Trade Remedies Authority

Statement of Essential Facts

Case TD0029

Transition review of an anti-dumping measure applying to certain Cast Iron Articles originating in the People's Republic of China

27 November 2023

Contents

SECTION A: Introduction

1. This section briefly summarises the legal framework for this Statement of Essential Facts (SEF) and the Trade Remedies Authority (TRA)'s main findings. The background to the review (see also **Section C: Background**) and further detail on all aspects are set out in the remaining sections. This SEF sets out the essential facts on which we will base our recommendation. It should be read in conjunction with other public documents available for this case on the public file.

2. Interested parties are invited to make submissions within 21 calendar days of the publication date of this SEF, i.e. before 23:59 United Kingdom (UK) time on 21 December 2023[1]. We may consider submissions made after this date, but please note that we are not obliged to do so if we consider it would cause an unnecessary delay in preparing the final recommendation. Where we reject information for any reason, we will publish our reasons for rejection in our final recommendation.

3. Registered interested parties to the case can make submissions on the Trade Remedies Service (TRS) online platform. All submissions must be accompanied by a non-confidential version for the public file. In exceptional circumstances, it may not be possible to summarise confidential information. If this is the case, the party must provide a 'statement of reasons'[2]. Those not registered on the TRS may send submissions by email to TD0029@traderemedies.gov.uk.

4. For further guidance and information regarding transition reviews, please see our public guidance.

A1 Legal Framework

5. This SEF is made pursuant to regulation 62 of the Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019 (S.I. 2019/450) (as amended) (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;

[1] See Regulation 62(2) of The Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019 (S.I. 2019/450) (as amended) (the Regulations).

[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.

- 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

6. This is a transition review of a UK trade remedies measure under regulation 97(2)(b) of the Regulations. The Taxation Notice 2020/19 gives effect to the European Union (EU) Trade Remedies measure specified in the Notice of Determination 2020/19. The relevant EU measure is the European Commission (EC) Implementing Regulation 2019/261 on 14 February 2019, which amended the original EU measure contained in European Commission (EC) Implementing Regulation 2018/140 on 29 January 2018.

7. This review concerns the anti-dumping measure applying to certain Cast Iron Articles (CIA) originating in the People's Republic of China (PRC). The Notice of Initiation (NOI) was published on 23 November 2022. The scope of the measure transitioned by this review, as detailed within the NOI, is defined in section D.

8. The Period of Investigation (POI) for the review is 1 October 2021 to 30 September 2022. To assess injury, we examined the period 1 October 2018 to 30 September 2022 (the injury period).

SECTION B: Summary and Findings

B1 Interested parties and contributors

9. The following interested parties and contributors registered to the transition review:

Table 1: Interested parties and contributors.

Name	Abbreviation	Country	Category
Thomas Dudley Foundry Limited	TDF	UK	Producer of the like goods in the UK
Saint-Gobain Construction Products UK Limited	SG PAM	UK	Producer of the like goods in the UK
Fowler and Holden Limited	F&H	UK	Producer of the like goods in the UK
EJ UK Fabrication and Access Solutions Limited	EJ	UK	Importer
R&B UK JT Limited	R&B	UK	Importer
Alumasc Building Products Limited	ABP	UK	Importer
Eccles (UK Foundries FE) Limited	Eccles	UK	Importer
Ministry of Commerce, People's Republic of China	MOFCOM	PRC	Foreign Government
Heping Cast Co. Limited Yi County	Heping Cast	PRC	Exporter
Hong Guang Handan Cast Foundry Co. Limited	Handan Cast	PRC	Exporter
Qingdao Everbright Machinery Co. Limited	Everbright	PRC	Exporter
Shanxi Ascent Industrial Co. Limited	Ascent	PRC	Exporter
Shanxi Yuansheng Casting & Forging Industrial Co. Limited	Yuansheng	PRC	Exporter
Botou City Wangwu Town Tianlong Casting Factory	Tianlong	PRC	Overseas Producer

Botou Dongli Foundry Co. Limited	Botou Dongli	PRC	Overseas Producer
Hebei Cangxin Pipeline Co. Limited	Hebei Cangxin	PRC	Overseas Producer
Jize Jufeng Machinery Manufacturing Co. Limited	Jize Jufeng	PRC	Overseas Producer
Lynter International Limited[3]	Lynter	PRC	Overseas Producer
Rockhan Technology Co. Limited	Rockhan	PRC	Overseas Producer
Weifang Huaxu Machinery Co. Limited	Weifang Huaxu	PRC	Overseas Producer
Shandong Heshengda Machinery Technology Co. Limited	Heshengda	PRC	Overseas Producer
Weifang Nuolong Machinery Co. Limited	Nuolong	PRC	Overseas Producer
Eurofonte	Eurofonte	EU	Trade Body
Cast Metals Federation	CMF	UK	Trade Body
Botou City Simencun Town Baifotang Casting Factory	Baifotang Casting	PRC	Contributor
China Chamber of Commerce for Import and Export of Machinery and Electronic Products	CCCME	PRC	Contributor
Hebei Machinery Imp/Exp Co. Limited	Hebei Machinery	PRC	Contributor
Tang County Kaihua Metal Products Co. Limited	Kaihua Metal	PRC	Contributor
VolkerFitzpatrick Limited	VolkerFitzpatrick	PRC	Contributor

10. Relevant non-confidential submissions made to this review are available on the public file, and are listed in **Annex 3**.

[3] Lynter International Limited supplied an insufficient Pre-Sampling Questionnaire (PSQ) and therefore, it was not made public.

B2 Scope

11. 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 is applicable should be varied.

12. The NOI describes the goods subject to review and sets out the scope of the measure under review as:

Articles of lamellar graphite cast iron (grey iron) or spheroidal graphite cast iron (also known as ductile cast iron) and parts thereof. These articles are of a kind used to:

- *Cover ground or sub-surface systems, and/or openings to ground or sub-surface systems;*
- *Give access to ground or sub-surface systems and/or provide view to ground or sub-surface systems.*

The articles may be machined, coated, painted and/or fitted with other materials such as but not limited to concrete, paving slabs, or tiles.

The following product types are excluded:

- Channel gratings and cast tops subject to standard EN 1433, to be fitted as a component on channels in polymer, plastic, galvanised steel or concrete allowing surface water to flow into the channel;
- Floor drains, roof drains, cleanouts and covers for cleanouts, subject to standard EN 1253;
- Step irons, lifting keys, and fire hydrants.

These cast iron articles are classifiable within the following commodity code(s) (United Kingdom Integrated Online Tariff – UKIOT):

73 25 10 00 31 73 25 99 10 60

13. During the injury period, the commodity codes that the measure applied to were changed. Following the provisional measure of 16 August 2017 (Commission Implementing Regulation(EU) 2017/1480) the measure was applied to the Combined Nomenclature (CN) codes ex 7325 10 00 (TARif Intégré Communautaire (TARIC) code 7325 10 00 31) and ex 7325 99 10 (TARIC code 7325 99 10 51), and these codes were confirmed on 29 January 2018 by way of a final determination (Commission Implementing Regulation (EU) 2018/140).

14. A European Court of Justice ruling led the EU Commission to amend these classifications through Commission Implementing Regulation (EU) 2019/261 on 14 February 2019. This ruling replaced the CN code ex 7325 99 10 (TARIC

code 7325 99 10 51) with CN code ex 7325 99 90 (TARIC code 7325 99 90 80).

15. The EU Commission issued a Corrigendum to Commission Implementing Regulation (EU) 2020/1051 of 16 July 2020, on 28 October 2020, changing the CN code ex 7325 99 90 (TARIC code 7325 99 90 80) for CN code ex 7325 99 10 (TARIC code 7325 99 10 60)

16. The UK Taxation notice 2020/19 dated 31 December 2020 transitioned the EU trade remedies measure into UK legislation following the UK leaving the EU. The taxation notice applied the anti-dumping duties on the following commodity codes, 7325 99 10 (UKIOT code 7325 99 10 60) and 7325 10 00 (UKIOT code 7325 10 00 31).

17. We have not received any application for a review of the description of the goods or the scope of the measure. We have considered the views of all interested parties to the review. We did not have any other reasons to consider amending the scope or altering the description of the goods. We therefore 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.

B3 Applicability

18. The transitioned UK measure applies to all exporters of the goods subject to review in the PRC, but the rate of duty is not constant across exporters. The applicable rates for each exporter are detailed in **Annex 1**.

B4 Likelihood of dumping assessment

19. In accordance with regulation 99A(1)(a) of the Regulations we assessed whether dumping of the goods subject to review would be likely to continue or recur if an anti-dumping amount was no longer applied (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 and possibly increase if the measure were no longer applied.

    For further detail, see **Section F: Likelihood of dumping assessment**.

B5 Likelihood of injury assessment

20. In accordance with regulations 99A(1)(b) of the Regulations, we considered whether injury to the UK industry in the like goods would be likely to continue or recur if the measure were no longer applied (the likelihood of injury

assessment). We determined that it is likely, on the balance of probabilities, that:

- injury would recur if the measure were no longer applied to the goods subject to review originating in the PRC.

For further detail, see **Section G: Likelihood of injury assessment**.

B6 Economic Interest Test (EIT)

21. Having considered all evidence gathered, including that presented by interested parties and contributors, and all the factors listed in the legislation[4], we have concluded that the EIT is met for the proposed measure overall (see regulation 100A(2)(a) of the Regulations). For further detail, see **Section H: Economic Interest Test (EIT).**

B7 Intended final recommendation to the Secretary of State

22. In accordance with regulation 100(1) of the Regulations, the TRA must make a recommendation following a transition review to vary or revoke the application of the anti-dumping amount to the relevant goods.

23. Our intended final recommendation for the goods subject to review originating from the PRC (see section I2. Intended final recommendation) is to vary the application of the anti-dumping amount under regulations 100 and 100A of the Regulations, so that it applies until 31 January 2028 – that is, five years subsequent to the date when the measure would have otherwise expired (31 January 2023) had no transition review been initiated. We also intend to recommend maintaining the current anti-dumping amounts pursuant to regulations 100 and 100A of the Regulations.

24. The description of the goods to which the measure applies is set out in **Section D**. 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 from the PRC under the UK commodity codes listed.

25. We intend to make this recommendation on the grounds that: we have assessed that it is likely that dumping of the goods subject to review originating in the PRC would continue and possibly increase if the measure were no longer applied; that material injury to the UK industry in the like goods would be likely

[4] See paragraph 25 of schedule 4 of the Taxation (Cross-border Trade) Act 2018 (the Act).

to recur if the measure were no longer applied; and that the application of the varied measure meets the EIT.

26. In reaching this intended final 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), known as the Department for Business and Trade (DBT) from 7 February 2023, identified which measures were of interest to the UK following a call for evidence.

28. For each of these measures, the Secretary of State for International Trade (currently the Secretary of State for Business and Trade) (the Secretary of State) published a Notice of Determination, under regulation 96(1) of the Regulations, setting out the decision to transition the corresponding EU trade remedies measure, and a Taxation Notice, on replacement of the EU trade duty. The TRA conducts transition reviews to determine if the measures in the Notice of Determination and Taxation Notice should be varied or revoked in the UK.

29. On 31 December 2020, the Secretary of State published Notice of Determination 2020/19 regarding the anti-dumping duty on certain Cast Iron Articles originating in the PRC, noting the decision to transition the EU anti-dumping measure so that it continued to apply in the UK once the UK ceased to apply the EU's Common External Tariff. Taxation Notice 2020/19 gave effect to the transition of the EU anti-dumping duty on Cast Iron Articles from the PRC to become an additional amount of UK import duty.

30. On 23 November 2022, the TRA published a Notice of Initiation to initiate a transition review of the UK measure relating to certain Cast Iron Articles from the PRC. This NOI had the effect of initiating this transition review.

C2 Previous measure in place

31. The EC imposed anti-dumping duties on imports of certain Cast Iron Articles originating in the PRC by Commission Implementing Regulation (EU) 2018/140 of 29 January 2018, as amended by Commission Implementing Regulation 2019/261 of 14 February 2019. **Annex 1** lists the duty rates that were applied. This measure was transitioned under Taxation Notice 2020/19 to become the UK trade remedies measure that is subject to this transition review.

C3 Our transition review process

C3.1 The transitioned measure

32. The EU measure transitioned into UK law and set out in Taxation Notice 2020/19 took effect as a UK measure on replacement of EU trade duty. Under

regulation 97C of the Regulations, this measure will continue until the Secretary of State publishes a notice accepting or rejecting a recommendation following a transition review.

33. The transitioned measure applies to certain Cast Iron Articles originating from the PRC. The rate of anti-dumping duty which applies to the goods produced by the relevant companies is summarised in Annex 1.

C3.2 Information from participants in the review

34. Non-confidential versions of information received by the TRA can be accessed on our Public File.

UK producers

35. We received questionnaire submissions from two UK producers:

- Thomas Dudley Foundry Limited; and
- Saint-Gobain Construction Products UK Limited.

36. The information submitted by TDF and SG PAM is listed in Annex 3.

Foreign governments

37. We received submissions from the following foreign government:

- Ministry of Commerce, People's Republic of China;

38. The information submitted by the foreign government is listed in Annex 3.

Exporters

39. We had five registered exporters interested in the case. We used the sampling provision as contained in Regulation 56, and considering the cumulative 76.2% of exports to the UK that these exporters represented, we sampled the following three exporters, representing 68.9% of total exports from the PRC:

- Qingdao Everbright Machinery Company Limited;
- Hong Guang Handan Cast Foundry Company Limited; and
- Shanxi Yuansheng Casting and Forging Industrial Company Limited.

