



Trade Remedies
Authority

Statement of Essential Facts

Case TD0034

Transition review of anti-dumping duties on steel ropes and cables imported from the People's Republic of China (including steel ropes and cables consigned from Morocco and the Republic of Korea)

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Abbreviations & Terms

Abbrev	Stands for
Bridon	Bridon International Limited Domestic Producer
British Steel	British Steel Manufacturing company
Brunton Shaw	UK manufacturer of wire ropes
D&B	Dun & Bradstreet
DBT	Department for Business and Trade
DIT	Department for International Trade, now the Department for Business and Trade (DBT)
EBITDA	Earnings Before Interest, Depreciation and Amortisation
EC	European Commission
EEF	EEF Ltd. (UK Steel) - UK Trade body
EIT	Economic Interest Test
FHK	The Fasten Group Group Import and Export Hong Kong Limited
FIE	The Fasten Group Group Imp. & Exp. Co., Ltd FIE is a trading company and did not engage in production activities.
FMP	Jiangyin The Fasten Group Metal Products Co., Ltd. PRC producer. Does not engage in export or import activities directly.
FSC	Jiangsu The Fasten Group Steel Cord Co., Ltd. PRC exporter
GDP	Gross domestic product

Abbrev	Stands for
GVA	Gross Value Added
Index	An index starts in a given year, the base year, at an index number of 100. In subsequent years, percentage increases push the index number above 100, and percentage decreases push the figure below 100. For example, an index number of 102 means a 2% rise from the base year, and an index number of 98 means a 2% fall.
IP	Injury Period (1 Jan 2019 to 31 Dec 2022)
MOFCOM	Ministry of Commerce of the People's Republic of China
NETP	Non-Established Taxable Persons
NoI	Notice of Initiation
PCN	Product Control Numbers which are identifiers which are used to match the foreign producers' exported goods with the UK producers' domestically sold goods
POI	Period of Investigation (1 Jan 2022 to 31 Dec 2022)
PRC	People's Republic of China
RoK	Republic of Korea
SEF	Statement of Essential Facts
SIC codes	Standard Industrial Classification codes
SRC	Steel Ropes and Cables
t	Metric tonnes (1,000kg)
TRA	The Trade Remedy Authority
TRS	Trade Remedies Service

Abbrev	Stands for
TTWAs	Travel to Work Areas

SECTION A: Introduction

1. This Statement of Essential Facts (SEF) sets out the essential facts on which the Trade Remedies Authority (TRA) will base a recommendation whether to vary or revoke the anti-dumping measure imposed by the European Commission (EC) in 2018 on imports of Steel Ropes and Cables (SRC) imported from the People's Republic of China (PRC) (including steel ropes and cables consigned from Morocco and the Republic of Korea (RoK)). It should be read in conjunction with other public documents available for this case on the [Public File](#).
2. This section briefly summarises the legal framework for this SEF and briefly provides details of the review. The TRA's main findings, the background to the review, and further detail on all aspects are set out in the remaining sections.
3. Interested parties are invited to make submissions within 14 calendar days of the publication date of this SEF, i.e. before 23:59 hours Greenwich Mean Time on 12 June 2024 as per regulation 62(2) of The Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019¹ (the Regulations). Registered interested parties to the case can make submissions on the Trade Remedies Service (TRS) online platform. Those not registered on the TRS may send submissions by email to TD0034@traderemedies.gov.uk. All submissions must be accompanied by a non-confidential version for the Public File. In exceptional circumstances, if it is not possible to summarise confidential information, the party must provide a 'statement of reasons'.²
4. We may consider submissions made after the deadline (12 June 2024), but please note that we are not obliged to do so if we consider it would cause an unnecessary delay in preparing a final recommendation. Where we reject information for any reason, we will publish our reasons for rejection in our final recommendation.

¹ Statutory Instrument 2019/450, as amended.

² A 'statement of reasons' means a statement setting out reasons of a person supplying information to the TRA, explaining why we should treat the information as confidential and why summarisation of confidential information is not possible, as defined under regulation 45(6)(b) of the Regulations.

5. For further guidance and information regarding transition reviews please see our [public guidance](#).

A1 Legal framework

6. This SEF is made pursuant to regulations 62 and 99C of the Regulations. It includes:

- the recommendation that the TRA intends to make;
- a summary of the facts considered during the transition review;
- those facts referred to in the summary which form the basis of our intended final recommendation;
- details of the analysis forming the basis of the intended final recommendation;
- and
- details of how we have used the information supplied by interested parties in making the intended final recommendation.

A2 About this review

7. This is a transition review of a United Kingdom (UK) trade remedies measure under regulation 97(2)(b) of the Regulations. This UK measure gives effect in the UK to European Union (EU) Commission Implementing Regulation (EU) 2018/607 published on 19 April 2018.
8. This review concerns an anti-dumping measure applying to SRC originating in the PRC, including consignments from the Republic of Korea and Morocco. This review was initiated on 30 March 2023, and the Notice of Initiation (NoI) was published on that date.
9. The Period of Investigation (POI) for the review is 1 January 2022 to 31 December 2022. To assess injury, we examined the period 1 January 2019 until 31 December 2022 (the injury period (IP)).

SECTION B: Summary and Findings

B1 Interested parties and contributors

- 10. The following interested parties registered to the transition review:
 - Bridon International Ltd – domestic producer
 - The Fasten Group Group Imp. & Exp. Co., Ltd – PRC exporter
 - Kiswire Ltd – RoK exporter
 - Ministry of Commerce of the PRC (MOFCOM) – foreign government
 - EEF Ltd. (UK Steel) – UK Trade body
- 11. Relevant non-confidential submissions made to this review are published and available on the [Public File](#).

B2 Scope

- 12. Regulation 99A(2)(a)(ii) of the Regulations makes provision for the TRA to consider, within the conduct of a transition review, whether the goods or the description of the goods to which an anti-dumping amount applies should be varied.
- 13. The [NoI](#) describes the goods subject to review and sets out the scope of the measure under review as:

Steel ropes and cables including locked coil ropes, excluding ropes and cables of stainless steel, with a maximum cross-sectional dimension exceeding 3mm.
- 14. SRC are classifiable within the following commodity codes, as set out in the [UK Trade Tariff](#):

73 12 10 81 12	73 12 10 83 19	73 12 10 89 13
73 12 10 81 13	73 12 10 85 12	73 12 10 89 19
73 12 10 81 19	73 12 10 85 13	73 12 10 98 12
73 12 10 83 12	73 12 10 85 19	73 12 10 98 13
73 12 10 83 13	73 12 10 89 12	73 12 10 98 19
- 15. We did not consider whether the goods or the description of the goods to which the anti-dumping amount applies should be varied in this transition review because we have not received any application for a review of the description of

the goods or the scope of the measure, nor did we have any other reason to consider amending the scope or altering the description of the goods.

16. Whilst there are limitations of trade data, as identified under [Section D4](#), goods that the UK industry produce that are out of scope, have been removed from our analyses in this review. These goods are explained further under [Section E2](#).

B3 Applicability

17. The transitioned UK measure applies to goods subject to review originating in the PRC, including consignments from, whether or not declared as originating in, Morocco or the RoK, but the rate of duty is not constant across exporters. The applicable rates for each exporter are detailed in [Annex 1](#) and [Annex 2](#).

B4 Likelihood of dumping assessment

18. 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 the anti-dumping amount were no longer applied to those goods (the likelihood of dumping assessment). We determined that it is likely, on the balance of probabilities, that dumping of the goods subject to review from the PRC would continue if the measure were revoked. For further detail, see [Section F: Likelihood of Dumping Assessment](#).

B5 Likelihood of injury assessment

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

B6 Economic Interest Test (EIT)

20. 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 the EIT is met for the application of the proposed measure. For further detail, see [Section H: Economic Interest Test \(EIT\)](#).

B7 Intended recommendation to the Secretary of State

21. In accordance with regulation 100(1) of the Regulations, the TRA must make a recommendation to the Secretary of State for International Trade (now the Secretary of State for Business and Trade) (the Secretary of State), following a transition review, to vary or revoke the application of the anti-dumping amount to the goods subject to review.
22. We found no evidence suggesting that a form of measure, other than the variation we intend to propose, would be more appropriate.
23. Our intended recommendation is to vary the application of the anti-dumping amount, pursuant to regulations 100(1), (2)(a)(i) and 100A of the Regulations, so that it applies to the goods subject to review imported to the UK until 21 April 2028 – that is, five years subsequent to the date when the measure would have otherwise expired (21 April 2023) had no transition review been initiated. For the reasons set out in [Section H10](#) (Conclusions on Economic Interest Test), we advise the Secretary of State that we consider that the variation of the measure in accordance with our intended recommendation would meet the Economic Interest Test in accordance with regulation 100(1E) of the Regulations. As it has not been possible to recalculate the anti-dumping amount, we intend to recommend that the rates of the measure remain unchanged pursuant to regulation 100A(4)(b) of the Regulations.
24. The description of the goods to which the measure applies is set out in [Section D: The Goods Subject to Review and Like Goods](#). We have not varied the description of goods to which the measure applies. We intend to recommend that the duties specified in [Annex 1](#) shall be maintained and applied to the goods subject to review imported under the UK tariff codes listed.
25. We intend to make this recommendation on the grounds that we have assessed that it is likely that dumping would continue if the measure were no longer applied to the goods subject to review; 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 the application of the varied measure meets the EIT.

26. 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

27. The UK chose to maintain some trade remedy measures once it was outside 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.
28. For each of these measures, the Secretary of State published a Notice of Determination, under regulation 96(1) of the Regulations. The Notice of Determination set out the decision to transition the corresponding EU trade remedies measure. Pursuant to regulation 96A(1) of the Regulations, a corresponding Taxation Notice was also published, to give effect to the transitioned UK measure on replacement of the EU trade duty. The TRA conducts transition reviews to determine if the measure should be varied or revoked in the UK.
29. On 31 December 2020, the Secretary of State published [Notice of Determination 2020/21](#) regarding the anti-dumping duty on SRC originating in the PRC (including SRC consigned from Morocco and the RoK), 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. [Taxation Notice 2020/21](#) gave effect to the transition of the EU anti-dumping duty on SRC originating in the PRC (including SRC consigned from Morocco and the RoK), to become an additional amount of UK import duty.
30. On 30 March 2023, the TRA published a Notice to initiate a transition review of the UK measure relating to certain SRC originating in the PRC (including SRC consigned from Morocco and the RoK).

C2 Previous measure in place

31. The original investigation was [Council Regulation \(EC\) No 1796/1999](#) of 12 August 1999 imposing a definitive anti-dumping duty, and collecting definitively the provisional duty imposed, on imports of steel ropes and cables originating in the PRC, Hungary, India, Mexico, Poland, South Africa and Ukraine and

terminating the anti-dumping proceeding in respect of imports originating in the RoK.

32. Since the original investigation, there have been numerous anti-circumvention investigations, expiry reviews, partial interim reviews, and new exporter reviews. As a result of these, the countries subject to the measure has changed.
33. The most recently completed expiry review was [European Union \(EU\) Commission Implementing Regulation \(EU\) 2018/607](#) published on 19 April 2018 imposed anti-dumping duties on imports of SRC originating in the PRC (including steel ropes and cables consigned from Morocco and the RoK). [Annex 1](#) lists the duty rates that were applied. This measure as applied in the UK is subject to this transition review.

C3 Our transition review process

C3.1 The transitioned measure

34. Under regulation 97C of the Regulations, the transitioned measure as applied in the UK, mentioned above, will continue to apply until the Secretary of State publishes a notice accepting or rejecting a TRA recommendation following a transition review.
35. The rate of anti-dumping duty which applies to the goods subject to review exported by the relevant companies is detailed in [Annex 1](#).

C3.2 Information from participants in the review

36. Non-confidential versions of information received can be accessed on our [Public File](#).

UK producers

37. We received [submissions](#) from one UK producer, Bridon International LTD (hereafter referred to as 'Bridon'). The information submitted by Bridon is listed in [Annex 3](#).

Foreign Producers

38. We received [submissions](#) from one PRC producer, Fasten Group Imp. & Exp. Co., Ltd. (hereafter referred to as 'the Fasten Group'). The information submitted by the Fasten Group is listed in [Annex 3](#).

Foreign governments

39. We received a [submission](#) from The Ministry of Commerce of the PRC (hereafter referred to as MOFCOM). The information submitted is listed in [Annex 3](#). MOFCOM were invited to complete a full questionnaire, but did not submit a completed questionnaire response.

Trade Associations

40. We received [submissions](#) from EEF LIMITED (hereafter referred to as UK Steel), a trade association and interested party. The information submitted is listed in [Annex 3](#).

C3.3 How we have used submitted data

41. Throughout this transition review, we have used submitted data as part of our evidence base upon which we have made our assessments and formed our conclusions. We have compared submitted evidence against the totality of relevant evidence available to us – whether this is evidence submitted by other interested parties, evidence taken from TRA data subscriptions, or publicly available data from government, industry and other sources.
42. Where possible we have used submitted non-confidential data to evidence our assessments and conclusions. However, in this review we encountered a high level of commercially sensitive data. It has not always been possible for those submitting that commercially sensitive data to provide a non-confidential summary of that data.
43. In these circumstances we have received a statement of reasons from the relevant party. We have accepted those reasons. Where this affects our ability to publish the evidence behind our assessment in this SEF, we have referenced this explanatory section.

44. We have also used submitted data or other evidence to corroborate or gain a level of assurance of submitted data.
45. Secondary source information, including but not limited to, official import statistics and data pertaining to relevant markets, was also used in accordance with regulation 47(5) of the Regulations. This secondary source information was treated with special circumspection and, where practicable, verified using independent sources.

