in a non-confidential format. The TRA has also published the total volume of imports from each country at paragraph 86 of the PAD. It is therefore possible to establish, from the public file, what proportion of goods imported from Lithuania and the UAE can be attributed to the co-operating exporters in this case.
52. The UKLA and Paterson submitted that the duty should be set in accordance with the injury margins calculated, rather than applying the lower of the dumping and injury margins. The TRA is required by paragraph 18(6) of the Taxation (Cross Border Trade) Act 2018 to ensure that the relevant recommendations to the Secretary of State be such that an anti-dumping amount applicable to goods does not exceed the margin of dumping or the amount which the TRA is satisfied would be adequate to remove the injury to a UK industry in the goods if that amount is less than the margin of dumping. This requires the TRA to apply the “lesser duty rule”, as set out in public guidance, which states that the TRA “[...] will base our calculation on the lower of the dumping margin [...] and the injury margin, which is expressed as a percentage (the Lesser Duty Rule).”<sup>15</sup>

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<sup>9</sup> [Benefits of Membership | UKLA](#)

<sup>10</sup> [British-Lubricants-Federation-A-Short-History.pdf](#)

<sup>11</sup> [UKLA - United Kingdom Lubricants Association](#)

<sup>12</sup> [UKLA Board | UKLA](#)

<sup>13</sup> [TRA Investigations - Trade Remedies Service - GOV.UK](#)

<sup>14</sup> [TRA Investigations - Trade Remedies Service - GOV.UK](#)

<sup>15</sup> [SME Handbook\\_TRA.pdf](#)

## C3.2 Cumulation

53. UAB SCT, Lubriage, the Lithuanian government and the European Commission submitted PAD responses claiming that imports from Lithuania for the POI were de minimis, given that the HMRC Overseas Trade in Goods Statistics (HMRC OTS) trade data indicates imports from Lithuania is 3.14%, and that the data includes some out-of-scope goods. Lubriage and the European Commission further submit that it is not appropriate to cumulate imports from Lithuania with the UAE.
54. The TRA has determined that the most reliable source is the HMRC OTS data already used in the PAD and have continued using this data, for calculations in the SEF. The TRA has conducted calculations based on the best facts that are available, which show above de minimis imports from Lithuania. The TRA has not been provided with, or able to locate, sufficient evidence to support the claim that out-of-scope goods would bring all imports of the goods concerned from Lithuania on a country wide basis to negligible volumes. Should such verifiable information be provided, the TRA will consider it for the final determination, see [Section G: Cumulation](#) where this is discussed further.
55. The TRA has considered the available information and decided that it is appropriate to cumulate imports from Lithuania with the UAE in this case, for the reasons set out in [Section G: Cumulation](#). The application and initiation of the investigation was justified against both countries, and the data has shown that injury is being caused by dumped goods from both countries. The TRA further determined that it is not appropriate to decouple Lithuania from the UAE due to the related companies operating in both countries, with shared distribution networks. Imports from both Lithuania and the UAE are above de minimis levels, and cumulation is appropriate given the circumstances of the case.

## C3.3 Calculation and provisional measures

56. Aztec submitted target profit figures for UK industry that included an allowance for a 5% profit. The TRA has taken this into account when setting target sales prices for the injury assessment in this SEF.
57. Lubriage and UAB SCT provided PAD responses that comment on the provisional duty calculation, which is based on unverified data with facts available sales prices used from the internet. The provisional duty is based on unverified data, in accordance with the relevant provisions of the Taxation (Cross Border Trade) Act 2018.<sup>16</sup> The TRA has updated its calculations, as part of this SEF, and the calculations in this SEF are based on verified information, where that information is available to the investigation. The extent to which verified information has been available is set out in the verification reports<sup>17</sup>, and the verification section of this SEF (see below, [Section C4. Verification of data](#)).

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<sup>16</sup> [Taxation \(Cross-border Trade\) Act 2018 Schedule 4 paragraphs 11 and 13](#)

<sup>17</sup> [Verification Reports 1](#), [Verification Report 2](#)

58. UAB SCT continued its PAD response by claiming that UAB SCT (in Lithuania) and SCT FZE (in the UAE) are independent of each other. UAB SCT discussed the efficiency of scale and provided a detailed explanation of base oil prices. The TRA has found that UAB SCT and SCT FZE are associated parties. This is because the two companies have a common ownership structure. The TRA has further assessed that Lubriage are related to both UAB SCT and SCT FZE due to familial association. The TRA has carried out these assessments in accordance with the requirements of section 128 of The Customs (Import Duty) (EU Exit) Regulations 2018,<sup>18</sup> as required by regulation 9(4)(e) of the Regulations.
59. The TRA has not used base oil price indexes in any of the calculations in the PAD or in the SEF. The UAB SCT (Lithuania) dumping calculation in the PAD uses UAE costs, including base oil costs, to establish normal value, and compares that to UAB SCT exports. The UAB SCT dumping calculation in the SEF uses UK costs of production, including base oil costs, with adjustments applied to energy and labour costs, to establish normal value which is then compared to UAB SCT export prices for the same models. The undercutting and underselling calculations, that form part of the injury assessments in both the PAD and the SEF, also do not use base oil indexes, as they are a comparison of UK sales prices or UK target sales prices to UAB SCT export prices.
60. The calculations in the PAD and SEF use the individual data provided by the exporters as much as is possible. UAB SCT did not provide details regarding costs or domestic sales<sup>19</sup>, and so, in the SEF dumping calculation, the TRA has used UK costs as the available facts to establish normal value for UAB SCT. The TRA were unable to confirm that the information submitted by SCT FZE was complete, relevant and accurate for the purposes of the investigation<sup>20</sup>. Despite this, the TRA has still used some of SCT FZE's data, with allowances for the missing cost components.

### **C3.4 Injury and representation**

61. The European commission, in its PAD response, stated that the two sampled domestic producers were not aggregated, and UK domestic industry had not been defined. The TRA determined that the two cooperating domestic producers – Patterson and Aztec, provided full questionnaire responses. The non-confidential versions of these responses varied in the detail that the two companies were able/willing to disclose. Whilst the circumstances of the two producers are set out individually, for clarity, the conclusions are aggregated for the whole of UK industry, as are the price undercutting, underselling and suppression assessments. The TRA define UK industry in the PAD at section F1.
62. The European Commission further claim that the injury assessments in the PAD, particularly the undercutting calculation, were not sufficiently detailed and accurate, and that the economic factors of injury analysis are inadequate and incomplete. The European Commission additionally comment on perceived inconsistencies in relation to demand in the PAD, and state that the representativeness of UK industry has not been set out. Lubriage also submitted that the TRA has given undue weight to Aztec's and Paterson's representativeness and that Paterson have overestimated its market share.

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<sup>18</sup> [The Customs \(Import Duty\) \(EU Exit\) Regulations 2018](#)

<sup>19</sup> [TRA Investigations - Trade Remedies Service - GOV.UK](#)

<sup>20</sup> [TRA Investigations - Trade Remedies Service - GOV.UK](#)

63. The undercutting and price suppression assessments were part of a PAD based on unverified data in accordance with the relevant legislation.<sup>21</sup> The TRA has updated both assessments in the SEF (see [Section H1.2 Effect of dumped goods concerned on price](#)). The economic factors relating to injury have been assessed, based on positive evidence, which is disclosed in the SEF where confidentiality allows. Both the PAD and SEF assessments examined the individual circumstances of the two co-operating domestic parties but concluded against each factor on a UK industry wide basis. The injury assessment considered undercutting, underselling and price suppression analysis, it was not limited to just the assessment of the economic factors, these are assessed holistically. The conclusion, that UK industry is being injured, is based on a holistic assessment of economic factors and trends, it is not, and should not be, a tally of economic factors in the way that the European Commission have suggested in its response to the PAD.
64. The TRA's commentary in the PAD in relation to demand at paragraph 69 are made in a different context to those in paragraph 253. The TRA has clarified the context of these statements in the SEF, in that the continuation of demand in paragraph 253 of the PAD is a modelling assumption (see below [Section J4.2 Scenarios modelled](#)), whereas the decline in demand in paragraph 69 of the PAD is a long-term assessment of the future of the UK market.
65. The TRA has set out in Section F1 of the PAD, the production figures for UK industry and the proportion of UK production met by the two domestic producers who fully participated. Material injury is demonstrated, based upon the best facts available. This includes the assessment of the economic factors and the undercutting and underselling calculations. The TRA's conclusion is reached in relation to the whole of the UK industry.
66. The TRA has assessed that, for the purposes of the investigation, the UK industry encompasses the entirety the UK industry. The TRA used the sampling process for domestic producers due to the high number of pre-sampling questionnaires received from this group of interested parties. The TRA requested submissions from the four sampled domestic producers of those two returned full questionnaires: Aztec and Paterson. They are considered to be representative of UK industry for the purposes of this investigation (see [Section E1. The UK industry](#) below).
67. The TRA critically assessed all submitted questionnaires and resubmission was requested where qualitative or quantitative data was deemed to be unclear or inaccurate. Where possible, the TRA undertook verification activities for data that was submitted, and published verification reports<sup>22</sup> for UK producers, importers and overseas exporters that submitted costs and/or sales data. The investigation is based on a holistic view of the best facts available from interested parties and secondary sources deemed suitable by the TRA.
68. UAB SCT claimed, in its PAD response, that Paterson had taken market share from Aztec, rather than imports, and that the PAD assessment of injury is therefore flawed. The Government of Lithuania's submission makes similar claims in relation to the PAD injury assessment, specifically the assessment of the economic factors of injury.

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<sup>21</sup> [Taxation \(Cross-border Trade\) Act 2018 Schedule 4, paragraphs 11 and 13](#)

<sup>22</sup> [TRA Investigations - Trade Remedies Service - GOV.UK](#)

69. Two UK producers provided data to the case and assessments are based on the verifiable information submitted. The TRA notes public data submitted in response to the PAD shows declining gross profits for six UK producers of like goods.<sup>23</sup> The TRA has determined that the two cooperating companies are representative of the entirety of UK industry, therefore, whilst market shares between domestic producers may have fluctuated, the TRA has concluded that the significant increase in the volume of imports of the goods concerned has impacted the UK industry and caused injury.
70. The TRA's injury assessment is not based solely on economic factors, but also undercutting and underselling calculations, which show injury to the whole of the UK industry. Imports of the goods concerned may have taken some market share from imports from other sources, which does not preclude injury to UK industry. The TRA has assessed that imports from the UAE and Lithuania have taken market share from domestic producers, and that this has caused injury to UK industry. The TRA has presented the injury data in accordance with the non-confidential versions submitted by co-operating interested parties. Injury is a holistic assessment, and the significant undercutting and underselling margins contribute to the overall assessment.

### **C3.8 EIT**

71. Lubriage has submitted comments emphasising its employment in the UK and raised concerns regarding levels of competition. Lubriage claim that the TRA's analysis is flawed as it disproportionately promotes the interests of the applicant.
72. The TRA can confirm that employment, downstream interests and the conditions of competition are assessed as part of the EIT. The TRA has based its analysis on all cooperating parties' data and drew conclusions that relate to the entire UK industry.
73. Miswa submitted specific comments in relation to the net welfare estimations in the PAD. The TRA can confirm that welfare impacts are only one of the factors we assess within the EIT. The TRA considers the evidence for all factors when concluding whether the test should be met so negative evidence from one factor may not cause us to recommend against imposing a measure.

### **C3.9 Causation**

74. UAB SCT submitted that imports took market share from each other, rather than from UK producers, and that injury causation is therefore not established. UAB SCT claim that UK producers have not lowered their sales prices over the POI, and that the TRA have found no evidence of price depression.
75. [Figure 10](#) and [Figure 11](#) demonstrate that the sales volumes and values of UK industry have declined, whilst imports from Lithuania and the UAE have increased. The TRA's undercutting and underselling calculations further indicated that UK industry market share has reduced. The TRA's conclusions on injury are for the entirety of the UK industry, not individual companies.

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<sup>23</sup> [TRA Investigations - Trade Remedies Service - GOV.UK](https://www.gov.uk/government/organisations/trade-remedies-service/about-us)

76. The TRA has considered the entirety of the injury period and found that Lithuanian imports were significant throughout. The TRA's analysis of the engine oils market has shown that oils can be stored for a period of time prior to sale, meaning that any impact on the UK market can be delayed when compared to the available import statistics. Price suppression analysis has been reconducted for this SEF. The TRA concludes in relation to injury for the entirety of UK industry, considering many injury factors of which price depression is one. The TRA specifically notes, in terms of price suppression, that profits have reduced proportionally to sales prices throughout the injury period. This indicates that, to compete with imports, UK industry has been unable to raise their prices and maintain profitability levels.

#### **C4. Verification of data**

77. The TRA undertook verification activities in relation to the information provided by the cooperating interested parties, during which the completeness, relevance, and accuracy of that information was assessed. The TRA has had regard to the information supplied by interested parties and contributors and considered whether it:

- complied with the applicable statutory requirements and the TRA's public guidance;
- was verifiable;
- could be used without undue difficulty; and
- was supplied within an applicable time limit and in a form that the TRA requested.

78. Where the information was considered to be verifiable and supplied in the applicable time limit, and form, the TRA undertook the verification activities it considered necessary to gain assurance on the completeness, relevance, and accuracy of that information for use in the investigation.

79. The TRA conducted initial verification activities with two UK producers (Aztec and Paterson); a UK-based importer of the goods concerned (Lubriage); a UAE-based producer of the goods concerned (SCT FZE); and a Lithuania-based producer of the goods concerned (UAB SCT).

80. The TRA conducted a second round of verification with one additional UAE exporter, Atlantic<sup>24</sup>, following the decision to allow them to participate and supply data to the investigation.

81. Although Oscar submitted a questionnaire response, it was unable to provide a sufficient confidential questionnaire response in the time available, which has meant that we were unable to carry out verification activities.

82. As the TRA has been unable to complete verification activities in relation to the information submitted by Oscar in the time available, there is no assurance that this data is complete, relevant, or accurate.

83. Verification activities included the performance of remote "walk-through" sessions, to assess accounting systems and controls, followed by remote (virtual) or in-person, on-site verification visits

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<sup>24</sup> [Atlantic verification report](#)

to check information submitted in questionnaire responses for completeness, relevance and accuracy, and to obtain evidence, explanations and other supporting information as required. A more comprehensive summary of the verification activities performed is outlined in each interested party's verification report.

84. Verification reports were produced for each of the parties verified and non-confidential versions of these reports are available on the public file.<sup>25</sup> Secondary source information was used in accordance with regulation 47(5) of the Regulations. This secondary information was treated with special circumspection and, where practicable, verified using independent sources. This included, but was not limited to, official import statistics and data pertaining to relevant markets.

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<sup>25</sup> [TRA Investigations - Trade Remedies Service - GOV.UK](#)

## **Section D: The goods concerned and the like goods**

### **D1. Goods concerned**

85. The goods concerned are defined in regulation 2 of the Regulations as “the goods described in the relevant Notice of Initiation of a dumping investigation under regulation 65(1) [of the Regulations]”.
86. The goods concerned in this investigation are certain engine oils and hydraulic fluids originating in Lithuania and the UAE and exported to the UK, described in the [Notice of Initiation](#) and set out in [Section B4. Intended final determination and recommended measure above](#).

### **D2. Relevant goods**

87. In accordance with paragraph 17(2) of Schedule 4 to the Act, the goods to which a final affirmative determination is made are referred to as the ‘relevant goods’.
88. Since the goods to which the intended final affirmative determination and recommendation apply are the same goods as defined in Section D1, this SEF will hereafter only refer to the ‘goods concerned’ (which are defined in section D1, above).

