



Statement of essential facts

Review No. TD0054

Transition review of anti-dumping duties applying to certain Organic Coated Steel products originating in the People's Republic of China (PRC)

25 February 2025



Contents

Section A: Introduction.....	3
Section B: Summary and findings.....	5
Section C: Background.....	7
Section D: The goods subject to review and the like goods.....	10
Section E: The UK industry and market.....	11
Section F: Likelihood of dumping assessment.....	13
Section G: Likelihood of injury assessment.....	28
Section H: Economic Interest Test.....	42
Section I: Findings and Proposed Recommendations.....	64
Annex 1: Duty amount and additional TAP codes.....	66
Annex 2: Overseas exporters subject to nil duty amount.....	68
Annex 3: Overseas exporters subject to 16.2% duty amount.....	69
Annex 4: Interested parties.....	71



Section A: Introduction

1. 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 review (see also [Section C: Background](#)) are set out in the subsequent sections.
2. This SEF sets out a summary of the essential facts considered by the TRA during the review. It should be read in conjunction with other public documents available for this case, which are available on the [public file](#). The purpose is to set out our intended final recommendation, provide interested parties and contributors with a summary of the facts considered during this review, and those facts which formed the basis of our intended final recommendation. Additionally, we inform interested parties and contributors who have supplied information how we have used that information during the review, provide details of the analysis forming the basis of the intended final recommendation and allow interested parties to make submissions in response.
3. Interested parties, contributors and any other person who has supplied information to the TRA are invited to make submissions within 21 calendar days of the publication date of this SEF, i.e., before 23:59 hours (GMT) on 18 March 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).
4. Any submissions received after this date may not be accepted by the TRA if to do so would significantly impede the progress of this transition review. Where the TRA rejects information for any reason, it will publish the reasons for rejection in the final recommendation.
5. Registered interested parties and contributors to the case can make submissions on the [Trade Remedies Service](#) online platform (TRS). Submissions containing confidential information must be accompanied by a non-confidential summary of the submission for the public file (see regulation 45(6)(a) of the Regulations). Those not registered on the TRS may send submissions by email to TD0054@traderemedies.gov.uk. Submissions via email containing confidential



information must also be accompanied by a non-confidential summary for the public file.

6. In exceptional circumstances it may not be possible to summarise confidential information. If this is the case, interested parties and contributors must provide a 'statement of reasons' setting out the reasons why the TRA should treat the information as confidential and why summarising the information is not possible, as defined under regulation 45(6)(b) of the Regulations.
7. For further information regarding transition reviews, please see our [public guidance](#).

A1. Legal framework

8. 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 final recommendation;
 - details of how the TRA has used the information supplied by interested parties and contributors in making the intended final recommendation; and
 - details of the analysis forming the basis of the intended final recommendation.

A2. About this review

9. This is a transition review of a United Kingdom (UK) trade remedies measure under regulation 97 of the Regulations, specified in the [Notice of Determination 2020/28](#). This UK measure gives effect to European Union (EU) [Commission Implementing Regulation \(EU\) 2019/687](#) of 2 May 2019. The EU measure transitioned into UK law, and as set out in the [Taxation Notice 2020/28](#), took effect as a UK measure on replacement of EU trade duty.
10. This review concerns an anti-dumping measure applying to OCS originating in the PRC. This review was initiated on 15 April 2024 and the [Notice of Initiation](#) (NOI) was published on this date.



11. The period of investigation (POI) is 1 April 2023 to 31 March 2024. To assess injury, the TRA has chosen the period from 1 April 2020 to 31 March 2024 as the injury period (IP).

Section B: Summary and findings

B1. Likelihood of dumping

12. In accordance with regulation 99A(1)(a) of the Regulations, we assessed whether dumping of the goods subject to review would be likely to continue or recur if an anti-dumping amount was no longer applied to those goods (the likelihood of dumping assessment).
13. We determined that it is likely, on the balance of probabilities, that dumping of the goods subject to review from the PRC would recur if the measure were no longer applied to those goods. For further detail, see [Section F: Likelihood of dumping assessment](#).

B2. Likelihood of injury

14. In accordance with regulation 99A(1)(b) of the Regulations, we considered whether injury to the UK industry in the like goods would be likely to continue or recur if the measure were no longer applied to the goods subject to review (the likelihood of injury assessment).
15. We determined that it is likely, on the balance of probabilities, that injury would recur if the measure were no longer applied to the goods subject to review. For further detail, see [Section G: Likelihood of injury assessment](#).

B3. Economic interest test (EIT)

16. Having considered all evidence gathered, including that presented by interested parties and contributors, and all factors listed in the legislation (see paragraph 25 of Schedule 4 to the Taxation (Cross-border Trade) Act 2018 (the Taxation Act)), we have concluded that varying the measure meets the EIT. Therefore, we intend to



advise the Secretary of State for Business and Trade (Secretary of State) that we consider that the proposed variation of the measure in accordance with our intended final recommendation meets the Economic Interest Test, in accordance with regulation 100(1E) of the Regulations. For further detail, see [Section H: Economic Interest Test \(EIT\)](#).

B4. Intended final recommendation

17. In accordance with regulation 100(1) of the Regulations, the TRA must make a recommendation following a transition review to vary or revoke the application of the anti-dumping amount to the goods subject to review.
18. Our intended final recommendation is to vary the application of the anti-dumping amount applicable to the goods subject to review pursuant to regulation 100A of the Regulations, so that it applies to those goods imported into the UK until 04 May 2029 – that is, five years subsequent to the date when the measure would have otherwise expired (04 May 2024) had no transition review been initiated. As it has not been possible to recalculate the anti-dumping amount, we intend to recommend that the anti-dumping amounts remain unchanged, pursuant to regulation 100A(4)(b) of the Regulations.
19. The description of the goods to which the measure applies (that is, the goods subject to review) is set out in [Section D: The goods and like goods](#). We have not considered it necessary to vary the goods subject to review or the description of those goods, nor have we received any comments or indications that we should consider doing so. We intend to recommend that the duties specified in [Annex 1](#), [Annex 2](#) and [Annex 3](#), shall be maintained and applied to the goods subject to review imported under the UK tariff codes listed.
20. We intend to make this recommendation on the grounds that we have assessed that it is likely that dumping would recur if the measure were no longer applied to the goods subject to review; that is also likely that injury would recur to the UK industry in the like goods if the measure were no longer applied to the goods subject to review; and that



we consider that the proposed variation of the measure in accordance with our intended final recommendation meets the EIT.

21. In reaching this intended recommendation, we also considered the current and prospective impact of the measure, pursuant to regulation 100A(2)(b) of the Regulations.

Section C: Background

C1. Initiation of the transition review

22. The UK chose to maintain certain trade remedy measures once it was outside the EU's common external tariff. The Department for International Trade (DIT) (now the Department for Business and Trade (DBT)) identified which measures were of interest to the UK following a call for evidence.
23. For each of these measures, the Secretary of State for International Trade (now the Secretary of State for Business and Trade) (the Secretary of State) published a Notice of Determination, under regulation 96(1) of the Regulations, setting out the decision to transition the corresponding EU trade remedies measure, and a Taxation Notice, pursuant to regulation 96A(1) of the Regulations, on replacement of EU trade duty. We conduct transition reviews to determine if these measures should be varied or revoked in the UK.
24. As mentioned in section A2, on 31 December 2020 the Secretary of State published [Notice of Determination 2020/28](#) regarding the anti-dumping duty on organic coated steel originating in the PRC, noting the decision to transition the EU anti-dumping measure so it continued to apply in the UK once the UK ceased to apply the EU's Common External Tariff.
25. Under regulation 97C of the Regulations, this measure will continue to apply to the goods subject to review until the Secretary of State publishes a notice accepting or rejecting a TRA recommendation to vary or revoke the application of the anti-dumping amount following the conclusion of a transition review.



26. The current rates of anti-dumping duty which apply to the relevant goods exported from the PRC can be seen in [Annex 1](#), [Annex 2](#) and [Annex 3](#).

C2. Participation in the review

27. The TRA invited interested parties and contributors to register to participate in the review. [Annex 4: Interested Parties and Contributors](#) contains a summary of information received from all interested parties and contributors. Non-confidential summaries of confidential information received can be accessed on our [public file](#).

C2.1. Interested parties & contributors

28. Three interested parties registered an interest in the case:

- Tata Steel UK (TSUK) – UK producer
- UK Steel – Trade Body
- Ministry of Commerce (MOFCOM) - The Government of the PRC (GoC)

C2.2. Submissions

29. Both TSUK and UK Steel submitted a full questionnaire response. MOFCOM did not submit a complete questionnaire response.

C3. Verification of data

30. In compliance with our statutory obligations and following our public guidance, we have had regard to the information supplied by interested parties provided that this information:

- was verifiable;
- could be used without undue difficulty; and
- was supplied within an applicable time limit and in a form that the TRA requested.

31. We 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.



32. The TRA conducted remote verification activities with TSUK from 05 to 07 August 2024.
33. A non-confidential version of the verification report in respect of TSUK is available on the [public file](#).
34. Secondary source information was used in accordance with the Regulations. This secondary source 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.

C3.1 Analysis of trade data

35. In this review, OCS is identified by reference to commodity codes at the 10-digit level. However, raw HMRC Customs declaration data with 10 digit commodity code is not publicly available, and what is available (at 8 or 6-digit level) will contain products outside the scope of this review. Where practicable, we have used 8-digit data, as this will contain a greater proportion of OCS products in-scope, compared to 6-digit data.
36. Trade data has been obtained using both Cost, Insurance and Freight (CIF) import data, and Free on Board (FOB) export data. Use of these International Commercial terms (Incoterms) means the import/export values are not directly comparable to an Ex-works (EXW) price.
37. Our trade data considers country of dispatch. Where possible, we have compared country of dispatch to country of origin data.
38. We acknowledge there may be limitations in our analysis, but assess these are not significant enough to undermine our overall conclusions.



Section D: The goods subject to review and the like goods

D1. Goods subject to review

39. The goods subject to review are identified as certain organic coated steel products originating in the PRC and exported to the UK, described in the [NOI](#) as:

- Organic coated steel products, such as flat-rolled products of non-alloy and alloy steel (not including stainless steel) which are painted, varnished or coated with plastics on at least one side, excluding so-called 'sandwich panels' of a kind used for building applications and consisting of two outer metal sheets with a stabilising core of insulation material sandwiched between them, excluding those products with a final coating of zinc-dust (a zinc-rich paint, containing by weight 70% or more zinc), and excluding those products with a substrate with a metallic coating of chromium or tin.

40. The commodity codes under which these goods are classified are:

- 72 10 70 80 11
- 72 12 40 80 21
- 72 25 99 00 91
- 72 10 70 80 91
- 72 12 40 80 91
- 72 26 99 70 11
- 72 12 40 80 01
- 72 25 99 00 11
- 72 26 99 70 91

D2. Like goods

41. In accordance with paragraph 7 of Schedule 4 to the Taxation Act, 'like goods' are those goods which are like the goods subject to review in all respects or, if there are no such goods, goods that have characteristics which closely resemble those of the goods subject to review.

D3. Assessment of the goods

42. We did not receive any submissions suggesting that the goods manufactured in the UK are not like the goods subject to review. Our own analysis of questionnaire responses and sales data also demonstrated that the like goods have physical and commercial characteristics like those of the goods subject to review in all respects.



43. We are satisfied that the goods manufactured in the UK are like the goods subject to review for the purpose of this transition review.

Section E: The UK industry and market

E1. UK industry

44. TSUK is the sole producer of the like goods in the UK. For the purpose of this review, TSUK is defined as the UK industry. As identified below in Section H4.3, '[Importers of OCS](#)', there were 247 known businesses that imported OCS during the POI.
45. During the POI, we estimated that imports had a larger share of the UK market than the UK industry. Approximately 75% of OCS imports were from South Korea, France and Belgium. Imports of OCS from the PRC were negligible during the same period.

E2. Production process

46. TSUK's production process for the like goods is as follows:
- Heavy End: Basic raw materials are transformed into a liquid iron product.
 - Steel Plant: Iron is transformed into liquid steel, which is cast into slabs of varying chemical properties and dimensions.
 - Rolling/finishing mills: Slabs are reheated and further shaped through hot mills, then further processed through galvanising lines, and then onto organic coated lines (resulting in the like good).

E3. Market size and structure of the UK industry

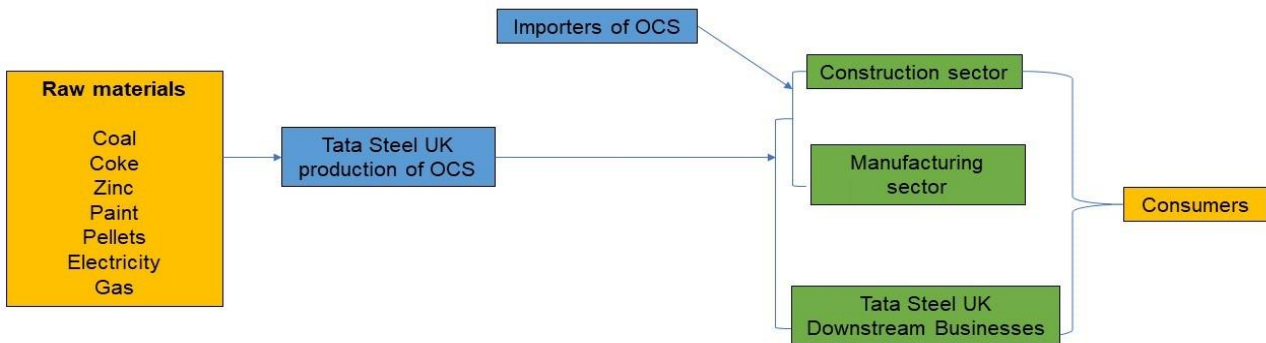
47. We estimated that TSUK contributes approximately £222 million to the UK economy annually¹, which includes its sales of the like goods in the UK. Over the same period, total TSUK employment figures averaged approximately 8,100, which would also include employees who produce the like goods.
48. [Figure 1](#) shows the structure of the supply chain for the like goods. The majority of the like goods are used in the construction sector. TSUK indicated the like goods are used globally for building envelope, roof, and wall cladding systems in a wide range of industrial and commercial buildings. A smaller proportion of the like goods are used in

¹ TSUK's financial metrics are derived by taking annual averages of available financial data for TSUK for the most recent years (2019 to 2023) from D & B. Published financial data for TSUK was unavailable during the POI.



manufactured goods and domestic appliances.² Additionally, OCS is used as a substrate for downstream products (Building Systems).³