40. The information submitted by the sampled PRC exporters is listed in Annex 3.

UK importers

41. We received questionnaire submissions from two UK importers:

- Alumasc Building Products Limited; and
- EJ UK Fabrication and Access Solutions Limited.

42. The information submitted by ABP and EJ UK is listed in **Annex 3**.

Contributors and further interested parties

43. We received submissions from the following contributors and further interested parties:

- Fowler & Holden Ltd;
- R&B UK JT Ltd;
- Eccles (UK Foundries FE) Limited;
- Eurofonte;
- Cast Metals Federation;
- Shanxi Ascent Industrial Co. Limited;
- Heping Cast Co. Limited Yi County;
- Hebei Machinery Imp/Exp Co. Limited;
- Botou Dongli Foundry Co. Limited;
- Botou City Simencun Town Baifotang Casting Factory;
- Botou City Wangwu Town Tianlong Casting Factory;
- Jize Jufeng Machinery Manufacturing Co. Limited;
- Lynter International Limited;
- Rockhan Technology Co. Limited;
- Weifang Huaxu Machinery Co. Limited;
- Weifang Nuolong Machinery Co. Limited;
- Tang County Kaihua Metal Products Co. Limited;
- Ministry of Commerce, People's Republic of China
- China Chamber of Commerce for Import and Export of Machinery and Electronic Products; and
- VolkerFitzpatrick Limited.

44. The information submitted by contributors and further interested parties is listed in Annex 3.

C3.3 How we have used submitted data

45. 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, or information obtained from secondary sources, such as that taken from TRA data subscriptions or publicly available data from governmental, industry and other sources.

46. We have also used submitted data to corroborate or gain a level of assurance as to that data itself, or other evidence either submitted to us or information gathered by us.

47. In addition to information submitted, information obtained from secondary sources was used in accordance with regulation 47 of the Regulations. This

information was treated with special circumspection and, where practicable, verified using independent sources. This included, but was not limited to, official import statistics and data pertaining to relevant markets.

C3.4 Verification of data

48. Prior to verification work commencing, we checked questionnaire submissions and annexes for consistency and completeness. During these checks, where we identified deficiencies relating to responses and non-confidential submissions, these were resolved before verification work commenced. As such, we deemed that the information provided was verifiable.

49. Preliminary analysis, based on confidential information supplied by interested parties in their responses to pre-sampling questionnaires (PSQs) and questionnaires, indicated that no or only minor changes in the anti-dumping amounts were likely to arise through a recalculation. We therefore considered whether it was appropriate, pursuant to regulation 99A(2)(a)(i) of the Regulations, to recalculate the anti-dumping amounts. In doing so, we considered a number of factors including whether the existing measure was affecting the supply of CIA into the UK during the POI and injury period, and therefore potentially distorting any recalculation; whether a methodology for comparing circular to square/rectangular covers would result in a fair comparison in normal value calculations; whether the information available to the case team would allow recalculation of the residual rate; the benefits and difficulties of undertaking face-to-face verification, in particular the additional time required to plan and undertake a visit (following the COVID pandemic, travel to the PRC was not considered an option at the initiation of the review; however, as the review process progressed, the possibility of travelling to the PRC became an option, but not without significantly affecting the timely progression of the transition review process); and the challenges in verifying certain areas of data remotely. Taking all of the factors into consideration, it was considered not appropriate to recalculate the anti-dumping amounts.

50. The TRA conducted both on-site and remote verification activity during this review.

51. For the UK producer SG PAM, we conducted an accounting system walkthrough remotely on 18 April 2023. Following this, we conducted on-site verification work between 24 and 28 April 2023. Details of the verification work completed can be found in our verification report on the public file. As a result of this work, we obtained sufficient assurance to conclude that the information provided by SG PAM is complete, relevant and accurate for the purpose of this review.

52. For the UK producer TDF, we conducted an accounting system walkthrough in person on 3 and 4 May 2023. Following this, we conducted on-site verification, between 23 and 25 May 2023. Details of the verification work completed can be found in our verification report on the public file. As a result of this work , we

obtained sufficient assurance to conclude that the information provided by TDF is complete, relevant and accurate for the purpose of this review.

53. For the UK importer ABP we conducted an accounting system walkthrough remotely on 1 and 15 June 2023. Following this, we conducted on-site verification in Dover, between 19 and 21 June 2023. Details of the verification work completed can be found in our verification report on the public file. As a result of this work, we obtained sufficient assurance to conclude that the information provided by ABP is complete, relevant and accurate for the purpose of this review.

54. For the UK importer EJ, we conducted an accounting system walkthrough remotely on 16 June 2023. Following this, we conducted on-site verification in Nuneaton, between 28 and 30 June 2023 and a follow up remote verification on 13 and 14 July 2023. Details of the verification work completed can be found in our verification report on the public file. As a result of this work, we obtained sufficient assurance to conclude that the information provided by EJ is complete, relevant and accurate for the purpose of this review.

55. For the PRC exporter Yuansheng, we conducted an accounting system walkthrough remotely on 12 July 2023. Following this, we conducted remote verification between 18 and 24 July 2023. Details of the verification work completed can be found in our verification report on the public file. As a result of this work, we obtained sufficient assurance to conclude that the information provided by Yuansheng is complete, relevant and accurate for the purpose of this review.

56. For the PRC exporter Handan Cast, we conducted an accounting system walkthrough remotely on 14 July 2023. Following this, we conducted remote verification between 26 and 28 July 2023. Details of the verification work completed can be found in our verification report on the public file. As a result of this work, we obtained sufficient assurance to conclude that the information provided by Handan Cast is complete, relevant and accurate for the purpose of this review.

57. For the PRC exporter Everbright, we conducted an accounting system walkthrough remotely on 13 July 2023. Following this, we conducted remote verification between 31 July and 2 August 2023. Details of the verification work completed can be found in our verification report on the public file. As a result of this work, we obtained sufficient and appropriate evidence to conclude that the information provided by Everbright relating to company operations and sales was complete, relevant, and accurate, for the purpose of this review. We encountered issues when verifying purchases and PCN information and therefore, our level of assurance in relation to this information is limited. Purchases information and PCN information will therefore be treated with due circumspect for its limitations in this transition review.

SECTION D: The Goods Subject to Review and Like Goods

D1 Description of the goods subject to review

58. "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".

59. The goods subject to review in this transition review are defined in the NOI and set out in section B2, and detailed below:

Articles of lamellar graphite cast iron (grey iron) or spheroidal graphite cast iron (also known as ductile cast iron) and parts thereof. These articles are of a kind used to:

- *Cover ground or sub-surface systems, and/or openings to ground or sub-surface systems;*
- *Give access to ground or sub-surface systems and/or provide view to ground or sub-surface systems.*

The articles may be machined, coated, painted and/or fitted with other materials such as but not limited to concrete, paving slabs, or tiles.

The following product types are excluded:

- Channel gratings and cast tops subject to standard EN 1433, to be fitted as a component on channels in polymer, plastic, galvanised steel or concrete allowing surface water to flow into the channel;
- Floor drains, roof drains, cleanouts and covers for cleanouts, subject to standard EN 1253;
- Step irons, lifting keys, and fire hydrants.

D2 Like Goods

60. Pursuant to paragraph 7(1) of Schedule 4 to the Taxation (Cross-border Trade) Act 2018 (the Act), 'Like goods' are defined in this transition review as: (a) goods which are like the goods subject to review 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.

61. To assess whether, in this transition review, the goods manufactured in the UK have sufficiently similar characteristics to constitute like goods, we considered:

- Physical likeness, such as physical characteristics; and
- Commercial likeness, including competition and distribution channels.

D3 Assessment of the Goods

62. We did not receive any submissions that the goods manufactured in the UK were not like the goods subject to review. Further, our own analysis of questionnaire responses and sales data demonstrated that the like goods have characteristics closely resembling those of the goods subject to review.

63. Whilst we recognise the goods subject to review commonly used in PRC's domestic market typically tend to be round and the UK like goods typically tend to be square or rectangular, we believe the goods to be similar. The goods share similar physical and chemical characteristics and are considered to have the same commercial likeness, carrying out the same function.

64. CIA that are installed in the UK infrastructure must meet BS EN124. We have noted that this British and European standard is commonly met by exporters, and existing exporters to the UK from the rest of the world and the PRC must comply with this standard.

65. Having considered the goods manufactured in the UK compared to the goods subject to review, we are satisfied that the goods manufactured in the UK are like goods for the purposes of this transition review.

SECTION E: The current UK industry and market

E1 Overview

66. The UK industry consists of three manufacturers of the like goods: SG PAM, TDF and F&H. SG PAM has the largest share of the UK production of the like goods.

Table 2: Source of UK CIA consumption (%)

	Period			
	Oct18-Sep19	**Oct19-Sep20**	**Oct20-Sep21**	**Oct21-Sep22**
UK Domestic Production Sales	29%	36%	31%	27%
PRC imports	13%	11%	6%	7%
RoW imports	58%	53%	63%	66%

Source: Aggregated industry data and His Majesty's Revenue and Customs (HMRC) import data

67. UK production accounts for 27-36% of UK consumption over the injury period. The UK-produced CIA and imported CIA are important as sources of supply for the UK consumption of CIA.

68. Imports meet 64-73% of the UK's consumption of CIA over the injury period.

E2 Production process

69. The production process for cast iron articles starts with engineers producing patterns, which are then manufactured from aluminium for durability. These aluminium patterns are essentially replicas of the CIA access/manhole cover and consist of two patterns for each cover, one for the top of the cover and the other for the bottom.

70. Sand moulds are then created, a process which starts with the placing of the two aluminium patterns into the base of separate boxes. Sand is then tightly packed into each box to create the top and bottom moulds, with the top mould containing holes into which molten iron can be poured. The aluminium patterns can then be removed to create hollow images of the top and bottom of the manhole cover at the base of each box. The two moulds are then coupled together to create one whole sand mould with cavities inside it.

71. Over 90% of the raw material used to produce grey iron, is iron-rich scrap metal and pig iron. These materials are added, with coke and limestone, to the hot blast furnace. Molten metal from the furnace can then be used to produce

ductile iron by the addition of magnesium ferrosilicon, which is then poured into the mould and allowed to cool.

72. The melting of the metal is completed by two alternative methods: using an electric furnace where it is melted using electric induction that heats the product to 1500 degrees Celsius; or alternatively melting in a gas/coke-powered furnace. Both methods are energy intensive, and therefore energy is a key cost factor in the production process.

73. The sand mould (with the casting inside) is then separated from the boxes, and the sand is shaken away from the casting. The casting will then be finished by shotblasting (to remove any remaining sand) and machining of the surfaces to ensure sharp bits of metal are removed and the cover can lie flat in its frame. The casting can then be coated.

74. The most significant elements to the costs of production (detailed both in exporter and domestic producer annex data) are:

- Input metal – Recycled metal and/or pig iron.
- Electricity & Gas (Energy) – for melting the metal plus the production line.
- Employment costs – as there is a level of manual labour even when automated

E3 Market size and structure

75. Over the injury period, Gross Value Added (GVA) from the production of CIA was circa £28-35 million per year.

76. The UK production of CIA employed between 170 and 250 direct employees during the injury period. **Table 3** below demonstrates the fluctuation in employment over the injury period.

Table 3: UK CIA production employees indexed to 2018/19

EMPLOYMENT	Period			
	Oct18-Sep19	**Oct19-Sep20**	**Oct20-Sep21**	**Oct21-Sep22**
Total number of employees (FTE) indexed to 2018/2019	100	93	102	107

Source: Confidential questionnaire annex returns “UK Producer”

77. In addition to the three UK producers of like goods, the TRA identified 10 businesses that import CIA from a variety of countries. Imported CIA is an

important source of supply, as UK production is not sufficient to meet UK demand.

78. CIA are used as an end product, to cover subsurface areas, usually allowing access for utilities such as water, gas, electric and phone/data cables. A variety of other uses include use to cover sub-surface fuel dumps at ports and airports.

79. Sales of CIA are split between direct sales to utility companies, civil engineering companies and major projects, through to builders merchants, house builders and retail stores.

80. CIA products, when installed correctly, can have a life span in excess of 30 years, and are fully recyclable. Approximately 20% of UK production of CIA goes to new installations while the remaining 80% is used to replace/upgrade existing installations.

E4 Market trends

81. UK Industry's share of the CIA market and their UK sales of CIA remained relatively stable over the injury period, with an increase in market share during the COVID-19 affected period of October 2019 to September 2020.

82. Total UK imports of CIA have fluctuated over the injury period with the quantity and the value of imports falling between 2018/19 to 2019/20 before rising back to near 2018/19 levels in 2021/22 (see **Table 4** below).

Table 4: UK imports of CIA over the injury period.

Volume	Period			
	Oct18-Sep19	**Oct19-Sep20**	**Oct20-Sep21**	**Oct21-Sep22**
Imports of CIA indexed (2018/2019 = 100)	100	68	90	99

Source: HMRC confidential 10 digit data

83. Imports of the goods subject to review from the PRC into the UK dropped in October 19 to September 20, with a stronger drop in the period October 20 to September 2021. Imports started to increase in the POI, as detailed in **Table 5** below.