### **D3. Like goods**

89. 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.
90. The TRA has determined that the goods concerned are defined by widely 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 (SAE), and for hydraulic fluids, the standards are set by the International Standards Organisation (ISO). These standards relate to the properties of the engine oil or hydraulic fluid, and they set out the viscosity and purpose of the oil.
91. Paterson, the domestic producer, provided a response to the PAD where they claimed that the goods imported from Lithuania and the UAE were not identical to the UK like goods that they manufacture:
92. “We believe that the assertion that the like products and the goods concerned are identical is flawed. Both price undercutting and incorrectly claiming performance specifications or OEM

approvals on products have undoubtedly caused irrevocable damage and jeopardy to the UK lubricants industry[...]"<sup>26</sup>

93. The TRA notes these comments. The comparison between goods concerned and like goods is conducted on an industry wide level and is not limited to a specific comparison of one company's goods. The TRA is satisfied that there are differing claims to performance and original equipment manufacturer (OEM) approvals in both the goods concerned and the like goods. How the like goods and goods concerned are manufactured, categorised and presented for sale is the same. There may be minor technical differences in terms of the raw materials used, or the performance specification, between individual companies. This does not make the goods sufficiently different for them to be considered as not 'like' or have characteristics closely resembling the goods concerned for the purposes of a trade remedies investigation.
94. 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.

## D4. Product control numbers

95. The TRA uses PCNs to define and group different types of products that fall under the goods description above (see [Section B4. Intended final determination and recommended measure](#)).
96. PCNs are created by identifying the top cost drivers in the manufacturing process, and the physical characteristics which differentiate the product types. The PCN structure used in this case can be seen in [Annex B: PCN Structure](#) below.
97. The TRA provided a proposed PCN structure to interested parties and contributors for comment in the pre-sampling questionnaires following initiation of the investigation.
98. In response to comments received from interested parties and contributors, the TRA made modifications to the PCN table 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.

## D5. PCN analysis

99. 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.

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<sup>26</sup> Paterson PAD response on [public file](#)

100. For dumping margin calculations, the TRA compares the PCNs produced and sold by overseas exporters in their domestic market with the PCNs produced and/or exported by these overseas exporters into the UK.

101. For injury margin calculations, the TRA matches the PCNs produced and/or exported by overseas exporters into the UK with the PCNs produced by UK industry and sold on the UK market.

102. PCN allocation by interested parties was inconsistent or absent in some of the submitted questionnaire data. Costs of production and/or sales data with PCN allocations were not included in all the questionnaire submissions.

103. Several errors were identified in the costs and sales data of the interested parties:

- Out-of-scope goods were found to have been allocated PCNs.
- Sales listings were submitted without PCNs allocated.
- Inputting errors for example “O” instead of “0” were identified.
- Incorrect, duplicate and multiple options for the identifying characteristics were assigned, leading to inconsistent length and detail in PCNs.

104. The TRA was able to correct the data to account for the above errors as well as removing some out-of-scope products. Where necessary, these corrections were confirmed in consultation with interested parties, and data were resubmitted.

105. Price adjustments were not submitted by any of the interested parties to the case. The TRA did not identify any material differences between the goods concerned and like goods, on an industry wide basis. No price adjustments were required to the sales data.

## Section E: The UK industry and market

### E1. UK industry

106. 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.

107. Upon initiation, as described under [Section C1. Initiation](#), the TRA contacted interested parties to register on the [Trade Remedies Service](#) to participate in the investigation. This included domestic producers, importers, exporters, upstream and downstream businesses, trade bodies and governments. Following this, nine 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 have not participated further.

108. The TRA has determined that the UK 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.

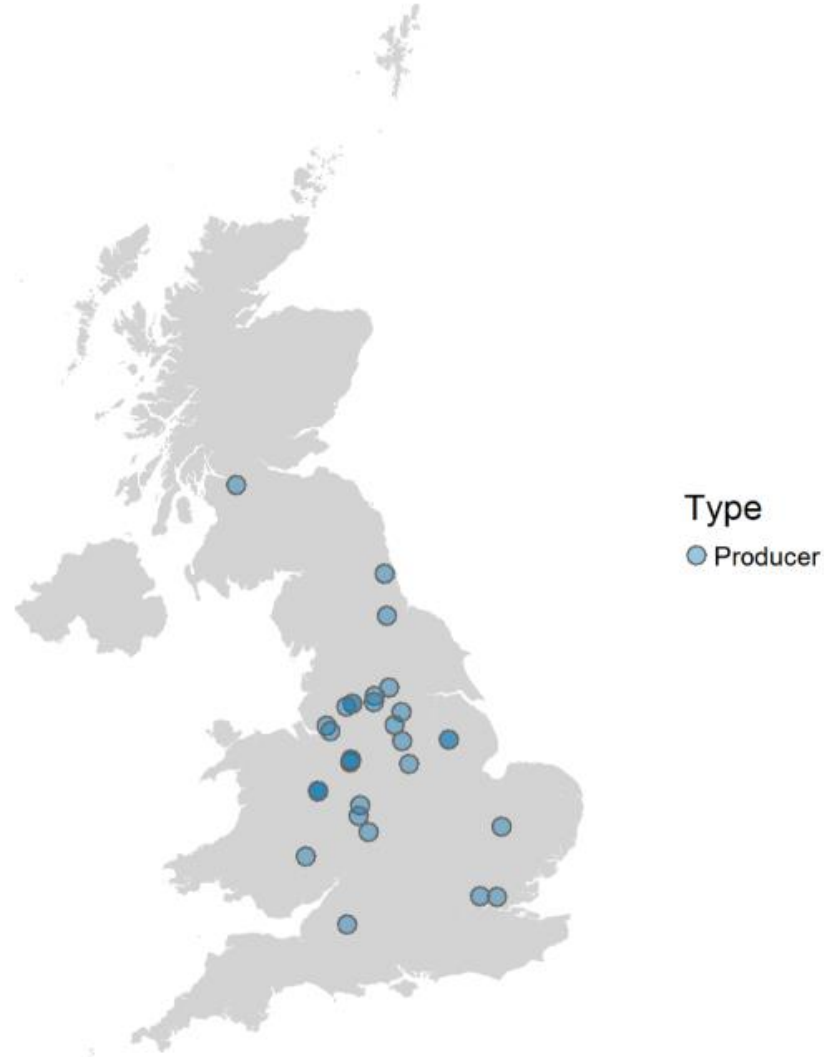
109. The TRA has estimated UK production by scaling data from participating UK producers to the whole market. The production of UK producers who did not participate in the investigation has been estimated using the ratio of employees to production from participating UK producers, based on Companies House records<sup>27</sup>. 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 GBP during the POI.

110. UK producers are located across the UK, as shown in figure 1 below, and not concentrated in any specific region. Most UK producers are small businesses employing fewer than 100 people on average.

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<sup>27</sup> [Companies House](#)

Figure 1: A map shows the location of 21 known UK producers



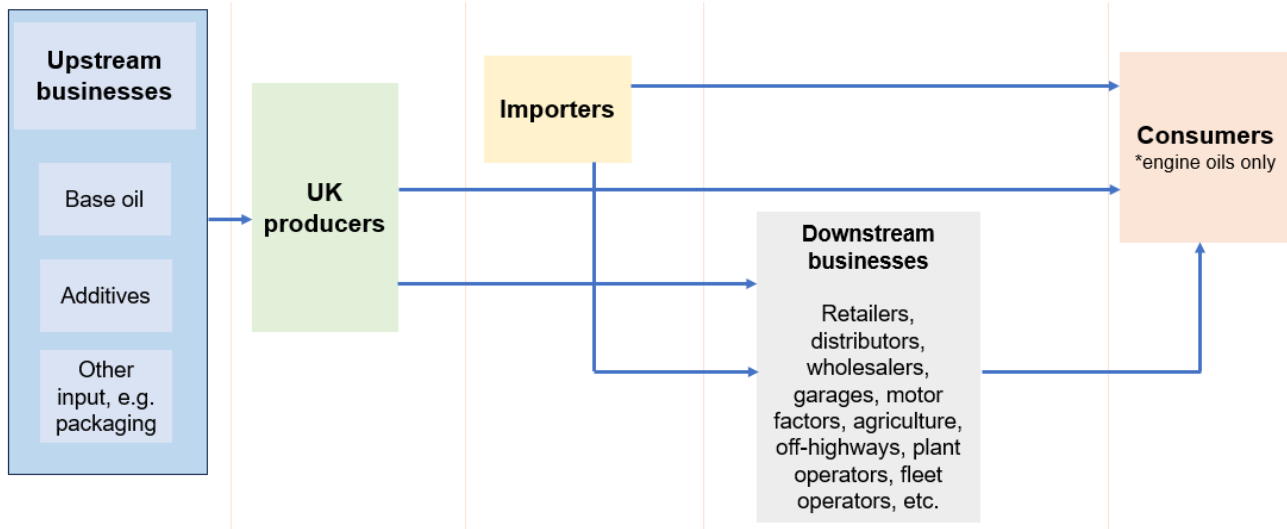
Contains National Statistics data Â© Crown copyright and database right 2020 and 2021 and OS data Â© Crown copyright and database right 2020 and 2021

111. For the purposes of this investigation, the TRA has 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.
112. The TRA has concluded, based on questionnaire responses and in accordance with paragraph 6(1)(a) of Schedule 4 of the Act, that the UK industry consists of all the producers in the UK of like goods.

## E2. UK market

113. As shown in Figure 2, CEOHF are produced using base oil and additives. The like goods can be used for a variety of applications including for commercial vehicles and machinery.

Figure 2: Supply chain for CEOHF



114. In addition to 21 known UK producers of like goods, the TRA identified 425 importers from HMRC's trader search who imported goods under the commodity codes during 2023. The TRA has determined that more than half of the UK demand for engine oils and hydraulic fluids is supplied by imports.

### E2.1. Trends

115. The TRA has assessed that the UK market has recovered to pre-pandemic levels but that it is a "low-growth, mature market".<sup>28</sup> In the longer-term increased uptake of electric vehicles is likely to reduce demand for engine oils, and lead to a shift towards more sustainable types of lubricants.<sup>29</sup>

### E2.2. Competition

116. The TRA has found that the market for engine oils and hydraulic fluids is well established and competitive, with foreign and domestic producers and importers including many other small businesses. The barriers to entry for new businesses are low, given the relatively low overhead costs and focus on prices. The products are homogeneous and substitutable, as they are made to common specifications. The top end of the market has significant brand loyalty and is served by large multinational companies. The TRA has determined that the lower end of the market consists of several small to medium size businesses highlighting their price competition. As a result, it is

<sup>28</sup> [AD0059 Questionnaire UKLA - Page 8](#)

<sup>29</sup> [AD0059 - Questionnaire Paterson Enterprises Ltd - Page 21](#)

unlikely that any single UK producer will have significant price setting power, further description on this assessment in [Section J. Economic Interest Test](#).

117. All the goods concerned and like goods 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. See also [Section D3. Like goods](#).

118. The applicant, Aztec, has 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.”<sup>30</sup> This means that prices are dynamic across the industry as both customers and suppliers use ICIS, or other similar data providers, as a basis for cost indication.

119. Oil products are distributed in a variety of pack sizes (Bulk, Intermediate bulk containers, Barrels, Drums, 5-Litre, 4-Litre & 1-Litre) which are standard across the industry with few variations. Cost differences can arise between plastic and metal containers.

### **E2.3. Distribution**

120. Manufacturers use both direct and indirect distribution methods depending on location and size of order. Multinational organisations and UK based businesses have extensive networks of distributors, their own fleets and long-standing agreements with retailers.

### **E2.4. Market Share**

121. The TRA has determined total UK sales using known UK producer sales to estimate the sales of UK producers who did not participate in the investigation. The TRA added this to HMRC OTS data from 2023 to estimate the total size of the market and market shares. Based on this, the TRA has calculated that almost half of total UK consumption is supplied by the 21 known UK producers.

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<sup>30</sup> [AD0059 Questionnaire Aztec Oils Ltd - Page 24](#)

## Section F: Dumping

122. 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.
123. The TRA has assessed whether the goods concerned have been or are being dumped in accordance with paragraphs 1(1) and 8(1)(a) of Schedule 4 to the Act.
124. Paragraph 1(2) of Schedule 4 to the Act defines the ‘normal value’ of goods as:
- a) the comparable price, in the ordinary course of trade, for like goods when destined for consumption in the exporting foreign country or territory, or
  - b) such other price or value as may be determined in accordance with provision made by regulations for specified cases where it is not appropriate to use the price in paragraph (a).
125. The dumping margin is the difference between the export price and the normal value of the goods being dumped, described as a percentage of the export price at a level of the cost of insurance and freight (CIF).
126. The TRA has calculated dumping margins in accordance with paragraph 2 of Schedule 4 to the Act and regulation 6(2) of the Regulations. Calculating the dumping margin involved the following stages:
- determining 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.
127. For details of the comments submitted by interested parties regarding the allegations of dumping in the application, please see the non-confidential copies of the questionnaire responses and additional submissions that are available on the public file for the case.<sup>31</sup>
128. The TRA calculated the dumping margin using a mixture of verified, partially verified and unverified data provided by the interested parties, as set out in Annex 1.
129. The TRA was unable to verify UAB SCT's and SCT FZE's costs of production, as they were incomplete. In the calculations for the SEF, the TRA has used Aztec and Paterson's verified costs of production, with adjustments to represent UAB SCT's and SCT FZE costs of production. Further details are provided in section F2. Normal value below.

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<sup>31</sup> [Public file](#)

## F1. Exporting country analysis

130. The TRA has established that:

- There was at least one Lithuanian producer of the goods in scope of the investigation during the POI, 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 three exported the goods concerned into the UK.

131. The most reliable import data that the TRA has access to is the publicly available, 8-digit import data that is provided by HMRC OTS.<sup>32</sup> This data may include some goods that are out of the scope of this investigation, however, the TRA has assessed that most 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, locomotive lubricant etc) are more specialist in their application, and so are imported and consumed less than the goods concerned.

132. The TRA has examined the confidential 10-digit raw HMRC Customs declarations data. However, it cannot be used as it is potentially disclosive. Regardless, when comparing the raw HMRC customs declaration data at the 10-digit level to the HMRC OTS data at the 8-digit level, the differences between the two data sets are minimal. This allows the TRA the confidence to use the HMRC OTS 8-digit data as representative of the imports of the goods concerned for the purposes of the investigation.

133. During the POI, according to 8-digit HMRC OTS data,<sup>33</sup> imports of the goods concerned accounted for an estimated volume of 4,514 tonnes from Lithuania and 20,133 tonnes from the UAE and export value of £13.42m GBP from Lithuania and £41.93m GBP from the UAE. This represents an import share of 17.15% by volume (3.14% for Lithuania, and 14.01% from the UAE).

## F2. Normal value

134. In accordance with regulation 6(1) of the Regulations, Part 2 of the Regulations applies where the TRA is required to determine whether goods have been or are being dumped into the UK in accordance with paragraph 1 of Schedule 4 to the Act. To make such a determination the TRA must determine the normal value of the goods concerned in accordance with regulation 6(2)(a) of the Regulations.

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<sup>32</sup> [UK Trade Info from HM Revenue & Customs](#)

<sup>33</sup> 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.

135. The TRA must use the comparable price to determine the normal value unless it is not appropriate to use that price, in accordance with regulation 7(1) of the Regulations.

## **F2.1 Normal value in Lithuania**

136. The TRA has used the comparable price to determine the Lithuanian normal value, as described above and because the situations listed in regulation 7(2) of the Regulations do not apply. The cooperating Lithuanian exporter, UAB SCT, provided a questionnaire response that did not include its costs of production. The TRA therefore used information obtained from secondary sources to establish the comparable price, doing so with special circumspection and, where practicable, verifying such information from independent sources, in accordance with regulation 47(5) of the Regulations.