Figure 1: Supply chain for the like goods



49. TSUK submitted the total investment to produce a fully processed OCS product would range between £1-2bn. This amount would also include investment into production facilities required to produce upstream products that are used as a substrate for OCS and can be sold separately (e.g., slab, hot-rolled steel, cold-rolled steel, etc.). Both the galvanising line and paint facilities (both required to produce the like goods from the steel substrate) would each cost between £100m and £250m depending upon capacity – TSUK noted these galvanising and paint lines are not viable stand-alone investments without upstream supply.⁴

E3.1 Downstream trends and preferences of the like goods

50. TSUK stated demand for the like goods is influenced by several factors, including macro-economic impacts (e.g., domestic appliances) and government spending on infrastructure projects (e.g., construction).⁵ Additionally, seasonality will impact short-term demand for OCS.⁶

51. TSUK assessed price as a key factor for the purchase of OCS, across both the construction and manufacturing industries.⁷

² [TSUK Questionnaire Non-Confidential - B1.1](#)

³ [Ibid - D4.2](#)

⁴ [Ibid - C3.2](#)

⁵ [Ibid - B1.5](#)

⁶ [Ibid - B1.11](#)

⁷ [TSUK Questionnaire Non-Confidential - B1.2, B1.3](#)



Section F: Likelihood of dumping assessment

52. In accordance with regulation 99A(1)(a) of the Regulations, we have considered whether the dumping of the goods subject to review would be likely to continue or recur if the anti-dumping amount were no longer applied to those goods.
53. We have considered the likelihood of dumping on a PRC countrywide basis rather than an exporter-by-exporter basis because there are no cooperating PRC exporters registered to this case. This means that no suitable data was available to the TRA on individual companies.
54. Our dumping likelihood assessment considered:

Continued dumping

- Whether dumped imports to the UK have continued whilst the measure has been in place

Whether the conditions for dumping exist, including;

- Production levels
- Inventory levels
- Ability to shift production to the goods subject to review
- Production capacity

Whether the incentives for dumping exist, including;

- Market prices in the UK and overseas exporters' domestic market
- Exports to third countries
- Conditions in the exporters' domestic market
- How attractive the UK is to exporters
- Whether exporters have previously circumvented or absorbed the measures



F1. Continued dumping

55. Table 1 shows the volume of imports in metric tonnes (mt) of OCS into the UK from the PRC only, and from all countries, during the IP.

Table 1: Imports of OCS to the UK

	20/21	21/22	22/23	23/24 (POI)
UK imports of OCS from the PRC (mt)	364	177	411	600
UK imports of OCS from all countries (mt)	200,232	253,276	189,007	149,379
PRC proportion of OCS imports	0.18%	0.07%	0.22%	0.40%

Source: HMRC, Overseas Trade in Goods Statistics (OTS) - based on 8 digit data

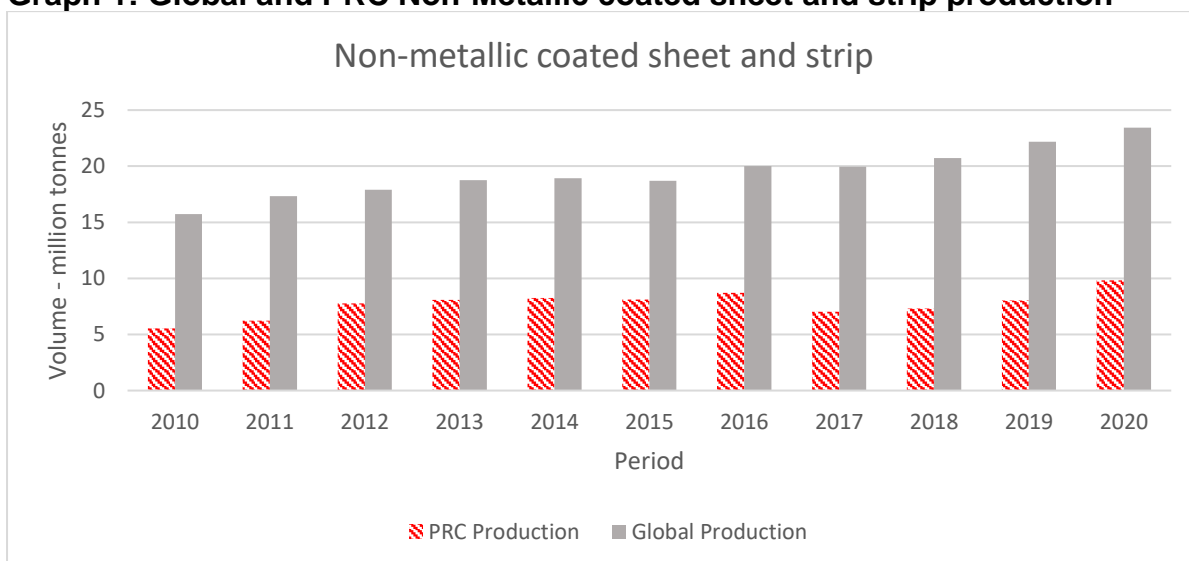
56. Imports from the PRC have remained consistently low throughout the IP, suggesting the anti-dumping measure has been effective. Due to the low volume of imports, we are unable to assess whether any of these have been made at a dumped price.

F2. Conditions for dumping

F2.1 Production levels

57. We assessed the production levels of OCS in the PRC (red diagonal stripes) and total global production (grey solid fill) using data from the World Steel Association. Due to limitations in the data, we are only able to observe historic production up until the start of the IP.

Graph 1: Global and PRC Non-Metallic coated sheet and strip production



Source: World Steel Association



58. Graph 1 shows PRC production of 'Non-metallic coated sheet and strip', which, based on our knowledge of the goods, we consider includes OCS. Non-metallic coated sheet and strip PRC production accounted for approximately 40% of total global production throughout the decade shown above. In 2020, PRC production of non-metallic coated sheet and strip accounted for 9.8 million tonnes, 42% of total world production (23.5 million tonnes). We have not identified any information that indicates this trend has decreased during the IP.
59. The UK industry's production of the like goods during the POI ranged between 200,000 to 300,000 tonnes⁸, which is between 2%-3% of the PRC's production during 2020. During the POI, imports of OCS into the UK amounted to approximately 150,000 tonnes, resulting in a potential maximum UK consumption ranging between 350,000 to 450,000 tonnes during the POI. Based on the 2020 PRC production figure of 9.8 million tonnes, approximately two weeks of PRC OCS production could meet the entirety of UK annual consumption.
60. UK Steel's submission referenced the same World Steel data, however a submission from TSUK assessed OCS production in the PRC to be higher, at between 20-30 million tonnes in 2023, of which 15-25 million tonnes were sold domestically and 3-10 million tonnes were exported.⁹ We have been unable to verify these PRC domestic production figures, however trade data indicates OCS exports from the PRC ranged between 5.1 million to 6.6 million tonnes during the POI (23/24).¹⁰
61. On the basis of the evidence available, volumes of OCS that significantly exceed UK consumption continue to be produced in the PRC, with no indication of a reduction to production volumes.

F2.2 Inventory levels

62. We have not been provided with, or identified sufficient information relating to stock levels of OCS that would provide a reasonable assessment of PRC inventory levels.

⁸ TSUK – Non Confidential PSQ response: [TRA Investigations - Trade Remedies Service - GOV.UK \(trade-remedies.service.gov.uk\)](https://www.trade-remedies.service.gov.uk)

⁹ [OCS from China - TSUK's comments before the TRA Non-Conf – \(para. 55\)](#)

¹⁰ Trade data sourced from Zen Global Trade Tracker: OCS (CIF) imports from the PRC: 5.1 million tonnes. OCS (FOB) exports from the PRC 6.6 million tonnes



63. We are therefore unable to assess how this factor impacts the existence of conditions for dumping.

F2.3 Ability to shift production

64. We have not been provided with, or identified sufficient information relating to the PRC's ability to shift production.
65. We are therefore unable to assess how this factor impacts the existence of conditions for dumping.

F2.4 Production capacity

66. A submission from TSUK stated '*2023 capacity in China was approximately 50-60 million tonnes, and output of 20-30 million tonnes... This means China has an excess capacity of approximately 20-35 million tonnes.*'¹¹ Although we have been unable to verify these specific figures, we note that TSUK's submission also indicates PRC overcapacity in OCS (and the steel sector in general) is increasing, a fact which can be supported by further research detailed below.
67. The Organisation for Economic Cooperation and Development (OECD) report into the latest developments in steelmaking capacity and outlook, identified that the largest steel-producing economy (the PRC), which currently accounts for 47% of worldwide capacity, has contributed to the overall increase of global steel capacity of the past five years.¹²
68. Further to this, the OECD report identified that Chinese steel companies are continuing to '*invest heavily overseas, particularly in ASEAN*¹³, *and other parts of Asia as well as Africa, while the outlook for Chinese demand remains weak.*'¹⁴
69. We have been unable to verify statements made by TSUK related specifically to excess production capacity of OCS in the PRC. However - secondary source

¹¹ [OCS from China - TSUK's comments before the TRA Non-Conf – \(para. 55\)](#)

¹² [pdf \(oecd.org\)](#)

¹³ Association of Southeast Asian Nations.

¹⁴ Executive summary, [pdf \(oecd.org\)](#)



information on PRC steel production and capacity (which includes OCS) indicates a decreased domestic demand in the PRC. A decrease in PRC domestic demand, with no change in domestic production, results in excess capacity.

F3. Incentives for dumping

F3.1 Market prices in the UK and overseas exporters' market

70. We have been provided with limited information from interested parties and/or contributors on the price of OCS in the PRC's domestic market. Open-source research¹⁵ has identified price trends of OCS in the PRC, however this data is not sufficient to calculate an indicative PRC domestic price.
71. Further to this, we have received submissions from TSUK¹⁶ and UK Steel¹⁷ who claim a Particular Market Situation (PMS) exists in the PRC. The EC's expiry review concluded there were significant distortions in the PRC OCS market. We presented the conclusions made by the EC in 2019 as well as the allegations made by IP's in a [note to the public file](#). We offered the IP's an opportunity to provide evidence to show this is no longer the case, however we did not receive any responses.
72. In the absence of evidence that suggests otherwise, the PRC domestic price of OCS would likely be affected by a PMS. This means prices are likely to be artificially low and not wholly determined by market forces.
73. Due to insufficient PRC domestic market data, we are unable to assess whether PRC exporters would need to dump in order to compete with the UK market price. In respect of the limited PRC domestic market data that is available, we consider that due to the likelihood of a PMS in the PRC, the price of domestic OCS - under normal market conditions - would likely be higher.

F3.2 Exports to third countries

74. Table 2 below shows the PRC export price of OCS globally, and the top 10 individual countries the PRC exported to (by volume) over the IP. The following countries within

¹⁵ [Monthly Report on China Galvanized and Color Coated Steel Market for September, 2023 steelhome](#)

¹⁶ [OCS from China - TSUK comments before the TRA Non-Conf - para 19](#)

¹⁷ [TS0054 UK Steel Appendix to Response Non Confidential - para 1.1.3](#)



the top 10 have currently or previously applied trade remedies measures on OCS originating in the PRC:

- Viet-Nam¹⁸ (applied 2019, measure throughout the IP)
- Turkey¹⁹ (applied 2016, measure expired 2020) and
- India²⁰ (applied 2017, measure expired in 2022).

These countries have been highlighted (yellow) in the table below during the periods the measures were active.

Table 2: PRC exports (FOB), £/tonne

	20/21	21/22	22/23	23/24 (POI)
World	£576	£889	£1,028	£652
Philippines	£553	£1,060**	£1,742**	£551
Thailand	£598	£846	£1,068	£699
Rep. of Korea	£483	£821	£823	£667
Indonesia	£603	£888	£971	£712
Viet-Nam	£534	£909	£979	£772
Turkey	£552	£808	£833	£631
Brazil	£559	£847	£880	£647
U.A.E	£548	£844	£846	£647
India	£581	£1,012	£940	£620
Myanmar	£537	£778	£739	£576

Source: Zen Global Trade Tracker

* The Free on Board (FOB) export price does not include international freight charges and insurance, therefore the FOB value is closer to an Ex-works price (compared to a Cost, Insurance and Freight (CIF) price).

**Philippines CIF import data identifies prices ranging between £650 and £697 for 21/22 and 22/23 respectively. Zen GTT advised differences may be due to 'Special Economic Zones' which are not part of regular customs procedures.

75. With the exception of 20/21, countries that did not have measures in place imported the majority of the lowest priced PRC exports, compared to those countries who had measures. During 21/22, exports to India and Viet-Nam from the PRC were the top-two highest priced at £1,012 and £909 per tonne respectively, while during 22/23 and 23/24 (POI), exports to Viet-Nam (the only country in the top 10 where measures were still in place) were the second-highest and highest price respectively.

76. The graph below focuses on PRC exports to Viet-Nam, India and Turkey during periods when their respective anti-dumping measures were in place against the PRC.

- Viet-Nam (applied 2019, measure throughout the IP)
- Turkey (applied 2016, measure expired 2020) and
- India (applied 2017, measure expired in 2022).