Table 5: UK imports of CIA from the PRC over the injury period.

	Period

Volume	Oct18-Sep19	Oct19-Sep20	Oct20-Sep21	Oct21-Sep22
PRC exports of CIA to UK indexed (2018/2019 = 100)	100	86	46	56

Source: HMRC confidential 10 digit data

E5 Competition in the market

84. UK-produced CIA competes with CIA imported from other countries.

85. UK import data shows that the value of imports of CIA into the UK during the POI amounted to £33-£43 million (HMRC data).

86. Over the injury period, the main source countries of imported CIA included Türkiye, India and the PRC. Together these countries accounted for 95% of total UK imports of CIA by volume.

87. The imports of CIA from the PRC represented between 7% and 13% of total imports into the UK over the injury period.

E6 Conclusion

88. We have concluded that the UK industry is comprised of three main producers: SG PAM, TDF and F&H. SG PAM is a considerably larger UK producer of CIA than TDF and F&H.

89. The UK market for CIA also consists of importing businesses, which are important as a source of supply to UK consumption of CIA, representing 64-73% of the market. The UK industry competes with these importers.

90. CIA is used as an end product to cover access points for the utilities industry as well as wider industries, with numerous downstream businesses.

SECTION F: Likelihood of Dumping Assessment

F1 Introduction

91. In accordance with regulation 99A(1)(a) of the Regulations, we have assessed whether the dumping of the goods subject to review would be likely to continue or recur if the anti-dumping amount were no longer applied to those goods. In doing so, and in conjunction with our consideration of the EIT (see regulation 100A(2)(a) of the Regulations), we have also had regard to the current and prospective impact of the anti-dumping amount, as required under regulation 100A(2)(b) of the Regulations.

92. Following the conclusion that it was not appropriate to recalculate the anti-dumping amount (given the circumstances surrounding this transition review; see paragraph 49 above), we decided to conduct the likelihood of dumping assessment on a countrywide basis. The assessment considered the following at country level:

- Continued dumping or likelihood of recurrence;
- Production levels in the PRC;
- Production capacity in the PRC;
- Inventories in the PRC;
- Ability to shift production to the goods subject to review;
- Conditions in the domestic market in the PRC;
- Market prices in the UK and the domestic market of the PRC;
- PRC exports to third countries;
- Attractiveness of the UK market to PRC exporters;
- Whether PRC exporters have previously or habitually circumvented or absorbed the effects of trade remedy measures; and
- Any other relevant factors.

93. We conducted this assessment to inform our determination as to whether the measure currently applying to the goods subject to review should be varied or revoked. We conducted the assessment of the likelihood of dumping of the goods subject to review continuing or recuring on the balance of probabilities.

F2 Continued dumping

94. The European Commission (Commission) imposed definitive anti-dumping measures against PRC imports of CIA for five years effective from 31 January 2018. The Commission calculated dumping rates of 15.5 - 38.1% for PRC exports to the EU and set the co-operating exporters duty rate at 25.4%; more details can be found in **Annex 1**. These rates were given effect in the UK under Taxation Notice 2020/19 dated 31 December 2020.

95. HMRC have recorded that, in the injury period of October 2018 to September 2022, PRC exports of CIA to the UK continued. **Table 6** below demonstrates the level of trade at the 8 digit commodity code level.

Table 6: UK imports of CIA from PRC between 2018 and 2022 in kg.

	2018	2019	2020	2021	2022
UK total imports of CIA 8-digit level (kg)	88,582,024	57,838,650	59,636,107	75,108,210	65,043,066

Source: HMRC, Overseas Trade in Goods Statistics, 2022.

96. Publicly available HMRC data disaggregated to an 8-digit level, as shown in **Table 6**, also covers goods not subject to review. To overcome this deviation, **Table 7** below shows indexed confidential HMRC data disaggregated to a 10-digit commodity code level. This more accurately depicts the trend of PRC exports of goods subject to review to the UK during the injury period.

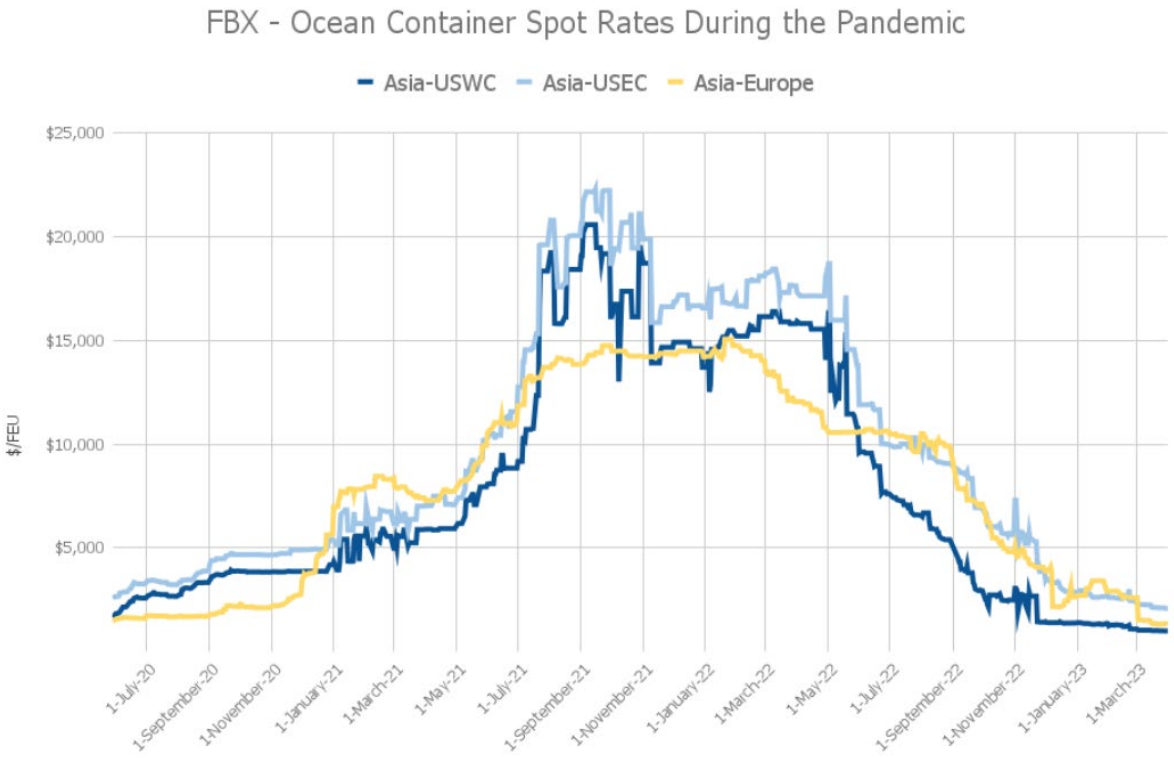
Table 7: PRC exports to the UK (indexed to 2018/19)

Volume	Period			
	Oct18-Sep19	Oct19-Sep20	Oct20-Sep21	Oct21-Sep22
PRC exports of CIA to UK indexed (2018/2019 = 100)	100	64	42	54

Source: Confidential HMRC import data, disaggregated at 10-digit commodity code level

97. There was a reduced volume exported in the periods October 2019 to September 2020, and October 2020 to September 2021, which PRC exporters attributed to the COVID-19 pandemic, and then the shipping crisis that followed, which saw shipping container costs rise from December 2020 (see **Figure 1**). Volumes began to increase in the POI as the effects of the COVID-19 pandemic and the shipping crisis reduced. Confidential HMRC 10-digit data shows that volumes have continued to increase beyond the POI for this transition review.

Figure 1: Ocean container shipping prices for 40ft containers (in US $)



Source: *Shipping Delays & Freight Cost Increases 2023 | Freightos*

98. We do not hold import data prior to the imposition of the EU measure (in January 2018), so we are unable to consider whether the measure had the effect of reducing exports from the PRC to the UK. However, exports from the PRC to the UK were present during the injury period, and represented the third largest exports of CIA of any country to the UK.

99. Analysis of confidential cost to make data, along with PRC domestic and export ex works pricing, identified that exports from the PRC were entering the UK market at dumped prices during the injury period. This was without considering the potential effect of any particular market situation (PMS).

100. When analysing third country sales from PRC exporters (amounting to between 5.5-6.5 million kg in volume of CIA) we identified that average export prices were higher than those to the UK, indicating the possibility of exporters absorbing some of the cost of the anti-dumping duties currently in place.

F3 Conditions for dumping

F3.1 Production levels in the PRC

101. We assessed the production volumes of CIA in the PRC using information provided by sampled exporters. Their estimation, based on their own market share, was that PRC domestic production of CIA was 2 billion kg per annum.

We did not receive any specific evidence to support this estimation, and there is no publicly available information to corroborate it.

102. We received production data from seven current PRC producers in their PSQ returns, out of a total of 87 known producers who are listed in the UK taxation notice.

103. We do not know how the indicative size of the exporters who co-operated with this transition review compares to those others who did not co-operate. We cannot therefore compare PRC production levels to UK production levels based on the data we have received. That said, the production level of these seven PRC producers alone was in excess of UK production for the POI.

104. Below **Table 8** shows production levels of the three sampled PRC exporters (indexed):

Table 8: Sampled PRC exporters' production levels of Cast Iron Articles

Indexed 2018/19 = 100	2018/19	2019/20	2020/21	2021/22
Total	100	75	58	84

Source: confidential questionnaire response from sampled exporters.

F3.2 Production capacity in the PRC

105. We have conducted our analysis from information provided by interested parties and sampled exporters; capacity has remained stable over the last four years despite markets shocks caused by the COVID-19 pandemic. The average production capacity utilisation for sampled exporters was 32-42% over the four-year injury period (Oct 2018- Sep 2022), indicating an ability to significantly increase total production of the goods subject to review.

Table 9: Spare capacity in sampled PRC exporters

Volume	Period			
	Oct18-Sep19	Oct19-Sep20	Oct20-Sep21	Oct21-Sep22
PRC sampled exporters spare capacity (2018/2019 = 100)	100	124	131	113

Source: PSQ data from PRC exporters

106. **Table 9** above shows that spare capacity increased from 2018/19 to 2020/21. It is likely that some of that increase has been caused by external factors such as the COVID-19 pandemic and the shipping container crisis reducing actual production volumes (given the fact that capacity itself remained stable). Whilst spare capacity reduced during the POI over the previous year, it was still 13% above the spare capacity of 2018/19. This trend in spare capacity doesn't indicate on its own an intention to dump.

107. Questionnaire responses received from parties that currently export to the UK from the PRC, and those that have declared an interest in the case, confirmed that they have an excess capacity for the production of the goods subject to review of 32-37 million kg. This level of spare capacity demonstrates an ability for PRC exporters to increase production and exports to the UK if the conditions are right.

108. Data obtained in the completed PSQ returns submitted by PRC exporters showed that, in the POI, spare capacity represented 55-65% of those exporters' production capacity, which equated to over 200% of UK production.

109. This demonstrates that significant increased supply is possible using existing facilities should the demand for the product and supply of raw materials be available.

F3.3 Inventories

110. The demand for CIA in the UK is generally for square and triangular shapes, rather than the circular shaped covers that are more commonly used in the PRC. It is therefore acknowledged that the inventory available in the PRC may not be suitable for the UK market.

111. **Table 10** below shows a decrease in stock levels of the goods subject to review during the injury period of 65%. Whilst PRC exporters' closing inventory levels in 2021/22 were under 5% of global imports of CIA to the UK, they represented 20-30% of PRC exports to the UK for the POI. This closing inventory includes all types of the goods subject to review and like goods destined for the PRC domestic market, some of which are not commonly sold in the UK market. We do not know the mix of the goods subject to review, held in stock, so we are unable to say if they could be used for future sales in the UK market.

112. Although stock levels are low, they are sufficient to be able to increase exports to the UK, either directly by shipping goods (if they are suitable for the UK market), or alternatively by using stock to meet domestic PRC demand (if stock is suitable for PRC domestic market) and using production to supply exports to the UK market, see **section F3.4 below**. A gradual reduction in stock levels doesn't necessarily indicate an intention to dump.

113. Exporters confirmed during the review that closing stock fell as stock was used to meet demand when local COVID-19 lock downs in the PRC meant that production (for all markets) was not possible.

Table 10: Closing Inventory Levels of sampled PRC Exporters (indexed)

Indexed 2018/19 = 100	2018/19	2019/20	2020/21	2021/22
Total	100	89	34	35

Source: confidential questionnaire response from sampled exporters.

F3.4 Ability to switch production to the goods subject to review

114. If we considered just the excess capacity within the parties that registered to the case, a further 32-37 million kg could be utilised to produce goods subject to review to be exported to the UK market, which would represent more than 200% of UK domestic production.

115. Given the process of casting - generating molten iron (grey or ductile), pouring into a compressed sand mould, cooling and cleaning - there is very little barrier to changing production to other casting shapes, for example, from round to rectangular manhole covers. Indeed, both UK producers were able to adapt production to a variety of products with a short turnaround time, changing over a mould and updating electronic systems easily within a day's notice (and within 1 hour if necessary). In terms of casting foundries, both UK producers and PRC exporters stated that switching production in a casting plant is easy, as the mould is simply swapped out.