137. The TRA was unaware that UAB SCT would not provide costs of production until after the questionnaire deadline, and the subsequent extensions, had passed. This did not allow the TRA sufficient time to obtain, and then verify, corresponding costs of production in an appropriate representative third country.

138. The TRA found the costs of production submitted by the UAE exporter, SCT FZE were incomplete and therefore unverifiable. The TRA was able to utilise the verified costs of production for the UK producers, Aztec and Paterson for the purposes of this investigation.

139. The information the TRA obtained from secondary sources to establish the comparable price was therefore:

- The verified costs of production of the UK producers.
- Information to enable adjustments to UAB SCT's costs of production to make them representative of local market costs.
- A reasonable amount for profit.

140. The TRA had to ensure the PCN allocation was consistent between data submitted by the interested parties and secondary source data to allow comparison:

- Paterson and Aztec submitted sales and costs data with PCNs allocated. In Aztec's submission, some errors were found.
- Lubriage's submission included model numbers only, no PCNs had been allocated to either sales or purchases.
- UAB SCT and SCT FZE had allocated PCNs against model numbers. At times this allocation was contradictory, with the same model number being allocated different PCNs by the two exporter/producers.

141. The TRA applied corrections to the PCNs to ensure consistency, creating uniformity in relation to:

- PCN category 2 (ACEA specifications) application, with the higher ACEA oil sequence being used where more than one applied.
- PCN category 3 (OEM performance level), where if more than one OEM level was met the category “other OEM” was used.
- In packing, where individual PCNs that did not follow the PCN table had been created by interested parties, these were categorised as “other” packing.
- Corrections for typos, where the letter “O” had been used instead of the number “0”.
- PCNs that had been submitted with multiple categories applied were shortened to the correct length, applying the above principles.
- Finally, sales listings were checked for out-of-scope goods that had been allocated a PCN, extensive manual checking was carried out by the TRA and were removed from the data.

142. Once the PCN allocation was consistent, the TRA considered the adjustments that could be made to the UK producers’ costs of production, so that they could be used for UAB SCT’s calculations. The following cost adjustments were considered:

- Base Oils.
- Land.
- Energy (electricity).
- Labour.
- Additives.
- Personal and Corporate Taxes.

143. The TRA found that the cost for energy and land was higher in the UK and data sourced did not demonstrate material differences between Lithuania and the UK in relation to base oil, land, additive or taxation costs.

144. The TRA obtained open-source information to support adjustments to energy<sup>34</sup> and labour<sup>35</sup> costs and adjusted the cost of energy down by 68.13% and labour down by 48.64%. These adjustments were based on secondary source information, that was treated with special circumspection and in accordance with regulation 47(5) of the Regulations. No other adjustments were applied to the UK costs data when using it to establish Lithuanian normal value.

### **F2.1.1 Reasonable level of profit in Lithuania**

145. The TRA added a reasonable profit margin to the costs of production for Lithuania. It was not possible for the TRA to use UAB SCT’s own records for this as UAB SCT did not submit its costs of production to the investigation. The TRA therefore used facts available based on secondary source information, that was treated with special circumspection and in accordance with regulation 47(5) of the Regulations to determine a reasonable profit for UAB SCT. The TRA initially

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<sup>34</sup> [Energy Prices and Costs - Final report](#)

<sup>35</sup> <https://www.worlddata.info/average-income.php>

attempted to establish a “profit cap” by examining the profitability on the domestic market of producers of the like goods in Lithuania. It was not possible to do this with sufficient detail, as no other Lithuanian producers of like goods are cooperating with the investigation, and the TRA found publicly available data to be insufficient in both detail and reliability.

146. Therefore, to establish a reasonable level of profit for UAB SCT’s comparable price, the TRA used the actual profit margin for like goods that was realised by SCT FZE (the related UAE producer) as reasonable profit in the constructed normal value. This profit figure was achieved by SCT FZE on its domestic sales of like goods in the ordinary course of trade during the POI ([see Section F2.2.1 - SCT FZE](#)).

147. As a result, the TRA was able to determine the normal value for UAB SCT, by PCN, based on the comparable price, using information obtained from secondary sources. When compared to Lithuanian sales to the UK, the comparable price was established using this method for:

- 41.51% of the volume of sales made by UAB SCT to Lubriage during the POI.
- 46.75% of the value of sales made by UAB SCT to Lubriage during the POI.
- 44.73% of the number of sales transactions from UAB SCT to Lubriage during the POI.

## **F2.2 Normal value in the UAE**

### **F2.2.1 – SCT FZE**

148. The TRA were unable to confirm that the information submitted by SCT FZE and Chempioil was complete relevant and accurate for the purposes of this investigation.<sup>36</sup> In order to determine if it was appropriate to use the comparable price to calculate the normal value under regulation 7(1) of the Regulations, the TRA made the data useable, and as complete as possible.

149. The TRA applied the ordinary course of trade (OCOT) test, under regulation 7(2)(a) of the Regulations, and the low volume of sales test, under regulation 7(2)(b) of the Regulations, resulting in one PCN for which the comparable price could be used to determine the normal value. For all other PCNs sold by SCT FZE to the UK, normal value was constructed using SCT FZE’s costs and information obtained from secondary sources, using special circumspection, under regulation 47(5) of the Regulations.

150. The TRA calculated normal value under regulation 7(1) of the Regulations using the unverified SCT FZE and Chempioil data. This is because no other facts relating to SCT FZE’s and Chempioil’s costs of production of the goods concerned in the UAE were available.

151. Multiple costs of production (up to five) had been submitted against individual PCNs. This is because SCT FZE submitted its costs dependent on the specific blends used, and where more than one blend was used in the production process, more than one cost was submitted. No volume or other data were provided which could be used to allocate costs, so, where more than

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<sup>36</sup> SCT FZE verification report

one cost was submitted for a PCN, a simple average was taken to arrive at a single cost to make by PCN.

152. The TRA used the costs data submitted by SCT FZE in relation to the goods concerned including direct costs, which, whilst unverified, were the best facts available. No indirect or cost to sell values were included in the cost to make and sell annexes that were submitted by SCT FZE and Chempioil.
153. As the TRA was unable to confirm the completeness, relevance and accuracy of the data submitted by SCT FZE for the purposes of this investigation, (see [Section C4 Verification of data](#) above) regulation 11(3) of the Regulations does not apply. The TRA consequently calculated the costs of production using another reasonable basis as allowed by regulation 11(5) of the Regulations, using the unverified data from SCT FZE wherever possible.
154. In accordance with regulation 47(5) of the Regulations, the TRA used the average of the verified UK producers' costs to sell, incorporating SCT FZE's reported depreciation costs.
155. The TRA applied a reasonable allowance of [non-confidential range 8-10%] for the missing cost of sales, applied as a proportion of the total cost to make and sell. The TRA used this data as best facts available, to complete the domestic cost of production for SCT FZE, in accordance with the regulatory requirements.
156. The TRA used these costs as a comparator for domestic sales made by SCT FZE to determine whether there are sales of the like goods in the ordinary course of trade in the UAE domestic market, in accordance with regulations 7(2)(a) and 9 of the Regulations. The TRA also considered whether there was a low volume of sales in the UAE which would not permit a proper comparison between the like goods destined for consumption in the UAE and the goods concerned, in accordance with regulation 7(2)(b) and 7(3) of the Regulations.
157. The TRA used the comparable price to determine the normal value for the sole PCN that was found to be sold in sufficient volume to permit a proper comparison, under regulation 7(3)(a) of the Regulations, and in the ordinary course of trade.
158. The remaining PCNs were not sold on the domestic market in sufficient volumes and/or in the ordinary course of trade, and so failed the tests under regulation 7(3)(a) of the Regulations and/or regulation 9(1)(a) of the Regulations, where it was found that the goods were sold at prices below the per unit (fixed and variable) costs of production plus administrative, selling and general costs. Therefore, the TRA constructed normal value for the remaining PCNs under regulation 8 of the Regulations, using UAE costs of production.
159. In relation to all but one PCN (see [Section F2.2.1 - SCT FZE](#), above), the TRA has used an alternative methodology to determine the normal value for SCT FZE because it is not appropriate to use the comparable price, in accordance with paragraph 1(2)(b) of Schedule 4 to the Act and regulation 7(2) of the Regulations.

160. Regulation 8(1) of the Regulations stipulates that, where it is not appropriate to use the comparable price in accordance with regulation 7(2) of the Regulations, the TRA must determine the normal value using one of the alternative methodologies listed. Regulation 8(1)(a) of the Regulations sets out the first of these methodologies, namely by determining the costs of production plus a reasonable amount for administrative, selling and general costs and for profits.

161. How the TRA must determine these amounts is set out in regulations 11 and 12 of the Regulations respectively. This was calculated in the way described above, at [Section F2.2.1 - SCT FZE](#), to use the facts available from UK industry for the cost to sell and depreciation in the UAE.

162. The TRA must determine a reasonable level of profit for the purpose of regulation 8(1)(a) of the Regulations.

163. The TRA determined that there was a PCN that was sold by SCT FZE of the like goods, on the domestic market, in the ordinary course of trade. The TRA used the profit margin achieved for this PCN as a basis for reasonable profit, under regulation 12(2) of the Regulations.

### **F2.2.2 – Atlantic**

164. The TRA has confirmed that Atlantic did not make any sales in the domestic market during the POI, and therefore under Regulation 7(2)(a) the TRA is unable to use Atlantic comparable price in the calculation of Normal Value.

165. The TRA has therefore determined that it is appropriate to use Atlantic costs of production and administrative, selling and general costs in the UAE for worldwide export sales when constructing normal value under regulation 8(1)(a), 11 and 12(2)(a) of the Regulations.

166. The TRA has determined a reasonable level of profit to be applied to the constructed normal value to be that of the net profit for Atlantic as reported in the Profit and Loss account for the POI in accordance with regulation 12(3)(c) of the Regulations.

### **F3. Export price**

167. 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.

168. The TRA has established export price in accordance with regulation 15 of the Regulations. The TRA has used the sales prices submitted by Lubriage for sales to the first independent buyer in the UK as the starting point for the export price for UAB SCT and SCT FZE.

169. The TRA has used the sales data provided by Atlantic to un-associated importers in the UK to determine its export price.

### F3.1 UAB SCT and SCT FZE sales to the first independent party

170. When conducting the dumping calculations for UAB SCT in Lithuania, and SCT FZE in the UAE, the TRA determined that the export price is unreliable because of an association or a compensatory arrangement between the overseas exporters 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.
171. The TRA has constructed the export price for both UAB SCT and SCT FZE based on 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. This was done using Lubriage's sales data, with deductions made in accordance with the costs submitted by Lubriage as part of its questionnaire response.
172. The TRA identified that some of Lubriage's sales in the UK were made to an associated company, Carousel Car Parts (Carousel). Lubriage and Carousel qualify as related under regulation 15(7) of the Regulations, as they shared the same director for parts of the POI. Carousel did not submit a questionnaire response to the investigation, so whilst these sales did enter the UK market, the TRA does not have a sales price to an independent buyer for these sales. The TRA has decided not to exclude these sales from the dumping calculation, as to do so would incentivise non-cooperation (given that these sales to Carousel were made at dumped prices).
173. The TRA applied deductions to the sales price to the first independent buyer, to arrive at an ex works export price, in relation to:
- Transportation costs in the UK, based on Lubriage's verified questionnaire data (confidential figure).
  - Reasonable profit of an unrelated importer, established as 10.20%.<sup>37</sup>
  - Cost factor, which are Lubriage's operating costs, based on its verified questionnaire data (confidential figure).
  - Customs clearance, at 2% of the purchase price (for the UAE only, there is no customs clearance charge for imports from Lithuania).
  - Overseas transport from Lithuania or the UAE (depending on the calculation), based on Lubriage's verified questionnaire data (confidential figures).
174. This provided separate export prices, for every PCN sold by Lubriage into the UK, for both Lithuania and the UAE. Lubriage's sales/purchase data did not include details as to the origin of the goods sold. Lubriage only import from its associated companies in Lithuania or the UAE, and so the TRA is satisfied that these are exports of the goods concerned. The TRA used the sales listings submitted by UAB SCT and SCT FZE/Chempioil, alongside the import listings submitted by Lubriage, to determine which products came from each location. The TRA applied this as part of the export price calculation.

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<sup>37</sup> [https://autodoc.group/wp-content/uploads/EN\\_Berlin-online-retailer-AUTODOC-presents-business-figures-for-2023.pdf](https://autodoc.group/wp-content/uploads/EN_Berlin-online-retailer-AUTODOC-presents-business-figures-for-2023.pdf)

## **F3.2 PCN consistency**

175. The TRA was able to use Atlantic's PCN allocation to compare export price with normal value without the need for extensive corrections or adjustments.
176. The sales data submitted by Lubriage included part/model numbers, number of units sold, total sales value and customer details. Lubriage did not allocate PCNs to its sales data, and the sales data included out-of-scope goods. UAB SCT and SCT FZE did allocate PCNs to their sales data, and provided the part/model numbers, which followed the same system as Lubriage's part/model numbers. The TRA applied PCNs to Lubriage's sales data, so that it could be used in the dumping calculations as the export price, as described in [Section D5 PCN analysis](#).

### **F3.2.1 PCNs in the UAB SCT (Lithuania) dumping calculation**

177. For the Lithuanian dumping calculation, the TRA needed to apply PCNs consistently across four companies, namely Lubriage, UAB SCT, Aztec and Paterson, with the domestic producer's data being used as available facts to establish comparable price in Lithuania. To apply PCNs to Lubriage's sales data in the UAB SCT dumping calculation, in the first instance the TRA looked up the PCNs that had been applied to the same model numbers by UAB SCT and SCT FZE. Whilst the PCNs applied to the model numbers was mostly consistent across the two companies, at times, the TRA identified inconsistencies in this allocation.
178. Where the TRA identified inconsistencies in PCN allocations by UAB SCT and SCT FZE, the UAB SCT PCN allocation was used, as the TRA found this allocation to be more consistent with the PCN allocations used by UK industry. The TRA applied corrections to the PCNs, as described in [Section D5 PCN analysis](#). Extensive manual checks were made, to ensure that the PCNs were correct and that the products were in scope. Some out-of-scope goods (for example: locomotive engine oil, motorbike engine oil, gear oils, etc.) were identified with PCNs allocated to them, these were consequentially removed from the calculation.

### **F3.2.2 PCNs in the SCT FZE/Chempioil (UAE) dumping calculation (export price)**

179. For the SCT FZE dumping calculation, the PCN allocation required consistency between SCT FZE/Chempioil and Lubriage. This is so that the TRA can compare export prices with normal value by PCN. In this calculation, the TRA applied the SCT FZE PCN allocation to the model numbers sold by Lubriage in the UK. No corrections were applied to this allocation by the TRA, despite some errors being identified (for example "O" instead of "0") as this did not affect the final calculation. This is because the same allocation was used for domestic and export sales, and so the same number of matches were achieved, and the resultant dumping margin was not affected by the PCN errors.
180. The TRA conducted extensive manual checks on this data to remove goods that were identified as out of the scope of the investigation but had been allocated a PCN. This included goods such as gear oils, cutting oil and engine oil grades that are not listed in the notice of initiation.

## **F4. Fair comparison**

181. The TRA is obligated to ensure fair comparison of the normal value and export price at the same level of trade. This is normally done on an ex-works level and in respect of sales made as near as possible to the same time, in accordance with regulation 16(1) of the Regulations.