C3.4 Verification of Bridon data

46. We cross-checked the company information provided by Bridon by examining submissions published by Companies House.
47. We conducted a walkthrough of Bridon's accounting systems on 29 August 2023. Details of the verification work completed can be found in our [visit report](#) on the public file.
48. Based on the work done, we have a reasonable level of assurance that the Bridon information can be treated as complete, relevant, and accurate and can therefore be used by the TRA for the Economic Interest Test (EIT) assessment, the injury likelihood assessment and for any other purpose within this transition review.

C3.5 Verification of the Fasten Group data

49. As part of the review, the TRA sought to assess the completeness, relevance, and accuracy of the information provided in the questionnaire responses by the producer and exporter in the PRC of the goods subject to review and like goods; the Fasten Group comprising of:
 - Jiangyin Fasten Metal Products Co., Ltd. (FMP),
 - Jiangsu Fasten Steel Cord Co., Ltd. (FSC),
 - Fasten Group Imp. & Exp. Co., Ltd (FIE), and
 - Fasten Group Import and Export Hong Kong Limited (FHK).
50. The TRA compared the Fasten Group's questionnaire responses, including the Annex data and accompanying evidence, to information from sources such as

the National Enterprise Credit Information System, and the Fasten Group's own website, transaction documents, audited accounts, and trial balances. The accuracy and relevance of the data was verified through the performance of downwards verification procedures by tracing a sample of transactions to the source documents.

51. We conducted a walkthrough of the Fasten Group's accounting systems on 15 November 2023. Details of the verification work completed can be found in our [visit report](#) on the public file.
52. We were able to verify the information provided by the Fasten Group in its questionnaire responses, annex data and throughout the verification process. Based on the verification activities undertaken we gained a reasonable level of assurance on the completeness, relevance and accuracy of the information provided by the Fasten Group and we can use it for the purpose of this transition review.

SECTION D: The Goods Subject to Review and Like Goods

D1 Description of the goods subject to review

53. 'Goods subject to review' are defined in regulation 2 of the Regulations as "the goods described in the notice of initiation of a review under paragraph 1 of Schedule 3".
54. The goods subject to review in this transition review are defined in the [NoI](#) and set out in [section B2](#), above.

D2 Like goods

55. 'Like goods' in this transition review are defined in relation to the goods subject to review, pursuant to paragraph 7 of Schedule 4 to the Taxation Act, as: (a) goods which are like those goods in all respects, or (b) if there are no such goods, goods which, although not alike in all respects, have characteristics closely resembling those of the goods subject to review.

D3 Assessment of the goods

56. We did not receive any submissions that the goods manufactured in the UK were 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 closely resembling or identical to the goods subject to review.
57. We are satisfied that the goods manufactured in the UK are like goods for the purpose of this transition review.

D4 Product specific considerations

58. In this review, the goods subject to review are identified by reference to commodity codes at the 10-digit level (see B2: Scope). However, trade data is not publicly available at the 10-digit level and what is available (at 8 or 6-digit level) contains products outside the scope of this review. We will refer to these goods as SRC. We acknowledge that some of the best available data we used

could include goods not subject to this review, and therefore, there may be limitations to our analyses, but not sufficient to undermine our overall conclusions.

SECTION E: The Current UK Industry and Market

E1 Overview

59. Bridon is the major domestic producer, with the only other identified producer, Brunton Shaw. As identified in [Section H4.3](#), there were 69 known businesses that imported SRC during the POI.
60. Table 1 shows the volume of SRC imports into the UK from the 5 largest exporters to the UK by volume over the IP.

Table 1: Volume of SRC imports into the UK in metric tonnes

Country	2019	2020	2021	POI
Germany	2,696	2,552	1,817	2,886
India	1,665	1,279	1,951	1,495
PRC	349	525	1,038	3,625
Netherlands	762	778	1,140	1,279
Türkiye	773	736	1,391	1,020

Sources: HMRC, Overseas Trade in Goods Statistics

61. Throughout the IP, we estimated that imports had a larger share of the UK market than the UK industry. SRC was mainly imported from the PRC, Germany, India, Türkiye, and the Netherlands. Imports of SRC from the PRC represented the largest share of imports during the POI (24%).
62. The significance of imports of SRC into the UK is explored further in [Section F2](#) for imports from the PRC, and in [Section F4.4](#) for imports from other countries.

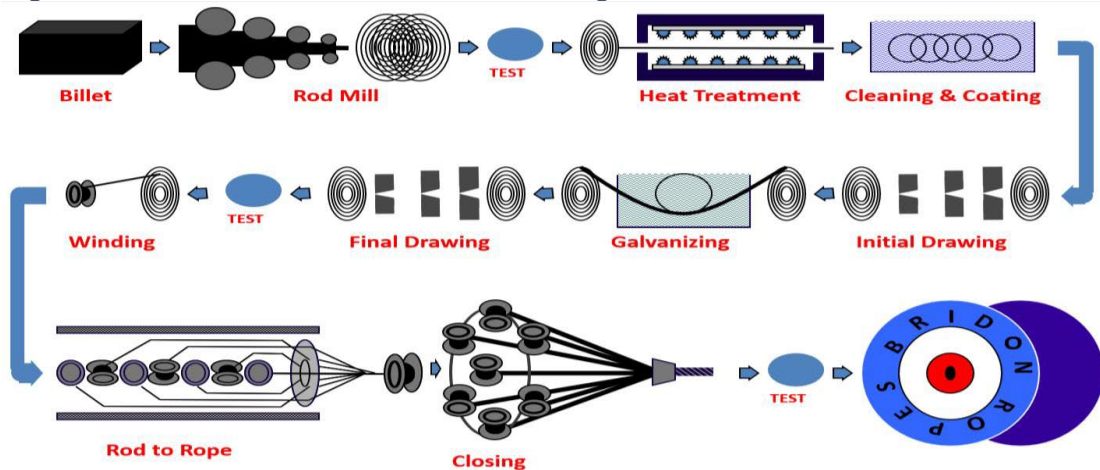
E2 Production process

63. Bridon has two factories which produce the like goods, and further facilities which produce goods outside the scope of this review, with the goods outside the scope of this review being: Spiral Strand Ropes and Triangular Strand Ropes, as they are stainless steel³, and other wire products, wire products may have alternative end uses beyond the scope of this review, as well as being a step in the production process as set out below to produce SRC.

³ As identified under Section B2, stainless steel products are excluded from the scope of this measure

64. Bridon's production process as set out in the questionnaire:

Figure 1: Bridon's Production Process Diagram



Source: Bridon's Questionnaire Response

65. Bridon describe its production process as the following:

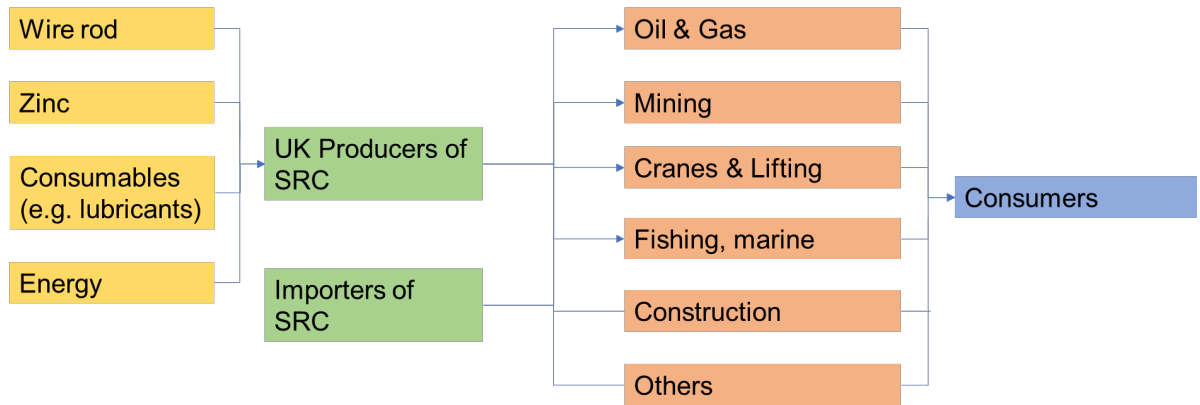
66. "Purchased rod is subjected to heat treatment followed by chemical and mechanical cleaning in the Wiremill in Doncaster. The rod is then fed through the first drawing machine to reduce size; is then immersed (depending on product) in the galvanizing bath before being reduced to final size by further drawing. Following quality checks the wire is spooled onto bobbins and transported to the roperies in Newcastle. The wire is fed through various stranding machines (depending on size) followed by the final closing machine to create a rope."

E3 Market size and structure

67. Gross Value Added (GVA) from the production of the like goods in the UK was around £36 million during the POI. The significance of this is explored further in [Section H4.2](#).

68. Figure 2 shows the structure of the supply chain for the like goods.

Figure 2: Supply chain for the like goods



69. 78% of the like goods is used by the oil and gas industry (offshore crane and well servicing), 14% is used in fishing and trawling and the remaining 8% by cranes and industrial uses⁴.

E4 Downstream preferences of the like goods

70. Bridon indicated that price is a key factor for downstream industries that purchase SRC and the like goods.

⁴ From Bridon's questionnaire response

SECTION F: Likelihood of Dumping Assessment

F1 Introduction

71. In accordance with regulation 99A(1)(a) of the Regulations, we have assessed the likelihood that the dumping of the goods subject to review will continue or recur if the anti-dumping amount were no longer applied to those goods.
72. We have considered the likelihood of dumping on a PRC countrywide basis rather than an exporter-by-exporter basis because, while there is a cooperating PRC exporter, its exports to the UK represent a limited proportion⁵ of all PRC exports to the UK. This means that no representative data was available to the TRA on individual companies. However, we have used the cooperating PRC exporter's data to make judgements on a PRC wide level, where appropriate, as there was limited other data available.
73. We used secondary sources of information in accordance with regulation 47(5) of the Regulations, treated the information with special circumspection and, where practicable, verified it using independent sources. This includes, but is not limited to, official import statistics and data pertaining to relevant markets.
74. Our likelihood assessment considered:
- whether dumped imports to the UK have continued whilst the measure has been in place;
 - whether the conditions for dumping exist; and
 - whether the incentives for dumping exist.
75. In assessing whether dumping has continued whilst the measure has been in place, we examined import statistics from His Majesty's Revenue and Customs (HMRC).
76. In assessing whether the conditions for dumping exist, we considered:
- production levels;
 - inventory levels;

⁵ Less than 1%

- ability to shift production to the goods subject to review; and
- production capacity (current and future).

77. In assessing whether incentives to dump exist, we considered:

- market prices in the UK and the overseas exporters' domestic market;
- exports to third countries;
- conditions in the exporters domestic market
- how attractive the UK is to exporters; and
- whether exporters have previously circumvented or absorbed measures.

78. We conducted this assessment on the balance of probabilities to inform our recommendation as to whether the measure should be varied or revoked.

F2 Continued dumping

79. As identified under [Section C.2](#), definitive measures were originally imposed on 12 August 1999, with the most recent expiry review imposing definitive measures on 19 April 2018. Table 2 shows imports of SRC into the UK from the PRC throughout the IP.

80. The UK imported 3,625 tonnes of SRC from the PRC during the POI, corresponding to 24% of all SRC imports into the UK.

Table 2: UK SRC imports from the PRC between 2019 and the POI

	2019	2020	2021	POI
PRC (t)	349	525	1,038	3,625
PRC share of imports (t)	3%	6%	8%	24%
PRC Market Share	2%	5%	7%	21%
Average Import Value (£/t)	2,998	1,182	1,147	1,670
Value Index, 2019 = 100	100	39	38	56

Sources: HMRC, Overseas Trade in Goods Statistics

81. There have been changes in both relative and absolute terms, with an increase of 3,276 tonnes over the IP, representing an increase of 21 percentage points (pp) in share of imports, and an increase of 19 pp in market share.

82. Additionally, the average import value from the PRC decreased throughout the IP, with the lowest value being during 2021. Despite increasing during the POI, the average value has decreased by 44% over the IP.
83. We conclude that increasing volume and share of imports over the IP, and a decreasing average import value indicate that it is likely that dumping has continued during the IP and appearing to increase during the POI.

F3 Conditions for dumping

F3.1 Production levels

84. We assessed the production levels of SRC in the PRC using publicly available data, and information provided in questionnaire responses.
85. Table 3 shows the averaged index of production of SRC by two of the entities within the Fasten Group that produce SRC. This information is indexed as it is considered confidential, see [section C3.3](#) for more information.

Table 3: The Fasten Group's production of SRC

	2019	2020	2021	POI
Production Volume (Index 2019 = 100)	100	99	85	82

Sources: The Fasten Group Questionnaire Response

86. The Fasten Group's production volumes have decreased 18% over the IP.
87. Table 3 indicates a downward trend of the volume of SRC produced by the Fasten Group. This trend may indicate a decreasing ability to dump. However, the Fasten Group's production volumes are greater than both UK production and consumption throughout the IP. This contributes positively to the assessment that the Fasten Group possess production volumes that provide the ability to dump.
88. The EU assessed that the Fasten Group represents less than 2% of the PRC's total production⁶. We have not been able to find any additional data on volumes of production of SRC from the PRC. See [section C3.3](#) for more information. While this figure is from 2018, if this figure remains accurate, or even close to,

⁶ [EC Report](#)

this indicates that the total production volumes of the PRC exceed both UK production and consumption throughout the IP. This contributes positively to the assessment that the PRC possess production volumes that provide the ability to dump.

89. We consider that information on PRC production levels supports a positive assessment that the conditions for dumping currently exist.