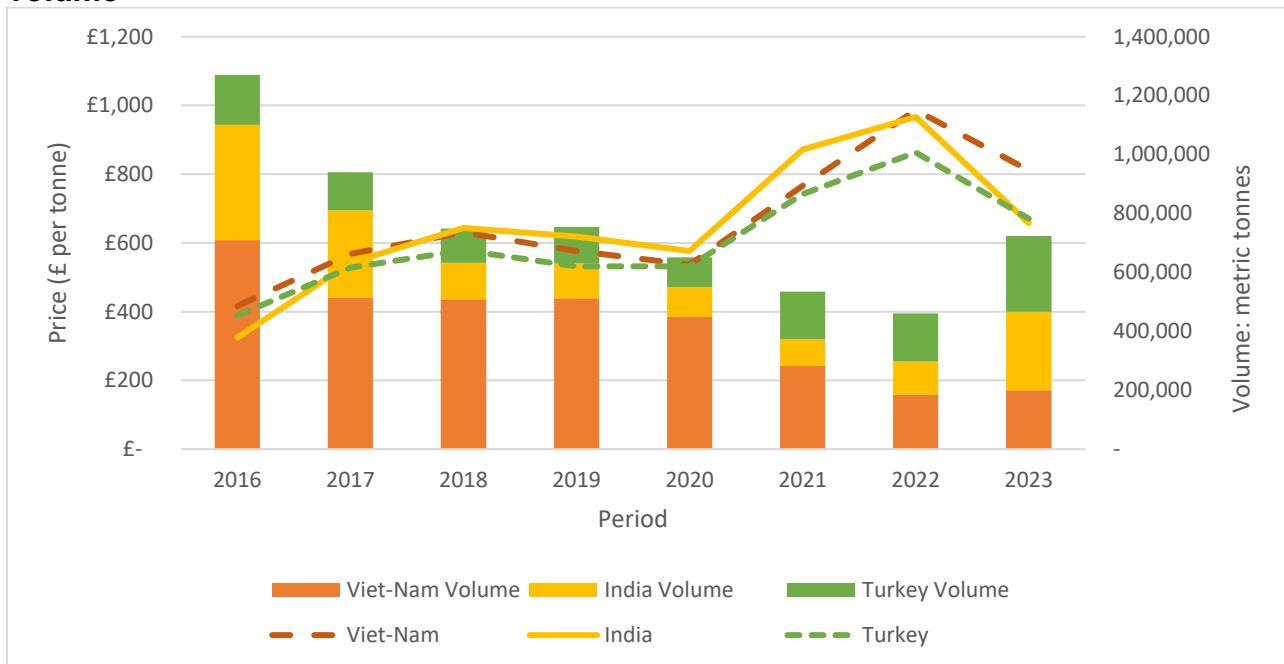
¹⁸ [AD04-CHN - Investigation details - Trade Remedies Data Portal \(wto.org\)](#)

¹⁹ [245.CHN - Investigation details - Trade Remedies Data Portal](#)

²⁰ [14-28-2016-1/2 - Investigation details - Trade Remedies Data Portal \(wto.org\)](#)



Graph 2: Exports from the PRC to countries with measures: Price per tonne and volume



Source: Zen Global Trade Tracker

77. Graph 2 shows a correlation between the application of a measure and a decrease of exports from the PRC; to the same effect, upon the cessation of a measure, exports from the PRC increased. Graph 2 also shows the price trends are consistent with the global trade price trends of OCS observed in [table 1](#). However, when comparing the three countries, we observe the following:

- Viet-Nam: The increases and decreases in price per tonne trended closely with India and Turkey; however, comparing the trend observed between 2022 and 2023 (where only Viet-Nam’s measure against the PRC remained), the price per tonne was approximately £150 higher on average.
- India: Since the 2017 measure, the price per tonne was consistently higher than both Viet-Nam and Turkey; however, upon revocation of the measure (2022), the price in 2023 (a full period without the measure) decreased to below both Viet-Nam and Turkey.
- Turkey: Since revocation of the measure in 2020, the difference in price per tonne (compared to Viet-Nam and India) consistently grew further apart (until the latter’s measure ceased).

78. The decreases in exported volumes and increases in price observed when measures have been applied indicate a decreased incentive for PRC exporters to export at a lower price. The increases in volumes and decreases in price when measures applied



to OCS originating in the PRC are no longer active indicate PRC exporters may be incentivised to export into markets without trade remedy measures in place, potentially at a dumped price.

F3.3 Conditions in the exporter’s market

79. Both TSUK²¹ and UK Steel²² have stated OCS is a key material in the construction industry.
80. UK Steel’s submission states, *“China is seeing a weak demand domestically, particularly in the construction sector, a key consumer of OCS...net exports of semi-finished and finished steel jumped by 30% year on year (over the first four months of 2024)...This confirms that China’s surplus production is being directed into export markets and there will be an incentive to dump.”*
81. Export volumes of OCS from the PRC have not shown significant changes over the IP, and have remained relatively stable, as can be seen in Table 3 below.

Table 3: Global export volumes of OCS from the PRC

	20/21	21/22	22/23	23/24 (POI)
Export Volume (tonnes)	6,637,477	5,989,961	5,278,464	6,653,451
Export volume Index (20/21 = 100)	100	90	80	100

Source: Zen Global Trade Tracker (FoB export)

82. Open-source research^{23 24 25} supports UK Steel’s statement in respect of the PRC construction industry, which does show downward trends in construction projects since 2020. However, further reports indicate the PRC’s construction industry is expected to grow in 2024.^{26 27}
83. We further note that we do not have specific OCS usage data in the PRC, and are unable to accurately assess the conditions in the domestic market for like goods exclusively in the PRC.

²¹ [Questionnaire response \(Non-Confidential\): B1.1 Understanding the UK market](#)

²² [Questionnaire response \(Non-Confidential\) – 2.4 \(pg.6\)](#)

²³ [China’s real estate sector: an updated diagnosis \(caixabankresearch.com\)](#), [China: annual construction of residential real estate 2023 | Statista](#)

²⁴ [A Practical Guide to the Construction Industry in China - Focus - China Britain Business Council \(cbbc.org\)](#),

²⁵ [China: annual construction of residential real estate 2023 | Statista](#)

²⁶ [China Construction Industry Databook 2024: 10-Year Market \(globenewswire.com\)](#)

²⁷ [China Construction Industry Report 2024: Output to Record an AAGR of 3.9% During 2025-2028, Supported by Investments in Infrastructure and Energy Sectors and Government’s Net-Zero Plans \(yahoo.com\)](#)



F3.4 Attractiveness of the UK market to exporters

84. To assess whether PRC exporters would be likely to choose to export to the UK over other markets, we analysed:

- Intensity of the competition and pricing trends
- Barriers to entry: measures in place
- Business environment, economic conditions, trends in the industry and opportunity to differentiate products and services
- Historic imports of OCS from PRC exporters to the UK market

F3.5 Intensity of the competition

85. There is a single UK producer (TSUK) of the like goods in the UK. Throughout the IP, we estimated imports had a larger market share in the UK than TSUK. The volume of UK demand being met by imports means the UK is in direct competition with imported like goods and the goods subject to review.

86. Table 4 below shows the import prices from the top 10 exporting countries into the UK (by volume) over the IP.

Table 4: Import prices into the UK (£/tonne)

	20/21	21/22	22/23	23/24 (POI)
Belgium	£919	£1,299	£1,629	£1,351
Rep. of Korea	£863	£1,300	£1,581	£1,136
France	£920	£1,167	£1,491	£1,412
Italy	£835	£1,110	£1,636	£1,384
Netherlands	£722	£1,121	£1,516	£1,289
India	£674	£1,335	£1,252	£978
Viet-Nam	£701	£1,151	£1,178	£1,091
Finland	£979	£1,072	£1,571	£1,488
Sweden	£902	£1,181	£1,598	£1,462
Germany	£1,200	£1,804	£2,467	£2,066

Source: HMRC, Overseas Trade in Goods Statistics (OTS)

87. To assess whether the PRC could compete with these import prices, we compared the above UK import prices of OCS to the global import price of OCS from the PRC, in table 5 below.



Table 5: Global Import price of OCS from the PRC (£/tonne)

	20/21	21/22	22/23	23/24 (POI)
Global import price of OCS from the PRC	£593	£850	£893	£702

Source: Zen Global Trade Tracker

88. The average global import price of OCS from the PRC was below the lowest UK import prices throughout the IP. This means OCS from the PRC would be likely to undercut the price of imports from other countries that export to the UK.
89. Based on the above assessment, we conclude that the PRC may be able to export the goods subject to review at prices that are more competitive than those of the top exporting countries of OCS to the UK.

F3.6 Barriers to entry: measures in place

90. There are multiple countries that currently apply trade remedies measures on like goods originating in the PRC. These include:
- Viet-Nam²⁸
 - Pakistan²⁹
 - Mexico³⁰
 - Malaysia³¹
 - Canada³²
 - EU³³
 - USA³⁴
91. Should the UK measure be revoked, PRC exporters may view the UK market as an attractive option, due to the measures presently in place in markets of similar economic development (the EU and USA).

²⁸ [AD04-CHN - Investigation details - Trade Remedies Data Portal \(wto.org\)](#)

²⁹ [51/2017/NTC/CCC/CHI - Investigation details - Trade Remedies Data Portal \(wto.org\)](#)

³⁰ [20/15-CHN - Investigation details - Trade Remedies Data Portal \(wto.org\)](#)

³¹ [AD02/15/CHN - Investigation details - Trade Remedies Data Portal \(wto.org\)](#)

³² [COR 2018 IN/CN - Investigation details - Trade Remedies Data Portal \(wto.org\)](#)

³³ [AD584 CN - Investigation details - Trade Remedies Data Portal \(wto.org\)](#)

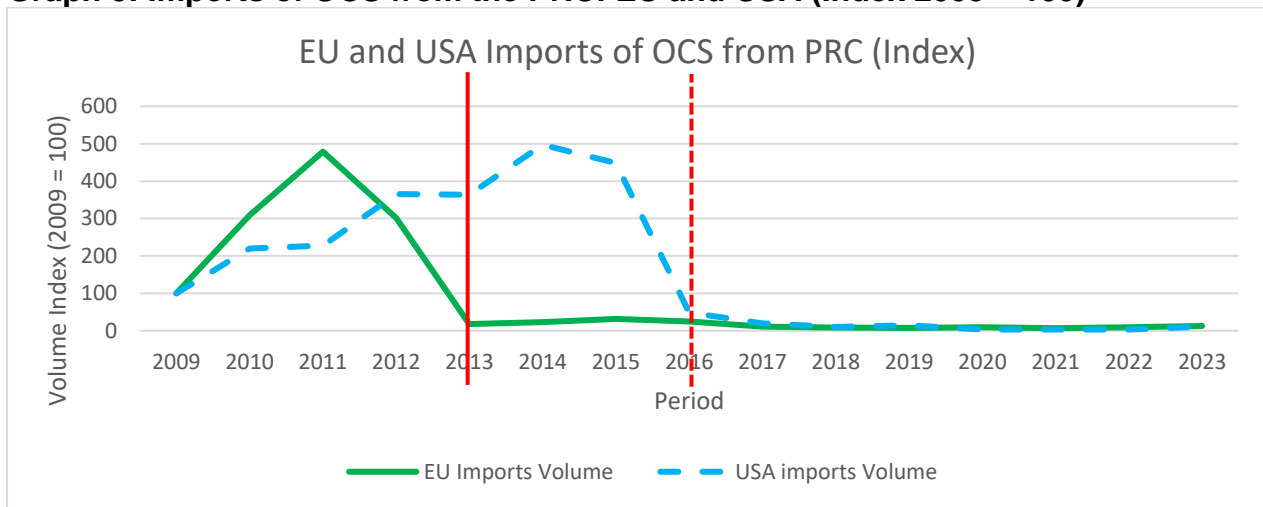
³⁴ [A-570-026 - Investigation details - Trade Remedies Data Portal \(wto.org\)](#)



92. The below graph shows the imports of OCS from the PRC to both the EU and USA, prior to and subsequent to their respective application of trade remedy measures:

- EU imports (solid green line)
- EU measure (solid red vertical line) - 2013
- USA imports (blue dash line)
- USA measure (red square dot vertical line) – 2016

Graph 3: Imports of OCS from the PRC: EU and USA (Index 2009 = 100)



Source: Zen GTT

93. Prior to the application of measures, the volume of imports into the EU peaked at 720,635 tonnes, and 115,736 tonnes into the USA. Our analysis of PRC [production levels](#) shows that PRC production has increased since both respective measures have been in place. Due to the existing measures in place, volumes of OCS that could have been directed to the USA and EU markets may be directed to the UK market if the UK anti-dumping measure no longer applied to the goods subject to review.

F3.7 Business environment, economic conditions, trends in the industry and opportunity to differentiate products and services

94. TSUK’s submission stated, ‘*The like goods and the goods subject to review are used globally for building envelope, roof, and wall cladding systems in a wide range of industrial and commercial buildings...*’³⁵ TSUK went on to state, ‘*Price remains a key factor...Currently building costs are at an all time high. Due to elevated levels of*

³⁵ Questionnaire response (Non-Confidential) – B1.1



inflation, contractors, developers and building owners want to reduce the cost of construction, including the costs associated with steel purchases.'

95. We have not received any submissions in relation to a differentiation of the goods subject to review and the like goods. We assess that the PRC have the ability to produce OCS for global markets based on the current volume of exports observed, in addition to historic exports to the US and EU markets (before respective measures were enforced). In reference to TSUK’s statement on the cost of construction, ONS data³⁶ confirms increases to the UK construction costs.
96. The increase in UK construction costs may create incentives for PRC exporters, on the basis that goods subject to review of the required specifications of UK construction may undercut the more expensive UK industry (TSUK) price for like goods. With no clear differentiation in the specification and production of OCS products, and price playing a key role in purchasing decisions, the differential of price may make the UK market attractive for PRC exporters.

F3.8 Historic imports of OCS by PRC exporters to the UK market

97. Imports of goods subject to review into the UK reached their peak in 2012, at 4,579 tonnes – this represented 6% of all imports into the UK. Following the imposition of the EU measure in 2013, PRC imports decreased to 360 tonnes (0.4%). We do not have UK production data over these historic periods, and are unable to assess the impact PRC exports of goods subject to review had on UK production and overall consumption.
98. Prior to the measure, the average value of OCS imported from the PRC were below the average value of like goods imported from all other countries, as shown below:

Table 6: UK weighted average import price

Period	All countries excluding PRC	PRC only
2010	£952	£664
2011	£1,040	£748
2012	£1,013	£613

Source: HMRC, Overseas Trade in Goods Statistics (OTS)

³⁶ [Construction output price indices - Office for National Statistics](#)



99. In the three years prior to the implementation of the measure, PRC exporters were able to sell the goods subject to review at a lower price than other exporters into the UK. This ability to undercut competition from other exporting countries would make the UK market more attractive to PRC exporters of the goods subject to review. However, the proportion of UK imports from the PRC, compared to all UK imports of OCS, was relatively low, peaking at 6%.

100. The table below compares the trend of imports from all countries (including the PRC) during the period 2010 to 2020, with imports from the PRC only.

Table 7: Imports into the UK: Index 2010 = 100

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
All Imports	100	96	79	91	126	180	210	227	215	283	195
PRC Imports	100	81	135	11	20	12	3	170	89	48	10

Source: HMRC, Overseas Trade in Goods Statistics (OTS)

101. Prior to the implementation of the measure, in 2012, all imports of OCS into the UK decreased by 21 percentage points, however imports of the goods subject to review increased by 35 percentage points. Following the imposition of the EU measure in 2013, PRC imports dropped while imports from all countries began to rise again. This suggests the measure was effective in reducing the cheaper OCS imported from the PRC.

102. Yet, prior to the imposition of the EU measure, despite the historic ability for PRC exporters to sell in the UK at a lower price, the volume of imports from other countries were higher, as shown in the table 8 below:

Table 8: Imports into the UK: Tonnes and (£ per tonne) – in descending order by volume of imports between 2010 to 2012.