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

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

183. In the UAB SCT, SCT FZE and Atlantic dumping calculations, the TRA compared normal value and export price on a weighted average basis at the ex-works level. The TRA did not identify the need for any fair comparison adjustments, and none were submitted to the investigation.

## **F5. Dumping margin**

184. In accordance with regulation 17(1)(a) of the Regulations, the TRA compared a weighted average normal value with a weighted average export price to calculate the dumping margin for each overseas exporter. The TRA express this as a percentage of the price declared at the UK border to arrive at a dumping margin.

185. In relation to Atlantic, the TRA determined that sales were made from the UAE to independent parties, and so prices were taken from sales listings and compared on an ex-works basis to establish a margin of dumping.

186. For UAB SCT and SCT FZE export sales, all made through Lubriage, an amount of dumping, per litre, was calculated for all PCNs, with differing export prices for Lithuania and the UAE (due to the different costs to transport the goods concerned to the UK from each country). The TRA then applied the amount of dumping to the volume imported from each overseas exporter, based on the import/export listings submitted. The TRA expressed the total amount of dumping as a percentage of the CIF price declared at the UK border. The TRA did so to ensure that the dumping margin calculated was specific to both Lithuania and the UAE, independently, and was relevant to the product mix that each country exported to the UK during the POI.

187. Under regulation 38 of the Regulations the TRA calculated a residual amount by calculating an average dumping amount for the top 10 PCNs by value imported into the UK from those overseas exporters found to be dumping.

188. The dumping margins are shown in the table below:

*Table 3: Dumping margins*

<b>Overseas exporter/producer</b>	<b>Dumping margin (%)</b>
UAB SCT Lubricants (Lithuania):	92.90%
<b>All other Lithuanian exporters (residual dumping margin):</b>	95.36%
Chempioil (UAE):	34.35%
SCT Chemicals FZE (UAE):	34.35%
Atlantic Grease and Lubricants FZE:	0.64%
<b>All other UAE exporters (residual dumping margin):</b>	34.55%

## Section G: Cumulation

189. In accordance with regulation 34 of the Regulations, the TRA can consider whether it is appropriate to cumulatively assess the effects of all 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 the dumped imports from all countries concerned, on the UK industry on a combined basis.

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

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

### G.1. More than minimal criteria

191. 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 F5. Dumping margin](#), above, the TRA have assessed that the dumping margins for Lithuania are up to 95.36%, and for the UAE are up to 34.55% of CIF value. The TRA considers that this dumping is more than minimal.

### G.2. More than negligible criteria

192. In accordance with regulation 4 of the Regulations 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%.

193. The most reliable import data that the TRA has access to is the publicly available, 8-digit HMRC OTS import data.<sup>38</sup> 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, for this purpose, to understand import volumes generally. This is because the out-of-scope goods that can be defined under the same commodity codes (such as

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<sup>38</sup> [UK Trade Info from HM Revenue & Customs](#)

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 HMRC raw 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 majority of goods when imported against an 8-digit commodity code are within the scope of this investigation.

194. The 8-digit HMRC OTS data<sup>39</sup> is:

Table 4: Import volume and value by country, for commodity codes 27101981 and 27101983, for the POI.

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%)	<b>4.5 (3.14%)</b>
The UAE	13.9 (11.65 %)	6.2 (25.78%)	<b>20.1 (14.01%)</b>
Lithuania plus the UAE	18.3 (15.26 %)	6.4 (26.56%)	<b>24.6 (17.15%)</b>
All imports	119.7 (100 %)	24.0 (100%)	<b>143.7 (100%)</b>

195. 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.

### G.3. Conditions of competition

196. 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.

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

198. The goods concerned from Lithuania and the UAE that the TRA has 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

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

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 POI).

## **G.4. Cumulation comment from the European Commission**

199. As part of its original submission to the investigation,<sup>40</sup> 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.”

200. 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 prices displayed in the HMRC OTS data. Secondly, there are links between producers and exporters of the goods concerned in Lithuania and the UAE, in the case of three 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 POI are indeed higher, Lithuanian import volumes throughout the injury period remain substantial, and have been significant in that period.

## **G.5. Cumulation conclusion**

201. Having taken into consideration the comments on the PAD ([Section C3.2 Cumulation](#)), 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.

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<sup>40</sup> [TRA Investigations - Trade Remedies Service - GOV.UK](#)

## Section H: Injury

202. 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.

203. The TRA has determine that goods have been or are being dumped in the UK, therefore in accordance with regulation 27(2) of the Regulations, the TRA must determine whether:

- 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.

204. The TRA has examined four factors 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:

- a) the volume of the dumped goods during the injury period;
- b) the effect of the imports on prices in the UK market for like goods during the injury period;
- c) the consequent impact of the dumped goods on UK industry during the injury period; and
- d) any other factors it considers relevant.

205. 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, to determine whether the dumped goods have caused or are causing injury to UK industry, in line with regulation 35 of the Regulations (see [Section H2. Causation and non-attribution](#) below).

### H1. Injury Analysis

206. The TRA selected UK producers to be sampled for the purpose of the injury assessments, as set out above (at [Section C2.1 UK producers](#)). Four UK producers were sampled, of which two (Aztec and Paterson) provided questionnaire responses.

207. The TRA has found that an exporter from the UAE, Atlantic, is not dumping. However, the TRA has been unable to remove these import volumes from the trade data, as the TRA does not have sufficient data for the whole injury period to do so. An appropriate level of caution has been applied to the TRA's analysis of the available trade data that incorporates these imports.

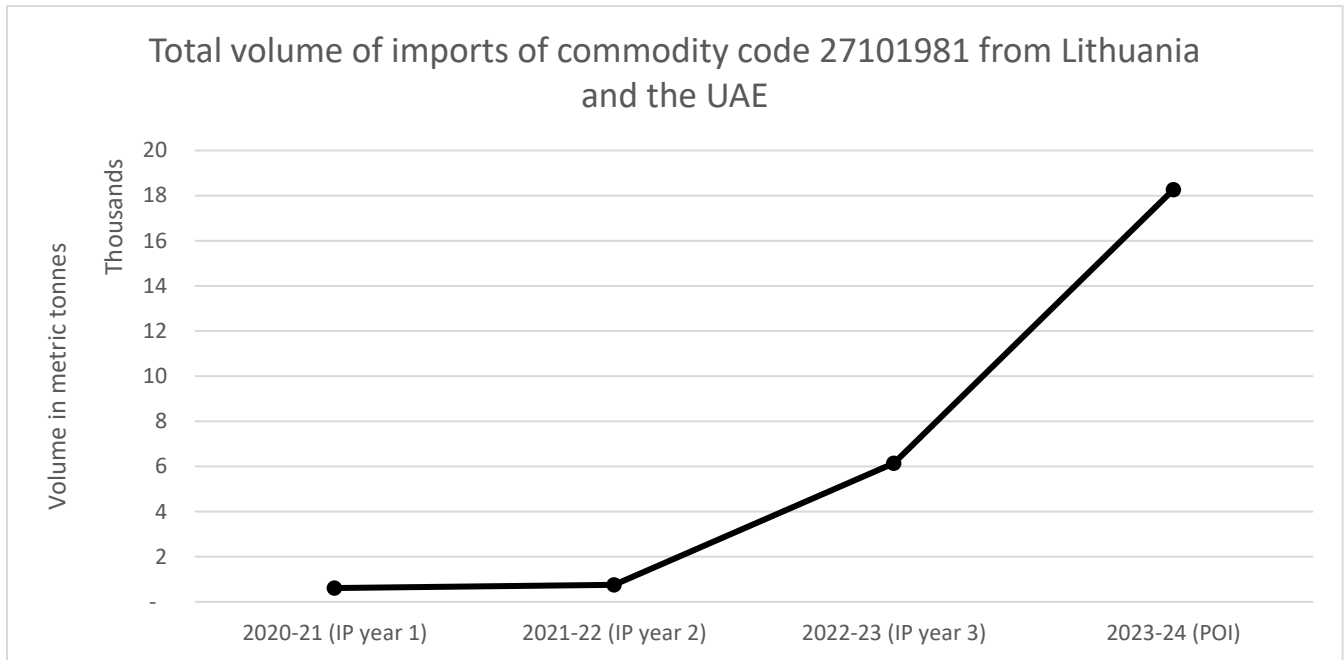
## H1.1 Volume of dumped goods

208. The TRA considered, in accordance with regulation 31 of the Regulations, whether there has been a significant increase in the volume of dumped goods being imported into the UK market in absolute terms.

### H1.1.1 Volume of dumped goods in absolute terms

209. 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). However, the TRA has assessed that most imports, imported under the two relevant 8-digit commodity codes, are in scope goods of engine oils or hydraulic fluids. The TRA considers this data to be adequate for consideration, despite the inclusion of some out-of-scope goods in the commodity codes.

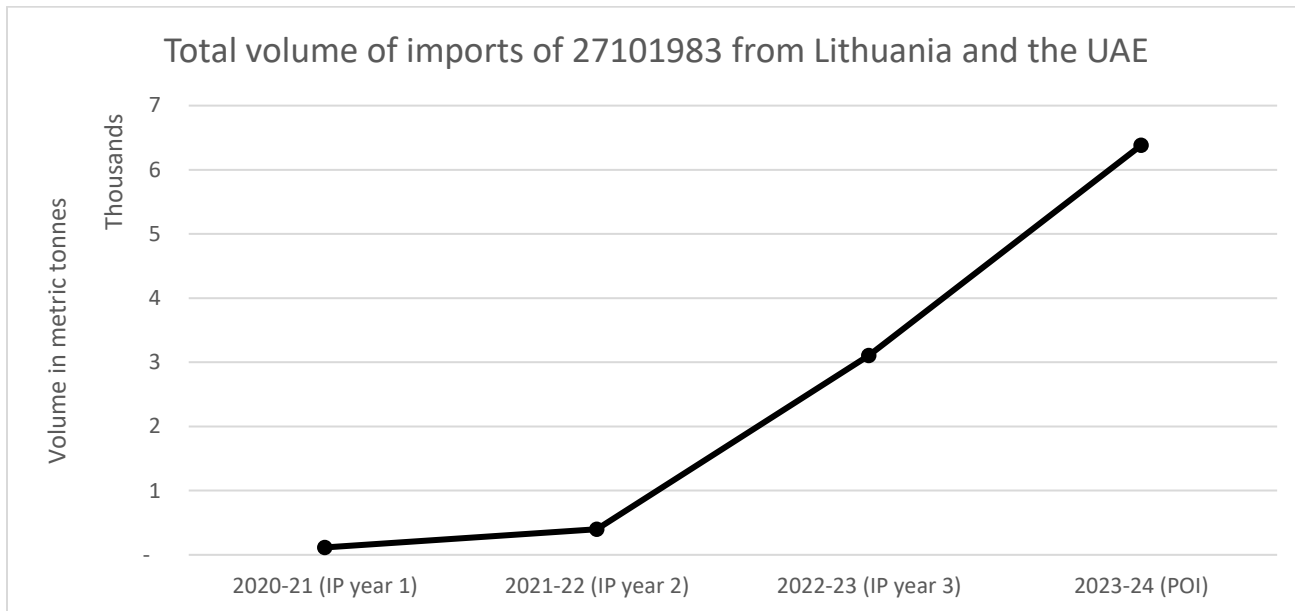
Figure 3: Total volume of imports of commodity code 27101981 from Lithuania and the UAE



TONNES	2020-21 (injury period year 1)	2021-22 (injury period year 2)	2022-23 (injury period 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

210. The relevant import data shows that, over the injury period, 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 4: Total volume of imports of commodity code 27101983 from Lithuania and the UAE<sup>41</sup>



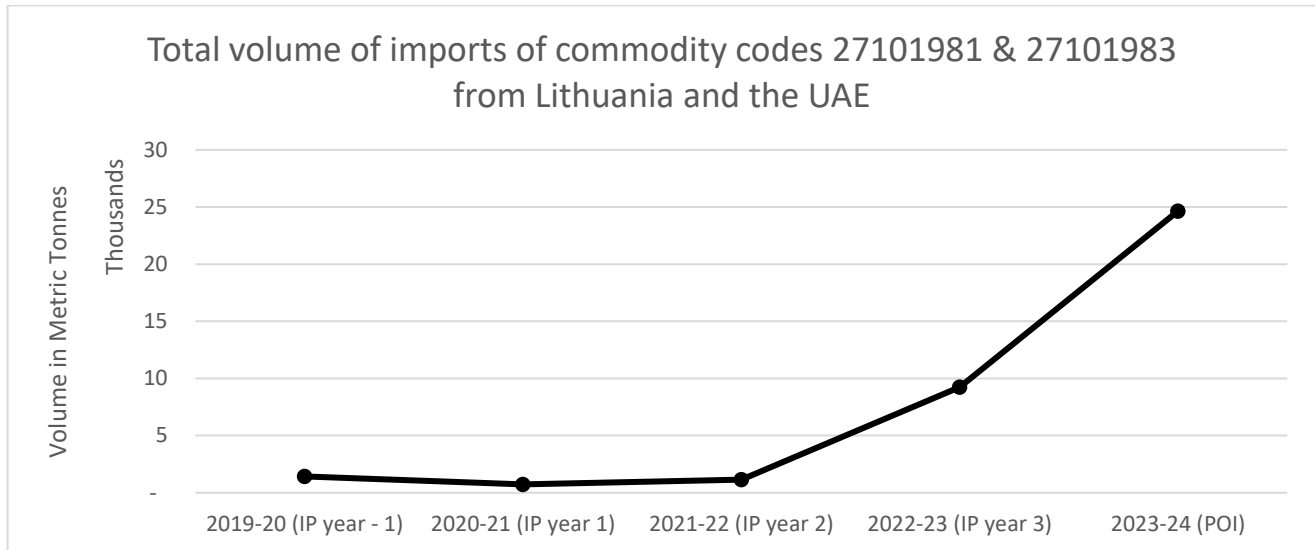
TONNES	2020-21 (injury period year 1)	2021-22 (injury period year 2)	2022-23 (injury period year 3)	2023-24 (POI)
Lithuania	92	371	1,205	187
UAE	23	26	1,900	6,193
Total	115	397	3,104	6,381

211. This import data shows that, over the injury period, 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.

<sup>41</sup> Source: <https://www.uktradeinfo.com/trade-data/ots-custom-table/?id=d288323e-769f-4faf-addc-db43951cf355>, accessed 10 December 2024.

212. The import data for both commodity codes combined:

Figure 5: Total volume of imports of commodity codes 27101981 & 27101983 from Lithuania and the UAE<sup>42</sup>



213. The combined commodity code data demonstrates that, over the injury period, 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.

214. As the TRA has established that there has been a significant increase in the volume of dumped goods in absolute terms, there is no regulatory requirement for a separate volume assessment relative to domestic production or consumption.

## H1.2. Effect of dumped goods concerned on prices

215. In accordance with regulation 32 of the Regulations, to assess the effect of the dumped goods on prices of the like goods in the UK during the injury period, the TRA has considered whether:

- 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.

### H1.2.1. Price undercutting

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

<sup>42</sup> Source: <https://www.uktradeinfo.com/trade-data/ots-custom-table/?id=d288323e-769f-4faf-addc-db43951cf355> , accessed 10 December 2024.