F3.2 Inventory levels

90. We have assessed the inventory levels of SRC in the PRC using information provided in questionnaire responses.
91. Table 4 shows the averaged index of closing stock of SRC by two of the entities within the Fasten Group that produce SRC.

Table 4: The Fasten Group's closing stock of SRC

	2019	2020	2021	POI
Closing Stock Volume (Index 2019 = 100)	100	9,373	7,504	5,110
Closing Stock Value (Index 2019 = 100)	100	11,479	9,414	6,769

Sources: The Fasten Group Questionnaire Response

92. The Fasten Group's closing stock of SRC by volume increased by 5,010% over the IP. The Fasten Group's closing stock of SRC by value increased by 6,669% over the IP.
93. Table 4 indicates an upward trend in both the volume and value of stock held by the Fasten Group. This trend may indicate an increasing ability to dump.
94. We assess that evidence on inventories supports a positive assessment that the conditions for dumping currently exist.

F3.3 Ability to shift production to the goods subject to review

95. As identified under [Section E2](#), there are other ropes that are out of scope, specifically those produced with stainless steel.
96. Construction of wire ropes of all types, those both in and out of scope, can be done on the same stranding machines. During our verification visit to Bridon, it

confirmed that it would be able to shift production easily between different types of steel ropes.

97. The ability to use the same machine for different metals and finishes increases the ability to shift production to and from SRC.
98. We therefore conclude that it is likely that PRC producers are capable of shifting production to the goods subject to review from goods that are out of scope, thus contributing positively to the assessment that the conditions for dumping currently exist.

F3.4 Production Capacity

99. We have assessed the capacity, and capacity utilisation levels of SRC in the PRC using information provided in questionnaire responses.
100. Table 5 shows the averaged index of capacity, and capacity utilisation of SRC by two of the entities within the Fasten Group that produce SRC.

Table 5: The Fasten Group’s capacity, and capacity utilisation

	2019	2020	2021	POI
Capacity (Index 2019 = 100)	100	100	100	100
Capacity Utilisation (Index 2019 = 100)	100	99	85	82

Sources: The Fasten Group Questionnaire Response

101. The Fasten Group’s production capacity of SRC did not change over the IP . However, the Fasten Group’s capacity utilisation of SRC decreased by 18% over the IP, this is consistent with the production trend observed in Table 3.
102. Table 5 indicates a downward trend in capacity utilisation. This trend indicates an increasing ability to dump.
103. However, we compared the confidential data on production capacity of the Fasten Group, with the confidential data on the UK industry’s production capacity, and found that the Fasten Group’s production capacity exceeds the UK industry’s production capacity throughout the IP. This indicates that the production capacity of the PRC also exceeds the UK industry’s production capacity throughout the IP, as we have previously identified that the Fasten Group represents less than 2% of the PRC’s production of SRC, indicating that

it is likely they only hold a similar proportion of the total production capacity of the PRC.

104. We assess that evidence on production capacity, and capacity utilisation, supports a positive assessment that the conditions for dumping currently exist.

F3.5 Conclusion on whether the conditions for dumping exist

105. In our above analyses of available evidence from the Fasten Group we consider that the Fasten Group's high production volumes, high production capacity, increased stock volumes, the ability to shift production to the goods subject to review, and decreasing capacity utilisation in the PRC suggests that the conditions for dumping exist.
106. On the balance of probabilities, the weighting of factors is in favour of the determination that the conditions for dumping exist.

F4 Incentives for dumping

F4.1 Market prices in the UK and the overseas exporters' market

107. As identified in [Section F3.1](#), the Fasten Group represents ~2% of the PRC's production of SRC, therefore, we have been unable to calculate an accurate and representative PRC domestic price that can be compared with UK prices of the like goods to indicate the extent to which dumping is likely to have continued.
108. However, we used publicly available data in combination with the Fasten Group's confidential domestic sales price to construct a range of the indicative domestic sales prices of SRC in the PRC ("PRC indicative price"). We then compared the PRC indicative price with the EXW weighted average sales price of Bridon.
109. Both the Fasten Group's and Bridon's domestic sales price data is considered confidential, see [section C3.3](#) for more information.
110. We note the following limitations to the analysis:

- we have been unable to make adjustments so product types within the SRC scope are comparable (e.g. ropes using different cores, or having differing characteristics/finishes); and
- we do not have information on the product composition of the PRC indicative price, or how representative it is of SRC produced throughout the PRC.

Table 6: Indicative PRC domestic sales price of SRC

	2019	2020	2021	POI
PRC World Average Value (FOB) (£/t)	1,153	1,103	1,215	1,398
The Fasten Group Weighted Average Domestic Sales Price (Index 2019 = 100)	100	96	108	103

Sources: Zen Global Trade Tracker, The Fasten Group Questionnaire Response

111. The Fasten Group's domestic sales price increased by 3% over the period indicated.
112. Throughout the IP, the PRC indicative price of SRC has been below the UK like goods domestic price, with the difference peaking during the POI.
113. As the Fasten Group's domestic sales value in the PRC is Ex Work (EXW) it does not include additional costs such as transportation to port, insurance, or freight. Similarly, the world average value is FOB, and does not include additional costs such as insurance, or freight. The added cost of exporting the goods from the PRC to the UK, would include, but not be limited to:
- transport from producer to exporting country's port (FOB); and
 - freight costs; and
 - insurance costs.
114. The additional costs could impact whether the PRC is likely to dump, depending on the difference in the UK and PRC domestic prices. If the price gap is wider, it is less likely that the PRC would need to dump to compete in the UK market. However, when the gap is narrow or shipping costs are high, it is

more likely that the PRC would need to dump to export goods competitively to the UK.

115. The trends observed over the IP indicate that the UK domestic price is higher than that in the PRC, and the difference is increasing. Between 2020 and 2021, the difference between domestic prices was smaller. With a smaller gap, after the addition of exporting costs, the PRC may have had to dump to be competitive in the UK market.
116. During 2021 there was a significant increase in freight costs, and shipping costs increased by up to 600%⁷. With the added export costs, it is likely that the PRC would have to dump to compete in the UK during this period.
117. During the POI, the difference between the PRC and UK domestic prices peaked, while shipping costs decreased. In these circumstances, the PRC could price its goods higher, and therefore would be less likely to need to dump to be competitively priced in the UK market.
118. The PRC indicative price we calculated, using best facts available, resulted in both positive (a smaller gap between the UK domestic price and the PRC indicative price, indicating increased likelihood of dumping) and negative (a larger gap between the UK domestic price and the PRC indicative price, indicating a decreased likelihood of dumping) assessments that the PRC would be incentivised to dump in the UK market to be competitive. We are therefore unable to make a positive or negative assessment as to whether market prices in the PRC producers' market are indicative of an incentive to dump in the UK, and determine this factor as neutral.

F4.2 Exports to third countries

119. We compared the PRC indicative price (see [section F4.1](#)) to the weighted average import price of SRC from the PRC to multiple countries. These countries represent the 10 highest by volume to which the PRC has exported

⁷ [How Soaring Shipping Costs Raise Prices Around the World \(imf.org\)](#) – Article Published: 28 March 2022, date accessed: 13/05/2024.

over the IP. Cells shaded in grey represent an average CIF value that is below the PRC world average value (FOB).

Table 7: PRC indicative domestic price and import price of SRC from the PRC to third countries (£/t)

	2019	2020	2021	POI
PRC World Average Value (FOB)	1,153	1,103	1,215	1,398
PRC Imports (Cost, Insurance and Freight (CIF)) top 10 countries (descending order by volume of imports during the IP)				
Korea (Rep. of)	1,170	1,052	1,085	1,212
Viet-Nam	889	861	1,032	1,046
Thailand	1,220	1,090	1,267	1,354
United States	1,697	1,652	1,804	2,284
Japan	1,428	1,242	1,334	1,549
India	1,418	1,290	1,439	1,715
Canada	1,283	1,204	1,208	1,547
Malaysia	724	682	794	1,032
Philippines	611	565	675	726
Brazil	1,587	1,456	1,636	2,095

Sources: Zen Global Trade Tracker

120. The import prices of SRC from the PRC into the US, Japan, India, and Brazil were above the PRC indicative price, indicating that it is unlikely that these were made at a dumped price.
121. Viet-Nam, Malaysia, and the Philippines had import prices that were below the PRC indicative price, indicating that it is likely that these were made at a dumped price.
122. Korea, Thailand, and Canada had experienced some periods where import prices were below the PRC indicative price, and some periods where import prices were above the PRC indicative price, meaning it is inconclusive as to whether imports were made at a dumped price.
123. Of the countries identified in Table 7, Brazil has an anti-dumping measure on SRC from the PRC. This is reflected in the average import value in Brazil as it is greater than 8 of the top 10 countries to which the PRC export SRC to.

- 124. We have additionally identified that Türkiye and Mexico have anti-dumping measures in place against the PRC for the importation of SRC, which supports the assessment that incentives for dumping currently exist.
- 125. The assessment of imports of SRC from the PRC in third countries indicate that 6 of the top 10 countries have experienced periods where it was likely that imports were made at a dumped price over the IP. In addition to the existence of anti-dumping measures in third countries, we conclude that exports to third countries supports a positive assessment that the incentives for dumping currently exist.

F4.3 Conditions in the exporters’ domestic market

- 126. We assessed the conditions in the PRC’s domestic market of SRC to understand the relative attractiveness of the domestic market versus export markets.
- 127. In its [questionnaire submission](#) UK Steel allege that a particular market situation (PMS) exists in the PRC SRC industry. MOFCOM objected to this allegation and outlined in a [submission](#) why it believes no PMS exists in the PRC’s SRC market. As we are not recalculating dumping margins, we have not conducted a PMS assessment.
- 128. We have reviewed the Fasten Group’s sales trends and compared these with global trends of SRC.

Table 8: The Fasten Group domestic and export sales trends

Indices (2019 = 100)	2019	2020	2021	POI
Domestic Volume	100	105	92	87
Export Volume	100	89	79	89
Domestic Price	100	96	108	103
Export Price	100	92	105	118

Source: The Fasten Group Questionnaire Response

- 129. The Fasten Group’s domestic sales volume decreased by 13% over the IP, while export sales volume decreased by 11%. The Fasten Group’s domestic price increased by 3% over the IP, while export sales price increased by 18%.

130. Decreasing volume of sales indicates that demand for SRC may be reducing, however this trend is consistent for both export and domestic sales, and as such does not contribute to an assessment that provides an indication on the relative attractiveness of the domestic market versus export markets. However, prices increased at a greater rate in the export market, indicating that exporting is relatively more attractive than the domestic market.
131. We conclude that conditions in the exporter's domestic market contribute positively to the assessment that incentives to dump currently exist.

F4.4 Attractiveness of the UK market to exporters

132. To assess whether PRC exporters would be likely to choose to export to the UK over other markets, we analysed:
- intensity of the competition;
 - prices in third countries and measures in place;
 - overall business environment and economic conditions;
 - specific environment and trends in the industry and opportunity to differentiate products and services; and
 - historic imports of SRC by PRC exporters to the UK market.

Intensity of the competition

133. Throughout the IP, we estimated imports had a larger market share in the UK than the UK industry. This means that the majority of UK demand is being met by imports.
134. Throughout the IP, the largest volumes of SRC into the UK came from the countries shown in Table 9.

Table 9: Source of imports of SRC into the UK by volume

Countries	% of imports into the UK during the entire IP	% of imports into the UK during the POI
Germany	20%	19%
India	13%	10%
The PRC	11%	24%
Netherlands	8%	8%
Türkiye	8%	7%

Source: HMRC, Overseas Trade in Goods Statistics

135. Given the number of countries competing on the UK market, it is reasonable to conclude that the UK market is open and competitive.

Table 10: Trend of SRC imports into the UK

	2019	2020	2021	POI
Volume of Imports (t)	12,449.36	9,490.53	12,325.58	15,203.83
Index 2019 = 100	100	76	99	122

Source: HMRC, Overseas Trade in Goods Statistics

136. The volume of SRC imports into the UK increased by 22% over the period indicated. As identified in Table 2, the share of imports held by PRC imports has increased 21 pp over the IP, this increase has resulted in the PRC holding the highest share of imports during the POI at 24%, with Germany being second at 19%. This suggests there are few barriers to entry for the SRC market in the UK.
137. We conclude that intensity of competition does not deter PRC exporters from entering the market, and this indicates that the UK is an attractive market for PRC exporters of SRC.

Prices in third countries and measures in place

138. A comparison of CIF import values from the PRC to third countries with the average UK CIF import values allows us to assess whether a price incentive to export currently exists.

Table 11: Import price comparison

	2019	2020	2021	POI
Global Average UK Import Price (£/t)	2,183	2,450	2,209	2,677

Global Average CIF import price from the PRC (£/t)	1,316	1,202	1,356	1,600
Canada CIF import price from the PRC (£/t)	1,283	1,204	1,208	1,547
United States CIF import price from the PRC (£/t)	1,697	1,652	1,804	2,284
EU CIF import price from the PRC (£/t)	1,774	1,768	1,860	2,235

Source: HMRC, Overseas Trade in Goods Statistics, Zen Global Trade Tracker

139. Throughout the IP, the average UK import price of SRC is greater than the average global import price of SRC from the PRC.
140. A comparison of the price of imports in Canada, which is a geographically comparable distance from the PRC as the UK, shows that the UK import price is greater.
141. A comparison of the price of imports in the USA, which is the highest import price identified from the top 10 countries to which the PRC exports, shows that the UK import price is greater.
142. A comparison of the price of imports in the EU, which is geographically the closest market to the UK, and a market which currently has an anti-dumping measure against SRC from the PRC in place, shows that the UK import price is greater.
143. These price differences suggest that the UK may be an attractive market on the basis of price.
144. Additionally, as identified under [Section F4.2](#), there are other countries with measures in place against the importation of SRC from the PRC, such as Brazil, Türkiye, and Mexico. If the measure were to be revoked, this may make the UK a more attractive market to overseas exporters who may choose the UK over other markets where measures still exist.