116. We have available evidence showing that exporters from the PRC are capable of meeting UK regulatory standards such as BS EN124, and BS 7903, with current exports.

117. As a result, PRC exporters have the ability to shift production to the goods subject to review and could potentially dump if the incentives were in place for them to do so.

F4 Incentives for dumping

F4.1 Conditions in exporters' home market

118. There was an absence of information from secondary sources relating to industry profit margins, demand, or other conditions in the exporters' domestic market.

119. Sampled PRC exporters' confidential data shows that profit margins were low during the injury period, with lower profitability in the COVID-19 period. There was some evidence that the domestic market was more profitable than the export market in the injury period.

120. Confidential data indicated that the PRC domestic market was provided for by many producers, and that producers sought to export into other markets to increase sales. This data remained unverified given it was received from interested parties not selected as part of the sample.

121. During verification, PRC exporters confirmed that due to localised COVID-19 lockdowns, production was interrupted between 2020 and 2021.

122. Sampled PRC exporters had spare capacity in their existing plants to cater for a substantial increase in production should the raw materials and conditions exist.

F4.2 Market prices in the UK and in the exporters' domestic market

123. Whilst UK producers have alleged that a PMS exists in the PRC with regard to raw materials and energy input costs, they have not supplied evidence to support this allegation.

124. The TRA is aware that PMS has been proven in the areas of energy/electricity in previous TRA investigations, albeit for a different product type. However, given the dumping margin is not being recalculated in this transition review, there is no requirement to assess PMS. The following price analysis does not consider the existence of a PMS or any other market distortions.

125. **Table 11** below shows that the gap between the weighted PRC exporters' domestic sales price and the weighted UK producers' domestic sales price reduced by 16 percent in 2019/20. It then began to increase back up in 2020/21 and returned to within 1 percent of the 2018/19 gap during the POI.

Table 11: Price gap between PRC exporters domestic sales and UK producers domestic sales

£/kg	2018/19	2019/20	2020/21	2021/22
Price gap indexed 2018/19 = 100	100	84	90	99

Source: confidential questionnaire response from sampled exporters

126. Confidential sales data suggests that, in the absence of any measure, PRC exporters could enter the UK market without dumping and undercut the UK domestic industry's prices. It is possible that PRC exporters are attempting to gain a larger UK market share, and there could be an incentive to dump when considering the large price gap between the two domestic markets.

F4.3 Exports to third markets

127. Publicly available export data published by The Observatory of Economic Complexity at a 4 digit level demonstrates that PRC was the largest exporter of CIA in 2021, with PRC exports representing 17% of world trade, at approximately £1.3 billion in trade. Exports therefore represent a significant element of PRC CIA producers' business.

128. We investigated the main export markets within the sampled exporters' data, and apart from the EU market, there was no evidence of dumping of the like goods for any of these countries.

129. Current anti-dumping duties applied by other nations are limited to the UK and the EU, with a range of 15.5% - 38.1%. No other current anti-dumping duties on CIA originating in the PRC were identified.

130. When compared to confidential PRC exporters' domestic sales prices, third country export prices are very similar, which could suggest that the sampled PRC exporters do not currently dump the like goods into other countries.

F4.4 Attractiveness of the UK market

131. While the UK market is not particularly large in comparison to other world markets, around 64-73% of the UK's domestic consumption is met by imports. Therefore, it is reasonable to conclude that the UK market is open and competitive. It is reasonable to assume that the UK would be vulnerable to further imports of dumped goods subject to review from the PRC were the measure revoked (given the PRC could easily switch production to product shapes for the UK market).

132. **Table 12** below illustrates the fluctuation in the individual trends for the market share in the UK market. Imports accounted for approximately 64-73% of UK consumption. Interested parties who have registered to the case have expressed an interest in exporting to the UK, and we have also received correspondence from unregistered parties indicating an interest to export to the UK from PRC. These factors, when combined with the ongoing exports from sampled exporters (despite the anti-dumping duty being in place), support a conclusion that the UK is an attractive market to PRC exporters of the goods subject to review.

Table 12: UK sales volume data, (indexed)

Indexed (2018/2019 = 100)	**2018/2019**	**2019/2020**	**2020/2021**	**2021/2022**
UK Domestic producer sales	100	90	102	95
Sales of Imports into the UK	100	68	90	99

Source: Aggregated UK producer questionnaire data and HMRC data.

F5 Circumvention and/or absorption

133. One interested party has made allegations that they believe CIA produced in the PRC is being exported to the UK via Türkiye. We have received no evidence of circumvention; it is noted that, in recent years, Türkiye has become the largest exporter of the like goods into the UK.

134. It is noted that no evidence has been identified to suggest that as an industry the PRC CIA industry has a history of circumvention.

135. We also considered if there was evidence of the exporters absorbing the cost of the tariff currently in place. The current measure has an anti-dumping duty of 25.4% for cooperating exporters. Our review of all third country sales (which covered a volume in excess of 200% of PRC exports to the UK in the POI), was based on the confidential questionnaire response annex data supplied by the

sampled exporters. The price sold to the next largest export market was noted to be in excess of 20% higher than that of the UK sales, indicating that a level of absorption of the existing measure may be ongoing.

F6 Other Factors

136. No other relevant factors have been identified.

F7 Conclusion

F7.1 Findings

137. The PRC is responsible for around half the world's casting of metals and estimated (by sampled PRC exporters) to produce 2 billion kg of CIA a year. The PRC has sufficient capacity in production to produce enough CIA to meet UK consumption. Where incentivised to do so PRC exporters may continue to dump goods subject to review in the UK, or increase the level of dumping.

138. Parties who either export to the UK from the PRC, or who have openly declared an interest in the case, show consistent spare capacity over the injury period. Their excess capacity for the goods subject to review is more than double UK-based production. This demonstrates an ability to increase production and exports to the UK, and is a positive indicator of the possibility of dumping continuing, while it also suggests that volumes could increase if the measure was no longer applied.

139. Inventory held by exporters is at a low level. However, as inventory refers to the total stock of CIA, many of these may not be suitable for use in the UK due to the UK using largely square/triangular covers, and the PRC and majority of other third countries utilising circular products.

140. The cast iron products consist largely of pouring molten metal into a mould. Producers advised throughout that changing the type of casting was a relatively simple matter of changing the mould used, and updating the computer program that runs the plant. Should the incentive exist, there would essentially be no barrier to shifting production or excess capacity towards the production of goods subject to review.

141. Given the price difference and lower price point of PRC produced CIA, in the absence of any measures, PRC exporters could enter the UK market without dumping. However, available evidence seems to indicate that PRC exporters are continuing to export goods subject to review to the UK at dumped prices, and that they may be absorbing at least part of the measure. It is possible that PRC exporters are attempting to gain a larger UK market share, and there seems to be an incentive to dump when considering the large price gap between PRC and UK-produced CIA.

142. Confidential data submitted by interested parties in their responses to questionnaires and PSQs indicated that PRC producers were profitable in the injury period and sought exports as a means to increase sales. Where primary information was not verified and found complete, relevant and accurate, we sought evidence from secondary sources. However we could not obtain sufficient secondary data and therefore no conclusions were drawn in relation to the likelihood of dumping for this factor.

143. Whilst there have been allegations from at least one UK producer of circumvention through Türkiye, the TRA has seen no evidence to support this allegation.

F7.2 Conclusion

144. Considering the evidence available to the case team, we conclude that there is a likelihood (greater than 50%) that the goods subject to review originating in the PRC would continue to be dumped, and the level of dumping or volume of dumped imports into the UK may even increase, if the measure were removed.

SECTION G: Likelihood of Injury Assessment

G1 Introduction

145. We are required under regulation 99A(1)(b) of the Regulations to consider whether injury to the UK industry in the relevant goods would be likely to continue or recur if the measure were no longer applied (the injury likelihood assessment).

146. Information obtained from secondary sources was used in accordance with Regulations where primary data was not available.

147. To conduct the injury likelihood assessment, we considered:
    - The current state of the UK industry;
    - Undercutting of the UK industry;
    - Domestic and international market conditions;
    - Historic injury data;
    - Other factors that could cause injury (non-attribution); and,
    - Other potential causes of injury.

148. 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.

149. We completed our analysis in the context of a UK industry that was being protected by the measure across the injury period. We analysed trends across UK industry during this time, and considered what would happen if the measure were to be varied or revoked.

G2 Current state of the UK Industry

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

    - actual and potential decline in:
        - output;
        - utilisation of capacity;
        - market share;
        - sales;
        - profits;
        - productivity;
        - return on investments;
        - ability to raise capital or investments; and
    - factors affecting domestic prices of the like goods;
    - the magnitude of the margin of dumping if calculated; and

- actual and potential negative effects on:
    - cash flow;
    - inventories;
    - employment;
    - wages; and
    - growth.

151. 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.

G2.1 Output

Table 13: UK Industry CIA production output over the injury period.

	2018/2019	2019/2020	2020/2021	2021/2022
Output by volume index	100	81	90	83
Output by value index	100	86	99	113

Source: UK Producers' questionnaire responses.

152. Production output by volume decreased 17% during the injury period, while output by value increased 13% over the same period. This was impacted, as discussed in **section G2.4 Sales,** by the effect of inflation on input costs during the POI. Both SG PAM and TDF reported negotiating an increase in their prices with their customers during 2021/22 to cover the increases in input costs.

153. For the first three years of the injury period, the output by value followed a similar pattern to the output by volume. There was a decrease in 2019/20 due to the impact of the COVID-19 pandemic, and then an increase in 2020/21 due to the shipping crisis discussed in **section G2.3 Market Share,** when customers struggled to source imported products.

154. As the effects of the shipping crisis decrease, UK industry may be forced to negotiate lower prices again in order to compete with imports. However, UK industry's ability to bring prices back down for customers will be relatively less than the PRC's ability, due to input costs discussed in **section G2.4 Sales**. If UK industry is unable to compete with imports on price, then it would place it in a vulnerable position. Were the measure revoked, production output would decrease, and UK industry would likely suffer a recurrence of injury.

G2.2 Utilisation of capacity

Table 142: UK Industry utilisation of capacity over the injury period.

	2018/2019	2019/2020	2020/2021	2021/2022
Production capacity for like goods (volume) index	100	100	100	100
Production capacity utilisation for like goods index	100	81	90	83

Source: UK Producers' questionnaire responses.

155. UK industry's production capacity for the like goods did not change during the injury period, but the production capacity utilisation figures decreased by 17%. For the final three years of the injury period, the UK industry substantially underutilised its capacity.

156. Statements from UK industry claimed that plans to utilise more capacity would be put at risk if the measure were to be revoked. UK producers have provided evidence that they are capable of meeting greater demand, but the reducing capacity utilisation supports that UK industry is in a vulnerable position.

157. It is likely that UK industry's production capacity utilisation would decrease further were the measure to be revoked, as imports would replace UK-manufactured like goods, and UK industry would likely suffer a recurrence of injury.

G2.3 Market share

Table 15: UK Industry domestic sales and UK imports over the injury period.

	2018/2019	2019/2020	2020/2021	2021/2022
Domestic sales (volume) index	100	90	102	95
UK imports (volume) index	100	68	90	99
Domestic market share (%)	29%	36%	32%	27%
Imports market share (%)	71%	64%	68%	73%

Source: UK Producers' questionnaire responses, and HMRC, Overseas Trade in Goods Statistics.

158. The volume of sales of domestically-produced like goods and of UK imports decreased by 10% and 32% respectively during 2019/20. These decreases were due to the impact of the COVID-19 pandemic, which shut down factories around the world. UK industry did however increase its market share by seven percentage points during this time, because some customers struggled to source imported products, and switched to UK producers with shorter delivery timescales.

159. During 2020/21, there were challenges with the availability and reliability of shipping containers, which led to a significant increase in shipping prices (see **section F2 Continued dumping, Figure 1**)**.** At the start of 2020/21, rates from Asia to Europe were approximately $2,500/FEU (Forty-Foot Equivalent Unit), while at the end of that year, the price had increased significantly, to $15,000/FEU. This led to an increase and peak in the volume of UK industry sales. That was however accompanied by signs of recovery for UK imports which also increased, taking back four percentage points of the market share during 2020/21.

160. During 2021/22, UK imports recovered to pre-pandemic levels, with a 73% share of the market. UK industry struggled to retain its sales volume at this time, which was 5% lower than 2018/19. The lower sales volume was also responsible for UK industry's market share percentage falling to its lowest point throughout the injury period.

161. With its reducing sales volume and market share during the POI, UK industry showed that it was vulnerable to increased imports. This demonstrates that were the measure to be revoked, UK industry's market share would probably reduce further, and it would likely suffer a recurrence of injury.

G2.4 The level of UK industry's sales

Table 16: UK Industry domestic sales of CIA over the injury period.

	2018/2019	2019/2020	2020/2021	2021/2022
Domestic sales by volume (KG) index	100	90	102	95
Domestic sales by value (£) index	100	94	110	122
Unit price (£/KG) index	100	104	108	128
Domestic sales as % of total sales by value index	100	110	110	113

Source: UK Producers' questionnaire responses.

162. The volume and value of UK industry domestic sales of like goods showed an initial decrease from 2018/19 - 2019/20, which was attributed by both UK producers to the COVID-19 pandemic. Sales by value then followed an upward trend for the rest of the injury period and, by 2021/22, had increased 22% compared to 2018/19.