	2010	2011	2012
Belgium	32,333 (£1,048)	38,548 (£1,130)	37,307 (£1,064)
South Korea	27,529 (£761)	17,059 (£806)	7,595 (£782)
Sweden	13,044 (£835)	9,391 (£884)	8,024 (£897)
PRC	3,401 (£664)	2,750 (£748)	4,579 (£613)
Germany	2,022 (£1,897)	3,682 (£1,696)	4,730 (£1,601)
France	2,202 (£1,162)	3,714 (£858)	3,854 (£836)
Italy	3,509 (£1,056)	2,764 (£1,073)	2,652 (£951)
Taiwan	2,070 (£642)	4,251 (£739)	199 (£1,012)

Source: HMRC, Overseas Trade in Goods Statistics (OTS)



103. We have been unable to determine why imports of like goods from other countries were higher compared to the lower-priced PRC imports of goods subject to review. However, the ability for PRC exporters to sell the goods subject to review in the UK at a lower price than its competitors may have made the UK an attractive market for exporting those goods. The low level of goods subject to review imported into the UK since the imposition of the EU measure indicates that the measure has been effective.

F3.9 Whether exporters have previously or habitually circumvented or absorbed the effects of trade remedy measures

104. We have not received or identified any submissions and/or evidence that indicates PRC exporters have circumvented trade remedy measures in respect of OCS. As identified in [‘Barriers to entry: measures in place’](#), a number of countries currently have anti-dumping measures, however we have not identified any previous or current anti-circumvention measures that have been, or are currently in place.

105. We have identified in [‘Exports to third countries’](#) that exports have continued to countries with measures in place. While continued exports could indicate a potential absorption of the measure, we note that the volumes of exports were lower, while prices were higher compared to when there were no measures in place. However, in the absence of sufficient data that would allow a detailed assessment of the exported goods, we are unable to conclude whether these exports have been adjusted in order to absorb the respective anti-dumping duties.

F4. Conclusion on likelihood of dumping continuing or recurring

106. PRC exporters have the ability to produce OCS in volumes that exceed UK consumption, which supports a conclusion that the conditions for dumping exist in the PRC.

107. Due to a lack of PRC domestic market data, we have been unable to determine whether PRC exporters would need to sell OCS at a dumped price to compete in the UK market. However, price trends of PRC exports to third countries with and without



measures indicates a pattern of behaviour, where exports to markets without measures are done so at a lower price.

108. Should the UK measure be revoked, PRC exporters may be incentivised to export to the UK based on their ability to undercut UK imports of OCS from third countries. Existing trade remedy measures in other countries and regions, notably the USA and the EU, may further incentivise PRC exporters to divert the goods subject to review to the UK if the UK anti-dumping measure no longer applied to the goods subject to review.
109. Furthermore, in the absence of any evidence suggesting any fundamental differences between the goods subject to review and the like goods, combined with the current economic conditions of the industries both in the UK and the PRC that primarily use OCS, PRC exporters may view the UK market as attractive if the UK anti-dumping measure no longer applied to the goods subject to review.
110. Our holistic assessment on the likelihood of dumping concludes that, on the balance of probabilities, it is likely that dumping would recur if the current anti-dumping measure no longer applied to the goods subject to review.



Section G: Likelihood of injury assessment

G1. Introduction

111. In accordance with regulation 99A(1)(b) of the Regulations, we have considered whether injury to the UK industry in the like goods would be likely to continue or recur if the anti-dumping amounts were no longer applied to imports of goods subject to review from the PRC.

112. Where primary data was not available, information obtained from secondary sources was used in accordance with the Regulations.

113. To conduct the injury likelihood assessment, we considered:

- Domestic and International market conditions
- Current state of the UK industry
- Other injury factors
- Undercutting of the UK industry
- Historic injury data

114. We conducted this assessment to inform our determination as to whether the measure should be varied or revoked. The assessment of the likelihood of injury was concluded on the balance of probabilities.

115. There were low levels of imports of goods subject to review from the PRC during the IP. The following analysis has been conducted in the context of a UK market that was being protected by the measure across the IP. We have analysed the injury factors during this time and consider what would happen if the measure were revoked.

G1.1 Domestic and international market conditions

G1.1.1 The impact of Covid-19 pandemic on the steel industry

116. The Covid-19 Pandemic (“the Pandemic”) impacted the world from February 2020, and as such we have considered its influence on the data in the majority of the IP.

117. The impact of the Pandemic on crude steel production and apparent steel use showed a decline across most countries and regions between 2019 and 2020, as per the



‘World Steel in Figures 2024’³⁷ report. The below table shows the impact on the UK. Please note that, although outside of our investigation period, 2019 has been included in the below table to show the volumes in the year prior to the pandemic:

Table 9: UK Apparent Steel use, and use per capita per calendar year

	2019	2020	2021	2022	2023
Apparent steel use – million tonnes, finished steel products	10.2	8.4	11.0	9.4	9.1
Apparent steel use per capita – kilograms, finished steel products	152.1	125.1	163.8	139.4	135

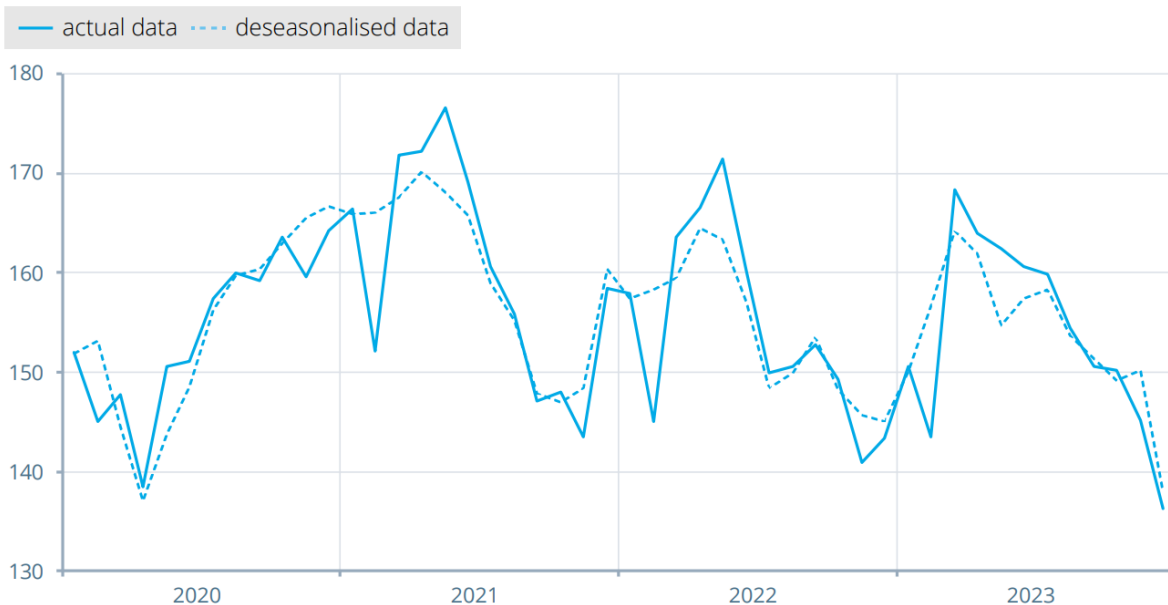
Source: [World Steel in Figures 2024 - worldsteel.org](https://worldsteel.org)

118. The impact of the Pandemic on the UK, as in many other countries, resulted in the following:

- 2020: A decrease in steel output (compared to 2019)
- 2021: An increase in steel output (post-pandemic resurgence)
- 2022 and 2023: A decrease from 2021 levels, but with volumes above 2020 levels

119. Figure 2 (below) from the ‘World Steel in Figures 2024’ shows crude steel production reported by 71 countries, which again shows the decrease in production during 2020, followed by an increase in 2021, and subsequent decreases across 2022 and 2023.

Figure 2: Monthly crude steel production, 2020 - 2023



Source: [World Steel in Figures 2024 - worldsteel.org](https://worldsteel.org)

³⁷ [World Steel in Figures 2024 - worldsteel.org](https://worldsteel.org)



120. This means at the start of the IP (the 2020/21 period), output-related values may be lower than in the normal level of trade. In contrast, the 2021/22 period may be higher than the normal level of trade.

121. Following the decrease in output during 2020, the 2021 and 2022 periods (post-pandemic resurgence) saw global steel prices rise (in addition to freight costs³⁸) due to an increased demand and short-term supply imbalance. As the global demand and supply for steel (including the raw materials used in steel production) stabilised during mid-2023, prices decreased. [Appendix 1](#) shows global price trends of Iron Ore, a raw material in the production of steel. The below table and summary provide an indication of the price effects on OCS (and steel in general) over the IP.

Table 10: Price trends of OCS: UK domestic, UK imports and Global imports: Index 2021 = 100

	20/21	21/22	22/23	23/24 (POI)
UK domestic price	100	147	162	149
UK import price of OCS (from all countries)	100	140	175	150
Global import price of OCS (from all countries)	100	137	157	129

Source: TSUK non-Confidential Annex, Zen Global Trade Tracker

- The price of steel and raw materials during 2020 were at a lower value compared to 2021. Raw materials purchased in 2020 and used in the production of steel sold in 2021 may result in greater profit margins.
- Throughout the 2021 and 2022 periods, raw material prices rose in line with steel prices.
- Steel prices remained high at the start of 2022 but began to decrease towards mid-2023.
- The price of steel continued to decrease during 2023 and into 2024. These steel products were manufactured from raw materials that were purchased at higher prices prior to 23/24, which may result in lower, and even negative profit margins toward the end of the IP.

122. The effects of the Pandemic on the steel industry (which includes OCS) have been a significant driver in respect of international and domestic market trends. As a result, these trends do not necessarily reflect normal market conditions, which is important to consider in relation to the remaining factors within this review.

³⁸ [Containerized Freight Index - Price - Chart - Historical Data - News](#)



G2 Current state of the UK industry

123. We considered changes to the following injury indicators:

- **Factors affecting domestic prices of the like goods**
- **Actual and potential decline in:**
 - Sales volumes, market share and consumption
 - Output, sales values and profits
 - Utilisation of capacity
- **Actual and potential negative effects on:**
 - Growth
 - Productivity, employment and wages; and
 - Inventories

124. We were unable to consider changes to the following indicators, due to a lack of domestic like goods verifiable evidence:

- Return on investments
- Ability to raise capital and investments
- Cashflow

125. We have considered each factor individually, in addition to their impact upon each other. Our overall conclusion is based on a holistic assessment of all factors to determine whether the UK industry is vulnerable to injury should the measure be revoked.

G2.1 Factors affecting domestic prices of the like goods

126. TSUK's submission stated, '*Steel is typically priced using a basis price for a standard product and then adding extras for more expensive grades/alloys, dimensions, quality, packaging, transport, certification, etc*³⁹.' It went on to explain that, '*One of the main factors of profitability for the domestic industry is its ability to reflect cost increases in the prices, or to avoid reflecting cost decreases on the selling price to maintain or increase the profitability.*⁴⁰

³⁹ [TSUK Non-Confidential Questionnaire response](#) – E9

⁴⁰ Ibid - E8



127. The majority of TSUK's like goods sales are made in the construction sector, while a smaller share are destined for manufactured goods.⁴¹ In respect of both construction and manufacturing, TSUK have stated that *'price remains a key factor in the purchase of the like goods.'*
128. The price trends of OCS observed in 'G1.1 [domestic and international market conditions](#)' show a peak in 22/23, before decreasing during the POI. The peak in OCS prices is indicative of an increase in the raw material prices over the same period (see [Appendix 1](#)), which reflects TSUK's statement on the domestic industry's *'ability to reflect cost increases'*. However, the purchasing of raw materials months in advance of OCS production (before the POI), and the subsequent price decrease of OCS during the POI (as identified in [table 10](#)), may indicate the OCS market conditions have a greater impact on the price of the UK produced like goods, as opposed to the *'ability to reflect cost increases in prices'* in respect of profitability.

G2.1.1 Energy costs

129. UK Steel's submission stated, *"Exorbitant energy costs have reduced production and demand in the UK and across Europe...In this challenging environment UK producers continue to face high costs, both energy and raw materials, and high market volatility."*⁴²
130. Data from the Department for Energy Security and Net Zero shows energy prices have increased during the IP. The energy-intensive nature of steel production would increase costs of production; TSUK have stated *'It would be very difficult to pass any cost increases (onto final customers)...because of the high level of competition in the market'*.⁴³ This statement indicates an inability for TSUK to increase prices of the like goods when costs increase due to competition from imports, which would negatively impact on profits.

⁴¹ Ibid - B1.1

⁴² [Non-Confidential submission UK Steel Appendix to Response](#) – para. 2.5 UK industry

⁴³ [TSUK Questionnaire Non-Confidential submission](#) – G3.9



G2.2 Actual and potential decline in:

G2.2.1 UK industry’s domestic sales volumes, market share, and consumption

Table 11: Sales (volume): Index 20/21 = 100

	20/21	21/22	22/23	23/24 (POI)
Domestic sales volume	100	153	121	108

Source: TSUK Non-Confidential Annex

131. The volume of sales of domestically produced like goods has shown an overall increase across the IP. The 21/22 period saw a 53% increase in output – a result of low output during the Pandemic (2020) followed by the post-pandemic resurgence of 2021.
132. While the overall increase in output from the start of the IP to the POI shows a positive trend (8% increase), it should be considered that the start of the IP was during the peak of the Pandemic. Following the resurgence period (21/22), domestic output decreased 32 percentage points during the 22/23 period. Between 22/23 and the POI, which may be considered more representative of a period of stability that was less impacted by the Pandemic, domestic sales output decreased a further 13 percentage points.

Table 12: UK consumption and market share: Index 20/21 = 100

	20/21	21/22	22/23	23/24 (POI)
UK Consumption Index	100	137	105	88
Market Share Index	100	112	116	124

Source: TSUK Non-confidential Annex

133. The UK’s consumption of domestically produced like goods increased in line with the post pandemic resurgence in the first half of the IP, however it showed an overall decrease of 12% by the end of the POI.
134. The UK industry’s market share has increased overall throughout the IP, despite consumption of UK-produced like goods decreasing. This means a greater proportion of domestic demand was met by the UK industry, compared to declining imports.



G2.2.2 Output, sales values and profits

Table 13: Output, sales values and profits: Index 20/21 = 100

	20/21	21/22	22/23	23/24 (POI)
Output* (volume)	100	133	101	107
Domestic sales total value	100	225	197	162
Domestic sales Profit margin (before tax)	100	288	119	(118)

Source: TSUK Non-Confidential Annex

*Output = total output of OCS that includes OCS used as a substrate for out of scope goods, and exports of OCS.

135. Domestic sales value, total production output and profit margin percentage reached their highest points during 21/22 (post-pandemic resurgence). Following 21/22, the respective values decreased.

136. Both domestic sales value and total output showed an overall increase throughout the IP. Yet, despite these increases, the profit margin was negative by the end of the POI.