Overall business environment and economic conditions

145. We have not been provided with or identified sufficient information relating to the overall business environment and economic conditions that would provide a reasonable assessment of this factor.

146. We are therefore unable to make an assessment whether this factor impacts the existence of dumping incentives.

Specific environment and trends in the industry and opportunity to differentiate products and services

147. We have not been provided with or identified sufficient information relating to the specific environment and trends in the industry and opportunity to differentiate products and services that would provide a reasonable assessment of this factor.

148. We are therefore unable to make an assessment whether this factor impacts the existence of dumping incentives.

Historic imports of SRC by PRC exporters to the UK market

149. As identified in Table 2, imports of SRC from the PRC to the UK increased by 3,276 tonnes over the IP, with the average value of those imports decreasing by 44%.

150. Table 12 shows imports from the world excluding the PRC into the UK⁸.

Table 12: UK SRC imports from world excluding the PRC during the IP

Area	2019	2020	2021	POI
World excluding the PRC (t)	11,833	8,609	10,981	11,238
Volume Index, 2019 = 100	100	73	93	95
Average Import Value (£/t)	2,161	2,513	2,303	2,993
Value Index, 2019 = 100	100	116	107	139

Sources: HMRC, Overseas Trade in Goods Statistics

151. Over the IP, imports from the rest of the world, excluding PRC, into the UK decreased by 27% in 2020, with an increase in 2021 and during the POI, however maintaining a volume below the initial amount in 2019. During the same period, the average import value increased, peaking during the POI with a 39% increase.

152. Given the contrasting trends of imports from the PRC against imports from the world excluding the PRC, the RoK, and Morocco, we conclude that the trend of

⁸ Excluding the RoK and Morocco in addition to the PRC in this analysis does not alter either the volume or the value index, likely as a result of the limited imports from both countries into the UK during the IP.

imports from the PRC indicates that exporters from the PRC find the UK an attractive market.

F5 Whether exporters have previously or habitually circumvented or absorbed the effects of trade remedy measures

153. The EC initiated the initial investigation on 19 May 1998⁹, imposing definitive measures on 12 August 1999 against: the PRC, Hungary (this was prior to Hungary joining the EU), India, Mexico, Poland (this was prior to Poland joining the EU), South Africa, and Ukraine.
154. On 17 February 2004 the EC initiated a circumvention review, extending definitive measures on 25 October 2004 on imports from the PRC to imports of SRC consigned from Morocco, whether declared as originating in Morocco or not. The EC found a change in the pattern of trade from Morocco that coincided with a change in pattern of trade from the PRC, notably, an increase in exports from the PRC to Morocco, and an increase in exports from Morocco to the EU. This conclusion was reinforced by the fact that the only known exporter of the goods concerned was a subsidiary of a Chinese exporting producer. This subsidiary was established in 2001, which coincided with the increase in exports from Morocco to the EU. This circumvention investigation contributes positively to the assessment that PRC exporters have historically attempted to circumvent the effects of the EU's trade remedy measure.
155. On 11 August 2004 the EC initiated a circumvention review, extending definitive measures on 26 April 2010 on imports from the PRC to imports of SRC consigned from the RoK, whether declared as originating in the RoK or not. The EC found, through global analysis of the final destinations of SRC produced or imported to and from the RoK, that a certain number of exports from the RoK to the EU were Chinese-origin imports. These imports were not sourced from other third countries or produced by the domestic producers in the RoK.
156. Additionally, this circumvention investigation revealed that some importers in the EU sourced Chinese-origin SRC from Korean exporters that were not cooperating. It was found that one company submitted false information in their

⁹ [Trade defence investigations \(europa.eu\)](http://europa.eu)

questionnaire reply, and during the EC’s on-site visit access to some information was denied. Subsequent to disclosure, the company admitted that it had circumvented the measures in the past by falsifying the origin of products purchased from the PRC. This circumvention investigation contributes positively to the assessment that PRC exporters have historically attempted to circumvent the effects of the EU’s trade remedy measure.

157. The presence of historical circumvention of EU measures by the PRC through transshipment supports a positive assessment that the incentives for dumping currently exist.

F5.1 Consignments from the RoK and Morocco

158. During the IP, there were no imports of SRC from Morocco to the UK, Table 13 shows imports of SRC from the PRC to RoK and Morocco and imports into the UK from each of these countries.

Table 13: Imports of SRC from PRC to RoK and Morocco vs imports from RoK and Morocco to the UK between 2019 and the POI

	2019	2020	2021	POI
Imports of SRC from the PRC to Morocco (t)	3,659	4,024	3,723	4,021
Volume Index, 2019 = 100	100	110	102	110
Imports of SRC from the PRC to the RoK (t)	95,853	87,948	136,899	158,613
Volume Index, 2019 = 100	100	92	143	165
Imports of SRC from Morocco to the UK (t)	0	0	0	0
Imports of SRC from the RoK to the UK (t)	268	357	307	340
RoK share of imports (t)	2%	4%	2%	2%
Volume Index, 2019 = 100	100	133	115	127

Sources: HMRC, Overseas Trade in Goods Statistics

159. Imports of SRC from the PRC to Morocco increased by 10% over the IP. In absolute terms, the volume of imports of SRC from the PRC to Morocco during the POI, are ~4 times lower than the consumption volume of SRC in the UK market during the POI.

160. Imports of SRC from the PRC to the RoK increased by 65% over the IP. In absolute terms, the volume of imports of SRC from the PRC to the RoK during the POI, are ~9 times greater than the consumption volume of SRC in the UK market during the POI.
161. Imports of SRC from the RoK to the UK have increased by 27% over the IP. While there has been an increase in the absolute volume of imports from the RoK, the share of imports remains at 2% of the import market.
162. Despite an increase in imports to both Morocco, and the RoK, from the PRC, there have been no imports from Morocco to the UK, and imports from the RoK to the UK have remained relatively stable, which suggests that the measure is effective in preventing the circumvention of the measure via transshipment of SRC from Morocco and the RoK to the UK.
163. Considering the limitations to the data identified under [Section D4](#) and as we have not received, neither have we identified, any evidence to suggest that it would be appropriate to recommend a variation of the measure to exclude consignments from RoK and Morocco we therefore intend to maintain these countries within scope.

F6 Conclusion on whether the incentives for dumping exist

164. Our assessment of available information and data indicates that 6 of the top 10 export destinations of SRC from the PRC are likely to have experienced a dumped price. The domestic conditions in the PRC, which indicate decreasing sales volumes and increasing export prices, are trending towards favouring export sales over domestic sales. In addition to the UK being an attractive market on the basis of price, all the above considerations suggest that the incentives for dumping exist.
165. On the balance of probabilities, the weighting of factors is in favour of the determination that the incentives for dumping exist.

F7. Conclusion on the likelihood of dumping assessment

166. We conclude that, on the balance of probabilities, both conditions and incentives for dumping exist. We therefore assess that, should the measure be revoked, dumping is likely to continue.

SECTION G: Likelihood of Injury Assessment

G1 Introduction

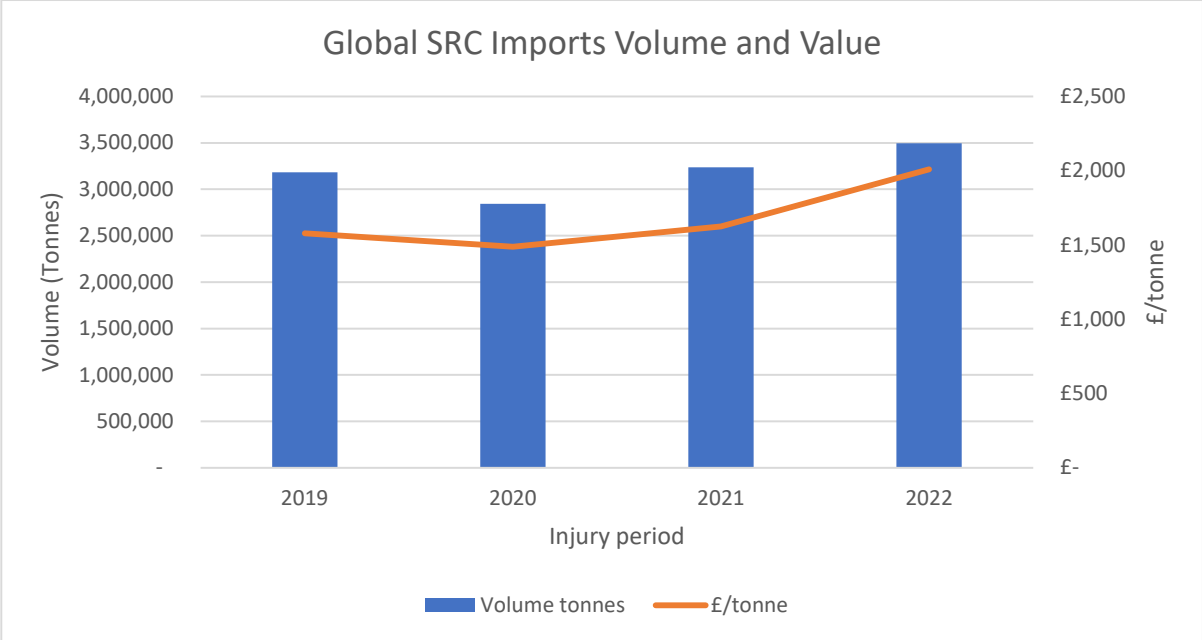
167. We are required under regulation 99A(1)(b) of the Regulations to consider whether injury to a UK industry in the goods would be likely to continue or recur if the anti-dumping measure were no longer applied to those goods.
168. Where primary data was not available, information obtained from secondary sources was used in accordance with the Regulations.
169. To conduct the injury likelihood assessment, we considered:
- domestic and international market conditions;
 - the current state of the UK industry and non-attribution;
 - undercutting of the UK industry; and
 - historic injury.
170. 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.
171. It is important to note that the original EU measure has been in place since 12 August 1999. We will therefore conduct the following analysis in the context of a UK market that has been protected by the measure across the IP. We will analyse what has happened with the injury factors during this time and consider what would happen if the measure were to be revoked.

G1.1 The impact of the COVID-19 pandemic and the rise and fall of steel prices

172. 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 our IP.

- 173. In 2020, the effects of the pandemic on steel demand and production led to a drop in apparent finished steel use of around 12.5% in the UK, down to just under nine million metric tons¹⁰.
- 174. The impact of the pandemic on 2020 consumption within the EU is summarised within the [Eurofer economic report 2021 – 2022](#), with Eurofer quoted as citing an 11.1% reduction, the decline due to the lockdowns in the second quarter of 2020, with a predicted ‘rebound (11.7%) in 2021’.
- 175. This ‘rebound’ stated by Eurofer has been observed in Graph 1.
- 176. Graph 1 shows global imports of SRC during the IP, comparing the volumes and the value.

Graph 1: Worldwide Imports of SRC



Source: Zen Global Trade Tracker

- 177. Graph 1 shows the drop in imports of SRC during the peak of the pandemic (2020), and the subsequent ‘rebound’ of both volume and price of SRC in the following periods.

¹⁰ [UK: apparent steel product use 2021 | Statista](#)

G2 Current state of the UK industry

178. In assessing the current state of the UK industry, we considered changes to the following injury indicators:

- factors affecting domestic prices of the like good;
- actual and potential decline in:
 - sales volumes;
 - market share and consumption;
 - profits;
 - output;
 - utilisation of capacity; and
 - productivity, employment, and wages.
- actual and potential negative effects on:
 - growth;
 - return on investment, cashflow, inventories; and
 - ability to raise capital or investments.

179. We have considered each factor individually to get an understanding of the current state of the UK industry, but our overall conclusion is based on a holistic assessment of all relevant economic factors.

180. Bridon is the largest producer of the like goods in the UK, with the only other identified producer, Brunton Shaw, estimated to hold less than 1% market share. Therefore, evidence and facts for Bridon will be considered representative of the UK industry for the like goods.

G2.1 Factors affecting domestic prices of the like goods

181. Domestic sales data from Bridon is treated as confidential. Our assessment of the data found that the UK industry's domestic sales prices decreased in 2020, increasing in 2021 and during the POI. Despite increasing in 2021, domestic sales prices were below initial prices in 2019, however sales prices peaked during the POI, and were higher than initial levels.

182. UK market value increased in 2020, and after a decrease into 2021 reached its peak value during the POI.

183. The trend in prices is positive, however we cannot determine the significance of this trend in isolation. Below is an assessment of factors which have affected domestic prices.