163. Sales by volume recovered in 2020/21 (which was attributed by TDF to UK customers seeking UK supply during the shipping crisis, explained from **Figure 2**) but 2021/22 finished 5% down when compared to 2018/19.

164. The unit price for the like goods followed an entirely upward trend throughout the injury period, ending 28% higher in 2021/22 when compared to 2018/19. This was mainly because of increased input costs explained in **Figures 2-4,**

demonstrating increases in price for both pig iron and ferrous scrap as well as energy.

Figure 2: Pig Iron Price Trends in the injury period

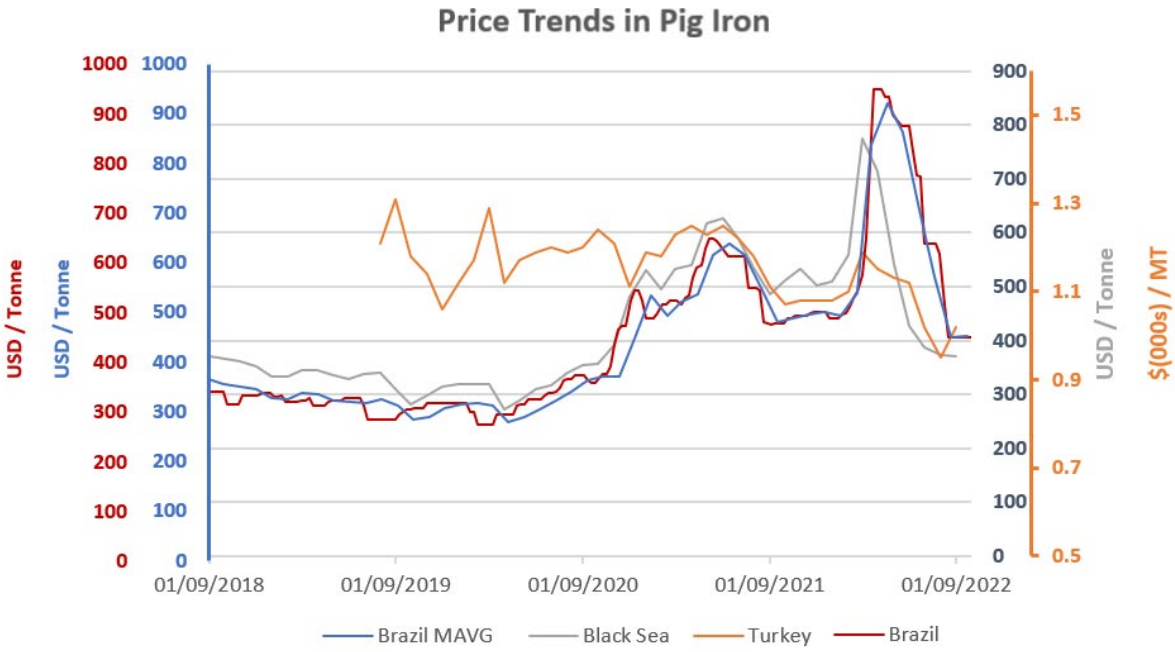


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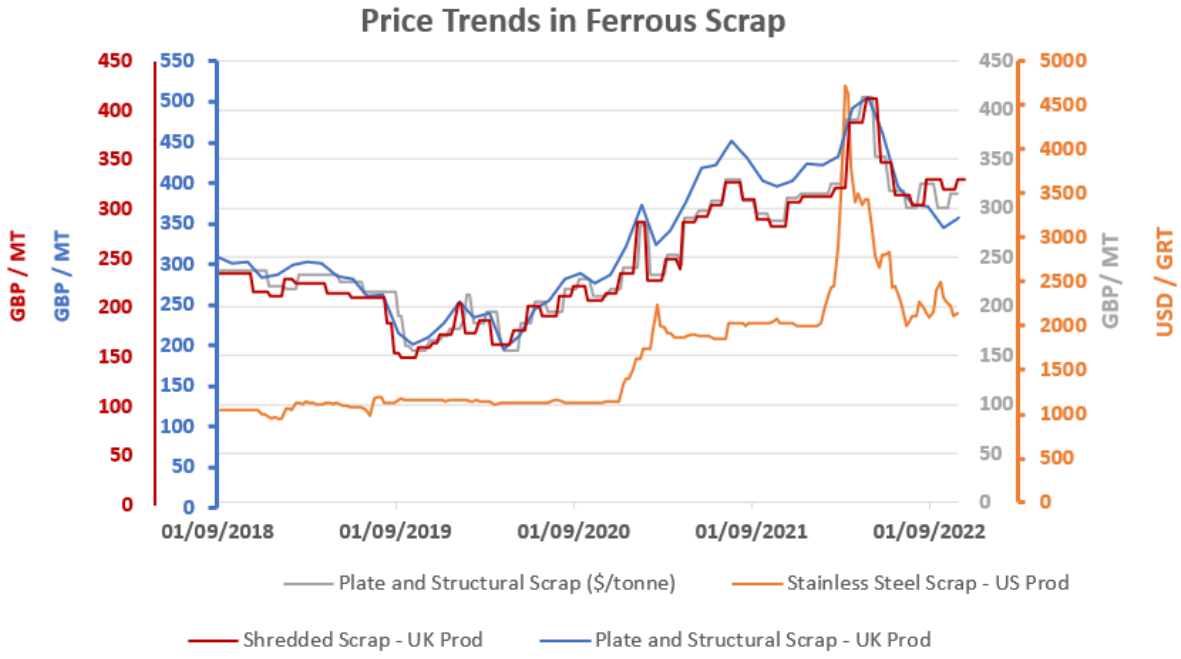
Figure 3: Ferrous Scrap Price Trends in the injury period



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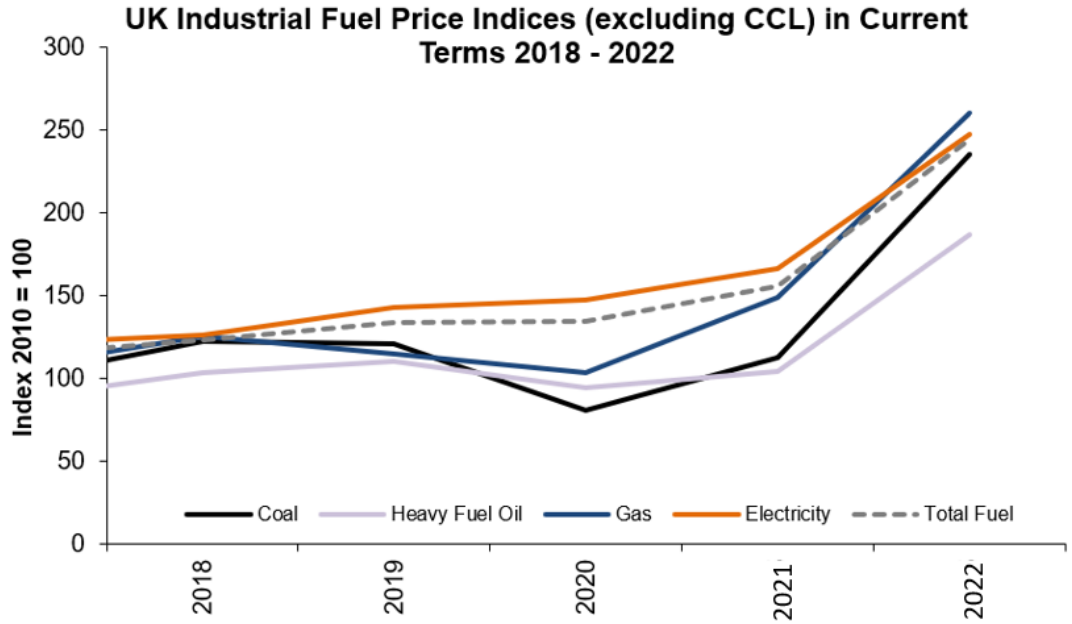
165. UK producers stated that rising energy prices also contributed to increasing costs during 2021/22. Energy was within the range of 6% - 16% of UK industry's cost to make during 2021/22.

166. UK data from the Department for Energy Security and Net Zero evidences increases in energy prices by approximately 100% throughout the injury period, with the biggest spike an approximately 75% increase from 2021 to 2022 as a result of Russia's invasion of Ukraine, as shown in **Figure 4.**

167. As detailed in section G2.1 Output, if UK industry is unable to compete with imports on price, it would place it in a vulnerable position. Were the measure to be revoked, sales volume would likely decrease further as a result of an increase in imports, and UK industry would likely suffer a recurrence of injury.

Figure 4: UK Industrial Fuel Price Indices excluding Climate Change Levy



Source: Department for Energy Security and Net Zero - https://www.gov.uk/government/statistical-data-sets/industrial-energy-price-indices

G2.5 Profits

168. The UK industry for CIA has suffered with poor profitability from like goods throughout the injury period, indicating its vulnerability. However, UK industry was close to profitability during 2021/22, and this could be indicative of the duty having some effect during the injury period.

169. Part of the improving profitability trend can be attributed to the increase in unit price of the like goods analysed in **Table 16**, in particular during 2020/21, when the shipping crisis caused disruption to imports and some customers switched to buying like goods from UK industry. UK industry was able to negotiate to

secure prices that increased profitability due to this increased demand for UK-produced like goods. However, there were signs that imports had returned to normal by 2021/22, and UK industry began to become restricted in terms of its ability to keep pace with the continuing rises in input costs, whilst also remaining competitive with imports.

170. Despite the overall improvement in profitability made by UK industry from 2018/19 – 2021/22, the evidence shows a trend of low profit margins and a UK industry that is vulnerable, especially in the current environment of high input costs. Therefore, should the measure be revoked, it is likely that profits will further deteriorate, and UK industry would likely suffer a recurrence of injury.

G2.6 Employment and productivity

Table 17: UK Industry employment over the injury period.

	2018/2019	2019/2020	2020/2021	2021/2022
Total number of employees (FTE) Index	100	91	95	99
Number of employees for like goods (FTE) Index	100	93	101	107

Source: UK Producers' questionnaire responses.

171. The number of employees for like goods, and the total number of employees, fell from the first to the second year of the injury period due to the effects of the COVID-19 pandemic. The reduction in employees was limited because UK industry utilised the UK Government Coronavirus Job Retention Scheme in the injury period years 2019/2020 to furlough staff.

172. As shown in **Table 17**, producers reallocated employee numbers to the production of the like goods in 2020/21. This was essential given the like goods were considered requisite components by the UK Government for vital industries such as water distribution networks. Concurrently, demand for like goods from UK sources increased, because of the disruption to imports from the PRC. Employees for the like goods finished the POI 7% higher than 2018/19.

173. There appears to be a direct correlation between levels of imports and employment figures. Where imports are lower, UK employment figures tend to be higher. Therefore, if the anti-dumping measure were to be revoked, imports of the goods subject to review would likely rise, UK employment figures would likely reduce, and UK industry would likely suffer a recurrence of injury.

Table 183: UK Industry productivity over the injury period.

	2018/2019	2019/2020	2020/2021	2021/2022
Average output in volume per employee for the like goods (FTE) Index	100	87	88	78

Source: UK Producers' questionnaire responses.

174. Productivity per full time equivalent (FTE) employee in **Table 18** above has been calculated by dividing the total output by volume (**Table 13**) by the total number of employees for the like goods (**Table 17**).

175. **Table 17** shows that the number of employees working with the like goods increased over the injury period, while there was an overall decrease in output volumes; as a result, the productivity per employee decreased by 22% over the injury period.

176. As mentioned above, both UK producers report that they used the UK Government Coronavirus Job Retention Scheme to maintain staffing numbers during 2019/20 and 2020/21. Since the total output volumes decreased and staffing numbers remained relatively stable, the result is a relative decrease in output volume per employee.

177. It is not possible to separate the effects of the Job Retention Scheme from any potential injury, and therefore no conclusion has been reached on this factor.

G2.7 Wages

Table 194: UK Industry wages over the injury period.

	2018/2019	2019/2020	2020/2021	2021/2022
Mean wage for FTE engaged in activities related to the like goods Index	100	100	102	102

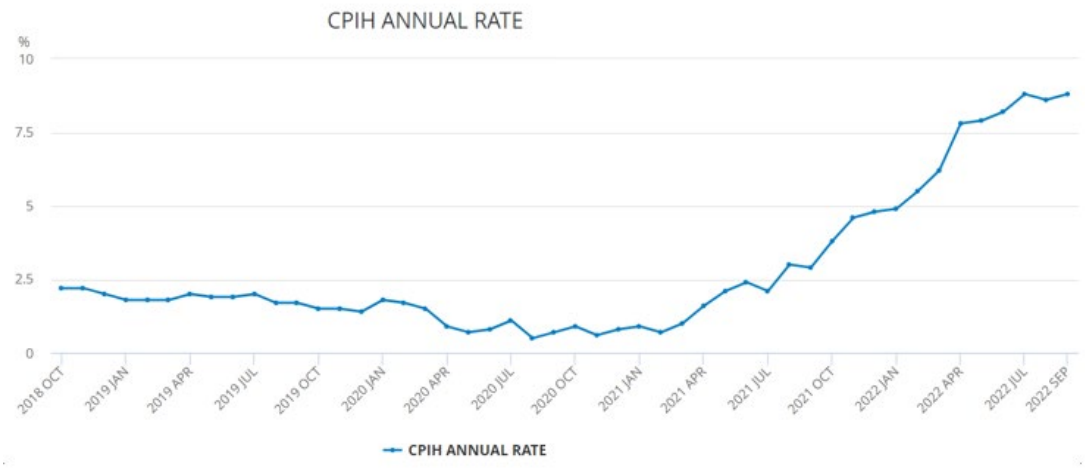
Source: UK Producers' questionnaire responses.