217. An undercutting margin is calculated by comparing the UK sales price (ex-factory) with the import price (the landed price) for similar products during the POI. The landed price is the price of the goods concerned when they arrive at a UK port. It equates to the CIF import price plus any relevant import duties and other costs associated with importing.
218. An undercutting margin (%) reflects the extent to which landed prices of the imported goods concerned are lower than the UK sales prices of the like goods.
219. The undercutting margin calculation requires that the PCNs match between different interested parties, with UK producer, importer and exporter sales all being compared as part of the calculation. The TRA applied the same PCN corrections, as set out in [Section D5 PCN analysis](#) in relation to the dumping calculation, to the sales data to ensure consistency and comparability in the injury calculation.
220. The TRA identified that some of Lubriage's sales in the UK were made to an associated company named Carousel Car Parts (Carousel). Lubriage and Carousel qualify as related under regulation 15(7) of the Regulations, as they shared the same director for parts of the POI.
221. Carousel did not provide a questionnaire response to the investigation, so whilst sales to Carousel did enter the UK market, the TRA do not have a sales price to an independent buyer for these sales. The TRA has decided not to exclude these sales from the injury calculation, as it would provide an incentive based on non-cooperation (given that these sales to Carousel were made at dumped prices).
222. The TRA established a UK landed CIF price by PCN (based on Lubriage's sales into the UK, with deductions made for UK transport, Lubriage's costs and reasonable profit margins of 10.2%). The TRA compared this UK landed CIF price to UK sales prices, by PCN, on a price per litre basis. The TRA found undercutting where the UK landed CIF price was lower than the UK sales price. The TRA apportioned these amounts of undercutting to volumes imported from Lithuania or the UAE, or both, dependent on the product mix by volume imported to the UK from each country.
223. The result of this calculation was that 32 of the PCNs sold by UK industry were matched to imports from Lithuania. The total amount of undercutting for UAB SCT, expressed as a percentage of the declared CIF import price, is 47.55%.
224. The TRA determined the residual undercutting rate for Lithuania by finding the PCN with the highest sales volume, and an undercutting margin greater than UAB SCT's individual margin. The resultant residual undercutting margin for all other exporters from Lithuania is 67.51%.
225. In relation to the UAE, the TRA matched 39 of the PCNs sold by UK industry to imports from the UAE. The total amount of undercutting for SCT FZE, expressed as a percentage of the declared CIF import price, is 63.45%.

226. The TRA determined the residual undercutting rate for the UAE by identifying the PCN with the highest sales volume, and an undercutting margin greater than SCT FZE’s individual margin. The resultant residual undercutting margin for all other exporters from the UAE is 64.65%.

### H1.2.2. Price depression

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

228. The TRA would ordinarily consider price depression by directly comparing the average domestic sales prices of UK industries like goods to the average import prices of the goods concerned during the injury period.

Figure 6: Average domestic sales price trends per litre for engine oils

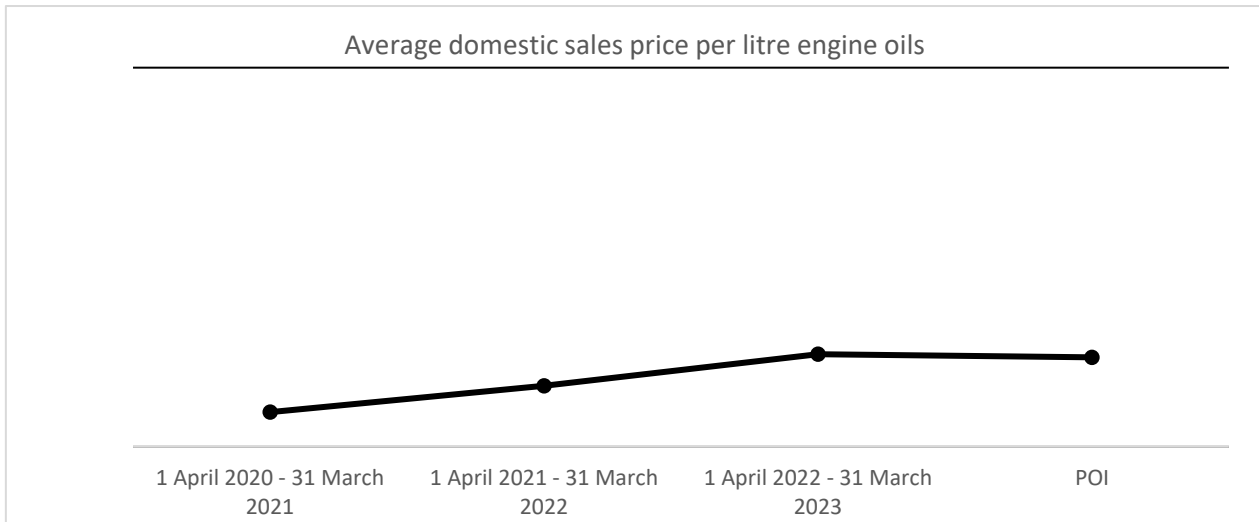
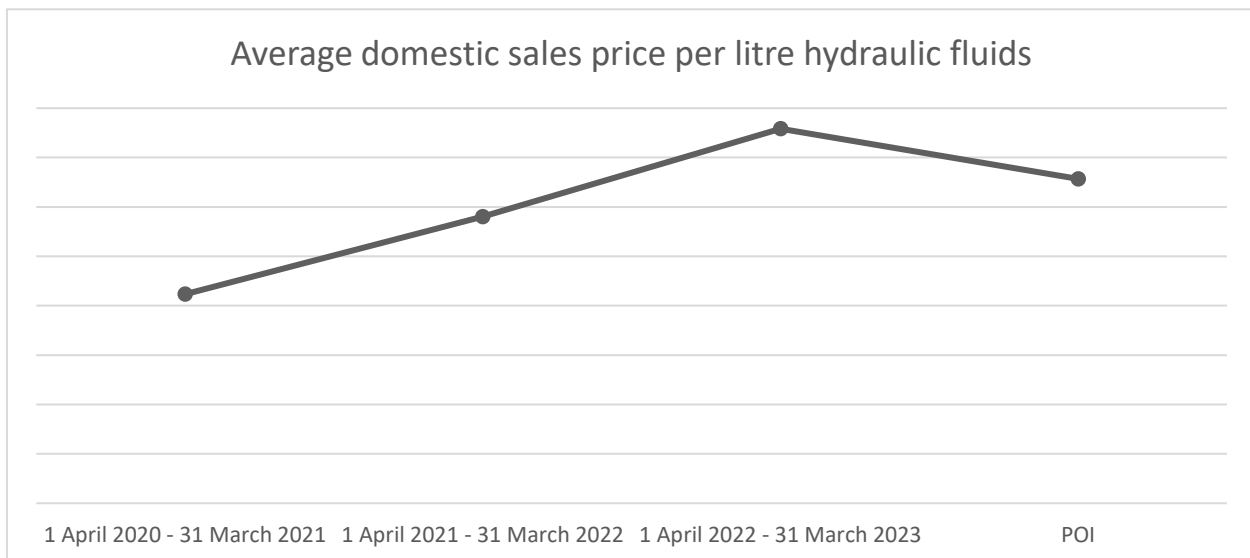


Figure 7: Average domestic sales price trends per litre for hydraulic fluids



229. The only co-operating importer, and the only interested party to sell the goods concerned to an independent buyer, Lubriage, did not provide details of its sales over the whole of the injury period. The TRA is unable to use HMRC OTS data for import price comparison, as it is not specific to the goods concerned and includes out-of-scope products.

230. The TRA has therefore been unable to complete a comprehensive price depression analysis, due to the lack of sufficiently reliable import prices over the whole of the injury period. The TRA has found no evidence to suggest price depression in the data available, as, generally, UK industry has not reduced its prices over the injury period (except for the final year of the injury period to the POI, where domestic prices have decreased).

### **H1.2.3. Price suppression**

231. 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.

232. Whilst domestic sales prices have generally increased (see above graphs), costs of production have also increased over the injury period. The TRA notes that this is true for most of the UK, not just the producers of the like goods.<sup>43</sup> Increasing domestic sales prices do not preclude the occurrence of price suppression.

233. The TRA has assessed that, for both engine oils and for hydraulic fluid, there has been significant price suppression. This is because the cost to make and sell has increased significantly over the injury period, and the net operating profit after tax (NOPAT) has not increased in line with these increased costs.

234. Sales volumes have generally decreased throughout the injury period (see figures 8 and 9 below), and the NOPAT in the final two years of the injury period is lower than it is for the first two years of the injury period, for both engine oils and hydraulic fluids. The TRA have determined that the increased volume of imports of the lower priced goods concerned has prevented the UK industry from increasing its domestic sales prices during the injury period to a level that would have otherwise occurred.

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<sup>43</sup> [Producer price inflation \(MM22\) - Office for National Statistics](#)

Figure 8: Price suppression analysis engine oils

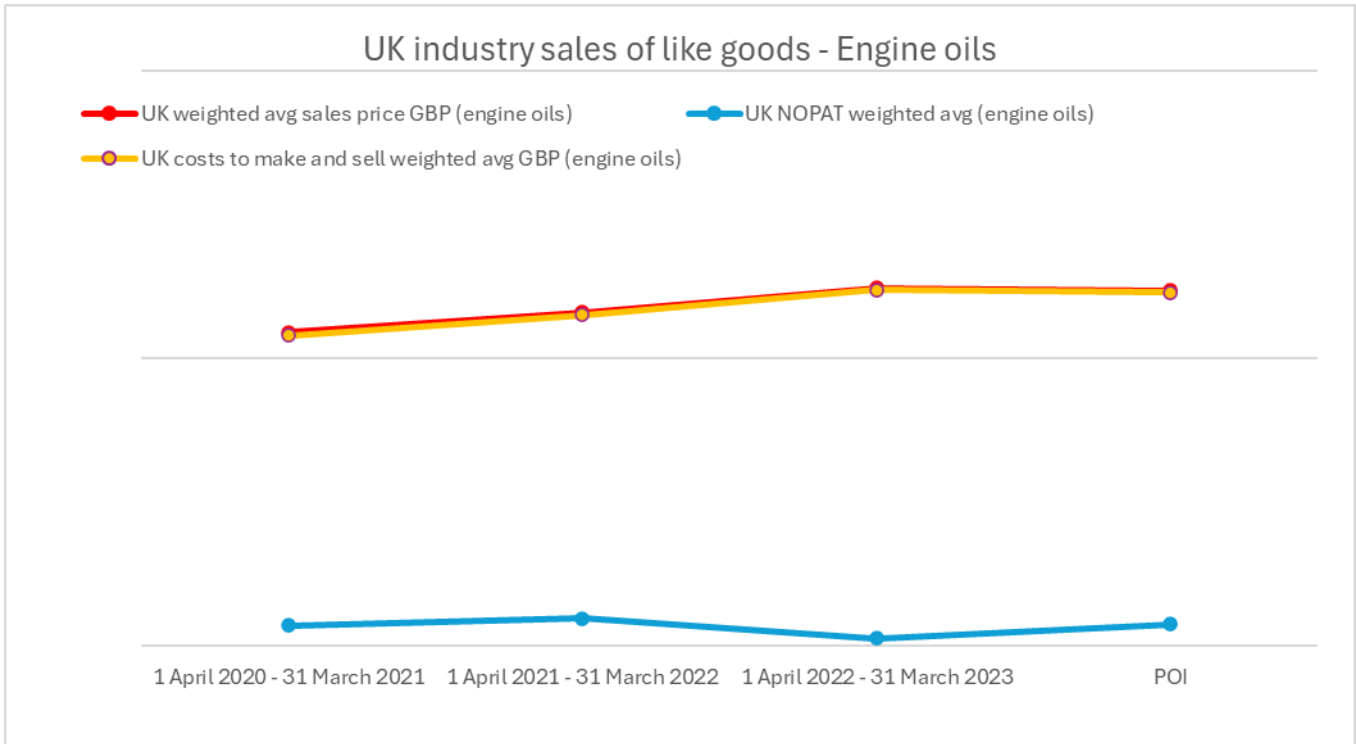
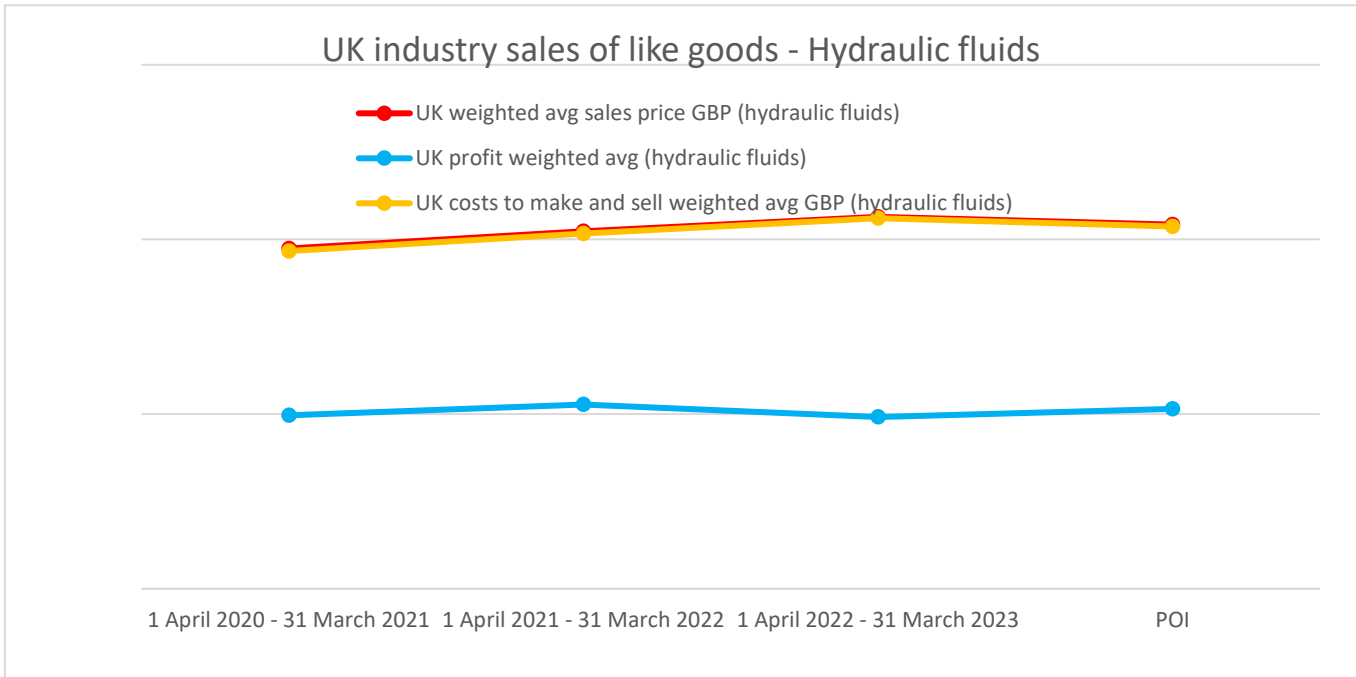


Figure 9: Price suppression analysis hydraulic fluids



### **H.1.3 Impact of dumped goods concerned on UK industry during the injury period.**

236. The TRA must consider all relevant economic factors and indices having a bearing on the UK industry when considering, for the purpose of regulation 30(2)(c), the impact of the dumped goods on the UK industry, regulation 33 of the Regulations notes that these include:

- 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.

237. From the four sampled UK domestic producers only Aztec and Paterson fully participated in the investigation and provided questionnaire responses. The non-confidential questionnaires that were submitted to the public file, show these two companies have experienced differing levels of injury. The TRA has assessed that these differing levels of injury are likely to be caused by the different market positions, and sales prices, of the two companies.

### H1.3.1 Actual and potential decline in sales

238. Aztec reported in its verified questionnaire response that the volume of domestic sales of engine oils have fallen by 25-30% over the injury period, and that the volume of domestic sales of hydraulic fluids have declined by 20-25%. This is consistent with the confidential data submitted to the TRA (see figure 10 and 11 below).