Domestic and international market conditions

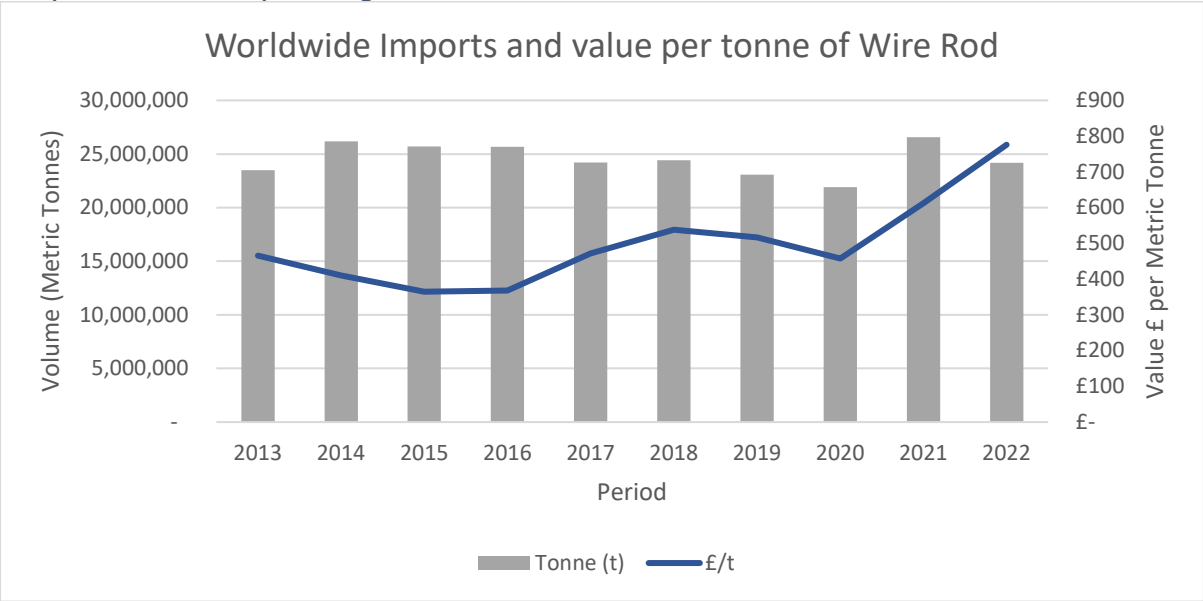
184. The IP saw key global events that impacted trade patterns, availability of goods, and prices. As identified under [section G1.1](#), early 2020 marked the beginning of the pandemic, and lockdowns around the world restricted global trade and employment in many different industries. Effects of the pandemic continued throughout the IP, with varying degrees of restrictions continuing, including those across the UK. In addition, the POI marked the beginning of the Russian invasion of Ukraine, which resulted in sanctions against the former, preventing Russia from exporting goods to the UK.

185. We analysed domestic and international market conditions by examining the impact these events have had on energy costs, and the price of wire rod, which are the main inputs to the production of SRC, and as such influence the cost of production of SRC directly, with an impact on domestic prices.

Wire rod import prices

186. Graph 2 shows the trend of the prices of wire rods, against the volume of global imports of wire rods.

Graph 2: Wire rod price against volume



Source: Zen Global Trade Tracker

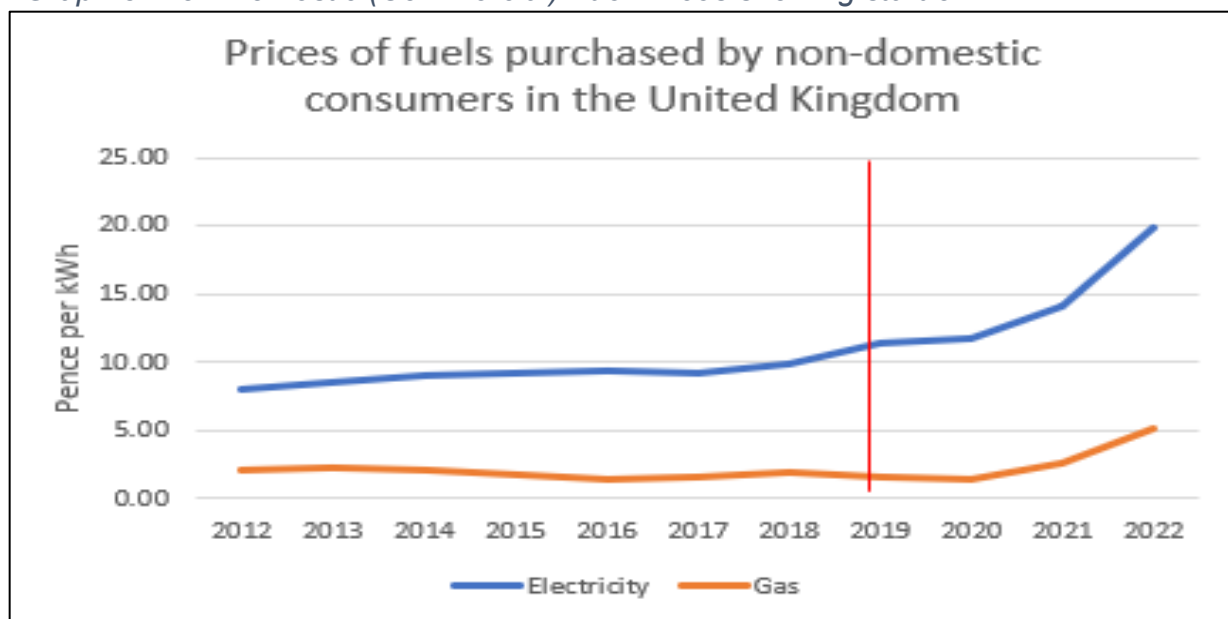
187. Analysis of the global imports of wire rod shows wire rod imports in the range of 22t to 26t over the period 2013 – 2022, with prices falling over the periods of 2015 – 2016 and 2019 – 2020, with rises from 2016 – 2018 and 2020 – 2022.
188. We compared the trend of the confidential UK industry’s domestic sales data of the like goods to the trend of the price of wire rod globally. This analysis indicated that the price of wire rod increased at a rate greater than the UK industry’s domestic sales price.
189. Therefore, wire rod import prices contribute positively to the assessment that the UK industry is vulnerable as costs increase faster than sales prices.

Energy costs

190. We identified from questionnaire responses from both Bridon and the Fasten Group, that energy is a significant part of the cost of production.
191. As a result of the global events previously mentioned, energy prices in the UK have increased over the IP.
192. Graph 3, utilising data extracted from the Department for Energy Security and Net Zero (DESNZ), shows energy costs purchased by the UK manufacturing industry over the past ten years. The vertical red line shows the start of the IP (2019)¹¹. Although outside of the IP, the graph shows fuel price trends since 2012 for context, however only the IP was used in our analysis.

¹¹ [Gas and electricity prices in the non-domestic sector - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

Graph 3: Non-Domestic (Commercial) Fuel Prices showing start of IP



Source: Department for Energy Security and Net Zero (DESNZ)

193. The IP shows a total price increase of 74% for electricity and 210% for gas. Over the POI alone, electricity and gas prices increased by 40% and 100% respectively.
194. Further analysis of global energy prices indicate the EU has also experienced energy price increases¹², in contrast to the PRC, whose energy costs have remained relatively stable across the IP¹³. Increases in costs would lead either to reduced profitability, or increased consumer prices.
195. As energy is a significant input for the production of SRC, the level of increase of energy costs observed over the IP will have a negative impact on UK production costs leaving the UK industry in a vulnerable position. Therefore, energy costs contribute positively to the assessment that the UK industry is vulnerable as costs increase.

G2.2 Actual and potential decline in:

G2.2.1 Sales volumes

196. Table 14 shows Bridon’s domestic sales of the like goods.

Table 14: Bridon’s domestic sales of the like goods by volume

	2019	2020	2021	POI

¹² International industrial energy prices - GOV.UK (www.gov.uk)

¹³ China: business electricity prices 2023 | Statista

Domestic sales (t)	2,981	2,129	2,275	2,168
Index, 2019 = 100	100	71	76	73

Sources: Bridon's Questionnaire Response

197. Domestic sales volume decreased in 2020 by 29%, and remained below the 2019 level for the remainder of the IP. Despite a marginal increase in 2021, domestic sales during the POI were 27% below initial levels.
198. Given our conclusion under [Section F](#), that dumping is likely to have continued, these dumped imports may be contributing to the declining trend in domestic sales. A declining trend in domestic sales increases the vulnerability of the UK industry to challenges such as dumping, and indicates that if the measure were to be revoked, that injury is likely to recur.

G2.2.2 Market share and consumption

199. Table 15 shows consumption of SRC in the UK, and the UK industry's market share.

Table 15: Consumption and market share

	2019	2020	2021	POI
Consumption (t)	15,431	11,619	14,600	17,372
Index, 2019 = 100	100	75	95	113
UK Industry's Market Share (%)	19	18	16	12

Sources: Bridon's Questionnaire Response

200. Consumption of SRC¹⁴ decreased in 2020 by 25%, and remained below its 2019 level until the POI, with an increase of consumption during the POI to 13% above 2019 volumes. Consumption increased in 2021, almost returning to initial levels, which follows the post-pandemic trend identified in [section G1.1](#).
201. The UK industry's domestic market share¹⁵ decreased in 2020 by 1pp, and remained below its initial levels throughout the remainder of the IP. Domestic market share was at its lowest during the POI, representing a decrease of 7pp.
202. As identified under Table 2, the volume of imports of SRC from the PRC peaked during the POI, and had the largest share of imports during the POI.

¹⁴ Consumption was estimated by combining the UK industry's domestic sales of SRC and total SRC imports into the UK
¹⁵ Market share was calculated as a percentage of the UK producers total domestic SRC sales against estimated total UK consumption

Given our conclusion under [Section F](#), that dumping is likely to have continued, these likely dumped imports may be contributing to the declining trend in domestic market share.

203. An increasing trend in domestic consumption while the UK industry is experiencing declining trends in both market share, and domestic sales, adds weight to the assessment that the UK industry is currently vulnerable to challenges such as dumping, and indicates that if the measure were to be revoked, that injury is likely to recur.

G2.2.3 Profits

204. Table 16 shows Bridon’s net operating profit before tax from the like goods.

Table 16: Bridon net operating profit before tax from the like goods

	2019	2020	2021	POI
Net operating profit before tax (£ GBP)	-5,149,935	1,157,898	79,245	4,780,573
Index, 2019 = 100	-100	22	2	93

Sources: Bridon’s Questionnaire Response

205. Bridon reported a net operating loss from the like goods in 2019, with profits being reported throughout the remainder of the IP. These profits are before tax¹⁶.
206. An increasing trend of profits indicates that the UK industry is following the post-pandemic trend as identified in [section G1.1](#) and is recovering from the initial loss in 2019.

G2.2.4 Output and utilisation of capacity

207. Table 17 shows output, production capacity, and production capacity utilisation for the like goods.

Table 17: Bridon’s output, production capacity, and capacity utilisation

	2019	2020	2021	POI
Production Capacity (t)	45,000	45,000	45,000	45,000
Output (t)	23,057	20,899	22,137	24,974
Index, 2019 = 100	100	91	96	108

¹⁶ As clarified under Bridon’s visit report on the [public file](#)

Capacity Utilisation	51%	46%	49%	55%
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Sources: Bridon's Questionnaire Response

208. Output decreased in 2020 by 9%, increased in 2021 by 5%, and increased during the POI. Despite increasing in 2021, output volumes were 4% below initial levels, however during the POI, output was 8% above its initial levels.
209. Production capacity remained consistent throughout the IP, whilst the utilisation of that capacity followed a similar trend to output.
210. The data provided for these indicators is not separated between like goods destined for domestic consumption or for export. Whilst the majority of sales of the like goods during the IP were export sales, making attempts to adjust these indicators to similar proportions would likely result in an inaccurate analysis. Therefore, we do not have evidence that would contribute either positively or negatively to an assessment on the current state of the UK industry, and is therefore considered neutral.

G2.2.5 Productivity, employment, and wages

211. Table 18 shows Bridon's productivity, number of total employees, as well as employees for the like goods, and wages.

Table 18: Bridon's productivity, total employees, employees for the like goods

	2019	2020	2021	POI
Total Employees	577	548	522	495
Employees for the like goods	412	385	353	344
Productivity (tonnes per employee)	56	54	63	73
Median Wage for employees engaged in activities related to the like goods (£ GBP)	41,177	35,674	40,918	46,548

Sources: Bridon's Questionnaire Response

212. The total number of employees decreased in 2020 and remained below initial levels throughout the IP.
213. Number of employees for the like goods followed the same trend as total number of employees, with the POI figure being lower than 2019.

214. Productivity decreased in 2020, and increased throughout the remainder of the IP, with the POI figure being higher than in 2019.
215. The median wage for full time employees in the industry followed the post-pandemic trend, with a decrease in 2020, and an increase in 2021 and during the POI. Despite increasing in 2021, wages remained below 2019 levels, however wages during the POI were above 2019 levels.
216. The data provided for these indicators is not separated between like goods destined for domestic consumption or for export. Whilst the majority of sales of the like goods during the IP were export sales, making attempts to adjust these indicators to similar proportions would likely result in an inaccurate analysis. Therefore analysis on productivity, employment, and wages does not contribute positively or negatively to an assessment of the current state of UK industry.

G2.3 Actual and potential negative effects on:

G2.3.1 Growth

217. In Section G2.2.2 we identified that consumption has increased, which suggests that the market is growing. Despite an increase in consumption, market share of the UK industry has decreased.
218. Additionally, we identified in Table 2 that the PRC's share of imports has increased to over a fifth of the market in the UK. This indicates that increasing imports from the PRC may be contributing to a decrease of market share of the UK industry.
219. While future demand is difficult to predict, the observed decrease in the UK industry's market share, which may be the result of continued dumping, is an indication that the UK industry is currently vulnerable to challenges such as dumping, and indicates that if the measure were to be revoked, that injury is likely to recur.

G2.3.2 Return on investment, cashflow, inventories

220. Bridon did not provide stocks by volume as its systems were not able to record the information at the time, however it did provide us with stocks by value.
221. Table 19 shows Bridon's stocks by value.