G2.2.3 Utilisation of capacity

Table 14: Utilisation of capacity: Index 20/21 = 100

	20/21	21/22	22/23	23/24 (POI)
Capacity	100	100	100	100
Utilisation of capacity*	100	132	100	108

Source: TSUK Non-Confidential Annex

*Utilisation of capacity = output/capacity

137. The UK industry's total capacity has not changed during the IP. The utilisation of this capacity has shown an overall increase of 8%, indicating a positive trend for the UK industry.

138. An increase in output and, as a result, utilisation of capacity, is a positive industry trend; however, when assessed in conjunction with the decreasing trends of domestic sales volumes and profitability, a larger volume of output does not alone result in an indication of a healthy industry.

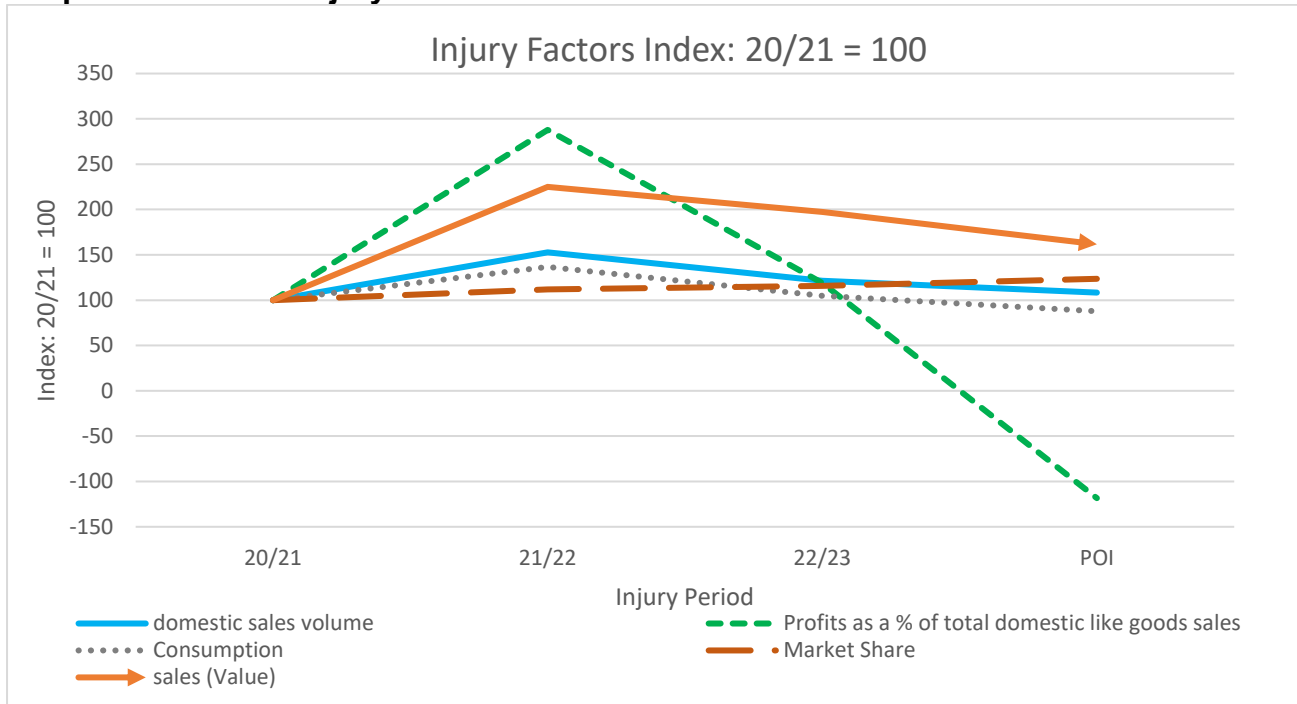
139. The below graph plots five of the injury factors that exclusively assess UK industry domestic trends⁴⁴. With the exception of market share, these show a downward trend

⁴⁴ Output and capacity utilisation are total production figures that include goods exported from the UK



not only since the pandemic resurgence period of 21/22, but continuing the downward trend from 22/23 to the POI.

Graph 4: Domestic Injury factors Index



Source: TSUK Non-Confidential Annex

140. If the measure were revoked, it is likely these downward trends would continue; a likely recurrence of dumped imports of the goods subject to review originating in the PRC may result in decreased domestic sales and loss of market share, while increased competition may further negatively impact upon sales values and profit.

G2.3 Actual and potential negative effects on:

Growth

141. Since the period 21/22, UK consumption of OCS has decreased. The majority of the UK industry's domestic sales of like goods were to the construction industry, of which future demand is difficult to predict; ONS data⁴⁵ has shown a growth during the IP, but does not provide a future forecast. Further sources^{46 47 48} indicate decreases for 2024 and increases for 2025.

⁴⁵ [Output in the construction industry - Office for National Statistics](#)

⁴⁶ [Construction Industry Forecasts - Summer 2024 \(constructionproducts.org.uk\)](#)

⁴⁷ [Construction Industry Forecast | BCIS](#)

⁴⁸ [Bounceback for UK Construction as sector poised for post-2024 recovery despite economic and geopolitical challenges \(pwc.co.uk\)](#)



142. There has been no evidence presented of growth or investments specific to OCS during the IP.

Productivity, employment and wages

Table 15: Employee productivity and employment: Index 20/21 = 100

	20/21	21/22	22/23	23/24 (POI)
Productivity (output per employee for like goods)	100	118	92	75
Employment of like goods	100	112	109	141
Total number of TSUK employees	100	99	99	98

Source: TSUK Non-Confidential Annex

143. TSUK’s method for calculating productivity and employment was based on an allocation of workers attributable to the production of the like goods – this included production of steel from raw materials, through to the production of the substrate for OCS, and finally the like goods. This means that the total employment figures of TSUK did not increase; instead, what increased is the number of employees allocated against the proportion of like goods manufactured. With little fluctuation in output over the IP, and more employees working in the like goods, this may suggest a decrease in productivity.

144. This demonstrates how changes to outputs within an integrated steel producer will carry a wider impact upon production lines. However, due to the allocation methodology including production of steel that is out of scope, we are unable to assess the actual impact on productivity and employment specific to the like goods.

Table 16: Wages: Index 20/21 = 100

	20/21	21/22	22/23	23/24 (POI)
Wages	100	109	106	108

Source: TSUK Non-Confidential Annex

145. Table 16 demonstrates the fluctuation in the indexed mean wage for all TSUK employees. After the resurgence coming out of the pandemic, wages have remained relatively stable throughout the remainder of the injury period.



Inventories

Table 17: Inventories: Index 20/21 = 100

	20/21	21/22	22/23	23/24 (POI)
Inventory of like goods (volume)	100	129	121	122

Source: TSUK Non-Confidential Annex

146. Based on the ratio between the two factors, TSUK’s inventory volumes remained proportionate to output throughout the IP. Since the start of the IP, inventory volumes increased and have remained relatively stable. The trend observed correlates with the like goods total output; an increase in output would lead to an increase in inventory, including work in progress (WIP), while a decrease in output would likely lead to a decrease in inventory.
147. Should the measure be revoked, increased unfair competition from dumped imports of the goods subject to review would negatively impact domestic sales.

Conclusion on state of the UK industry

148. We have assessed the injury indicators outlined above, while also taking into consideration the impact of the Pandemic on the steel industry. This is important, as conclusions based on trends comparing the start of the IP (peak-pandemic, 20/21), or the subsequent 21/22 period (post-pandemic resurgence) directly against the end of the POI do not allow a reasonable assessment of normal market conditions within the UK industry.
149. Taking the above into consideration, none of the trends are indicative of an industry that is thriving or expanding.
150. Despite the initial 21/22 post-pandemic resurgence, between the start of 22/23 to the end of the POI, domestic sales volumes, value, and profits have all displayed negative trends. This indicates vulnerability of the UK industry in the like goods.
151. There was no overall trending increases or decreases in respect of output and capacity utilisation. Inventory volumes trended with overall output, resulting in a neutral assessment.



152. Employee wages remained relatively stable during the IP. In contrast, employee productivity decreased as employee numbers increased; however, this was largely the result of the allocation methodology, and did not allow an assessment specific to the like goods.
153. Although UK market share has shown an overall increase, UK consumption of OCS has shown an overall decrease; lower at the end of the POI than during the start of the IP (peak pandemic period). Construction industry outlook (of which OCS is a component of) is mixed, while there is no evidence of growth or investments specific to the UK like goods domestic industry. The downward trend and lack of growth could be indicative of current vulnerability.

G3. Other causes of injury

154. TSUK’s submission⁴⁹ stated, *‘pressure by other imports coming from South Korea, Viet-Nam, Turkey, etc.,...which followed by the Covid 19 driven market imbalance...did not allow the UK industry to fully recover.’*

**Table 18: Price trends of OCS: UK domestic, UK imports and Global imports
Index 2021 = 100**

	20/21	21/22	22/23	23/24 (POI)
UK domestic price	100	147	162	149
UK import price of OCS (all countries)	100	140	175	150

Source: Zen Global Trade Tracker

155. Table 18 above shows between 22/23 and the POI, the UK industry’s domestic price of like goods decreased by 13 percentage points. Over the same period, the import price of OCS into the UK decreased by 25 percentage points. This shows import prices over this two-year period have decreased at a greater rate relative to UK industry’s domestic prices, and appears to support TSUK’s statement of pressure from other imports.

⁴⁹ [OCS from China - TSUK comments before the TRA Non-conf](#) – para 31



156. TSUK's questionnaire response also stated the majority of its like goods sales are made in the construction sector, while a smaller share are destined for manufactured goods.⁵⁰
157. We are unable to assess the proportion of OCS imports into the UK that are destined for the construction or manufacturing sectors – nor are we able to establish whether the OCS imported is of a more generic, basic specification. However, TSUK's questionnaire response does state, *'imports of the goods subject to review...may take the market share of both TSUK and other suppliers from third countries...this is especially the case for the more basic products...'*⁵¹
158. This may indicate that imports into the UK of OCS may make up a greater proportion of more basic OCS products, which could explain the greater decrease in price compared to the UK-produced like goods. However, this also indicates UK-produced like goods (which may comprise of a greater proportion of higher spec OCS) are not immune to the price decreases observed. To remain competitive, TSUK must contend with lower import prices from third countries.

G4. Undercutting of the UK industry

159. According to regulation 2 of the Regulations, price undercutting occurs when the price of the goods subject to review is lower than the price of the like goods in the UK. In the event of undercutting, the UK industry may be forced to reduce its prices to compete against lower priced imports, or risk losing market share. This may also prevent prices of like goods in the UK from rising to a level that the UK industry would otherwise achieve.
160. Due to the low volume of UK imports from the PRC during the IP, we have conducted our analysis using best facts available to us, by:
- Comparing the UK sales price with the global average import price of OCS from the PRC (at CIF level)
 - Comparing the UK sales price with the global average export price of OCS from the PRC (at FOB level).

⁵⁰ Ibid – B1.1

⁵¹ Ibid – G3.7



161. We acknowledge the potential limitations of the trade data, as previously referred to in [C3.1 'analysis of trade data'](#), in addition to the inability to compare OCS products of similar grades and specifications.
162. We further acknowledge that, as identified within '[Market prices in the UK and overseas exporters' market](#)', the existence of a PMS in the PRC would mean that OCS prices from the PRC may be lower due to non-commercial factors, preventing a proper comparison with the UK industry's sales price.
163. Our comparison of the confidential UK like goods sales data against both the PRC global average CIF import price, and FOB export price, indicates a high probability that the PRC imports would have undercut the UK industry's domestic price throughout the IP.

G5. Historic injury data

164. The TRA has considered whether the UK industry suffered injury in the past as a result of dumped imports of OCS originating in the PRC, but we were not provided historic injury data prior to the IP.
165. In the absence of historic injury data prior to the IP, we consider this to be a neutral factor in our assessment.

G6. Conclusion on injury

166. To determine whether injury would be likely to continue or recur if the anti-dumping measures no longer applied to the goods subject to review, we have conducted a holistic assessment of:
- Domestic and international market conditions
 - Current state of the UK industry
 - Other injury factors
 - Undercutting of the UK industry
 - Historic injury data



167. Domestic conditions have mirrored international market conditions, primarily as a result of the Pandemic which had significant impacts on supply and demand; the demand-supply imbalance caused prices to increase during the IP, before decreasing during the POI.
168. With the exception of the increases observed during the immediate post-pandemic resurgence, the various aspects of UK industry examined do not indicate a thriving or expanding industry; rather, the negative trends following the post-pandemic resurgence indicate it is vulnerable to injury.
169. The UK industry is further vulnerable to injury through other factors, specifically pressure from other imports into the UK. The price of imports into the UK have decreased at a greater rate compared to UK industry like goods sales; while this may be due to a higher rate of decrease in the price of a more generic composition OCS, the ability for PRC exporters to undercut the UK domestic price would likely place further pressure on an already vulnerable UK industry.
170. We have been unable to assess the historic impact of injury specifically to the UK prior to the application of the measure.
171. Having assessed the evidence currently available to us, we have determined that, on the balance of probabilities (more likely than not), injury to the UK industry in the like goods would be likely to recur if the anti-dumping measure were no longer applied to the goods subject to review.



Section H: Economic Interest Test

H1. Introduction

172. The aim of the EIT is to determine whether our recommendation to vary the measure and extend the application of the anti-dumping measure on the goods subject to review imported from the PRC is in the economic interest of the UK.

173. In accordance with paragraph 25(2) of Schedule 4 to the Taxation 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. The test is presumed to be met (see paragraph 25(3) of Schedule 4 to the Taxation Act).

174. In line with paragraph 25(4) of Schedule 4 to the Taxation Act, we have taken account of the following factors in conducting the EIT:

- the injury caused by the dumping of goods to the UK industry of the 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 goods, in the UK; and
- such other matters as the TRA considers relevant.

H2. Evidence base

175. Two UK parties submitted questionnaire responses which are relevant to the EIT:

- one producer of the like goods in the UK: TSUK; and
- one trade body representing the UK steel industry: UK Steel.

176. We have supplemented these submissions with background research and collated additional data and information from sources such as Companies House, Dun & Bradstreet (D&B), Office for National Statistics (ONS) and HMRC.



H3. Injury likely to be caused by dumping and benefits to UK industry in removing injury

177. The injury likelihood assessment concluded that if the anti-dumping measure were to be revoked, injury to the UK industry would be likely to recur because of increased competition from lower-priced imports of goods subject to review from the PRC.