239. Paterson submitted that domestic sales volumes have increased by 52% for engine oils, and 21% for hydraulic fluids, over the injury period. This is consistent with the confidential data submitted to the TRA (see figure 10 and 11 below).

Figure 10: UK sales of domestically manufactured like goods (Engine oils)<sup>44</sup>

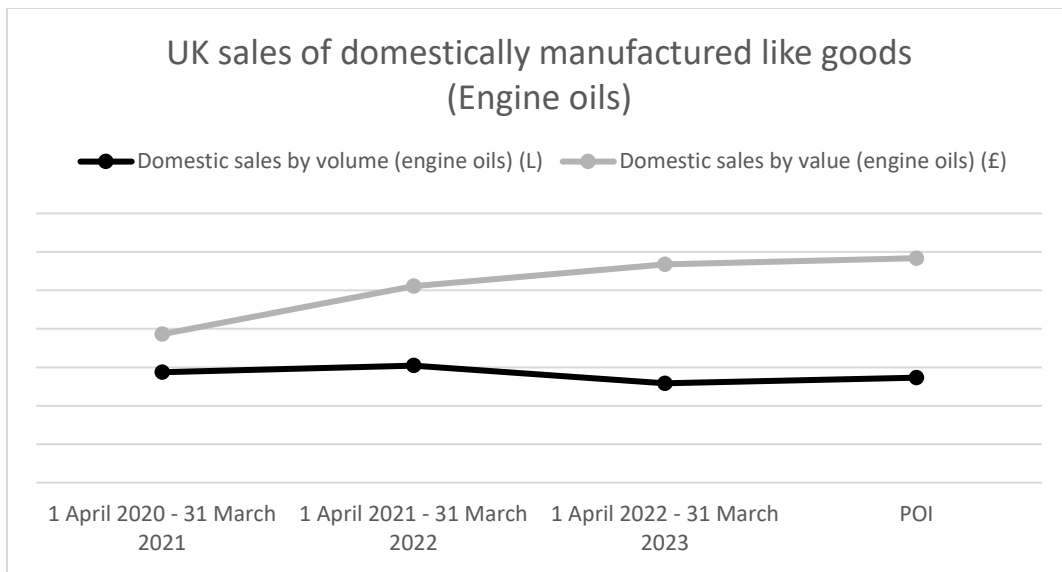
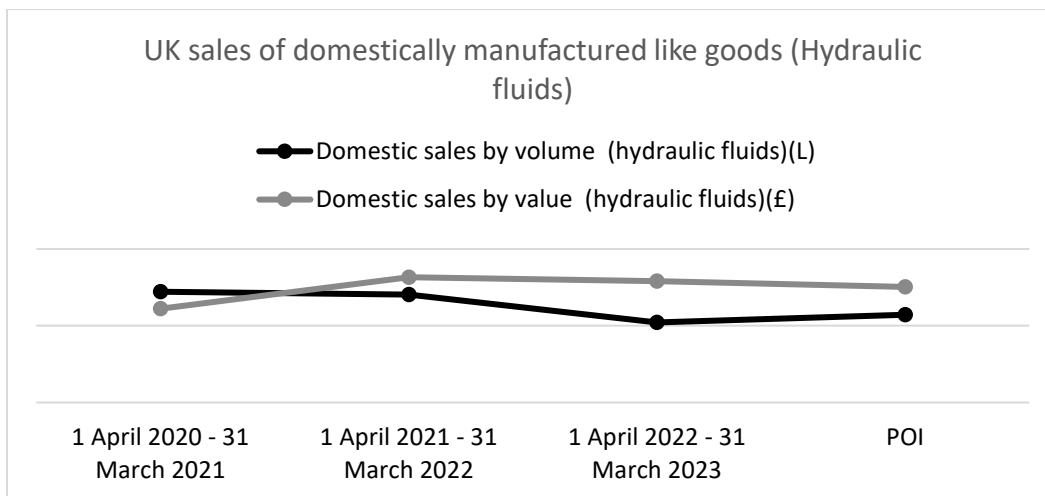


Figure 11: UK sales of domestically manufactured like goods (Hydraulic fluids)<sup>45</sup>



<sup>44</sup> Source: Aztec and Paterson Enterprises questionnaire submissions (available on AD0059 [public file](#))

<sup>45</sup> Source: Aztec and Paterson Enterprises questionnaire submissions (available on AD0059 [public file](#))

### **H1.3.2. Actual and potential decline in profits**

240. Aztec reported in its questionnaire response that actual profits have declined over the injury period. Aztec's audited account's<sup>46</sup> document a reduction in gross profit between financial year 2023 and 2024 of approximately 19%, and a reduction in operating profit over the same period of 62%. This is consistent with the confidential data submitted to the TRA. Demonstrating Aztec have suffered an actual decline in profits during the injury period.

241. Paterson submitted that its profitability has increased over the injury period. Paterson's audited accounts document an increase in gross profit between financial year 2023 and 2024 of approximately 10% and an increase in net operating profits after tax of approximately 28%. This profit increase includes all aspects of the Paterson Enterprises business areas. When examining profits for like goods only in the confidential submission, a lower profit increase, of less than 3 percentage point increase, has been realised by Paterson in relation to like goods (note that the non-confidential annex submitted by Paterson has indexed figures starting at 100% in the first year, and so the percentage changes are different). This has demonstrated to the TRA that whilst Paterson as a whole, have not suffered an actual decline in profits during the injury period, the profits particular to the like goods have not developed in the same way as the rest of Paterson's business areas. The TRA considers that this demonstrates that the engine oil and hydraulic fluid aspect of Paterson's business is being injured.

### **H1.3.3. Actual and potential decline in output**

242. Aztec's non-confidential questionnaire response submitted that:

243. "...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 POI compared to the two preceding [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.

244. Information from Paterson indicates that its output has increased over the injury period for both engine oils and hydraulic fluids, both in terms of volume and value.

### **H1.3.4. Actual and potential decline in market share**

245. The TRA has assessed that it is likely that Aztec suffered a loss of market share over the injury period, given that Aztec's output and sales volume has declined throughout the injury period, the consumption for like goods in the UK has remained relatively stable over the injury period, and imports to the UK of the goods concerned have increased. (see [Figure 4](#) and [Figure 5](#)).

246. Paterson estimated its market share, based on the total estimated UK market for all types of lubricants and greases submitted to the TRA by the UKLA. The TRA assessed that Paterson's

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<sup>46</sup> [AZTEC OILS LIMITED filing history - Find and update company information - GOV.UK](#)

estimations are lower than what its actual market share would be. This is because Paterson’s estimated market share has been calculated by comparing a smaller category of goods (engine oils and hydraulic fluids) against the UKLA submission for all types of lubricants and greases which included out-of-scope goods.

247. However, the market share that Paterson has submitted shows an increase over the injury period. This is consistent with data that Paterson has submitted, showing an increase in sales volumes.

### H1.3.5. Actual and potential decline in productivity

248. 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.<sup>47</sup> However, this information is available for the whole company as part of its audited accounts,<sup>48</sup> 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 employees will be working on like goods, a high percentage will, as the bulk of the products sold by Aztec are like goods.

Table 5: Aztec total number of employees during the injury period

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

<sup>47</sup> [Regulation 45 of The Trade Remedies \(Dumping and Subsidisation\) \(EU Exit\) Regulations 2019](#)

<sup>48</sup> [Aztec Ltd - Companies house](#)

249. Paterson has submitted that the productivity of its employees has increased over the injury period, by 38% in relation to engine oils, and 16% in relation to hydraulic fluids. This is against a backdrop of an increase of 8% in the number of employees. This indicates that Paterson has not suffered a drop in productivity.

Table 6: Paterson employees and their output for both engine oils and hydraulic fluids for the injury period

Year:	2020-21 (injury period year 1)	2021-22 (injury period year 2)	2022-23 (injury period 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

### H1.3.6. Actual and potential decline in return on investments

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

### H1.3.7. Actual and potential decline on utilisation of capacity

251. 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.<sup>49</sup> Paterson's supplied data shows capacities have increased throughout the injury period, although capacity utilisation has fluctuated, there was an overall upward trajectory.

<sup>49</sup> [Regulation 45 of The Trade Remedies \(Dumping and Subsidisation\) \(EU Exit\) Regulations 2019](#)

### **H1.3.8. Factors affecting the domestic prices of like goods**

252. Apart from 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.

### **H1.3.9. The magnitude of the margin of dumping**

253. The margins of dumping that the TRA has calculated, range from 0.64% (in relation to the cooperating UAE exporter, Atlantic), to 95.36% (residual rate for Lithuania).

### **H1.3.10. Actual and potential negative effect on cash flow**

254. 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. The TRA is therefore limited by legislation in its ability to consider the confidential productivity information submitted.<sup>50</sup> Paterson did not submit any cash flow data to the investigation.

### **H1.3.11. Actual and potential negative effect on inventories**

255. 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.

### **H1.3.12. Actual and potential negative effect on employment**

256. 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 injury period.

### **H1.3.13. Actual and potential negative effect on wages**

257. Aztec's profitability, volume production and sales have reduced over the injury period. Its number of employees has also reduced. According to filings with Companies House,<sup>51</sup> the average salary (total wages and salaries divided by total number of employees) was (£2,296,837 / 90 =) £25,520 GBP as of 31 March 2020, at the start of the injury period. For the financial year ending on 31 March 2024, the average salary for Aztec was (£2,568,319 / 83 =) £30,943 GBP. This is an increase in average salary of 21.3% in four years (with the 8% decrease in employment, noted above).

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<sup>50</sup> [Regulation 45 of The Trade Remedies \(Dumping and Subsidisation\) \(EU Exit\) Regulations 2019](#)

<sup>51</sup> [Aztec Oils Ltd overview - Find and update company information - GOV.UK](#)

258. Paterson's accounts are filed with Companies House as part of a group,<sup>52</sup> as of the end of July 2020 it reported an average salary for all employees (the majority of which work in the Lubricants business) as (£6,624,000/217 =) £30,525 GBP, and as of the end of July 2023 this had risen to (£8,193,000 / 221 =) £37,072 GBP. This is an increase of 17.7% in three years.

259. The TRA has compared this information from the sampled domestic producers to the changes to average salaries in the UK over the same period of time. Office for National Statistics (ONS) data<sup>53</sup> records that average weekly regular pay was £512 GBP in March 2020, rising to £637 GBP in March 2024. This is an increase of 19.6% in four years (comparison to Aztec). The same data indicates that the average weekly regular pay in July 2020 was also £512 GBP, and in July 2023 it was £617 GBP. This is an increase of 17% in three years (comparison to Paterson).

#### **H1.3.14. Actual and potential negative effect on growth**

260. 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.

261. Aztec has submitted to the TRA that it has reduced its investments as a result of dumping, see [Section H1.3.6 - Actual and potential decline in return on investments](#).

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

#### **H1.3.15. Actual and potential negative affect on the ability to raise capital or investments.**

263. The TRA has received no information in relation to this injury factor and is unable to assess this injury factor.

#### **H1.4. Other factors considered relevant.**

264. The TRA has not identified other factors considered relevant to the injury assessment in accordance with regulation 30(2)(d) of the Regulations.

#### **H1.5 Economic factors assessment conclusion**

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

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<sup>52</sup> [Paterson Enterprises Ltd overview - Find and update company information - GOV.UK](#)

<sup>53</sup> [Average weekly earnings in Great Britain - Office for National Statistics](#)

266. 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 extent of the actual injury that they have suffered due to a differing market position. Figure 10 and (UK sales value by year) Figure 11 demonstrate, with aggregated data, that both Paterson and Aztec have experienced injury in relation to sales volumes and values.

267. The TRA received full injury data from two UK producers. As part of the economic interest test assessment, the TRA also looked at published financial data for other known UK producers. This is set out in [Section J2](#) and showed evidence of financial vulnerability for other UK producers. While this evidence does not form part of our injury assessment, we note that there are other domestic producers who have similar financial profiles to Aztec.

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

## **H2. Causation and non-attribution**

269. 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.

270. The TRA has assessed that UK industry is suffering from injury, in the form of an actual material decline, and negative effect, in all the following categories:

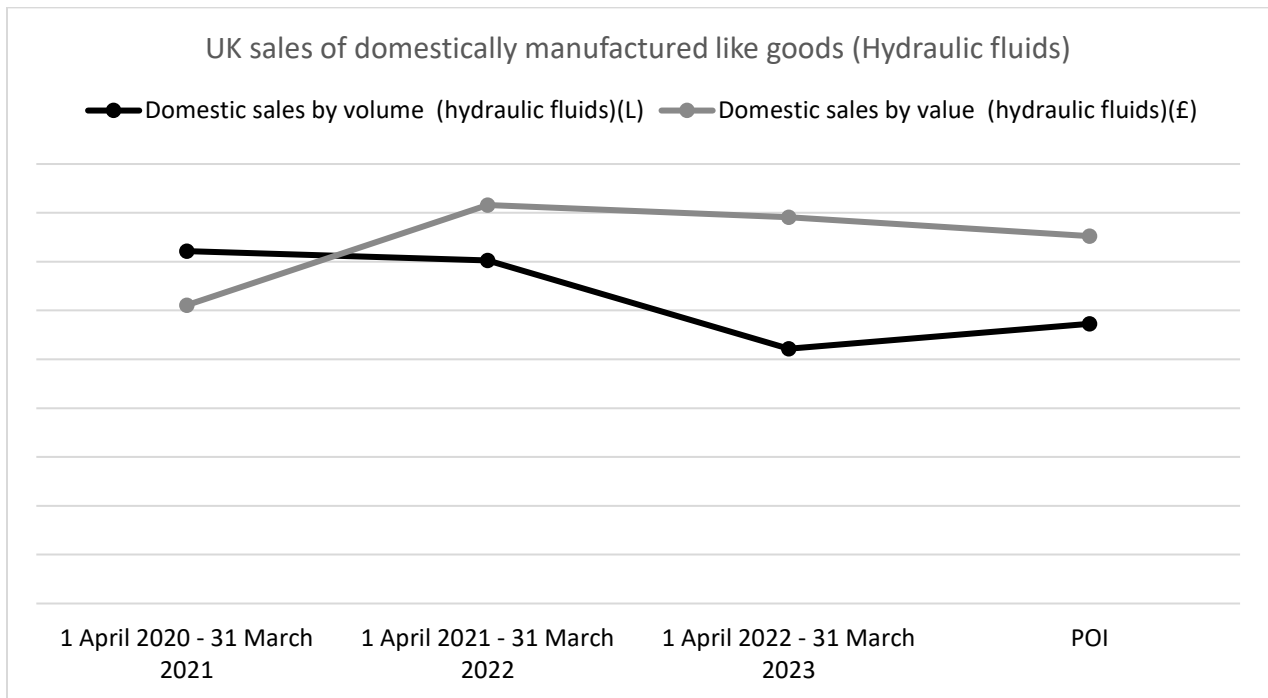
- Sales.
- Profits.
- Output.
- Market share.
- Productivity.
- Return on investments.
- Utilisation of capacity.
- Employment.
- Wages.
- Growth.