Table 19: Bridon's stocks by value

	2019	2020	2021	POI
Stocks (£ GBP)	16,015,413	16,242,318	18,259,688	28,035,701
Index, 2019 = 100	100	101	114	175

Sources: Bridon's Questionnaire Response

222. Stock by value increased in 2020, and kept increasing throughout the remainder of the IP, peaking during the POI.
223. The data provided for these indicators is not separated between like goods destined for domestic consumption or for export. Whilst the majority of sales of the like goods during the IP were export sales, making attempts to adjust these indicators to similar proportions would likely result in an inaccurate analysis. Whilst increasing stocks by value in combination with decreasing domestic sales may indicate increased vulnerability, due to the limitation in data explained we cannot assess whether this contributes positively or negatively to an assessment of the current state of UK industry.
224. Bridon did not provide return on investment data for the like goods, so we are unable to make a determination on this indicator.
225. Bridon did not provide cash flow data for the like goods, so we are unable to make a determination on this indicator.

G2.3.3 Ability to raise capital or investments

226. We do not have any verifiable information from the UK industry in respect of the ability to raise capital or investments, specific to the like goods, so we are unable to make a determination on this indicator.

G2.3.4 Magnitude of Dumping

227. As it has not been possible to recalculate the dumping margins we cannot comment on the magnitude of dumping.
228. However, our analysis under [Section F4.1](#) identified that the PRC indicative price was lower than the UK industry's domestic sales price. We concluded that PRC exporters may have had to dump in order to be competitive on the UK market. Additionally, under [Section F4.4](#) we identified that the UK market is attractive on the basis of price.

229. Additionally, the volume of imports of SRC from the PRC until 2020 was low, likely due to the effectiveness of the anti-dumping measure.
230. Nonetheless, exporters of SRC from the PRC have increased their market share over the IP, representing 21% of the market during the POI, as identified in Table 2. Indicating that if the measure were to be revoked, then injury is likely to recur.

G.2.4 Conclusion on the current state of the UK industry

231. Over the IP, we have observed decreases in sales volumes and the UK industry's market share despite increasing consumption, indicating a greater proportion of consumption was being met by international imports, with the largest share of those imports being from the PRC, which following our conclusion to [Section F](#), are likely to be dumped imports.
232. Indicators that showed a positive trend (output, prices) were limited as the UK industry experienced increasing stocks due to the loss of market share, which may be the result of dumped imports, and increasing costs of production resulting from the pandemic and other global events.
233. Experiencing negative trends in sales volumes and market share, despite increasing consumption over the IP, signals vulnerability in the domestic industry.
234. This suggests that if the anti-dumping amount were revoked, and dumping continued, as we considered likely during the POI, the current state of the UK industry presents significant challenges to producers who may seek to mitigate the impact of that dumping, and that injury is likely to recur.

G3 Undercutting of UK industry

G3.1 Price undercutting

235. Price undercutting is identified when goods subject to review are consistently priced lower than the like goods in the UK. In the event of undercutting, the UK industry may reduce its prices to compete against the lower priced goods subject to review, or risk losing market share. This could prevent prices of the

like goods in the UK from rising to a level that the UK industry would otherwise achieve.

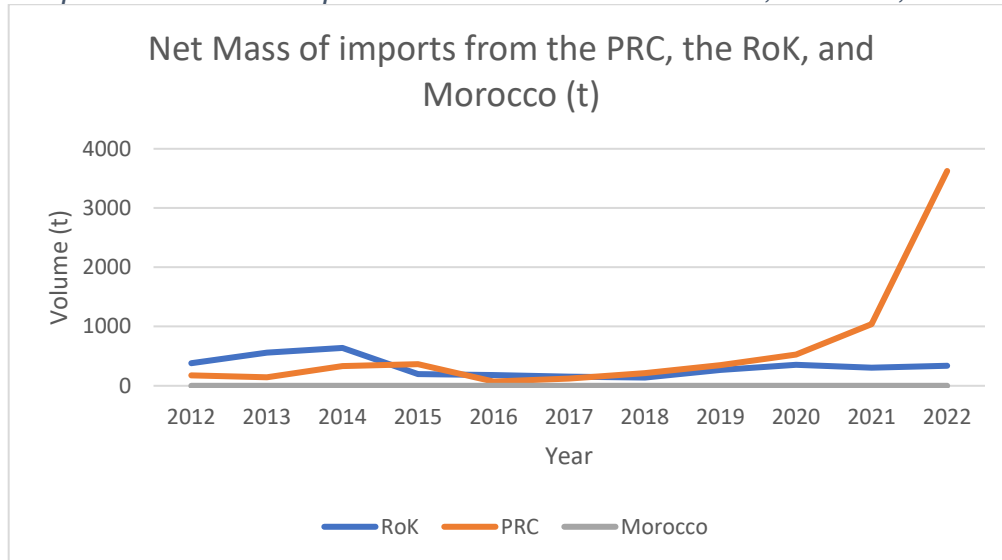
236. A thorough analysis of price undercutting requires a comparison of the landed import price of the goods subject to review from the PRC with the like goods sold in the UK. While there were imports into the UK from the PRC during the POI, only one PRC exporter registered onto the case, who represents less than 1% of PRC exports to the UK, and 2% of total production of SRC in the PRC. This is insufficient to carry out a thorough assessment, as we cannot determine that the data of this exporter would be representative of the entirety of the PRC.
237. Instead, we compared the confidential UK industry's domestic sales data (see [section C3.3](#) for more information) of the like goods to the weighted average (by volume) import prices of SRC from the PRC to the UK (using HMRC import statistics), as identified in Table 2. This analysis indicated that PRC imports would have undercut the UK industry's domestic price throughout the majority of the IP.
238. Therefore, the current prices of imports of SRC from the PRC, which indicate prices that would undercut the UK industry's domestic sales prices, provides a positive assessment that injury is likely to recur if the measure was revoked.

G4 Historic injury

239. This section considers whether the UK industry has suffered material injury in the past as a result of dumped imports, and if/when this changed. This is assessed by examining the original EU investigation, and volume and prices of imports historically coming into the UK.
240. The original investigation which imposed definitive measures, [Council Regulation \(EC\) No 1796/1999](#) of 12 August 1999, involved Bridon as one of the union producers, found that the industry had suffered material injury.
241. The EC carried out an anti-circumvention investigation which extended measures to apply to consignments from Morocco, [Council Regulation \(EC\) No 1886/2004](#) of 25 October 2004.

242. The EC carried out another anti-circumvention investigation which extended measures to apply to consignments from the RoK, [Implementing Regulation of the Council \(EU\) No 400/2010](#) of 26 April 2010.
243. One of the expiry reviews of this EU measure; [Council Implementing Regulation \(EU\) No 102/2012](#) of 27 January 2012, involved Bridon as one of the union producers, found that removing the measures against imports from the PRC would in all likelihood result in the recurrence of injury.
244. The most recent expiry review to have been completed of this EU measure; [European Union \(EU\) Commission Implementing Regulation \(EU\) 2018/607](#) of 19 April 2018, which concluded that removing the measures against imports from the PRC, including consignments from, whether or not declared as originating in, Morocco or the RoK, would in all likelihood result in a significant increase of dumped SRC imports from the PRC at prices undercutting the union industry prices, and that expiry of the measure would lead to recurrence of injury.
245. Bridon's involvement in the above EU investigation and reviews indicates that the UK industry has historically suffered material injury as a result of dumped imports from the PRC, including consignments from, whether or not declared as originating in, Morocco and the RoK, and that removal of the measure would result in the recurrence of injury.
246. Imports from the PRC, the RoK, and Morocco, from 2012 to 2022 are shown in Graph 4.

Graph 4: volume of imports into the UK from the PRC, the RoK, and Morocco



Sources: HMRC, Overseas Trade in Goods Statistics

247. Import volumes from the PRC were stable prior to the extension of the measure in 2018, with imports remaining under 500t from 2012 up to 2020.

248. We also note the following from the above Graph 4:

- There were no imports from Morocco
- Imports from the RoK remained stable throughout the IP.
- Imports from the PRC exceeded 500t in 2020, and proceeded to increase each year to 2022, peaking during the POI.

249. There was no significant drop in imports due to the extension of the measure in 2018, and the rise in imports from the PRC indicates that the original measure introduced by the EU may be ceasing to be effective on imports from the PRC, but is retaining its effectiveness on consignments from Morocco and the RoK.

250. We conclude that the UK industry has suffered historical injury as a result of dumped imports from the PRC including consignments from Morocco and RoK. Additionally, our analysis of historical imports of SRC contributes to the assessment that if the measure were to be revoked, it is likely that injury would recur to the UK industry.

G5 Other factors (non-attribution)

251. We have assessed imports of SRC into the UK from all countries to determine whether these imports may be causing or contributing to injury of the UK industry.
252. Table 20 shows the volume of SRC imports into the UK from the top 5 countries (by total volume over the IP) alongside the average price during the POI.

Table 20: Volume of SRC imports into the UK in metric tonnes during the POI

Country	Sum of Volume (t)	Share of Imports	Price / Unit Value (£/t)
Total Imports	15,204	100%	2,677
Germany	2,886	19%	3,886
India	1,495	10%	1,892
PRC	3,625	24%	1,670
Netherlands	1,279	8%	3,107
Türkiye	1,020	7%	1,506

Sources: HMRC, Overseas Trade in Goods Statistics

253. We additionally note, as identified under [Section F4.4](#), that given the number of countries competing on the UK market, it is reasonable to conclude that the UK market is open and competitive.
254. Table 21 shows the average value of SRC imports into the UK from the top 5 countries (by total volume over the IP) over the IP.

Table 21: Average value of imports into the UK over the IP (£/t)

Country	2019	2020	2021	POI
Total Imports	2,182	2,449	2,209	2,677
Germany	3,204	3,015	3,789	3,886
India	1,300	1,263	1,623	1,892
PRC	2,998	1,182	1,467	1,670
Netherlands	1,807	1,650	1,474	3,107
Türkiye	1,224	909	1,050	1,506

Sources: HMRC, Overseas Trade in Goods Statistics

255. As identified under [Section E4](#), SRC is purchased primarily on the basis of price. Despite Türkiye having an average value lower than the PRC, imports from Türkiye hold a lower share of imports than the PRC and the UK industry,

indicating that it is unlikely that imports from Türkiye are currently causing injury.

256. In contrast, Germany has the highest average value of the top 5 countries exporting to the UK. While it holds the second largest share of imports, it is below the PRC. It is unlikely imports from Germany are causing injury to the UK industry due to the average value being higher than that of the UK industry's.

257. Given the wide range of prices in the UK market, and the number of countries competing on the import market, it is unlikely that imports of SRC from countries other than the PRC are currently causing injury to the UK industry.

G6 Conclusions

258. We have identified through injury indicators that the UK industry is in a vulnerable position, and that if the anti-dumping measure no longer applied then it is likely that injury to the UK industry would recur. This vulnerability has increased due to the effects international market conditions have had on raw materials and energy prices.

259. We have identified, in the absence of the measure, it is likely PRC imports would have undercut the UK's domestic price throughout the IP.

260. We have identified that the UK industry were involved in previous investigations and reviews of the EU's measure, and that historically the UK industry has suffered material injury. Additionally, the EC concluded in the subsequent reviews of the original measure that removal of the measure was likely to lead to a recurrence of injury.

261. Considering the evidence and facts available we conclude, on the balance of probabilities that injury to the UK industry would be likely to recur if the anti-dumping measure were no longer applied. This injury would recur as a result from a likely increase in the volume of dumped imports of the goods subject to review, originating in the PRC.

SECTION H: Economic Interest Test (EIT)

H1 Introduction

262. Under Regulation 100(1E) of the Regulations, if we make a recommendation to vary the application of the anti-dumping amount, we must advise the Secretary of State whether the intended variation of the measure in accordance with our recommendation, or with each option, would meet the EIT.
263. The aim of the EIT is to determine whether our intended recommendation to vary the measure and apply an anti-dumping remedy on the goods subject to review imported from the PRC (including consignments from, whether or not declared as originating in, Morocco or the Republic of Korea), in accordance with our recommendation, or with each option, would be in the economic interest of the UK.
264. In accordance with paragraph 25 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.
265. In line with paragraph 25(4) of Schedule 4 to the 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

266. We received questionnaire responses from:

- One domestic producer of SRC: Bridon International Ltd;
 - One foreign producer of SRC: The Fasten Group Imp. & Exp. Co., Ltd; and
 - One trade body representing the UK steel industry: EEF Ltd. (UK Steel).
267. We identified other affected businesses, including another domestic producer, and contacted them to seek their input. However, no other parties submitted evidence.
268. Having considered the evidence presented, we used facts available to supplement questionnaire responses with background research, and additional information from publicly available sources including the Dun & Bradstreet Hoovers (D&B) database and HMRC: Overseas Trade in Goods Statistics.

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

269. [Section G](#) sets out the injury likelihood assessment. This assessment concluded that the UK industry for the like goods is a vulnerable position and, if the measure was revoked, injury to that UK industry would be likely to recur due to increased competition from PRC imports of goods subject to review.

H4 Economic significance of affected industries and consumers in the UK

270. This section considers the economic significance of the relevant industries and consumers within the SRC supply chain.
271. We have identified the following groups as potentially being affected by the proposed measure:
- **Upstream businesses:** including suppliers of steel wire rod;
 - **UK producers** of SRC;
 - **Importers** of SRC;
 - **Downstream businesses:** this group encompasses a broad range of industries including oil & gas, mining, cranes & industrial, fishing & marine; and

- **Consumers:** individuals who purchase final products made using SRC.
272. There is an overlap between importers and downstream businesses. To avoid double counting, we have attributed businesses to one of these groups based on their predominant activity.
273. We have identified known businesses in each of these groups and looked at a selection of them where it was not possible to fully investigate all known businesses in the timeframe of this review.
274. For the selected businesses, we used recent financial data from the D&B database to estimate employment, Gross Value Added (GVA) and Earnings Before Interest, Depreciation and Amortisation (EBITDA).