178. The weighted mean wage remained fairly consistent throughout the injury period, with a very slight increase from 2020/21-2021/22. As noted in the employment section above, the UK Government Coronavirus Job Retention Scheme directly affected wages. This allowed the UK producers to ensure employment and wages remained consistent during the pandemic. This may have masked the occurrence of injury by supporting the producers and minimising the effect of all impacts during this period.

179. For the majority of the second half of the injury period, the UK has experienced a significant increase in inflation (**Figure 5**); according to the Office of National Statistics (ONS), inflation at the end of the POI was 8.8%. A lack of corresponding increase in wages within the UK industry may suggest an

inability of the producers to sell goods at a competitive price if they were to raise wages. This indicates the possibility of wage suppression, and were the measure to be revoked, UK industry would likely suffer a recurrence of injury.

Figure 5: Inflation during the injury period (UK)



Changes in inflation during the injury period using the Consumer Price Index Housing. Source: ONS

G2.8 Return on investments

180. Both UK producers, SG PAM and TDF, experienced poor profitability during the injury period (see **sections G2.5 Profits** and **G2.11 Cash Flow**) and both companies received some financial investment from their respective groups. Evidence regarding return on investments was not supplied, and therefore this factor does not contribute to our assessment of injury.

G2.9 The ability to raise capital or investments

181. There is no available data for the UK industry in regard to this factor, and it is not indicative of whether or not they are able to source investments on the open market.

182. One producer claimed that revocation of the measure would result in their group stopping any future financial investment. Given that the foundry is currently suffering from poor profitability (and has throughout the injury period), this may be a realistic outcome, and would likely lead to a recurrence of injury.

G2.10 Effects on UK prices

183. This factor captures the prices of CIA sold domestically by the UK industry and compares them to the PRC exporters' UK import prices, therefore providing indicators into the economic value and health of the CIA industry.

184. The average unit sales prices have been constructed by taking the total value of sales, divided by the total volume of sales (at the same level of trade) to arrive at an overall average pound sterling value per KG, for both UK producers and sampled PRC exporters.

185. The average sales prices developed over the injury period as demonstrated in **Table 20** below.

Table 205: Comparison of UK average sales prices to PRC average UK import prices.

	2018/2019	2019/2020	2020/2021	2021/2022
UK average domestic sales price (£/KG) Index	100	104	108	128
PRC exporters' average UK import prices (£/KG) Index	100	101	110	111
Average price undercutting (£/KG) Index	100	110	105	154

Source: UK producers' and PRC exporters' questionnaire responses.

186. The average UK selling price per kg increased 4% from 2018/19 – 2019/20, and during 2020/21 the price was 8% higher than 2018/2019. These increases were modest when compared to the 2021/22 year, when prices stood 28% higher than in 2018/2019. UK producers have confirmed that sales prices were increased in this period following significant rises in raw material and energy costs discussed in **section G2.4.** These effects are separately discussed in **sections G5.3 Inflation** and **G5.4 Russian invasion of Ukraine**.

187. During the first three years of the injury period, PRC exporters' import prices undercut UK industry at between £0.25 – £0.90/KG. During 2021/22, exporters' average import prices were 11% higher than 2018/19. However, when compared to the 28% average price increase over the same period for UK producers, it shows that PRC exporters were undercutting UK industry at a rate 54% higher than in 2018/19.

188. PRC exporters were able to absorb input cost rises during 2021/22 to a greater extent than UK industry, and/or they enjoyed lower increases in their input costs when compared to UK industry.

189. The effect of these price trends on UK industry was to leave them in a vulnerable position at the end of the POI. Therefore, it is likely that UK industry would suffer a recurrence of injury were the measure to be revoked.

G2.11 Cash Flow

190. UK industry struggled with poor liquidity and a lack of stability throughout the injury period. There were significant fluctuations in the UK industry's cash flow over the injury period.

191. 2020/21 identified an improvement in cash flow. The main reason for this was the temporary switch from imports to UK produced goods, due to the disruptions to imports mentioned in **section G2.5**, and support received from the UK government's Coronavirus Job Retention Scheme (**section G2.6**).

192. 2021/22 represented the worst position of all four years, when furlough had ended, and input costs were at their peak (**section G2.4**). Both producers alleged difficulties in ensuring supply of raw materials at this time, and one producer stated that the resulting need to buy in greater bulk to ensure supply caused cash flow issues. Both UK producers received some financial investment from their respective groups for their foundry businesses, which further indicates the vulnerability of the UK industry.

G2.12 Inventories

Table 26: UK Industry inventories over the injury period.

	2018/2019	2019/2020	2020/2021	2021/2022
Stocks at year end, total volume manufactured by UK Industry in UK Index	100	74	73	75
Stocks at year end, total value manufactured by UK Industry in UK Index	100	78	91	106

Source : UK Producers' questionnaire responses.

193. Volumes of stocks reduced by 26% from 2018/19 – 2019/20, and were then relatively stable through 2020/21 and 2021/22. The value of stock initially decreased from 2018/19 – 2019/20 in line with the decrease in volume; however, the value then increased from 2019/20 – 2020/21 and again from 2020/21 – 2021/22, despite volumes remaining stable.

194. UK producers attributed the increase in value to an increase in prices during 2020/21 and 2021/22 to cover the inflationary effect on their input costs (**section G2.4**), including a revaluing of existing stock.

195. During the pandemic, it is likely that some of the reduction in stock held can be accounted for by increased demand for UK industry stock at that time. This is supported by the shift in market share (**section G2.3**) which suggests that demand for like goods was met by existing UK stock despite factory shutdowns. This can be considered one of the advantages to UK industry of both the pandemic and retaining a range of stock.

196. Given the relative stability of stock volumes over the injury period and considering the range of external factors that could have affected stock, we cannot draw conclusions either way on the likelihood of injury in relation to this factor, were the measures to be revoked.

G2.13 Growth

Table 227: UK Industry turnover over the injury period.

	2018/2019	2019/2020	2020/2021	2021/2022
Total turnover of like goods Index	100	85	99	108

Source: UK Producers' questionnaire responses.

197. To assess growth of the UK industry, we have considered revenue of the like goods during the injury period. Turnover initially decreased in 2019/20, when the pandemic hit. By 2021/22, the total turnover was 8% greater than at the start of the injury period, which could indicate growth within the industry.

198. Inflation impacted the sales price of the like goods, which increased by 27% over the period. Whilst sales values increased, production and sales volumes remained notably lower than at the start of the injury period. Some of this can be attributed to the rising costs of energy and raw materials due to inflation driving up the price of the goods.

199. However, the net operating profit after tax (NOPAT) of the like goods also improved during the period. This suggests that not all of the price increase was simply to offset inflation of input costs, as improvements in profitability can be seen.

200. We cannot draw any conclusions from this factor regarding the likelihood of injury.

G2.14 Conclusion on the current state of the UK industry

201. Trends in production output, capacity utilisation, market share, sales volume, and cashflow during the injury period, aligned with some (or all) of the higher-level issues that affected UK industry during that time (listed below), lead to our conclusion that the UK industry is in a vulnerable position:

- a reduction in performance from 2018/19 – 2019/20 due to the COVID-19 pandemic;
- a temporary uplift in performance during 2020/21 and 2021/22 as customers switched to domestic goods, due to import disruptions caused by the shipping crisis; and
- an environment of high raw material and energy costs during 2021/22, coupled with a comparatively improving picture for import prices,

showing that UK industry was in a vulnerable position by the end of the POI.

202. Some indicators, such as profits, pointed to the duty having some effect during the injury period. We also considered the margin of dumping, along with other factors showing that UK industry was vulnerable at the end of the POI.

203. Given the likelihood of dumping continuing and imports of the goods subject to review increasing in volume were the measure to be revoked, this would lead to a decline in UK industry's market share, and a likelihood that it would suffer a recurrence of injury.

G3 Undercutting analysis

204. Price undercutting is where the imported goods are consistently sold at a price below that of the like goods in the UK. In the event of undercutting, the UK industry may be forced to reduce its prices to compete against the lower priced imports, or risk losing market share. This may also prevent prices of like goods in the UK from rising to a level that the UK industry would otherwise achieve.

205. We have calculated the price undercutting percentage by comparing the UK sales price (ex-works) with the import price, at the same level of trade, utilising verified sales data from UK industry and sampled PRC exporters from the POI.

206. The TRA calculated an undercutting margin covering all PCNs across all sampled PRC exporters during 2021/22 and found that the PRC produced CIA was undercutting UK produced CIA at an average rate of 46%. We concluded that the level of undercutting places UK industry in a vulnerable position and were the measure to be revoked, it would likely lead to a recurrence of injury.

G4 Domestic and international market conditions

G4.1 Imports of CIA from third countries

Table 238: Comparison of UK Imports from PRC, Türkiye, and India (calendar years)

Country		2018	2019	2020	2021	2022
PRC	Share of imports (%)	17%	17%	15%	8%	8%
	Unit price (Indexed 2018=100)	100	102	102	121	129
Türkiye	Share of imports (%)	53%	61%	73%	72%	71%
	Unit price (Indexed 2018=100)	100	107	104	112	102
India	Share of imports (%)	27%	21%	12%	15%	15%

	Unit price (Indexed 2018=100)	100	104	101	117	111

*Table 23 shows the three countries with the highest imports. The country with the next highest imports is the Netherlands with 2% in 2022.
Source: Derived from confidential HMRC data

207. Türkiye, India and the PRC have been the largest exporters of CIA into the UK throughout the injury period. Türkiye have increased their market share of imports into the UK from 53% to 71%, and this appears to be to the detriment of India and the PRC who, when combined, have lost 21% of the import market share during the injury period. In 2022, Türkiye imported over 8.5 times more volume than the PRC.

208. Average import prices for all three countries follow the same trend, increasing throughout the injury period, though the prices for Türkiye and India show a slight decline in 2022 when the PRC average price increased. At a basic level, the HMRC data does suggest that Türkiye and India are having a relatively bigger effect on the UK market than the PRC. However, this ignores the fact that we know that several importers are importing from India and Türkiye, and finishing the goods in the UK.

209. Taking the PRC prices in isolation, the HMRC confidential data also indicates that unit prices from PRC are declining since the POI ended in September 2022. We must also consider that data from our three sampled exporters, who account for 66% of imports from the PRC during the POI, shows evidence of dumping **(**see **section F2 Continued Dumping)**, and undercutting during the injury period. All of this suggests that injury is likely to recur, should the measure be revoked.

210. It should also be considered that, while the PRC currently has a decreased share of imports to the UK, a number of companies who produce CIA in PRC that registered to the case stated interest in exporting to the UK if the measure were to be revoked. Hebei Cangxin Pipeline Co. Ltd., state in their registration form that they currently export to Italy and Spain predominantly, but given awareness of the fact that the UK has left the EU, they want to develop a UK market for their exports. Similarly, Botou Dongli Foundry Co. Ltd. state in their registration form an interest in exporting to the UK in future, though they did not during the POI. Others, such as Jize Jufeng Machinery Manufacturing Co. Ltd. state that they did not import to the UK during the POI, but are interested in knowing the outcome of the review; this indicates the possibility that such companies are considering the UK market for their exports.

211. Additionally, all current exporters to the UK and those with interest (that reported production figures) have significant levels of under-utilised capacity. There is at least 32-37 million kg of spare capacity, among the registered PRC parties, which is more than double the UK industry's average production output over the injury period. This is explored further in **Section F: Likelihood of Dumping Assessment.**

212. Both SG PAM and TDF have stated that, given the process of casting is relatively simple, there is very little barrier to changing production to other casting shapes, for example from round to rectangular manhole covers. Most other cast iron goods can be made from the same materials and indeed in the same “pour” (batch) as the like goods. All that is required is a different mould. Furthermore, data from Statista indicates that the PRC is the largest producer of cast iron by volume. Given how unsophisticated the goods subject to review are, there would appear to be a significant ability to shift production to the goods subject to review, should the incentives exist.

213. Whilst the unit prices for the PRC are higher than those from Türkiye and India, the PRC’s declining share of imports could indicate that the current measure has had some success in protecting the UK industry from dumped imports from the PRC. Whilst there is increasing competition from Turkish and Indian imports, weighing up all the evidence, we conclude that revocation of the measure risks PRC exporters increasing their market share again, which is likely to cause a recurrence of injury to the UK industry.

G4.2 Consumer Preference

214. While both UK producers state that price is the main driver in consumer purchasing choices, with availability and lead times factoring in some cases, there is also a consideration to be made regarding environmental sustainability.

215. UK Producers are making significant improvements in being Net Carbon Zero by 2050. This makes them the “greener” choice (compared with imports from the PRC) for consumers for whom sustainability is a concern, particularly those for whom it would contribute towards their own environmental targets.

216. Both producers also show compliance with BS EN ISO 14001 (Environmental Management). This may have a small positive impact on consumers choosing to purchase from the UK Industry.