271. The following graphs set out the sales of like goods by UK industry:

Figure 12: UK sales of domestically manufactured like goods (Engine oils)<sup>54</sup>



Figure 13: UK sales of domestically manufactured like goods (Hydraulic fluids)<sup>55</sup>

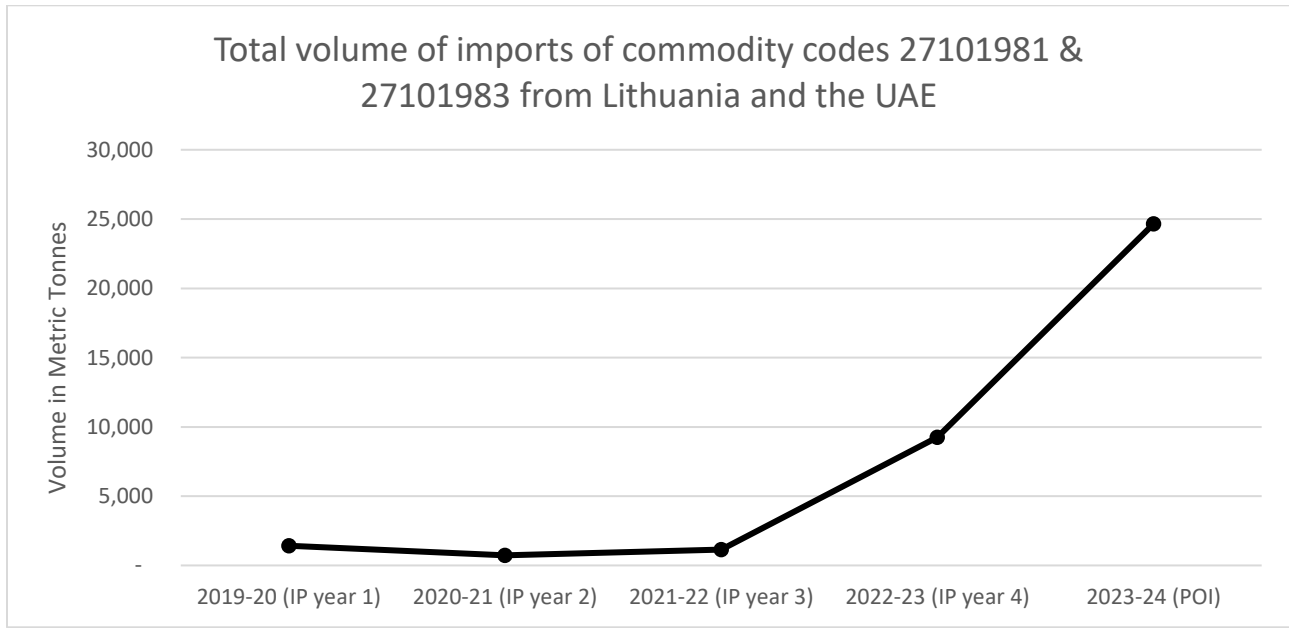


<sup>54</sup> Source: Aztec and Paterson questionnaire submissions (available on [AD0059 public file](#))

<sup>55</sup> Source: Aztec and Paterson questionnaire submissions (available on [AD0059 public file](#))

272. 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 injury period, that is 1 April 2021-31 March 2022. Injury then increased into the third year of the injury period, that is 1 April 2022-31 March 2023.

Figure 14: Total volume of imports of commodity codes 27101981 & 27101983 from Lithuania and the UAE<sup>56</sup>



273. 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%.

274. The TRA has assessed that the import values (and resultant average pricing), as recorded in the HMRC OTS data, are not reliable in this case. This is due to the associations between the exporters and the importer. HMRC OTS data does not take account of this, and the first sales prices to independent customers are required to reliably assess possible impacts of sales prices on whether causation is established or not.

275. 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.

276. 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.

<sup>56</sup> Source: <https://www.uktradeinfo.com/trade-data/ots-custom-table/?id=d288323e-769f-4faf-addc-db43951cf355> , accessed 10 December 2024.

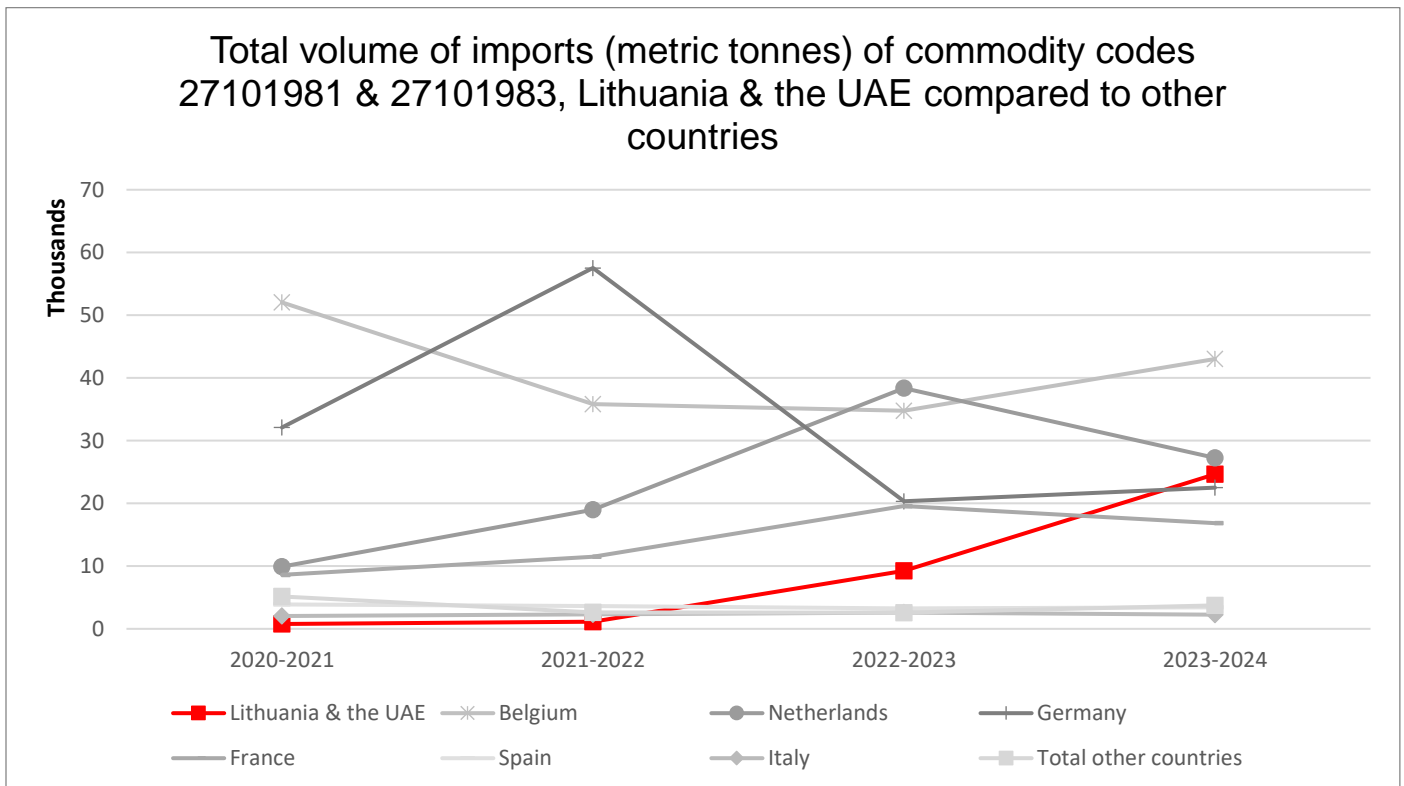
277. The following was considered by the TRA:

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

278. The TRA has examined 8-digit import data for the two relevant commodity codes.<sup>57</sup> 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. The TRA's assessment is that most imports, imported under the two relevant 8-digit commodity codes, are in scope goods, this is supported by confidential raw HMRC Customs declarations data.

279. As stated above, the import values (and resultant average pricing), as recorded in the HMRC 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.

Figure 15: Total volume of imports (metric tonnes) of commodity codes 27101981 & 27101983, Lithuania & the UAE compared to other countries<sup>58</sup>



<sup>57</sup> Source: <https://www.uktradeinfo.com/trade-data/ots-custom-table/?id=d288323e-769f-4faf-addc-db43951cf355> accessed 10 December 2024.

<sup>58</sup> Source: <https://www.uktradeinfo.com/trade-data/ots-custom-table/?id=d288323e-769f-4faf-addc-db43951cf355> accessed 10 December 2024.

280. The volume of imports data, displayed in the graph above, demonstrates that import volumes of the two relevant commodity codes have increased over the injury period. No country other than the countries concerned have shown a sustained increase in imports to the UK over the whole of the injury period. 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.

### **H3. Conclusion**

281. The TRA has determined that UK industry is 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.

### **H4. Injury margin**

282. The injury margin is the extent to 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). 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 method was used to calculate an injury margin for each cooperating exporter.

283. No injury margin was calculated for Atlantic, following the determination that they were not dumping goods into the UK.

284. 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.

#### **H4.1. Target price**

285. 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.

286. The TRA calculated the target price by using the cooperating UK domestic producers cost of production for the like goods (weighted by sales volume), adding its AS&G costs, and applying a normal rate of profit. The TRA set the normal rate of profit at 5% of the total cost to make and sell in this instance (see [Section C3.3 Calculation and provisional measures](#)).

#### **H4.2. Landed price**

287. The landed price is the price of the goods concerned when they arrive at the UK port. It equates to the CIF import price plus any relevant import duties and other costs associated with import.

288. The TRA calculated the landed price by using the export price to the first independent buyer in the UK, that is the UK sales prices of Lubriage. The TRA made deductions to these sales prices to remove an average value for UK transport, reasonable profit for an unrelated importer (10.2%),<sup>59</sup> and Lubriage's post importation costs (confidential figure).

289. No currency conversion was necessary to establish landed price, as Lubriage's sales were submitted to the TRA, and subsequently verified, in pounds sterling (GBP).

### H4.3. Residual injury margin

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

291. In line with regulation 38(4) of the Regulations the TRA has determined the residual injury margin taking account of information contained in the application, information received from other interested parties during the investigation, published price lists, official import statistics or customs returns, relevant data pertaining the world market or other representative markets.

292. The residual amount, for the injury margin calculation, was set by establishing the PCN with the highest total import value, that also had an injury margin above that of the co-operating overseas exporters for Lithuania and the UAE.

### H4.4. Injury margins

293. The injury margins are shown in the table below:

Table 7: Injury margins

<b>Overseas exporter/producer</b>	<b>Injury margin (%)</b>
UAB SCT Lubricants (Lithuania):	84.72%
<b>All other Lithuanian exporters (residual injury margin):</b>	242.61%
Chempioil (UAE):	78.64%
SCT Chemicals FZE (UAE):	78.64%
Atlantic Grease and Lubricants FZE (UAE):	N/A
<b>All other UAE exporters (residual injury margin):</b>	221.33%

<sup>59</sup> [https://autodoc.group/wp-content/uploads/EN\\_Berlin-online-retailer-AUTODOC-presents-business-figures-for-2023.pdf](https://autodoc.group/wp-content/uploads/EN_Berlin-online-retailer-AUTODOC-presents-business-figures-for-2023.pdf)

## Section I: Lesser duty rule, forms of measures and alternative measures

294. The TRA calculated anti-dumping margins for:

- Atlantic,
- UAB SCT,
- SCT FZE,
- Chempioil; and
- all other overseas exporters.

295. The TRA calculated injury margins for:

- UAB SCT,
- SCT FZE,
- Chempioil; and
- all other overseas exporters.

296. The TRA did not calculate an injury margin for Atlantic as their dumping margin was de minimis. The TRA was unable to calculate an individual rate for Oscar, consequently it will be subject to the residual rate.

### I1: Lesser duty rule

297. In accordance with paragraph 18(6) of Schedule 4 to the Act, the recommended anti-dumping amount must not exceed the margin of dumping, or the amount which the TRA is satisfied would be adequate to remove the injury to the UK industry in the goods if that amount is less than the anti-dumping amount.

Table 8: Summary of dumping and injury rates, lesser duty rule application

Overseas exporter/producer	Dumping margin (%)	Injury margin (%)	Anti-dumping duty (%)
UAB SCT Lubricants (Lithuania):	92.90%	84.72%	84.72%
<b>All other Lithuanian exporters (residual rate):</b>	95.36%	242.61%	95.36%
Chempioil (UAE):	34.35%	78.64%	34.35%
SCT Chemicals FZE (UAE):	34.35%	78.64%	34.35%
Atlantic Grease and Lubricants FZE (UAE):	0.64%	N/A	0.00%
<b>All other UAE exporters (residual rate):</b>	34.55%	221.33%	34.55%

## **I2: Forms of measure**

298. The TRA is intending to recommend that the measure is applied in the form of an ad valorem duty applied to the UK border CIF import price of the goods concerned.

## **I3: Alternative measures**

299. The TRA is not intending on recommending any alternative measures as part of the SEF.

## Section J: Economic interest test

### J1. Introduction

300. The aim of the Economic Interest Test (EIT) is to determine whether applying an anti-dumping amount on the goods concerned, imported from the UAE and Lithuania is in the wider economic interest of the UK. This test is presumed to be met unless we are satisfied that the application of the remedy is not in the economic interest of the UK.

301. In accordance with paragraph 25 of Schedule 4 to the Act, the EIT is met in relation to the application of an anti-dumping remedy if the application of the remedy is in the economic interest of the UK.

302. 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.

#### J1.1. Evidence Base

303. In addition to the evidence set out above (see section [C2. Participation in the investigation](#)) 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.

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

304. [Section H](#) sets out the injury assessment. UK industry, as a whole, has actually suffered from material injury in relation to multiple economic factors. 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. Figure 10 and Figure 11 demonstrate, with aggregated data, that both Paterson and Aztec have experienced injury in relation to sales volumes and values.

305. In addition to the two UK producers who submitted questionnaires, the TRA is aware of 19 other UK producers. In the absence of specific injury data for these other businesses, the TRA analysed published accounts for these other UK producers and calculated financial metrics<sup>60</sup> to test the overall vulnerability of these companies. These tests showed that nine of the other producers showed evidence of financial vulnerability.

306. This material injury is likely to put the market participation of some or all of the UK producers at risk. As a result, removing this injury is likely to result in significant benefits to UK industry.

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

307. 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.

308. 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.

309. 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.

#### **J3.1. Upstream businesses**

310. 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 by UK producers.

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<sup>60</sup> The following financial indicators were calculated for all UK producers for the last five years where data was available: Altman Z-score, Taffler Z-score, debt to equity ratio, debt to assets ratio, current ratio, quick ratio and working capital to total assets.

311. The survey respondent, that employed less than 10 staff, has indicated that CEOHF is very important to it. 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.

312. The selected businesses employ 487 staff, with a combined annual turnover of approximately £131m GBP and an estimated Gross Value Added (GVA) of approximately £21m GBP 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.

### **J3.2. UK Producers**

313. 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 GBP. 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.

314. 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.

315. Based on the product ranges of the selected businesses and their questionnaire responses, selling CEOHF appears to be their main business activity which suggests that CEOHF is very important to them.

### **J3.3. Importers**

316. After the publication of PAD, the TRA received questionnaire responses from two importers, 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.

317. The TRA selected 11 importers which 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 nine selected importers including Lubriage and an anonymous importer who responded to the questionnaire.

318. Due to an incomplete questionnaire response from the anonymous importer and insufficient publicly available data, the TRA was unable to calculate GVA and EBITDA for this importer.
319. The selected importers collectively employed around 3,342 staff, had a combined turnover of around £20,858m GBP and a combined GVA of around £1,582m GBP. The evidence suggests that the like goods are very important to Lubriage and somewhat important to the other businesses.
320. More than half of the selected businesses show moderate vulnerability to economic shocks, with declining employment and earnings before interest, taxation, depreciation and amortisation (EBITDA), but growing turnover and GVA. One business experienced negative EBITDA, highlighting their vulnerability to economic shocks.