H4.1 Upstream businesses

275. From stakeholder engagement, we identified five UK upstream businesses that supply inputs to the production of SRC. However, only one of these businesses – British Steel - was mentioned in the UK producer’s questionnaire, meaning the remaining four do not account for a large proportion of the total costs of production.
276. British Steel supplies the domestic producer with wire rod. We estimated less than 1% of British Steel’s turnover is related to SRC. Therefore, we conclude that SRC is not an important product to British Steel.
277. According to published financial accounts, in 2021, British Steel employed 4,320 people and had a turnover and GVA of approximately £1,464m and £182m respectively, with an EBITDA margin of -0.3%. British Steel has faced financial challenges for a number of years. Throughout 2023, there has been ongoing negotiations between the company and the UK government to secure a £500m loan, essential to maintain their current operations and safeguard jobs.

H4.2 UK producers of SRC

278. We know of two UK producers of SRC: Bridon International and Brunton Shaw. Only the former submitted a questionnaire response. In addition to SRC, Bridon

also manufactures and distributes wire, fibre rope and associated products and services.

279. During the POI, sales of SRC accounted for 70% to 80% of Bridon's turnover, suggesting that SRC is a very important product for them. However, more than 90% of SRC sales were exports.
280. During the POI, Bridon employed around 500 workers. They had a turnover of approximately £109m in turnover and a GVA of £36m, achieving an EBITDA margin of 11%. Turnover and profitability relating to the entire business showed positive trends. However, this recovery coincided with an increase in export sales and export prices, which have increased by 81% and 40% during the IP, respectively. In contrast, domestic sales of SRC declined by 15% during the same period. This indicates that Bridon might be vulnerable to negative economic effects.
281. Brunton Shaw is a small business for which full financial accounts were not available, and from whom we did not receive any evidence. Therefore, we could not make a definite conclusion on the significance of SRC to this producer. According to D&B database, Brunton Shaw's turnover is estimated to be approximately £0.2m, significantly lower than Bridon's.

H4.3 Importers of SRC

282. Due to no participation from importers, we used the HMRC importer database to identify businesses which import SRC. We identified 69 companies, which had imported under the relevant 8-digit commodity codes in 2022.¹⁷ Of these, we believe five are Non-Established Taxable Persons (NETPs) which do not have a physical presence in the UK.
283. After examining the nature of these businesses, by looking at their Standard Industrial Classification codes, we concluded that most of the businesses were involved in some form of product transformation or integration, such as manufacturing lifting and handling equipment, wire products, chains, or springs,

¹⁷ Note that the HMRC Find UK Traders tool does not report country of origin, nor do they report volume or value of transactions. For further information, see: <https://www.uktradeinfo.com/find-uk-traders/help/>.

where SRC was incorporated into their final product or service. These businesses were classified as downstream businesses. The remaining 20 businesses were classified as importers/wholesalers.

284. From the 20 identified importers, we selected the top ten ranked by their number of employees. These ten businesses accounted for approximately 51% of transactions involving importers during the POI. We calculated their number of transactions under the relevant commodity codes as a percentage of the total transactions which suggested that SRC is a somewhat important product to this group.
285. Seven of these businesses have their full accounts published. During the POI, we estimate that they had a total employment of approximately 780 and generated £303m in turnover and £61m in GVA. Their average EBITDA margin was 9%.
286. Most of the selected businesses had positive profits but low EBITDA margins, which suggests these businesses are somewhat vulnerable to negative economic impacts.

H4.4 Downstream businesses

287. From the UK producer's questionnaires responses, we are aware of 16 UK businesses who have purchased SRC from the UK producer during the POI.
288. We analysed the ten businesses for which there were full financial accounts available. These businesses represent approximately 80% of the total domestic sales of SRC by the UK producer. Their purchases of SRC from the UK producer represented less than 1% of their total turnover and therefore, we conclude that SRC is not an important product for them.
289. As discussed, from the HMRC importer database, we identified businesses that we considered more likely to be a downstream business. We selected the top five based on their number of employees. During the POI, SRC imports accounted for less than 1% of these businesses' total turnover, suggesting that SRC is not an important product for this selection of businesses.

290. Our findings align with EEF's claims that the costs of SRC are a minor part of the overall costs for end-products. Therefore, any changes in the prices of SRC would likely have an insignificant impact.
291. The selected downstream businesses had a total employment of 8,050, a total turnover and GVA of £3,726m and £796m, respectively. Their average EBITDA margin was 5%. Some businesses, most of them involved in the oil and gas exploration, had low or negative profits, so we have concluded that this group may be somewhat vulnerable to negative economic impacts.

H4.5 Consumers

292. SRC is used as an input in the production of a variety of products and infrastructure and is therefore not considered to be a consumer product. We conclude that consumers are not a significant group for this transition review.

H4.6 Summary table

293. The table below presents data on the economic significance of different industries, which could be impacted by the measure on SRC. Based on the comparative metrics set out in the table, we concluded that SRC is an important product for the UK producers and importers.

Table 22: Summary table for the significance metrics for affected industries

	Upstream businesses	UK producer	Importers	Downstream businesses
Total known businesses	5	2	20	54
Total selected	1	1	10	15
Questionnaire responses	0	1	0	0
Estimated importance of SRC for this group	Not important (UK producer raw material cost vs upstream business turnover)	Very important (SRC sales revenue vs whole business turnover)	Somewhat important (no. of import transactions under the relevant codes vs total transactions)	Not important (UK producer SRC sales revenue vs downstream business turnover; and value of imports of SRC vs downstream business turnover)
Total employment of selected businesses	4,320	500	780	8,050
Total GVA of selected businesses (£m)	182	36	61	796
Total turnover of selected businesses (£m)	1,464	109	303	3,726
Average EBITDA margin for selected businesses (%)	0%	11%	9%	5%
Vulnerability to economic impacts	High – negative profits and EBITDA margin	High – negative profits for most of the IP	Medium – low EBITDA margins	Medium – some businesses with negative EBITDA

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

Methodology: The importance of SRC to each of the groups was estimated using the comparison metrics set out in brackets for each group. The significance metrics use the most recent year available (2021 or 2022). The assessment of vulnerability to negative economic impacts was made by looking at the significance metrics for the most recent years. GVA was estimated by adding operating profits, employment costs, depreciation, and amortisation. EBITDA margin was estimated by dividing the sum of operating profit, depreciation, and amortisation by the turnover.

H5 Likely impact on affected industries and consumers

294. This section assesses how prices and quantities throughout the supply chain will be impacted with and without an anti-dumping duty. We then assess the

impact of any changes in prices and quantities on affected industries and consumers.

295. We have not been able to quantify these impacts because of the limited amount of data and quantifiable evidence available, but we have assessed the possible impacts as comprehensively as possible based on the evidence available to us.

H5.1 Prices and quantities if the measure was varied

296. If the measure was varied as proposed, imports of SRC from the PRC would continue to face an ad-valorem duty of 60.4%. SRC imports consigned from Morocco or Republic of Korea, whether declared as originating in these countries or not, would also continue to face a tariff, except for those produced by companies that are exempted.
297. We have no evidence suggesting that the overall price or quantity of domestically produced and imported SRC would change, if the measure was varied.
- ~~298.~~ The current economic situation in the UK is, however, likely to influence demand for SRC (and therefore price) independent of the measure. Market research indicates that the global steel wire rope market is expected to grow in the coming years, aided by the expansion of the construction, mining and maritime sectors.¹⁸ However, the UK economy is currently going through a period of low economic growth, with GDP predicted to grow 0.8% in 2024 and 1.9% in 2025.¹⁹ Recent data also indicates that sectors such as construction, automotive, and rail, continue to recover from the effects of the COVID-19 pandemic and will experience further expansions in 2024. This suggests that there could be an increase in domestic demand for SRC in the coming years though this is likely to be tempered by the overall economic outlook for the UK.

¹⁸ 2024 Global Market Report: Steel Wire & Plastic Ropes, available at: [Steel Wire Rope And Plastic Rope Market Strategies, Growth Trends By 2024-2033 \(thebusinessresearchcompany.com\)](https://www.thebusinessresearchcompany.com) (accessed 14 February 2024); Global Steel Wire Rope Market Report and Forecast 2024-2032, available at: [Global Steel Wire Rope Market Report and Forecast 2024-2032 \(researchandmarkets.com\)](https://www.researchandmarkets.com) (accessed 19 October 2023).

¹⁹ [Office for Budget Responsibility: Economic and fiscal outlook](https://www.budgetresponsibility.org.uk) (March 2014)

H5.2 Prices and quantities if the measure was revoked

299. If the existing measure was revoked, imports of SRC from the PRC would likely become cheaper by up to 37.7%, which would be the price impact resulting from revocation of the current ad-valorem duty of 60.4%.²⁰
300. As a result of lower import prices, we would also expect an increase in the quantities imported from the PRC to the UK market. This would benefit both importers and downstream users who buy directly SRC from overseas producers.
301. Looking at import data at 8-digit level, imports from the PRC have increased drastically over the last couple of years, despite having a measure in place. Both Bridon and The Fasten Group, claimed there is limited product differentiation between imported and domestically produced SRC (similar in specification and function). According to Bridon, the main difference relies on quality; however, they did acknowledge that the quality of SRC produced in the PRC was increasing.
302. Import data and homogeneity between like goods and goods subject to review support Bridon and EEF's claims that, if the measure were to be revoked, there would be a surge of imports of SRC from the PRC as customers would be willing to switch to producers offering lower prices.
303. An increase in demand for imports from the PRC could result in a loss of market share for UK producers causing them to reduce production. Bridon stated that the company would not be able to match lower import prices, and therefore, would cease production if there was a significant decrease in domestic sales.

²⁰ We do not have information about how many imports of SRC from the Republic of Korea were coming from the exporting producers exempted from the anti-dumping duty. However, according to HMRC data, during the IP, there were no imports originated in the PRC that were being dispatched from the Republic of Korea. This suggests that most of the imports from Korea were exempted from the duty. There were no imports from Morocco.

304. According to questionnaire responses, exports represented 91% of Bridon's revenue from SRC. Since its exports are sizeable, this would likely cushion any negative impacts to its domestic sales.

H5.3 Likely impacts on affected industries and consumers

305. In this section we discuss the likely impacts for affected industries. In particular, we compare the expected impacts if the measure was varied as proposed rather than revoked.

H5.3.1 UK producers of SRC

306. Varying the measure as proposed could prevent further injury to the UK producer by protecting them from cheaper imports from the PRC.

307. Bridon stated that if the measure were revoked, they would be forced to reduce prices below cost of production, which is not sustainable for a long period of time. This could ultimately result in the closure of roperies and wire factories, which would mean ceasing production of ropes outside of the scope of this investigation.

308. Overall, we conclude through the evidence submitted that varying the measure has expected positive impacts for the UK producer.

H.5.3.2 UK importers of SRC

309. Overall, the likely impact of the measure on importers is negative as the costs of importing SRC from the PRC will be higher than they would have otherwise been in the absence of the measure. However, the current duty did not deter PRC imports from increasing significantly over the last years.

310. Moreover, EEF stated that, because importers do not face the capital and running costs that producers do, they can more easily pass the increased costs to their customers, mitigating any potential negative impacts from varying the measure. EEF also claimed that both importers and downstream users have flexibility in where to source SRC as there are alternative suppliers to the market from several countries.

311. Therefore, we expect impacts from varying the measure to importers to be small and negative.
312. If the measure were revoked, we expect PRC imports to increase. Revoking the measure could have a positive impact on importers that currently import from the PRC, or who are able to start importing from the PRC and increase their sales by selling more competitively priced SRC.

Table 23: Expected impacts on affected groups if the measure was varied as proposed rather than revoked

Group	Expected impacts
UK producer of SRC	Positive impact for UK producers who will avoid suffering further injury.
Importers of SRC	Small negative impact for the importers of SRC, who will not be able to source lower-priced SRC from the PRC.