178. It is expected that the proposed variation of the measure will prevent the recurrence of injury to the UK industry.

H4. Economic significance of affected industries and consumers in the UK

179. The following groups have been identified as potentially being affected by the extension or the revocation of the measure:

- **Upstream industries:** These are the industries which produce raw materials needed to produce the like goods.
- **UK producer of the like goods:** Tata Steel UK (TSUK) is the sole producer of the like goods in the UK.
- **Importers of OCS:** These are the companies that import OCS into the UK. All the importers are companies that are registered in the UK. For the purposes of the EIT, the term 'importers' includes businesses who import both the like goods and goods subject to review.
- **Downstream industries:** These are the industries who use OCS to produce other goods or infrastructure such as the construction and manufacturing industries.
- **Consumers:** individuals who purchase final products made using OCS.

180. For each affected group we selected businesses and analysed data from Companies House and D&B to calculate employment, Gross Value Added (GVA), Turnover, Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA), and the EBITDA margin.

181. Using available evidence, we assessed the financial vulnerability of each industry group, as well as the importance of OCS to these groups.



H4.1. Upstream industries

182. We identified 11 upstream businesses that supply raw materials to TSUK. These raw materials include coal, coke, zinc, paint, pellets, electricity, and gas. We selected six UK upstream businesses which accounted for 90% of the value of inputs purchased by TSUK during the POI.
183. The most recent published accounts from D&B show that on average, the selected upstream businesses employed approximately 1,600 workers, had a total GVA of £151m, turnover of approximately £2.8bn, and an EBITDA margin of 2%.
184. On average, 32% of selected upstream businesses' turnover is linked to their sales of OCS raw materials to the UK producer (TSUK). On this basis, we conclude that the like goods are very important to upstream businesses.
185. Overall, we estimate that upstream businesses have a high level of vulnerability to negative economic impacts. We observe low EBITDA margins on average (2%), with some businesses experiencing declining sales and declining employee numbers. The UK producer is an important customer to upstream businesses, thus any change in the anti-dumping measure is likely to have a material impact on this group.

H4.2 UK producer of OCS

186. TSUK is the sole producer of the like goods in the UK, and the UK's largest integrated iron and steel manufacturer. Its most recent accounts show TSUK employed around 8,100 employees on average⁵², with a total GVA of £222m⁵³, turnover of £2.6bn, and an average EBITDA margin of -7%.⁵⁴ We have concluded that TSUK is highly vulnerable to negative economic impacts due to its negative EBITDA margin.
187. We found that the like goods are important products to TSUK, accounting for a material portion of TSUK's turnover during the POI.

⁵² TSUK's potential closure of their two blast furnaces could affect the employment figures.

⁵³ TSUK's GVA estimate of £222m is the average of the GVA figures for the years 2019-2023, calculated using EBITDA and the total employee remuneration for each year. Prior to 2024, EBITDA was calculated by the TRA as: operating profit + depreciation + amortisation. The D&B methodology for calculating EBITDA figures was updated in 2024. D&B now provide us with the EBITDA figures, based on which we calculate the GVA. The EBITDA figures were obtained from the latest financial accounts published on D&B.

⁵⁴ The significance metrics are used to assess the vulnerability of businesses to negative economic shocks. They are derived by taking annual averages of available financial data for TSUK for the most recent years (2019 to 2023) from D & B. Financial data for TSUK was unavailable during the POI.



188. TSUK have argued that it is not financially viable to run its galvanising lines if it does not produce the like goods. Therefore, changes in the existing anti-dumping measure could put at risk the entire galvanising operation at both Llanwern and Shotton, where the like goods are produced.⁵⁵ This suggests that the like goods may be more important to TSUK than its share of turnover suggests.

H4.3 Importers of OCS

189. Due to a lack of participation from importers, we used HMRC trader data to identify businesses in this group.⁵⁶ We sampled 15 of the 247 known businesses that imported during the POI under the 8-digit commodity codes under which the OCS products fall. Raw HMRC Customs declarations data with 10 digit commodity code HMRC trader data is not publicly available and it is therefore likely that some of the importers may import out-of-scope goods.

190. We selected the above 15 businesses which had the highest frequency of import transactions and had full financial accounts available on D&B. These 15 businesses accounted for approximately 22% of import transactions involving the 8-digit level commodity codes during the POI.

191. The selected importers have a total average employment of 5,300, a GVA of £294m, turnover of £1.7bn, and an average EBITDA margin of 4%. Around 16% of their import transactions are related to OCS products on average, meaning that OCS products could be important to these businesses.

192. As some selected businesses have seen declining employment, sales and GVA figures in recent years, we conclude that importers of OCS are likely to be highly vulnerable to negative economic impacts.

⁵⁵ Tata Steel UK (2024), [Questionnaire \(Non Confidential\)](#), (Accessed 25th November 2024).

⁵⁶ Note that the [HMRC Find UK Traders](#) tool does not report country of origin, nor do they report volume or value of transactions.



H4.4 Downstream industries

193. The construction and manufacturing industries are the major downstream users of OCS in the UK, with a material proportion of like goods produced by TSUK sold to the construction industry, and a smaller proportion sold to the manufacturing industry. OCS is also used by TSUK as a substrate for further downstream products, which are out of scope.
194. Using TSUK's transaction data, we identified over 150 independent downstream businesses that purchased the like goods from TSUK during the POI. The total number of downstream businesses that use the like goods is likely to be much higher because we could only identify those who bought directly from TSUK.
195. For our downstream sample, we selected the 10 downstream businesses with the highest value of purchases of the like goods from TSUK, and which had full financial accounts available on D&B. These businesses accounted for 70% of TSUK's domestic sales value to independent businesses during the POI. Data from the most recent published accounts on D&B show that selected downstream businesses had a total average employment of 2,000, a GVA of £182m, turnover of £811m, and an average EBITDA margin of 11%.
196. On average, more than 20% of selected downstream businesses' turnover is related to the like goods. This suggests that the like goods are very important to downstream businesses.
197. The selected downstream businesses generally have good profitability and growth, however a few of them have experienced declining sales and profit margins in recent years. We have thus concluded that this group have medium level vulnerability to negative economic impacts.

H4.5 Consumers

198. OCS products are used as inputs in the production of a variety of goods and infrastructure, and are not considered a direct consumer product. We have no evidence on the importance of the goods to the final products bought by consumers.



H4.6 Summary table

199. [Table 19](#) presents data on the economic significance of the different supply chain groups, which could be impacted by the measure. We find that OCS is an important product for the UK producer and importers, and a very important product for upstream and downstream businesses. Upstream businesses and the UK producer have the highest turnover, and importers and the UK producer have the largest GVA and employment figures, respectively.



Table 19: Significance metrics for the UK businesses potentially affected by the proposed measure.

	Upstream Industries	UK producer	Importers	Downstream Industries
Total known businesses	11	1	247	Over 150
Total selected businesses for analysis	6	1	15	10
Estimated importance of the goods to this group	Very important (sales to TSUK vs turnover)	Important (Like goods sales vs turnover)	Very Important (% of import transactions from relevant commodity codes)	Important (Like goods purchases from TSUK vs turnover)
Total employment of selected businesses	1,619	8,133	5,285	2,026
Total GVA of selected businesses (£m)	151	222	294	182
Total turnover of selected businesses (£m)	2,772	2,555	1668	811
Total average EBITDA margin for selected businesses (%)	2%	-7%	4%	11%
Assessment of vulnerability to negative economic impacts	High vulnerability Low EBITDA margins.	High vulnerability Negative EBITDA margin.	High vulnerability Low EBITDA margins. Some businesses with negative trends in employment, sales and GVA	Medium vulnerability Some businesses with declining sales and profit margins in recent years.

Sources: Questionnaire responses submitted by interested parties to TRA; Companies House; Dun & Bradstreet; HMRC, trader data.

Methodology: The importance of OCS to each of the groups was estimated using the comparison metrics set out in brackets for each group. The significance metrics were derived by taking annual averages of available financial data for the selected businesses for the most recent years (time periods range from 2018 to 2023) from Dun & Bradstreet. GVA was estimated by adding EBITDA and total employee remuneration for each year. EBITDA margin was estimated by dividing EBITDA by company turnover. The assessment of vulnerability to negative economic impacts was made by looking at published accounts during the same period.



H.5 Likely impact on affected industries and consumers

200. In this section, we assess the overall impact that the proposed variation of the measure might have on the affected groups identified. We do this by looking at how prices and quantities of goods in the UK OCS supply chain might change (i) if the measure were to be varied, including extended, and (ii) if the measure were to be revoked. The likely impact of the measure is the difference between these two states. We assess a range of scenarios due to the uncertainty around the effects of the measure.

H5.1. Inputs and assumptions in quantification of economic impacts

201. There is a parallel transition review of the countervailing duty applied on the goods subject to review imported from the PRC into the UK⁵⁷. The TRA must not consolidate dumping and subsidy transition reviews⁵⁸. Therefore, for the purpose of this EIT, where we aim to assess the impact of the anti-dumping measure to remove injury in isolation, we have not included the countervailing duties from the parallel anti-subsidy transition review. As a result, the definitive anti-dumping duties used in the EIT range from 13.7% to 58.3% (set out in [Annex 4](#)), equating to an average duty of 38%.⁵⁹
202. We look at the OCS market as a single segment which consists of three groups selling to the UK market. These are the UK producer, PRC producers and third-country producers.
203. In the absence of detailed price data, we utilise HMRC 8-digit import data to estimate the sales volumes and prices of OCS sold by PRC producers (goods subject to review) and third country producers (like goods). We also utilise HMRC 8-digit import data and the UK producer's sales data to estimate the market shares for each group.
204. In our assessment, we have assumed that the aggregate demand of OCS would not change in response to a decline in prices. As OCS produced by the UK industry is used mainly in the construction industry, which can require particular specifications,

⁵⁷ TS0055

⁵⁸ Pursuant to regulation 42(2) of the Regulations, as applicable to transition reviews (see regulation 99C of the Regulations).

⁵⁹ The average duty of 38% is calculated as the simple average of all duties for all named exporters (27 exporters) indicated in Annex 4.



the TRA believes that it is unlikely that the total UK consumption and demand of OCS will change in response to small changes in prices.

205. When we refer to tariff pass-through (PT), our assumption of the PT to downstream businesses is based on internal research by the Department for Business and Trade (DBT) which found that the proportion of tariff costs passed on to downstream businesses for most goods sold in the UK typically range between 75% and 100%.
206. We assume TSUK’s marginal cost (MC) is equal to the sum of average variable costs that are incurred in the production and sale of the like goods. We assume the MC for downstream businesses is equal to the average price per tonne of OCS that they purchase. We assume the MC for importers is equal to the average price of imported OCS from PRC (goods subject to review) and third-countries (the like goods).
207. In our analysis, we assume that UK importers will maintain an average mark up of 4%, which is the average mark-up for selected importers considered in section H4.3.
208. We assume that businesses will not sell OCS if the price falls below their MC. This is because selling additional units below marginal costs will lead to businesses incurring more loss in the long term, which is unsustainable.

H5.2 Economic Impacts

209. [Table 20](#) summarises all possible scenarios used in the quantification of economic impacts for the anti-dumping measure.

Table 20: Scenarios used in quantification of economic impact

Scenario with the anti-dumping measure	
Scenario A	The UK producer will remain in the UK market with the measure. There will be no changes in prices, quantities, and UK market shares.
Scenario without the anti-dumping measure	
Scenario B	Prices of only PRC-produced OCS decrease by the level of the anti-dumping measure and the UK producer is likely to suffer a recurrence of injury and exit the market.



H5.2.1 Expected impacts if the measure is extended

210. For the scenario with the measure in place (Scenario A), we have assumed that the current status quo will be maintained. That is, the UK producer will continue to remain in the UK market and there will be no changes to prices, quantities, or market shares.

H5.2.2 Estimated impacts if the measure is revoked

211. If the anti-dumping measure were to be revoked (Scenario B), it is likely that prices of goods subject to review originating in the PRC would fall by the level of the anti-dumping duties - between 29% (low PT of 75%) and 38% (high PT of 100%). The UK producer would be unable to match these prices because they are below its marginal costs. Therefore, it would exit the market.

212. We assume that prices of like goods from third countries would remain similar to current levels. This assumption is consistent with the price trends observed in [Table 4](#) and [Table 5](#) as PRC producers are likely to undercut prices of third country imports coming into the UK.

213. Under Scenario B, the price reduction of the goods subject to review originating in the PRC is likely to lead to an increase in the market share of PRC producers in the UK OCS market.

214. The PRC currently has a developing country exception from the steel safeguard measure in the category under which OCS falls. This may increase the likelihood that a revocation of the anti-dumping measure could lead to PRC producers selling the goods subject to review in the UK market in increasing quantities.⁶⁰

215. The EU, US, Canada, and Mexico have anti-dumping/countervailing measures in place against OCS from the PRC. With other similar markets incurring additional duties, this could further increase the likelihood of PRC producers increasing their

⁶⁰ Where imported steel products are subject to both steel safeguards measure and another trade remedy measure, only one measure applies at any one time. For example, an anti-dumping duty would apply until the safeguards quota is reached; once the safeguards quota is reached the higher of the anti-dumping duty or the safeguard out of quota tariff (or other safeguarding remedy) is charged on imports.



sales of the goods subject to review in the UK market in the absence of the anti-dumping measure.

H5.3 Likely impacts on affected industries and consumers

216. We estimated the 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. Producer surplus is the welfare a producer gets from selling a product.

217. As OCS is not a consumer product, our analysis assumes that the consumers of these products are downstream businesses.

218. Surplus was estimated using the following formulas:

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

$$\Delta \text{Consumer Surplus} = -\left(\frac{1}{2}\right) * (\text{Quantity}_{\text{tariff}} + \text{Quantity}_{\text{no_tariff}}) * (\text{Price}_{\text{tariff}} - \text{Price}_{\text{no_tariff}})$$

219. Where:

- $\text{Quantity}_{\text{tariff}}$ is the quantity of OCS consumed in the UK with the anti-dumping duty;
- $\text{Quantity}_{\text{no_tariff}}$ is the quantity of OCS consumed in the UK without the anti-dumping duty;
- $\text{Price}_{\text{tariff}}$ is the average price of OCS sold in the UK market with the anti-dumping duty;
- $\text{Price}_{\text{no_tariff}}$ is the average price of OCS sold in the UK market without the anti-dumping duty.

220. [Table 21](#) shows the welfare impacts for the different affected supply chain groups (upstream industries, downstream industries, importers, UK Producer) for each of the modelled scenarios. The impacts on different groups are explained in the following sections.



Table 21: Estimated welfare impact of extending the anti-dumping measure (as compared to revoking it) on affected UK industries and consumers.