217. Additionally, one producer stated that they have customers who routinely purchase a proportion of their requirement from them, in order to have a UK foundry capable of producing their products at short notice. This is to mitigate risks of supply disruption in the international market and ensure that they have access to a supplier without the lead times of products from the PRC.

218. However, it should be noted that both the benefits of UK-based production for lead times and environmental sustainability appear to be minor considerations for the majority of customers in a predominantly price-determined market. UK producers further stated that adherence to these standards increases their costs and is an element that PRC exporters do not have to adhere to: this may result in a diminished capacity to price products competitively with imports.

G5 Other causes of injury (non-attribution)

G5.1 EU Exit

219. In the years between the EU referendum (2016) and the end of the transition period (end of 2020), UK businesses faced increased uncertainty, as well as increased barriers to trade on the continent from the end of the transition period.

220. Uncertainty, generally, reduces business confidence and thus has an impact on things such as investment. A 2019, and thus pre-COVID-19, paper from the London School of Economics found that EU exit uncertainty had decreased investment by 11% and productivity by 2–5%. Companies that have closer links to the EU in terms of imports/exports and global value chains will likely have been more impacted than others.

221. It is more difficult to observe the impacts of the post-transition period environment, given this took place within the same time period as COVID-19 and the Russian invasion of Ukraine.

G5.2 COVID-19 pandemic

222. The COVID-19 pandemic caused significant economic damage to the UK and to the world. The furlough scheme rolled out by the UK government prevented large scale unemployment during the lockdowns of 2020 and 2021. However, stay-at-home rules meant that output fell in industries where remote work is impossible. The fall in demand from the construction industry and building sites which were classed as “non-essential work” also resulted in falling productivity.

223. With declining output across the economy, and the largest UK recession in history, many firms saw their financial and economic metrics decline. This pattern was seen in most countries around the world as public health measures were in place.

224. However, COVID-19 also forced businesses to secure domestic supplies of goods and services, when previously they may have looked overseas, leading to a reduction in imports as reported by Investment Monitor.

225. Given the unprecedented global scale of the economic impacts of COVID-19, and the benefits UK industry saw through customers seeking UK supply, it is impossible to say that this caused specific injury to the UK production base for CIA. However, one UK producer reported that business improved in the COVID-19 period as buyers sought UK supply to avoid delays in delivery.

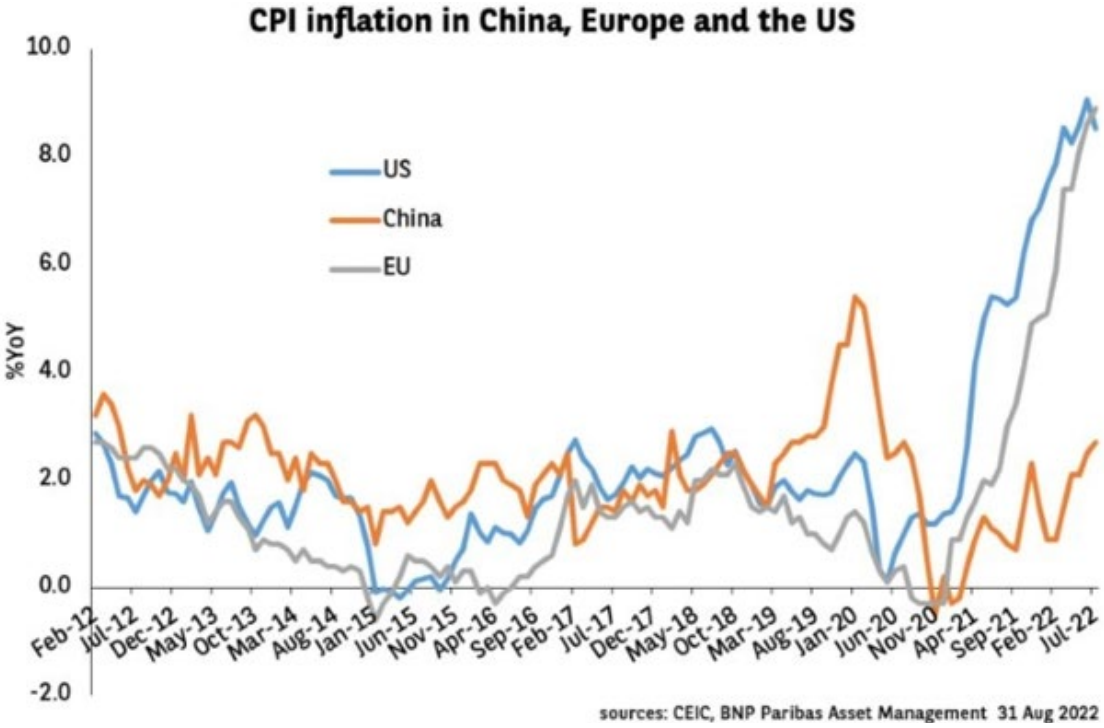
G5.3 Inflation

226. A combination of unleashed consumer spending post-COVID-19, congested supply chains and, more recently, the Russian invasion of Ukraine has

prompted an increase in global inflation as reported by the United Nations. Production costs for businesses, both in the UK and around the world, have increased particularly due to the rising cost of energy, as well as some raw materials – this is highlighted in **section G2.4** in regards to the production of CIA, with data from S&P Global.

227. Increases in production costs can increase the vulnerability of firms, especially those that cannot adjust their prices accordingly due to becoming uncompetitive (particularly in the presence of cheap foreign imports). Although inflationary pressures are – for the most part – a global issue, the PRC appears to be suffering a much lower rate than other developed nations, and so may be able to widen the undercutting margin.

Figure 6: Inflation for PRC/USA/EU



G5.4 Russian Invasion of Ukraine

228. As highlighted above, the ongoing war in Ukraine has contributed to significant global inflationary pressures. The impacts are most clear in the energy and commodities sectors and those related to these supply chains, including CIA producers.

229. The Energy and Climate Intelligence Unit (ECIU) conducted a study one year on from the invasion, assessing the impact of the conflict on global energy prices. The study states that "The UK will have spent in the region of £60–70 billion buying gas on wholesale markets in the 12 months since 24th February 2022, adding around £50–60 billion of additional costs to the UK economy

compared to before the gas crisis and pandemic". This represents a significant impact on wholesome consumers, such as metal producing industries like CIA.

230. For the PRC, over the period, rises were much lower with no increase in electricity prices, as reported by Statista, and a reduction in gas prices as Russia sought to evade trade bans, reported by Bloomberg.

231. S&P Global report that, prior to the conflict, Russia and Ukraine accounted for around 60% of global merchant pig iron exports. The report estimates that Ukrainian capacity is around 40% of pre-invasion levels, while Russian exports have declined around 29% as a result of international sanctions. This will have had an impact on the spot prices in pig iron on the global markets and may have contributed to rising prices at the end of the POI.

232. However, it is worth noting that these developments occurred in February 2022, and as such, we cannot attribute any occurrence of injury prior to the second half of the POI to this factor. However, this may have a bearing on how resilient UK producers are to inflationary pressures, particularly if the PRC's pressures continue to be relatively lower than the UK for the foreseeable period of application of the anti-dumping measure. The energy and commodities cost increases are likely to continue, and should the anti-dumping measure be revoked, this will likely continue to be a source of vulnerability to the UK industry.

233. Despite the indirect impacts of the conflict on the UK industry, confidential 10-digit HMRC trade data notes that the UK has not imported any CIA under the relevant commodity codes from Russia, Ukraine or Belarus during the period 2018-2022. Therefore, there is no evident gap in supply for meeting UK demand for CIA due to the inability to import from the aforementioned countries.

G5.5 Third country non-attribution

234. We acknowledge Türkiye's lower prices (below the PRC; see **Table 23**) for the POI and large share of imports may have contributed to injury during the injury period, however as explained in that section, this does not preclude the PRC from causing future injury if the measure were to be revoked.

G5.6 Conclusion

235. The factors assessed were:

- EU exit;
- COVID-19 pandemic;
- Inflation;
- Russian Invasion of Ukraine; and
- Third country non-attribution

236. The post-transition impacts of EU exit, inflation and the COVID-19 pandemic contributed to the vulnerability of the UK industry to injury, but COVID-19 also temporarily increased demand for UK production. The UK industry has managed to continue in the market, and we do not expect the effects of these factors to worsen.

237. UK industry has stated that they do not feel that injury has occurred as a result of EU exit, COVID 19, or the Russian invasion of Ukraine.

238. While the Russian invasion of Ukraine caused inflationary pressures throughout the world, including the UK, and affected global supply of raw materials, this was only present during part of the final year of the injury period (Feb-Sep 22). Therefore, it cannot have contributed to injury occurring in the period Oct 18-Jan 22. However, it may have a longer-term bearing on the resilience and vulnerability of the UK industry in the future.

239. We conclude that our analysis of other potential causes of injury considered above will not negate any finding of likelihood of injury we may reach in this assessment.

G6 Historic injury data

240. The TRA have considered whether the UK industry has suffered material injury in the past as a result of dumped imports, and if/when this changed.

241. With the current measure in place since Commission Implementing Regulation (EU) 2018/140 of 29 January 2018, amended by Commission Implementing Regulation (EU) 2019/261 of 14 February 2019, there is a likelihood that data following implementation of the measure is distorted, and as such, cannot be compared to data prior to implementation.

242. However, given an anti-dumping measure is currently applied to prevent injury to the UK domestic industry, it is reasonable to conclude that, should dumping continue, it is likely to result in a recurrence of injury. This is supported by UK producers and one UK importer, who have argued in their written submissions that the UK industry is still vulnerable, and injury would be likely to recur if the anti-dumping measures were to be revoked.

G7 Other factors

243. The TRA has considered whether there are any other factors relevant to this case. We have not identified any other factors that can contribute to this likelihood assessment.

G8 Conclusion

G8.1 Findings

244. In the section **G2.15 Conclusion on the current state of the UK industry**, considering all the factors assessed, we found that UK industry was in a vulnerable position and that revocation of the measure would likely lead to a recurrence of injury.

245. In the section **G3 Undercutting analysis**, we found that UK industry was being undercut during the POI at an average rate of 46%, and was in a vulnerable position. We further found that revocation of the measure would lead to UK industry suffering a likely recurrence of injury.

246. In the section **G4 Domestic and international market conditions**, we assessed:

    a. Imports of CIA from third countries; and
    b. Consumer preference

    Our analysis supports our finding that the UK is in a vulnerable position and, if the measure were to be revoked, this would lead to UK industry suffering a likely recurrence of injury.

247. In the section **G5 Other causes of injury (non-attribution)** we assessed the following factors:

    a. EU exit;
    b. COVID-19 pandemic;
    c. Inflation;
    d. Russian Invasion of Ukraine; and
    e. Third country non-attribution

248. We concluded that our analysis of other causes of injury (non-attribution) considered above will not negate any finding of injury likelihood we may reach in this assessment.

249. In the section **G6 Historic injury data**, we found that whilst we were unable to compare historic injury data following implementation of the measure, against data prior to implementation of the measure, there is a current anti-dumping measure in place because of previously dumped imports causing injury to the UK domestic industry.

250. In the section **G7 Other factors** we did not identify any other factors that can contribute to this likelihood assessment.

G8.2 Conclusion

251. Considering the evidence available to the case team, we conclude that there is a likelihood (greater than 50%) that injury to the UK domestic industry in the like goods would recur if the measure no longer applied, resulting from a likely increase in the volume of dumped imports of goods subject to review originating in the PRC **(see Section F: Likelihood of dumping assessment)**.

SECTION H: Economic Interest Test (EIT)

H1 Introduction

252. Under Regulation 100A(2)(a), if we make a recommendation to vary the application of the anti-dumping measure, we must be satisfied that this variation meets the EIT.

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

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

255. 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 like goods and the benefits to that UK industry in removing that injury;
- the economic significance of affected industries and consumers in the UK;
- the likely impact on affected industries and consumers in the UK;
- the likely impact on particular geographic areas, or particular groups, in the UK;
- the likely consequences for the competitive environment, and for the structure of markets for goods, in the UK; and
- such other matters as the TRA considers relevant.

H2 Supply Chain Overview

256. CIA are products formed of ductile or grey cast Iron used to provide access to buried infrastructure or covers for drainage, i.e. manhole covers. Due to its preferential failure properties (when it starts to fail, it buckles gradually and can be replaced before it breaks completely), ductile cast iron is generally preferred to grey cast iron (which can shatter unexpectedly) for all but a few applications, so makes up the majority of the market, especially in recent years where by some definitions grey cast iron makes up less than 10% of the market, and this trend is likely to continue.

257. Cast iron is a high-carbon iron alloy, and ductile cast iron in particular is distinguished by the spheroidal nodules of graphite into which the carbon

content is formed, which is facilitated by the introduction of a small amount of magnesium into the alloy.

258. The bulk of the material input into the production process is scrap iron and steel, which varies in carbon content. As a result, the amount of carbon added in the production processes varies. Most carbon is added via coke (a processed form of coal), which also serves as an energy source, though some production is also carried out via an electric induction method which removes the requirement for coke as an energy source. This introduces further variation into the production process and its input requirements.