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

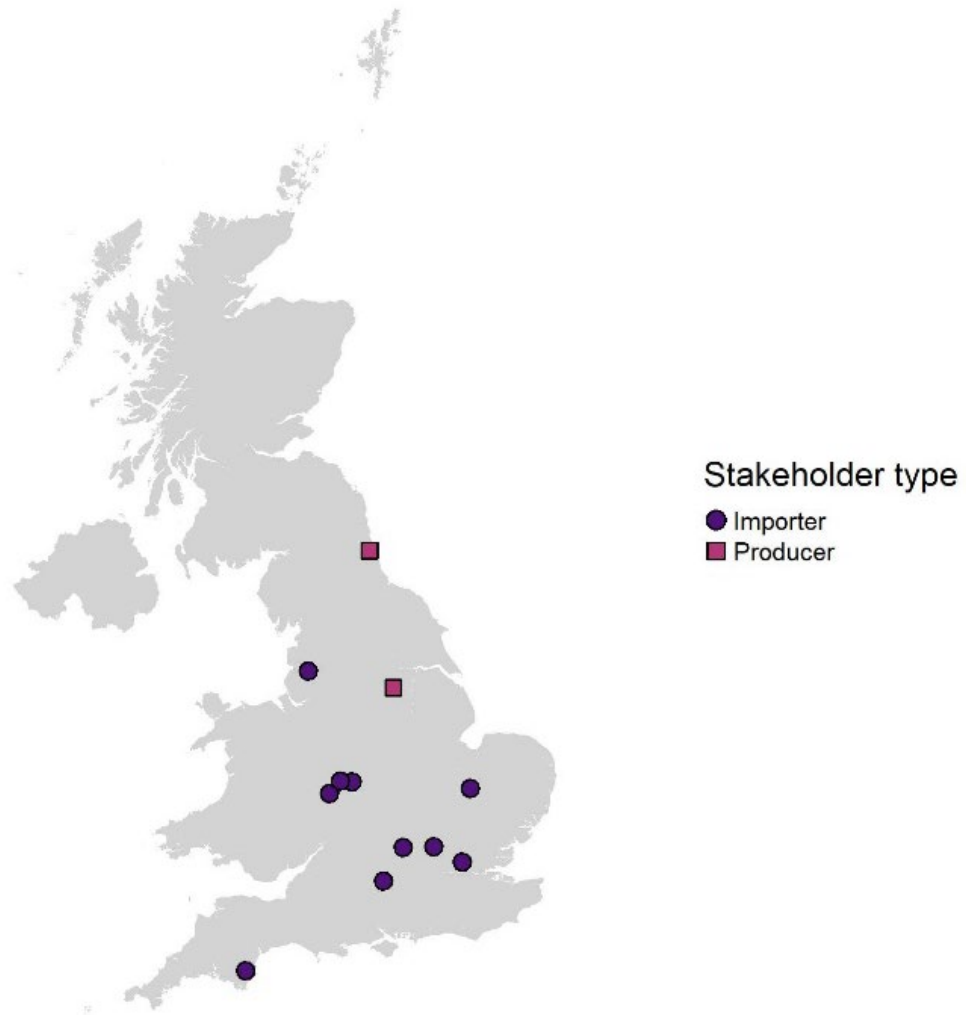
313. This section explores how impacts of the proposed measure are likely to be geographically distributed and whether any particular groups might be disproportionately impacted. Our spatial units of analysis are Travel to Work Areas (TTWAs).

H6.1 Likely impact on particular areas

314. This section considers the selected parties for which the evidence suggests that SRC is an important product. The figure below shows the geographic distribution of these.
315. For the UK producer, we only show the two sites directly linked to the production of SRC, located in Doncaster and Newcastle.
316. There are three importers located in West Midlands but in general, businesses are geographically spread across England.
317. The selected UK producer and importers are not significant employers in their respective TTWAs. This means that the measure is unlikely to have any

disproportionately negative impact on TTWAs where these businesses are located.

Figure 3: Location of selected businesses involved in SRC supply chain across the UK.



Sources: Questionnaires, Companies House, Dun and Bradstreet Business Directory

Note: Contains National Statistics data © Crown copyright and database right 2021, contains OS data © Crown copyright and database right 2021.

H6.2 Likely impact on particular groups

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

319. No party provided any evidence of potential impacts on particular groups, across workers or consumers. We do not consider that varying the measure, as proposed, would lead to impacts on particular groups.

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

320. 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 the incentives to compete vigorously; and
- the impact on the choices and information available to consumers.

H7.1 Background

321. We identified 24 exporting countries or territories from official HMRC import data using the 8-digit level commodity codes. As the measure applies to 10-digit level commodity codes, it is possible that the actual number of exporting countries is smaller.

322. Using the 8-digit level import data, we estimated that Bridon supplied 12% of the UK market (in terms of volume) during the POI, with the rest supplied by either Brunton Shaw or imports. The largest volumes of imports came from EU, the PRC, India, and Türkiye. These countries accounted for approximately 70% of the UK's imports. More specifically, imports from the PRC accounted for 21% of the UK market. Imports from the Republic of Korea accounted for 2% of the UK market, while there were no imports from Morocco.

323. We do not have information on Brunton Shaw's domestic sales. However, as discussed in the significance section, Brunton Shaw's turnover seems to be relatively low and therefore, even if all sales were to the UK, we estimate that their market share (by value) would be below 1%.

324. Questionnaire responses suggest that the market is highly commoditised, and demand is mostly driven by prices.

H7.2 The impact on the number and range of suppliers

325. If the measure was varied as proposed, Bridon would likely continue producing SRC and supplying the UK market. We have no evidence suggesting that the range of suppliers is likely to change if the measure remains in place.
326. A revocation of the measure could make it easier for PRC exporters to sell to the UK. The number and range of PRC suppliers may potentially increase but could be offset in part by a loss of other suppliers (including the UK producer).

H7.3 The impact on the ability of suppliers to compete

327. If the measure was revoked, suppliers from the PRC would be better able to compete in the UK market. Considering the relative price of SRC, this could drive out some current suppliers (domestic and foreign) due to price competition.
328. There is no evidence to suggest that varying the measure as proposed would impact on the ability of suppliers to compete, as the conditions of competition between different SRC suppliers on the UK market would not change.

H7.4 The impact on the incentives to compete vigorously

329. There is no evidence to suggest that revoking or varying the measure would directly impact on incentives of suppliers to compete vigorously.

H7.5 The impact on the choices and information available to consumers

330. SRC is not considered to be a consumer product and is not directly supplied to final consumers. However, varying or revoking the measure could have an impact on the choices and information available to downstream users.
331. Bridon stated that by revoking the measure and ultimately closing some of their businesses, they might stop producing certain specialty ropes, including ropes that are outside the scope (e.g., triangular ropes). However, we lack evidence to determine if ropes of these types could be obtained from other producers.

332. We have no evidence to suggest that there would be any impact on the information available to consumers if the measure was varied as proposed or revoked.

H8 Such other matters as the TRA considers relevant

333. As part of the EIT, we consider any other factors additional to those set out in the legislation which have implications in concluding whether the proposed trade remedy measure is in the economic interest of the UK.

334. We received no further evidence from interested parties.

H9 Form of measure

335. The current measure is an ad valorem tariff of 60.4% covering all products imported under the commodity codes set out in [Section B2](#) from the PRC, including consignments, whether or not declared as originating in, Morocco or the Republic of Korea.

336. In the EIT, we consider whether any changes to the length, coverage or amount of duty of the measure, would minimise the negative impacts of the measure on some parties while retaining the overall benefits.

337. We found no evidence suggesting that a form of measure, other than the variation we intend to propose, would be more appropriate.

H10 Conclusion on Economic Interest Test

338. In accordance with paragraph 25 of the Schedule 4 to the Act, we consider whether the intended application of a remedy in accordance with our recommendation, or with each option, would be in the economic interest of the UK. The EIT is presumed to be met unless we are satisfied that the application of the remedy is not in the economic interest of the UK.

339. Following the dumping and injury likelihood assessments, in sections F and G respectively, we concluded that the revocation of the measure was likely to lead

to the continuation of dumping. Therefore, the measure is necessary to prevent a likely recurrence of injury if the measure is revoked.

340. In section H4, we found that SRC was a very important product for UK producers and somewhat important for importers.
341. In section H5, we concluded that if the measure was varied as proposed this would have a positive impact on the UK producer, but also a negative impact on importers. Nevertheless, we concluded that it was unlikely for any affected industry within the supply chain for SRC to experience a disproportionately negative impact.
342. In section H6, we found no evidence of significant impacts on particular geographic areas, or particular groups in the UK.
343. In section H7, we find no evidence of a clear impact on competition. However, the measure would be likely to help the UK producer to remain competitive in the market.
344. We identified the following key positive impact of varying the measure as proposed:
- The UK producers of SRC are likely to benefit as they will be able to continue to compete with prices of imports from PRC.
345. The contrasting key negative impacts is:
- Importers will not be able to benefit from cheaper SRC from the PRC and therefore, would experience some small negative impacts.
346. Based on our consideration of the evidence submitted by interested parties and all the factors listed in the legislation, we conclude that varying the measure as proposed in our intended recommendation is unlikely to cause disproportionate negative effects to the UK economy and, therefore, that the EIT is met for the intended application of the proposed measure, and we advise the Secretary of State accordingly in accordance with regulation 100(1E) of the Regulations.

SECTION I: Findings and Proposed Recommendation

I1 Findings

347. The TRA has found that it is likely, on the balance of probabilities, that dumping of the goods subject to review would continue if the anti-dumping amount were no longer applied to the goods subject to review.
348. It is likely, on the balance of probabilities, that injury to the UK industry in the like goods would recur if the anti-dumping amount were no longer applied to the goods subject to review.
349. The TRA advises the Secretary of State that the TRA considers that the application of the proposed anti-dumping duty would meet the EIT.
350. We found no evidence suggesting that a form of measure, other than the variation we intend to propose, would be more appropriate.

I2 Intended Final Recommendation

351. Our intended final recommendation is to vary the application of the anti-dumping amount under regulations 100(1), (2)(a)(i) and 100A of the Regulations. For the reasons set out in Section H10 (Conclusions on Economic Interest Test), we advise the Secretary of State that we consider that the variation of the measure in accordance with our intended recommendation would meet the Economic Interest Test in accordance with regulation 100(1E) of the Regulations. As it has not been possible to recalculate the anti-dumping amount, we recommend maintaining the measure under regulation 100A(4)(b) of the Regulations for a period of five years from 21 April 2023, that is, the date when the measure would have otherwise expired had no transition review been initiated (see [Taxation Notice 2020/21](#); see also regulation 97C of the Regulations).

352. [Annex 1](#) specifies the duties to be maintained and applied to the goods described or imported under the UK customs codes detailed therein. We have maintained the form and levels of the transitioned UK measure.

Annex 1: UK anti-dumping duties

Foreign country	Overseas exporter	Anti-dumping duty	Additional TAP code ²¹
The PRC	All other overseas exporters (residual amount)	60.4%	-
Morocco	Remer Maroc SARL, Zone Industrielle, Tranche 2, Lot 10, Settat, Morocco	Nil	A567
Morocco	All other overseas exporters (residual amount)	60.4%	-
Republic of Korea	Overseas exporter specified in Annex 2	Nil	(Per Annex 2)
Republic of Korea	All other overseas exporters (residual amount)	60.4%	-

Notes: As we have been unable to recalculate dumping margins and injury margins in this transition review, these duty rates reflect the definitive anti-dumping duty rates applied by [European Union \(EU\) Commission Implementing Regulation \(EU\) 2018/607](#) of 19 April 2018, the current UK duty rates for goods subject to review as detailed in the [Taxation Notice 2020/21](#), and the duty rates intended to be recommended as a result of this review.

²¹ From 1 January 2021, the UK initiated a new tariff regime called the UK Global Tariff (UKGT) that replaced the EU Common External Tariff (EU CET) and the EU TARIC codes. The codes listed relate to the transitioned measure.

Annex 2: Overseas exporters subject to nil duty amount

Overseas exporter	Additional TAP code ²²
Bosung Wire Rope Co., Ltd, 568, Yongdeok-ri, Hallim-myeon, Gimae-si, Gyeongsangnam-do, 621-872	A969
Chung Woo Rope Co., Ltd, 1682-4, Songjung-Dong, Gangseo- Gu, Busan	A969
Cosmo Wire Ltd, 4-10, Koyeon-Ri, Woong Chon-Myon Ulju- Kun, Ulsan	A969
CS Co., Ltd, 31-102, Junam maeul 2-gil, Yangsan, Gyeongsangnam-do	A969
Daechang Steel Co., Ltd, 1213, Aam-daero, Namdong-gu, Incheon	C057
Dae Heung Industrial Co., Ltd, 185 Pyunglim — Ri, Daesan- Myun, Haman — Gun, Gyeongnam	A969
DSR Wire Corp., 291, Seonpyong-Ri, Seo-Myon, Suncheon-City, Jeonnam	A969
Goodwire MFG. Co. Ltd, 984-23, Maegok-Dong, Yangsan-City, Kyungnam	B955
Kiswire Ltd, 37, Gurak-Ro, 141 Beon-Gil, Suyeong-Gu, Busan, Korea 48212	A969
Line Metal Co. Ltd, 1259 Boncho-ri, Daeji-Myeon, Changnyeong-gun, Gyeongnam	B926
Manho Rope & Wire Ltd, Dongho Bldg, 85-2 4 Street Joongang- Dong, Jong-gu, Busan	A969
Seil Wire and Cable, 47-4, Soju-Dong, Yangsan-Si, Kyungsangnamdo	A994
Shin Han Rope Co., Ltd, 715-8, Gojan-Dong, Namdong-gu, Incheon	969
Ssang Yong Cable Mfg. Co., Ltd, 1559-4 Song-Jeong Dong, Gang-Seo Gu, Busan	A969
Young Heung Iron & Steel Co., Ltd, 71-1 Sin-Chon Dong, Changwon City, Gyeongnam	A969

Notes: As we have been unable to recalculate dumping margins and injury margins in this transition review, these duty rates reflect the definitive anti-dumping duty rates applied by [European Union \(EU\) Commission Implementing Regulation \(EU\) 2018/607](#) of 19 April 2018 the current UK duty rates for goods subject to review as detailed in the [Taxation Notice 2020/21](#) and the duty rates intended to be recommended as a result of this review.

²² From 1 January 2021, the UK initiated a new tariff regime called the UK Global Tariff (UKGT) that replaced the EU Common External Tariff (EU CET) and the EU TARIC codes. The codes listed relate to the transitioned measure.

Annex 3: Information from participants in the review

Name	Submission
BRIDON INTERNATIONAL LTD.	Registration of Interest Questionnaire Visit Report
EEF LIMITED	Registration of Interest Questionnaire
The Fasten Group Group Imp. & Exp. Co., Ltd.	Registration of Interest Questionnaire Visit Report
Kiswire Ltd	Registration of Interest
Ministry of Commerce, PRC	Registration of Interest The Comments on the PMS allegations in TD0034