Scenario	Change in UK producer surplus (£m)	Change in Importer surplus (£m)	Change in consumer surplus (£m)	Total change in surplus (£m)
Scenario B (High PT)	£28.5	-£5.7	-£56.2	-£33.5
Scenario B (Low PT)	£28.5	-£6.1	-£45.6	-£23.3
Max	£28.5	-£5.7	-£45.6	-£23.3
Min	£28.5	-£6.1	-£56.2	-£33.5
Average	£28.5	-£5.9	-£50.9	-£28.4

Notes: Total change in welfare is the sum of the change in surplus for the UK producer, UK importers and UK consumers (where consumers are defined as downstream businesses and not as consumers that are private individuals). We could not quantify change in welfare for UK upstream businesses. Total change in welfare does not account for change in tariff revenue because we cannot directly attribute as a benefit or a cost to any affected industries and consumers. ΔPS = Change in Producer Surplus. ΔCS = Change in Consumer Surplus. PED = Price Elasticity of Demand. PT = Tariff to Price Pass Through. The estimated welfare change for the UK producer does not vary across high or low PT scenarios as it is estimated by comparing the current status quo (Scenario A) to a baseline scenario (scenario B) where the UK producer exists the market if the anti-dumping measure is revoked.

H5.3.1 Upstream industries

221. In our assessment, we could not quantify the change in welfare for upstream industries due to limited participation and data availability. Our analysis in [section H4.1](#) suggested like goods products are very important for selected upstream businesses. Additionally, one upstream business mentioned in a survey response that revocation of the measure could affect the viability of its business which could result in a number of jobs being at risk.
222. As the UK producer will likely remain in the market if the anti-dumping measure is varied, we conclude that there will be a positive impact of extending the anti-dumping measure on UK upstream industries who supply raw materials to TSUK.
223. TSUK itself is an upstream producer of the main inputs for the manufacturing of the like goods. Therefore, extending the anti-dumping measure will have a direct positive impact on TSUK as an upstream producer. This is due to a likely decrease in the cost of production of upstream products resulting from an increase in the demand and production of the raw materials being produced for the like goods (upstream products).

H5.3.2 UK producer of the like goods

224. We estimate that the UK producer will benefit from the variation of the anti-dumping measure. The welfare gains from having the measure in place, compared to revoking it is estimated to be approximately £28.5m. This is due to an increase in the average prices of OCS sold in the UK with the measure in place.



H5.3.3 UK importers of OCS

225. From the available evidence, we estimate that extending the anti-dumping measure compared to revoking it is likely to result in annual costs for UK importers of OCS of approximately £5.7m to £6.1m, depending on the degree of tariff pass through. The lowest impact is seen when UK importers pass on all changes in costs resulting from an extension of the measure to consumers (high PT of 100%). In general, although UK importers will benefit from their ability to sell to downstream businesses at higher prices, they will see a reduction in sales volume and value leading to an overall reduction in welfare.

H5.3.4 UK downstream Industries

226. Downstream businesses are subject to the greatest range in estimated welfare impacts. Our analysis suggests that extending the anti-dumping measure could decrease the surplus that would otherwise be received by downstream businesses, if the measure were to be revoked, by between £45.6m to £56.2m. The exact figure will depend on the degree to which OCS producers and importers choose to pass on changes in costs to consumers, with a high tariff pass through rate (high PT of 100%) leading to a larger decline in welfare for OCS consumers. The negative welfare impact on downstream businesses is due to an increase in the average price of OCS in the UK market, if the anti-dumping measure is extended compared to if the measure is revoked.

H5.3.5 Overall welfare impacts

227. Varying the anti-dumping measure by extension compared to revoking it is likely to lead to an overall welfare loss of between £23.3m to £33.5m per year. The exact figure will depend on the degree to which OCS producers and importers choose to pass on changes in costs to consumers, with a high tariff pass through rate (high PT of 100%) leading to a higher loss in welfare. It is important to note that our analysis does not take into account the estimated welfare gain to upstream industries as well as the estimated change in tariff revenue from the measure being extended compared to it being revoked.



228. The average welfare impact (across all scenarios) of extending the anti-dumping measure (compared to revoking it) would be a loss of £28.4m per year.

H6. Likely impact on particular geographic areas or particular groups in the UK

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

H6.1. Likely impact on particular areas

230. We have assessed geographical significance of affected groups using employment, at the level of Travel to Work Areas (TTWAs).

231. For each affected group, we estimated the percentage of local employment from businesses to identify any areas where employment accounted for a material percentage of local employment (more than 1% of the working age population of a TTWA).

232. We used three sources of evidence for our employment analysis:

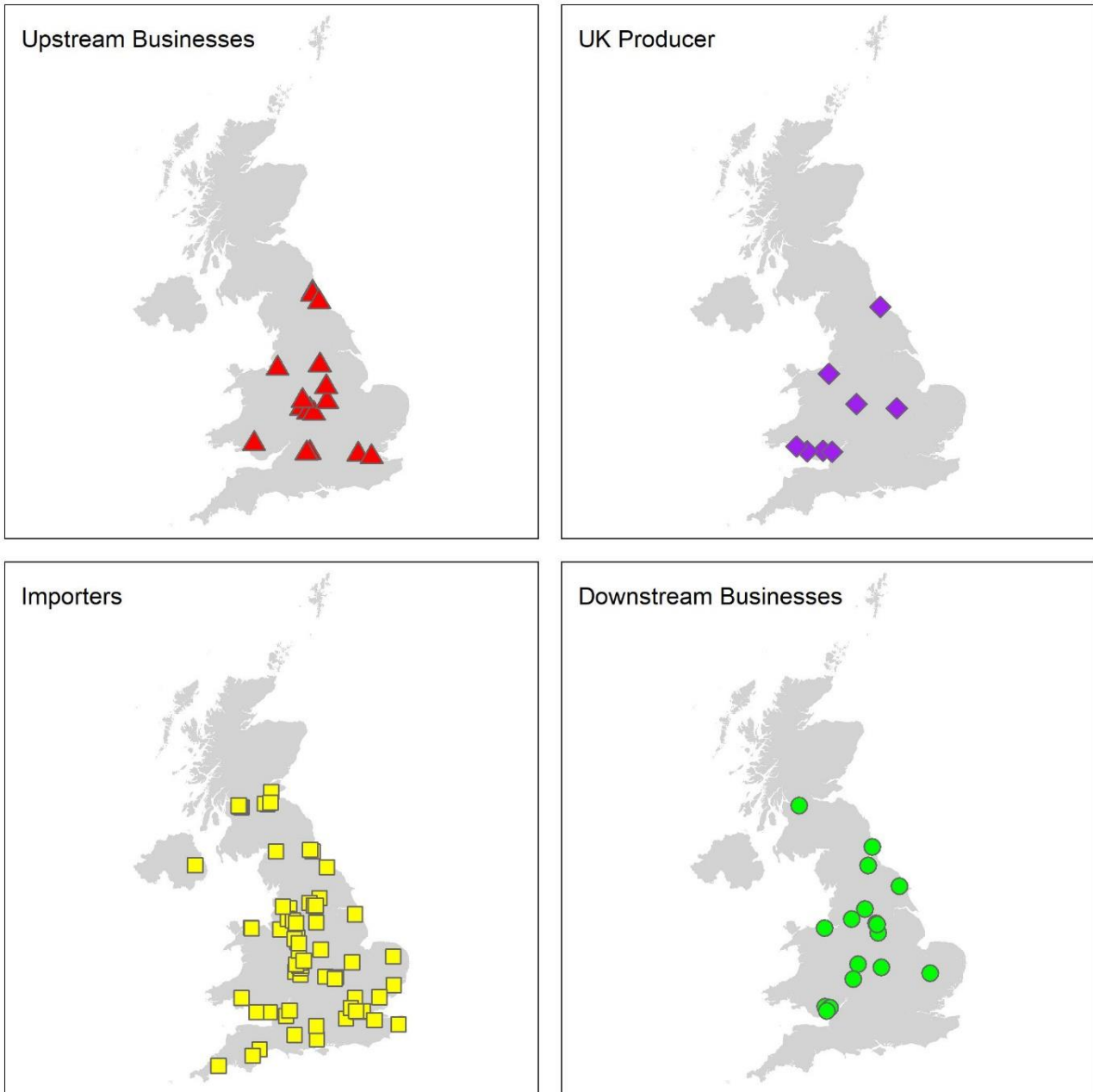
- Questionnaire responses: these included data on total employment by site for the UK producer TSUK;
- D&B business directory: this provides the location of known sites and estimates of employment by site for listed companies; and
- ONS estimates of working age population across the indicators: median earnings, job density, economic inactivity, and level of education by TTWAs.

233. We used D&B 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, we assumed employees were distributed equally between all sites.

234. [Figure 3](#) shows the geographic distribution of business locations that are part of the OCS supply chain in the UK.



Figure 3: Known locations of selected UK businesses for the OCS supply chain



Sources: Questionnaires, Dun and Bradstreet Business Directory. Note: Contains National Statistics data © Crown copyright and database right 2023, contains OS data © Crown copyright and database right 2023.



Like goods producer

235. The map shows the UK producer has a number of sites in South Wales. We found one TTWA (Newport) where known employment constituted a significant proportion of the working age population.
236. Socio-economic data for Newport (set out in [Table 22](#)) shows that this area is likely to be relatively economically deprived as all the socio-economic indicators (job density, claimant count, education qualifications and mean annual pay) considered are worse than the UK average. Additionally, UK Steel stated that the steel industry, particularly TSUK, provides employment opportunities in this area in addition to supporting skilled jobs that offer wages higher than local median wages.
237. UK Steel and TSUK have mentioned that while TSUK's like goods production is centred in their Shotton site, the like goods are a core product line for TSUK. As such, any injury suffered would impact operations in other sites. This implies that jobs in other production sites are directly linked to the health of the like goods operations.
238. Overall, given the evidence of deprivation in the Newport TTWA and the significance of employment attributable to steel production, varying the anti-dumping measure by extending its application to the goods subject to review compared to revoking it, is likely to confer greater benefits to the Newport TTWA.

Importers

239. The selected importers are geographically spread across the UK. One TTWA (Peterborough) has a significant⁶¹ proportion of working-age population employed by the selected businesses. Peterborough TTWA provides a mixed picture in terms of socio-economic data as it scores well for average income and job density, but poorly for unemployment and education.
240. Whirlpool UK is the only selected importer located in the Peterborough TTWA. The like goods/OCS products represent around 1% of Whirlpool's imports transactions during the POI, so it is unlikely that a material number of jobs would be at risk as a

⁶¹ 'significant' is used in regards to EIT geographical analysis methodology



result of the measure. This business has also performed relatively well in terms of its EBITDA margins and GVA in recent years. Therefore, we conclude that Peterborough is unlikely to be affected if there are any changes to the existing anti-dumping measure.

Upstream and downstream businesses

241. We did not find any areas where the estimated employment from UK upstream or downstream businesses constituted a material proportion of the working-age population of any TTWA.

Table 22: Socio-economic data for parts of the UK where the OCS supply chain is an important employer

Travel to Work Area (TTWA)	Job density (2019)	Claimant Count (2020)	NVQ Level 4 qualifications or above (2021)	Mean annual pay (full time earnings) (£) (2022)
Newport	0.79	5.6%	38.1%	28,114
Decile of UK TTWAs	4	3	5	5
Peterborough	0.88	5.4%	35.8%	29,471
Decile of UK TTWAs	7	3	4	7
UK	0.87	5.3%	43.5%	£33,402

Sources: ONS, [LI03 Regional labour market: Local indicators for travel-to-work areas](#); ONS, Annual Survey of Hours and Earnings, [Earnings and hours worked, work-based travel to work area: ASHE Table 11](#); and ONS, [Annual Population Survey](#). Notes: Deciles are calculated by ranking the TTWA from most deprived to least deprived and dividing them into 10 equal groups. These range from the most deprived 10% (Decile 1) of TTWAs nationally, to the least deprived 10% (Decile 10) of TTWAs nationally.

H6.2. Likely impact on particular groups

242. We considered the likely impact on particular groups including those with protected characteristics as defined by the Equality Act 2010.

243. No party provided any evidence with respect to potential impacts on any particular groups, either as workers or consumers. OCS products have a broad range of



applications and are generally not sold directly to final consumers, which makes it less likely that they might be affected by the anti-dumping measure.

244. Therefore, there are no obvious impacts on groups with protected characteristics or other groups, which might result from changes to the existing anti-dumping measure.

H7. Likely consequences for the competitive environment and for the structure of markets for goods in the UK

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

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

H7.1 Background

246. We estimated that importers (from the PRC and third country producers) had a larger share of the UK market during the POI than the UK producer. The largest volumes of imports came from South Korea, France, Belgium and the Netherlands.⁶² Imports of the good subject to review from the PRC were negligible during the POI.

247. We estimated a Herfindahl Hirschman Index (HHI) score which suggested that the market is currently highly concentrated, with a HHI value of well over 2,000.⁶³ Nevertheless, the market remains competitive, even with the measure in place, given the continued imports of OCS from up to 34 countries (PRC and third countries) as well as the supply of the like goods from the UK producer. Data on OCS imports show that the top importing countries to the UK change year on year. This further suggests that there is a sufficient level of competition in the UK market.

H7.2 Impact on the number and range of suppliers

⁶² The imports data are gotten at the 8-digit country of dispatch level from the [UK Trade Info](#).

⁶³ The HHI is a measure of market concentration which is used to determine the level of competition in the market for a product. It is calculated as the sum of the squares of all the market shares of producers in the market, and thus it gives proportionately greater weight to the larger market shares.



248. If the anti-dumping measure is revoked, it is likely that TSUK would exit the market. The number of overseas suppliers from the PRC could increase so the net impact is unclear. If the anti-dumping measure is varied by extension, the number of suppliers is likely to be the same as at present.

H7.3 Impact on the ability of suppliers to compete

249. If the anti-dumping measure is revoked, this will likely push the UK producer out of the market and increase the ability of PRC producers to compete in the UK market. However, if the measure is varied by extension, we do not expect there to be any impact on the ability of suppliers to compete, as the conditions of competition between different OCS suppliers in the UK market is unlikely to change from the current UK market condition.

H7.4 Impact on incentives to compete vigorously

250. There is no evidence to suggest that the variation or the revocation of the anti-dumping measure would have an impact on the incentives for suppliers to compete.

H7.5 Impact on the choices and information available to consumers

251. TSUK stated that there are no major physical, commercial or functional differences between the products supplied by TSUK and those of PRC producers. Therefore, we conclude that there is likely to be no impact on the availability of choices to consumers due to a variation or revocation of the anti-dumping measure.

252. We have no evidence to suggest that there would be any impact on the information available to consumers if the measure were varied or revoked.

H8. Such other matters as the TRA considers relevant

253. As part of the EIT, we consider any other factors which may have implications for concluding whether a trade remedy measure is in the economic interest of the UK.