### **J3.4. Downstream businesses**

321. Industries which buy CEOHF include distributors, automotive, marine and agriculture.
322. Based on evidence submitted, the TRA is aware of 1,069 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.
323. This gave a total number of 11 selected downstream businesses to investigate in more detail.
324. The TRA estimates the selected downstream businesses employed around 3,500 people. They had a combined turnover of around £2,353m GBP, and a total GVA of around £260m GBP.
325. 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.

### **J3.5. Consumers of engine oils**

326. Submissions made by Paterson<sup>61</sup> 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.
327. The end users of hydraulic fluids are generally businesses. As such, 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.
328. The TRA received only eight consumer responses which is not a representative sample. As a result, we can only draw limited conclusions from the survey.
329. 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.
330. 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 data<sup>62</sup> the TRA estimates that around 73% of licensed vehicles are more than five years old. As such, 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.

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<sup>61</sup> [TRA Investigations - Trade Remedies Service - GOV.UK](#), Paterson questionnaire response, section B2, page 18

<sup>62</sup> [Vehicle licensing statistics data tables - GOV.UK](#), VEH1107, collected on 15/11/2024.

### J3.6. Summary table

Table 9: Summary table for the significance metrics for affected industries

	<b>Upstream businesses</b>	<b>UK producers</b>	<b>Importers</b>	<b>Downstream businesses</b>
Total known businesses	82	21	426	1,069
Total selected businesses	4	6	9	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	3,334,342	3,476
Total GVA of selected businesses (£m GBP)	20	65	1,582	262
Total turnover of selected businesses (£m GBP)	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.



## **J4. Likely impact on affected industries and consumers**

331. In this section, the TRA assesses the overall impact that the proposed 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.

### **J4.1 Evidence and key assumptions**

332. The TRA has estimated the size of the UK market and market 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.

333. Prices and costs for UK, UAE and Lithuanian producers, and for UK importers were estimated using data from questionnaire responses. The Lithuanian producer provided prices in euros. The TRA used HMRC exchange rates to convert to pound sterling. 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.

334. 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.

335. 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. In the longer term, it is likely that demand will fall due to greater levels of ownership of electric vehicles. However, the TRA does not have evidence on how substantial this change might be over the next five years, so the TRA has held it fixed in this analysis.

336. For UK producers, the TRA has assumed that their marginal costs are equal to their variable costs (assumed to be costs of raw materials, energy and transport costs) for small changes in sales. Where they might exit the market, the TRA has assumed that their marginal costs are equal to their total costs. For importers, the TRA has assumed that marginal costs are equivalent to the prices of the imported products and that these would be marked up by a rate equivalent to the average EBIDTA margin of the selected importers.

337. In the absence of evidence, the TRA has assumed that half of the costs of increased prices of engine oils will be borne by consumers, and half will be borne by downstream businesses. For hydraulic fluids, we have assumed that all of the costs of increased prices would be borne by downstream businesses because this is a product used in industrial processes.



## J4.2. Scenarios modelled

338. If a measure were not to be imposed, the TRA has assumed that some UK producers would be likely to exit the market. We have modelled two scenarios for this. In Scenario A, we have assumed that all UK producers would exit the market and in Scenario B the TRA has assumed that the most at-risk UK producers would exit the market. To assess which producers are most at risk, the TRA used a number of financial indicators<sup>63</sup> where data was available. Using this approach, the TRA estimates that approximately 30% of UK production is particularly at-risk and might leave the market if measures were not to be imposed. The TRA considers Scenario B to be more likely and Scenario A represents a worst-case scenario.

339. If a measure were to be imposed, the TRA has modelled two scenarios. In Scenario C, all producers from the UAE and Lithuania exit the market. In Scenario D, all Lithuanian producers exit the market and UAE producers remain in the market but increase their prices by the level of duty. This is because average duties are lower for imports from the UAE than from Lithuania. Given the proposed levels of duty, the TRA considers Scenario C to be more likely than Scenario D.

## J4.3. Estimated welfare impacts of extending the measure on affected UK businesses and consumers

340. 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.

341. Producer and consumer surplus were estimated using the following formulas:

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

$$[2] \Delta \text{Consumer Surplus} = \frac{Q_{\text{measure}} + Q_{\text{no\_measure}}}{2} * (P_{\text{no\_measure}}^C - P_{\text{measure}}^C)$$

342. Where:

$Q_{\text{measure}}$  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

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

<sup>63</sup> The following financial indicators were calculated for all UK producers for the last five years where data was available: Altman Z-score, Taffler Z-score, debt to equity ratio, debt to assets ratio, current ratio, quick ratio and working capital to total assets.



343.

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

Table 10: Estimated annual welfare impact if a provisional measure is imposed (£m GBP)

	UK producers (£m GBP)	Importers (£m GBP)	Downstream businesses (£m GBP)	Consumers (£m GBP)	Net (£m GBP)
<i>If all UK producers exit without a measure (Scenario A)</i>					
Scenario C: UAE and Lithuanian producers exit	£47.7	-£16.0	-£40.8	-£30.5	-£39.6
Scenario D: Lithuanian producers exit, and other producers raise prices	£130.3	£54.9	-£133.2	-£97.1	-£45.2
<i>If some UK producers exit without a measure (Scenario B)</i>					
Scenario C: UAE and Lithuanian producers exit	£10.1	-£4.0	-£10.7	-£7.4	-£12.0
Scenario D: Lithuanian producers exit, and other producers raise prices	£22.9	£66.8	-£103.2	-£74.1	-£87.6
Range	£10.1 to £130.3	-£16.0 to £66.8	-£133.2 to -£10.7	-£97.1 to -£7.4	-£87.6 to -£12.0

#### J4.3.1. UK producers

345. Our modelling estimates UK producers are likely to benefit from the measure by around £10m GBP to £130m GBP per year. The size of the benefit will largely depend on the number of producers that would exit the market if a measure was not imposed.

#### J4.3.2. Importers

346. The net impacts on importers are particularly uncertain. Importers from the UAE and Lithuania will be likely to lose sales but importers from other countries may gain sales and may also be able to sell at higher prices. Our analysis suggests that the overall impacts on importers could range from an annual loss of around £16m GBP to an annual gain in welfare of up to £67m GBP.



### **J4.3.3. Downstream businesses**

347. The TRA estimates that downstream businesses would lose between £10m GBP and £130m GBP per year if a measure were to be imposed. The biggest source of uncertainty is how many UK producers would exit the market if a measure were not to be imposed.

### **J4.3.4. Consumers**

348. Overall, the TRA estimates that consumers would face additional annual costs of between £7m GBP and £97m GBP per year as a result of the measure. Again, the biggest driver of uncertainty is the degree to which UK producers would leave the market if a measure were not to be imposed.

349. For individual consumers, the TRA found that the four most licensed cars in 2022 published by Driver and Vehicle Licensing Agency (DVLA) had an average engine oil capacity of around 4 litres.<sup>64</sup> If the average car owner were to need 4 litres of engine oil per year, they might experience an annual increase in spending on engine oil of between £0.26-£3.40 GBP per car as a result of the measure. Our analysis suggests that the lower end of this range is more likely.

### **J4.3.5 Overall welfare impacts**

350. The TRA estimates that the net annual welfare impacts of a measure on businesses and consumers will be a loss of between £12m GBP and £88m GBP. However, the TRA considers the lower end of this range to be more likely than the higher end.

## **J5. Likely impact on particular geographic areas, or particular groups, in the UK**

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

### **J5.1. Likely impact on particular areas**

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

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<sup>64</sup> [Vehicle licensing statistics: 2022 - GOV.UK](https://www.gov.uk/government/statistics/vehicle-licensing-statistics-2022)



353. 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.

354. 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.

355. 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.

356. 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.

357. 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 Figure 1.

358. Given the measure applies to a country within the EU, there is some risk that the duties against producers from Lithuania could be avoided for downstream producers in Northern Ireland due to the Windsor Framework. The Windsor Framework dictates that goods entering Northern Ireland from the Republic of Ireland are not subject to customs checks. The TRA identified 21 known UK producers and found no sites located in Northern Ireland. Three downstream companies were identified in Northern Ireland, two are small and one is geographically dispersed across Northern Ireland. The latest DVSA figures show that around 3% of all UK licenced vehicles are in Northern Ireland.<sup>65</sup> Therefore the TRA does not believe the risk of avoidance of duties via Northern Ireland is significant.

## J5.2. Likely impact on particular groups

359. 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

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<sup>65</sup> DVSA, Vehicle licencing statistics 2024 Q2,  
<https://assets.publishing.service.gov.uk/media/66f15b9b76558d051527abd7/veh0101.ods>



evidence to suggest that any particular groups would be disproportionately affected by the measure.

### **J6. Likely consequences for the competitive environment, and for the structure of the market, in the UK**

360. 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.

361. As described in Section E: The UK industry and market, 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.

362. The TRA estimated that total known UK producers supplied between 40-50% of the UK market. The rest of the market was supplied by imports from other countries, predominantly from Belgium, Netherlands, France and Germany. This indicates there are a range of alternative suppliers to the market from across a number of countries.

363. The Herfindahl–Hirschman Index (HHI) is a measure of market concentration to determine market competitiveness. A HHI higher than 2,000 implies a highly concentrated market.<sup>66</sup> The TRA estimated that the HHI for the UK CEOHF market is less than 1,000 which implies that the market is not concentrated. This indicates a high level of market competition with a range of suppliers.

364. Without the measure some UK producers might leave the market but with the measure some UAE/Lithuanian producers might leave the market. The TRA has insufficient evidence to conclude whether the overall number of suppliers may increase or decrease as a result of the measure.

365. The measure would 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 H2, 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 measure

366. There is no evidence to suggest that suppliers would face reduced incentives to compete vigorously with the imposition of a measure.

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<sup>66</sup> [CC3 \(Revised\), Guidelines for market investigations: Their role, procedures, assessment and remedies](#)



367. The measure 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 the choices or information available to consumers would be significantly affected by the imposition of a measure.

#### **J7. Such other matters as the TRA considers relevant**

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

369. By 2035 all new cars and vans sold in the UK will have to be zero emission vehicles which would not require engine oils.<sup>67</sup> 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 measure.

#### **J8. Conclusions**

370. In accordance with paragraph 25 of Schedule 4 to the Act, the EIT is met if the application of an anti-dumping remedy 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 measure is not in the economic interest of the UK.

371. 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 measure not recommended.

372. 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 products are very important to UK producers, Lubriage and distributors; somewhat important to most importers and upstream businesses; and less important to vehicle dealers.

373. In the impacts section the TRA found that the imposition of a measure would have a positive impact on UK producers but a negative impact on importers, downstream businesses, and consumers. The imposition of a measure is likely to reduce overall welfare by around £11m GBP per year.

374. The TRA found no evidence of significant impacts on any particular geographic areas or groups.

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<sup>67</sup> [Pathway for zero emission vehicle transition by 2035 becomes law - GOV.UK](#)



375. In the competition section, the TRA determined that the market is competitive given the range of suppliers in the UK and from other countries. The TRA received no further evidence of any significant impacts on a range of suppliers from other countries.

376. 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 measure.



## Section K: Intended final determination and recommendations

377. The TRA’s intended final determination is set out below.

378. The TRA intends to make a final determination on imports of the goods concerned originating from Lithuania and the United Arab Emirates as described in the notice of initiation that fall under the commodity codes:

- 2710198120
- 2710198130
- 2710198140
- 2710198190
- 2710198300

379. The TRA has determined that the goods concerned that are the subject of the intended final determination have been or are being dumped into the UK and the dumped goods have caused or are causing injury to a UK Industry in those goods. The TRA therefore intends to recommend to the Secretary of State that an anti-dumping measure is imposed.

380. The TRA intends to recommend that the Secretary of State impose an ad-valorem duty for a period of five years on the goods concerned subject to the final affirmative determination.

381. In accordance with paragraph 18(6) of Schedule 4 to the Act, the TRA intends to recommend that the Secretary of State impose the lower of the two margins (the dumping margin) as the anti-dumping amount. Individual margins as well as the residual amount are shown below.

*Table 11: Recommended ad-valorem duty rates*

<b>Overseas exporter/producer</b>	<b>Duty amount (%)</b>
UAB SCT Lubricants (Lithuania):	84.72%
<b>All other Lithuanian exporters (residual rate):</b>	95.36%
Chempioil (UAE):	34.35%
SCT Chemicals FZE (UAE):	34.35%
Atlantic Grease and Lubricants FZE (UAE):	0.00%
<b>All other UAE exporters (residual rate):</b>	34.55%



## Annex A: Interested parties and contributors

Summary of information received from interested parties and contributors

	<b>Interested party/Contributor</b>	<b>Information received</b>	<b>Status</b>
1	Aztec Oil	Application, pre-sampling questionnaire, evidence summary, questionnaire, Lubriage Accounts 2023, supplemental information, response to PAD,	Applicant
2	Paterson Enterprises Ltd	Pre-sampling questionnaire, questionnaire, response to PAD	Sampled Domestic Producer
3	Ferguson & Menzies Ltd	Pre-sampling questionnaire	Non-cooperative Sampled Domestic Producer
4	Granville Oil & Chemicals	Pre-sampling questionnaire	Non-cooperative Sampled Domestic Producer
5	Anonymous	Pre-sampling questionnaire	Non-sampled Domestic Producer
6	Syntol Ltd	Pre-sampling questionnaire	Non-sampled Domestic Producer
7	Witham Oil & Paint Ltd	Pre-sampling questionnaire	Non-sampled Domestic Producer
8	Certas Energy Ltd	Pre-sampling questionnaire	Non-sampled Domestic Producer
9	Pennine Lubricants Ltd	Pre-sampling questionnaire	Non-sampled Domestic Producer
10	Lubriage Ltd	Pre-sampling questionnaire, Questionnaire, response to PAD, supplemental information	Importer
11	Anonymous	Pre-sampling questionnaire, questionnaire	Importer
12	UAB SCT Lubricants	Pre-sampling questionnaire, questionnaire, response to PAD	Exporters
13	Chempioil FZE	Pre-sampling questionnaire, questionnaire	Exporters
14	Atlantic Grease and Lubricants FZE	Pre-sampling questionnaire, questionnaire	Exporters
15	Oscar Lubricants	Pre-sampling questionnaire, questionnaire	Exporters
16	SCT Chemicals FZE	Pre-sampling questionnaire, questionnaire	Overseas Producer



17	Delegation of the European Union to the United Kingdom of Great Britain and Northern Ireland	Pre-sampling questionnaire, questionnaire, PAD response, post hearing submission	Foreign Government
18	Embassy of the Republic of Lithuania to the United Kingdom	Pre-sampling questionnaire, questionnaire, PAD response	Foreign Government
19	UAE Ministry	Pre-sampling questionnaire, PAD comments,	Foreign Government
20	United Kingdom Lubricants Association	Pre-sampling questionnaire, questionnaire, supplemental information, response to PAD,	Trade Bodies
21	Anonymous	Pre-sampling questionnaire	Contributor
22	Anonymous	Pre-sampling questionnaire	Contributor
23	CGN Ltd	Pre-sampling questionnaire	Contributor
24	Anonymous	Pre-sampling questionnaire	Contributor
25	Goldcrest Oil Ltd	Pre-sampling questionnaire	Contributor
26	Specialised Products (Western) Ltd	Pre-sampling questionnaire	Contributor
27	Carousel Car Parts Ltd	Pre-sampling questionnaire	Contributor
28	Anonymous	Pre-sampling questionnaire	Contributor
29	Anonymous	Pre-sampling questionnaire	Contributor
30	Lancer Products Ltd	Pre-sampling questionnaire	Contributor
31	Miswa Chemicals Ltd	Pre-sampling questionnaire	Contributor



## Annex B: PCN structure

Code 1	Category 1 (oil grade)	Code 2	Category 2 (ACEA 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 E11	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		