254. In January 2024, TSUK announced a decision to close its two blast furnaces in Port Talbot, which would impact 2,800 jobs and the production of hot-rolled coil steel used



to produce the like goods.⁶⁴ TSUK mentioned that the closure of the blast furnace operations will be conducted in phases, which has now commenced.⁶⁵ The majority of the job losses resulting from this decision are expected to be based in Port Talbot, where the furnaces are located, however a few of the job losses are likely to be in TSUK's other sites.

255. TSUK mentioned that the site involved with the production of the like goods is Shotton (Chester TTWA). However, as production in this site is linked to their galvanising operations at Llanwern (Newport), the closure of TSUK's blast furnace is likely to affect the conclusions of our geographic assessment for the Newport TTWA.

256. At this stage, we have no evidence to suggest that the planned blast furnace closure will have any impact on the production of the like goods in the UK as the production of hot-rolled coil steel will be replaced by imported semi-finished steel from TSUK's steel plants in the Netherlands and India, as well as from other select strategic suppliers.⁶⁶

257. TSUK mentioned that if the anti-dumping measure were no longer applied, it would have a direct impact on its ability to proceed with decarbonisation projects and its contribution to various net zero initiatives in the UK, which rely on a stable supply of steel products from TSUK.

H9. Forms of measure

258. In the EIT we consider the most appropriate form of measure to recommend; in particular, whether any changes to the length or coverage of the measure would minimise the negative impacts of the measure on some supply chain groups while retaining the overall benefits.

259. The measure applicable to imports of the goods subject to review originating in the PRC is an ad valorem duty that ranges from 13.7% to 58.3%.⁶⁷

⁶⁴ [Tata Steel announces next steps towards its ambitious transformation from blast furnaces to green steelmaking in the UK and initiates statutory consultation](#) (Accessed: 17 September 2024)

⁶⁵ [Works Manager Dean Cartwright explains the process of closing down Tata Steel's Blast Furnace 5 in Port Talbot this week](#) (Accessed: 17 September 2024)

⁶⁶ [Tata Steel announces next steps towards its ambitious transformation from blast furnaces to green steelmaking in the UK and initiates statutory consultation](#) (Accessed: 17 September 2024)

⁶⁷ These ad valorem duty rates are detailed in Annex 4.



260. We have neither received nor found evidence suggesting that a change to the form of the measure would benefit the UK economy.

H10. Conclusion on Economic Interest Test

261. In accordance with paragraph 25 of Schedule 4 to the Taxation Act, the EIT is met in relation to the application of a remedy, if the application of the remedy is in the 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.

262. Following the dumping and injury likelihood assessments, in [section F](#) and [section G](#) respectively, we have considered whether varying the anti-dumping measure would be in the economic interest of the UK.

263. In the likelihood of injury section we concluded, following the injury likelihood assessment, that the revocation of the anti-dumping measure will likely lead to the recurrence of injury to the UK industry in the like goods because of increased competition from lower-priced imports of goods subject to review originating in the PRC. The anti-dumping measure is necessary to prevent this injury.

264. In the economic significance section, we assessed the financial metrics of the different groups that make up the supply chain for the like goods in the UK. We found that like goods products are important for the UK producer and importers, and very important for upstream and downstream businesses. We also found these groups have medium to high level vulnerability to negative economic shocks.

265. Our impacts analysis showed that varying the anti-dumping measure is likely to lead to an overall welfare loss of between £23.3m to £33.5m per year. We found that the UK producer will gain approximately £28.5m from varying the application of the anti-dumping measure. We could not quantify the change in welfare for upstream industries, however, as the like goods are very important for them, we concluded that varying the application of the anti-dumping measure will have a positive impact for this group. Our analysis also showed that variation of the anti-dumping measure will lead



to a reduction in welfare by £5.7m to £6.1m per year for importers and £45.6m to £56.2m per year for downstream businesses.

266. In our geographical analysis, we find that varying the anti-dumping measure is likely to have positive impacts on Newport which is a relatively deprived area. There is also no evidence to suggest that any particular groups will be impacted.

267. In the competition section, we conclude that varying the application of the anti-dumping measure would likely help the UK producer to remain in the market but would limit the ability for PRC exporters to compete. The anti-dumping measure is likely to help maintain a domestic source of supply of the like goods in the UK.

268. In terms of other relevant matters, we considered the decarbonisation plans of TSUK. We concluded that TSUK decarbonisation plans could impact 2,800 jobs in the UK with the majority of the job loss likely to be based in Port Talbot, however revoking the anti-dumping measure could lead to further job losses if TSUK chooses to stop production of the like goods and exit the UK OCS market.

269. We have identified the following key positive impacts of varying the anti-dumping measure as proposed:

- Benefits to the UK producer, TSUK, who is likely to continue its UK operations as the measure will help to prevent the recurrence of injury to the domestic industry.
- Benefits for the Newport TTWA, a relatively deprived area.
- Benefits to UK upstream industries that rely on the demand of raw materials from the UK producer.

270. The contrasting key negative impact of varying the anti-dumping measure as proposed include:

- Prices of the goods subject to review originating from the PRC as well as average prices of all OCS in the UK will be higher if the measure is varied compared to if it is revoked. This will have negative impacts on importers and downstream businesses.

271. Based on our consideration of the evidence submitted by interested parties and all the factors listed in the legislation, we conclude that varying the anti-dumping measure on



the goods subject to review as proposed is unlikely to cause disproportionate negative effects to the UK economy as compared to the benefits of removing injury. Therefore, in accordance with regulation 100(1E) of the Regulations, we advise the Secretary of State that we consider that the proposed variation of the measure in accordance with our intended final recommendation meets the Economic Interest Test.

Section I: Findings and Intended Final Recommendation

I1. Findings

272. The TRA has found that it is likely, on the balance of probabilities, that dumping of the goods subject to review would recur if the anti-dumping amounts were no longer applied to those goods.

273. The TRA also found that it is likely, on the balance of probabilities, that injury to the UK industry in the like goods would recur if the anti-dumping amounts were no longer applied to the goods subject to review.

274. The TRA considers that the proposed variation of the measure in accordance with our intended final recommendation meets the Economic Interest Test (see regulation 100(1E) of the Regulations).

I2. Intended Final Recommendation

275. Our intended final recommendation is to vary the application of the anti-dumping amounts under regulations 100(1), (2)(a)(i) and 100A of the Regulations. As we did not receive any compelling evidence to cause us to consider whether recalculation was appropriate, and as it has not been possible to recalculate the anti-dumping amount, we intend to recommend maintaining the anti-dumping amounts pursuant to regulation 100A(4)(b) of the Regulations for a period of five years from 4 May 2024, that is, the date when the measure would have otherwise expired had no transition review been initiated (see [Taxation Notice 2020/28](#); see also regulation 97C of the Regulations).

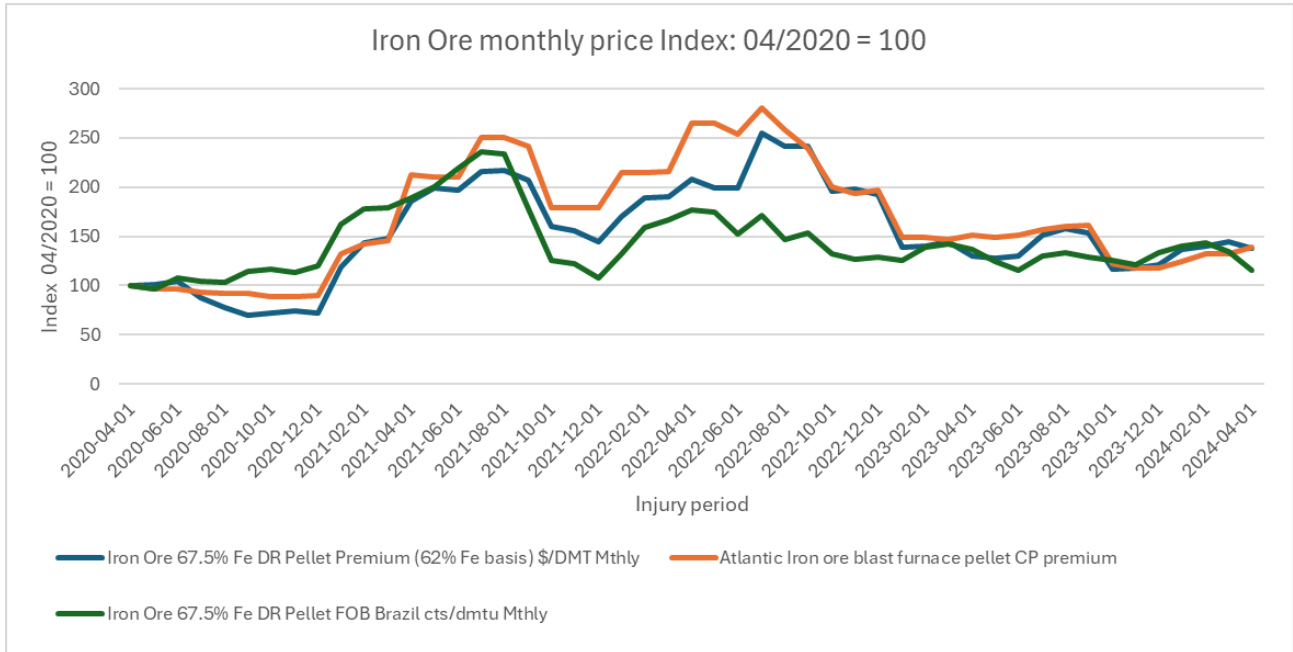


276. We intend to make this final recommendation on the grounds that we have assessed that it is likely that dumping of the goods subject to review would recur if the anti-dumping measure were no longer applied to those goods; that injury is likely to recur to the UK industry in the like goods if the measure were no longer applied to the goods subject to review; and that we consider that the variation of the measure in accordance with our intended final recommendation meets the EIT.

277. Annexes 1, 2 and 3 specify the duties to be maintained and applied to the goods described or imported under the UK customs codes detailed therein. We intend recommending to maintain the form and levels of the transitioned UK measure.



Appendix 1: Iron Ore price Index



Sources: © 2024 S&P Global Commodity Insights, a division of S&P Global Inc.



Annex 1: Duty amount and additional TAP codes

Foreign country	Overseas exporter	Duty amount	Additional TAP code
The PRC	Chongqing Wanda Steel Strip Co., Ltd	26.1%	B312
The PRC	Hangzhou P.R.P.T. Metal Material Company, Ltd	5.9%	B313
The PRC	Zhangjiagang Free Trade Zone Jiaxinda International Trade Co., Ltd	26.1%	B312
The PRC	Zhangjiagang Panhua Steel Strip Co., Ltd	26.1%	B312
The PRC	Zhejiang Huadong Light Steel Building Material Co. Ltd	5.9%	B313
The PRC	Overseas exporter specified in Annex 2	Nil	(per annex 2)
The PRC	Overseas exporter specified in Annex 3	16.2%	(per annex 3)
The PRC	All other overseas exporters (residual amount)	13.6%	B999



Annex 2: Overseas exporters subject to nil duty amount

Foreign country	Overseas exporter	Additional TAP code
The PRC	Anyang Iron Steel Co., Ltd	B315
The PRC	Baoshan Iron & Steel Co., Ltd	B316
The PRC	Cibao Modern Steel Sheet Jiangsu Co., Ltd	B320
The PRC	Jiangyin Ninesky Technology Co., Ltd	B322
The PRC	Jiangyin Zhongjiang Prepainted Steel Mfg Co., Ltd	B323
The PRC	Union Steel China	B311
The PRC	Wuxi Zhongcai New Materials Co., Ltd	B332
The PRC	Xinyu Iron And Steel Co., Ltd	B333



Annex 3: Overseas exporters subject to 16.2% duty amount

Foreign country	Overseas exporter	Additional TAP code
The PRC	Angang Steel Company Limited	B314
The PRC	Baoutou City Jialong Metal Works Co., Ltd	B317
The PRC	Changshu Everbright Material Technology Co., Ltd	B318
The PRC	Changzhou Changsong Metal Composite Material Co., Ltd	B319
The PRC	Inner Mongolia Baotou Steel Union Co., Ltd	B321
The PRC	Jingang Group Co., Ltd	B324
The PRC	Maanshan Iron&Steel Company Limited	B325
The PRC	Qingdao Hangang Color Coated Sheet Co., Ltd	B326
The PRC	Shandong Guanzhou Co., Ltd	B327
The PRC	Shenzen Sino Master Steel Sheet Co., Ltd	B328
The PRC	Tangshan Iron And Steel Group Co., Ltd.	B329
The PRC	Tianjin Xinyu Color Plate Co.,Ltd	B330
The PRC	Wuhan Iron And Steel Company Limited	B331
The PRC	Zhejiang Tiannu Color Steel Co., Ltd	B334



Annex 4: EC Anti-dumping and anti-subsidy amounts

Company Name	Subsidy margin (%)	Dumping margin (%)	Injury margin (%)	Countervailing duty (%)	Anti-dumping duty (%)
Zhangjiagang Panhua Steel Strip Co., Ltd, Chongqing Wanda Steel Strip Co., Ltd, and Zhangjiagang Free Trade Zone Jiaxinda International Trade Co., Ltd.	29.7	60.9	55.8	29.7	26.1
Zhejiang Huadong Light Steel Building Material Co. Ltd and Hangzhou P.R.P.T. Metal Material Company Ltd.	23.8	48.9	29.7	23.8	5.9
Union Steel China	26.8	50.9	13.7	13.7	0
Other co-operating companies in the anti-dumping investigation (with the exception of the companies subject to the residual duty in the parallel anti-subsidy Implementing Regulation (EU) No 215/2013)	26.8	55	43	26.8	16.2
Non co-operating companies	44.7	68.1	58.3	44.7	13.6



Annex 5: Interested parties

Summary of information received from interested parties and contributors

	Name	Information received	Status
1	Tata Steel UK	Registration of Interest TD0054 - Questionnaire (Producer) - TSUK Final Non-confidential TD0054 - Questionnaire Annex - TSUK Final Non-confidential Appendices TD0054 - Questionnaire Annex (Producer) - TSUK v2 Open OCS from China - TSUK s comments before the TRA Non-conf Open Annexes TD0054 - TSUK - Injury Annex Updated (uploaded by TRA with permission from TSUK due to file format error)	UK Producer
2	Ministry of Commerce (MOFCOM)	Registration of Interest	Foreign Government
3	UK Steel	Registration of Interest TD0054 – Questionnaire (Other Interested Party Contributor) 20240607130255 Non Confidential TD0054 UK Steel Appendix to Response Non-Confidential Annex 1 – WSA OCS Production – NON-CONF	Trade Body