259. As a result of this variability between and within production processes, the supply chain for CIA is changeable, and flows of key components are not always regular and predictable. This means that estimates of, for example, the importance of this industry for certain upstream suppliers, can only be contingent estimates based on the time period investigated and must be approached with some caution. Supply chains in this industry are not always smooth and often work by negotiated prices from sale to sale, and are open to regular renegotiation and fluctuation due to the variability inherent in the core process as well as being subject to wider economic forces. With this caveat in mind, **Figure 7** lays out a simplified supply chain for CIA.

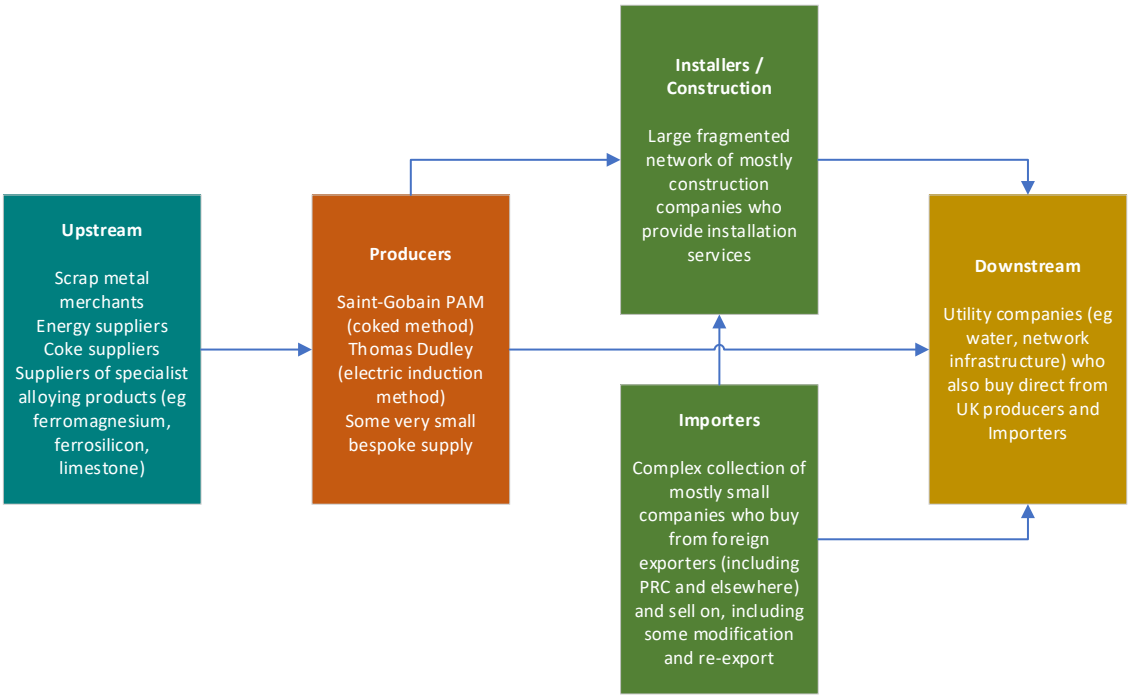
260. UK Production is almost completely accounted for by two producers, SG PAM and TDF, with only a very small amount of boutique custom production undertaken elsewhere. SG PAM uses a coking method; TDF uses an electric induction method.

261. Upstream of these producers is a variety of other industries that supply them, most notably scrap metal merchants, but also energy suppliers, the coke industry and specialist suppliers dealing in the alloying components such as ferromagnesium and ferrosilicon. This set of upstream businesses is mostly international but includes a lot of UK industries, particularly scrap metal merchants.

262. Downstream of these producers is a multi-route supply chain in which the product is both sold directly to the final users, which are mostly utility and infrastructure providers, as well as construction companies that sell the product as part of installation or construction services to those final users.

263. UK businesses also import CIA, both from the PRC (and thus subject to the current measure) and from third countries, particularly Türkiye. The narrow commodity specification of CIA and the fragmented and heterogenous nature of the market has limited our ability to collect enough data to make firm pronouncements about this segment of the supply chain. However, it seems likely that importers both sell direct to final users and to installer / construction intermediaries, and that there is overlap between producers and importers in some cases.

Figure 79: Certain Cast Iron Articles supply chain outline



H3 Evidence Sources

264. We received questionnaire responses from five UK-based interested parties:

- Two UK producers of CIA: SG PAM and TDF;
- Two importers of CIA: ABP and EJ;
- One downstream user of CIA: VolkerFitzpatrick.

265. We used questionnaire submissions to identify further businesses involved in the CIA supply chain, and used publicly available data from the following sources to further our analysis:

- Dun & Bradstreet Hoovers (under subscription);
- Companies House;
- HMRC;
- Water UK (a water industry trade body);
- OFWAT (the UK's water regulator).

H4 Injury

266. The injury likelihood assessment concluded that, were the measure to be revoked, UK producers would likely suffer a recurrence of injury. Varying the

measure by extending the application of the duty (henceforth referred to as "varying the measure" for conciseness) would avoid this outcome, benefiting UK industry.

H5 Significance

267. This section sets out the relative size and economic significance of the various parts of the supply chain and the importance of CIA.

268. The following UK-based groups have been identified as potentially being affected by the removal or extension of the proposed measure:

- **Upstream businesses:** such as suppliers of scrap steel, energy, and alloying components like magnesium;
- **UK producers** of CIA;
- **Importers** of CIA;
- **Downstream businesses**: those who use CIA to produce other goods or infrastructure, such as the construction industry; and
- **Consumers**: households connected to water and communications infrastructure.

269. The sections below will examine the employment and wider economic significance of the groups within the industry related to the like goods and goods subject to review. Where possible, the TRA has estimated GVA for affected businesses in each part of the supply chain by summating operating profits, employment costs, depreciation and amortisation.

H5.1 Upstream businesses

270. Based on questionnaire responses submitted by UK producers of CIA, we were able to identify 23 UK upstream businesses which supply raw materials and other inputs into the CIA production process.

271. A sample of seven upstream businesses was derived from this, capturing the majority of the purchases made by UK producers of CIA from upstream businesses.

272. For the vast majority of the businesses that we sampled, a negligible (<1%) share of their business appears related to CIA. Therefore, we deem CIA to be unimportant to these upstream businesses, and such businesses would therefore likely be unaffected by a decision to vary or revoke the measure.

H5.2 UK Producers

273. Almost the entire UK production output of CIA can be attributed to the two producers who engaged with this transition review as interested parties and submitted questionnaire responses: TDF and SG PAM. There is a third producer, F&H, who produce small quantities, but who were not sampled.

274. TDF is a foundry that produces CIA for use in utility installations. According to their public financial accounts, in 2021, they employed 173 staff and had a turnover and GVA of £23 million and £10 million respectively, with an earnings before interest, taxes, depreciation, and amortisation (EBITDA) margin of -3%.

275. SG PAM is another UK foundry. They are part of the multinational group SG Construction, and the group files accounts on Companies House at a group-wide level. Therefore, it is not possible to calculate the employment, GVA or turnover at the UK-specific level from non-confidential data.

276. Using a mix of publicly available accounts and confidential information submitted by these producers in their questionnaire responses, we established that CIA is a very important product for both these companies if considering only UK activities as in scope. We cannot share detailed financial information at the UK level for confidentiality reasons.

277. Based on this mix of public and confidential information, we have assessed this sector as vulnerable to economic shocks, as it is a fairly small industry currently suffering from poor profitability, though this shows some signs of improving.

H5.3 Importers

278. The narrow definition of the product in question, which is at the 10-digit commodity code level, prevented us from carrying out a comprehensive study of importing businesses, forcing a complete reliance on data provided by interested parties in questionnaire responses. As a result, this analysis may not be capturing a representative sample of the industry.

279. Two UK-based importers of CIA from the PRC registered with this case and submitted questionnaire responses: ABP and EJ.

280. ABP import CIA and assemble them into specialist products not produced directly by the foundries. In 2021-22, they employed 391 people and had a turnover and GVA of £82 million and £32 million respectively, with an EBITDA margin of 17%. EJ are another importer with links to a multinational firm. In 2021, they employed 90 people and had a turnover and GVA of £22 million and £4 million respectively, with an EBITDA margin of 7%.

281. Having examined confidential information submitted as part of these questionnaire responses, we established that CIA is a somewhat important product for these companies, and have assessed the vulnerability to economic shocks of these companies as variable.

H5.4 Downstream businesses

282. Based on questionnaire responses, we identified 236 businesses that purchase CIA from UK producers. These are a mixture of companies, such as construction and engineering businesses that use CIA as part of the provision of construction or engineering projects, or provide installation services, and end users such as water utility companies, which sometimes buy directly from producers.

283. Due to the large number of businesses identified, a sample of 16 businesses was derived covering 11 construction/installer firms and five utility companies. This sample includes the 10 largest downstream customers of the UK producers of CIA, as well as smaller customers to ensure we observed whether asymmetric impacts existed.

284. Across both types of customer, the costs of the product amounted to <1% of turnover for all 16 sampled businesses, and was particularly low for utility companies (<0.1%). On this basis, we determined that the product is not important to downstream business.

285. It is possible that there are businesses outside the sample for whom this is not the case, but the methods of construction of the sample give us confidence that this is unlikely to be true for any but small companies so our conclusions would not be significantly affected.

H5.5 Significance Summary Table

286. The following table presents the results of our significance analysis for all parts of the supply chain.

287. In sum, the product is somewhat important to at least some importers (though the lack of importer data makes generalisation difficult) and is very important to at least one producer, likely both.

288. Figures for total GVA, EBITDA, Employment, and Turnover for the Upstream and Downstream groups are based on the businesses that could be identified from questionnaires and are therefore likely under-estimates of the true totals, as there are likely involved companies not identified in our analysis, particularly utilities.

Table 2410: Significance Summary Table

	Upstream Industries	UK Producers	Importers	Utilities	Installers & Intermediaries
Total Number of Known UK Businesses	69	3	3	236 (combined downstream)	
Number of Questionnaire Responses	0	2	2	1	0
Total Sampled	7	2	2	5	11
Estimated Importance of Certain Cast Iron Articles to this Group	Not important[5]	Very Important[6]	Somewhat important	Not Important	Not Important
Method for determining importance of product to group	Producer purchases of upstream inputs as a proportion of the upstream industry turnover	Sales of like goods as a proportion of total producer turnover and confidential data	Sales of goods subject to review divided by turnover	Producer sales to each business, as a proportion of each businesses' turnover	Producer sales to each business, as a proportion of each businesses' turnover
Total GVA[7] (£000s)	403,921	267,305	27,491	14,105,525	1,403,069
Total EBITDA (£000s)	185,588	143,474	9,434	9,140,575	327,146
Total Employment	4,116	2,485	429	117,870	27,197
Average EBITDA Margin	3%	18%	11%	35%	5%
Total Average Turnover	5,609,186	797,013	84,561	25,899,400	7,062,970
Financial Position of Group	Not Vulnerable	Vulnerable[8]	Variable	Not Vulnerable	Not Vulnerable

[5] Rating excludes one sampled upstream business for which the product was rated Very Important, but which was a relatively small business with little effect on the average importance of the product to the industry, and for which the data were likely highly unrepresentative of the ongoing situation.

[6] This assessment is based on product-specific employment breakdown figures and other confidential data provided directly by SG-PAM in their questionnaire response, as publicly available data aggregates across the multinational corporation and so would represent an underestimate of the importance of the product to the UK arm, SG-PAM, in particular.

[7] Total GVA, EBITDA, and Employment figures are calculated for the group by averaging filed accounts for each sampled business over a 5 year period (normally from 2017-2022, but this can vary depending on the financial year used by each business, and sometimes less than 5 years of data was available) and then summing these.

[8] Figures in this table for GVA, EBITDA, Turnover, and Employment include non-UK transactions for SG Construction. The assessment of vulnerability attempts to be specific to the UK parts of the industry, which is based on information that is not public.

H6 Impacts

289. This section considers the likely impact of varying the measure compared with revoking the measure on the UK economy, with particular attention paid to those sectors identified above to which CIA is particularly important.

H6.1 Likely impact on prices and quantities of affected industries and consumers

290. This section will examine how prices and quantities of products throughout the supply chain may change in two scenarios: the variation of the current anti-dumping measures, and alternatively their revocation. The impact of any changes in prices and quantities on affected industries and consumers will then be assessed.

H6.1.1 Prices and quantities in the event anti-dumping measures are varied

291. As the measure is currently in place and has been for several years, varying the measure is unlikely to cause a significant departure from the current status quo in terms of prices and quantities of goods.

H6.1.2 Prices and quantities in the event anti-dumping measures are revoked

292. If anti-dumping measures were revoked, this would allow the resumption of exporting of the goods subject to review at lower prices. If importers pass on this cost saving, by lowering prices in the UK product market, this would weigh on domestic UK producers and subject them to heightened import competition. Whether importers would reflect the measure in lowered prices (by up to 20%), however, is uncertain. The contract-based nature of the CIA product market means that a given importer is not strongly incentivised by other importers' prices to lower their own, which means they may absorb lowered import costs as profit.

293. In the instance that UK producers are exposed to heightened competition and increased price undercutting, they may no longer be competitive and their quantities sold will likely fall. Given that their average cost of production would increase as the quantity produced decreases, the result will likely be lowered, or eliminated, per-unit profit. UK Producers have argued that this may lead to the complete exit of some or all UK producers. This would result in site closures and loss of employment by UK producers in the industry.

H6.2 Likely impact on affected industries and consumers

H6.2.1 Upstream businesses

294. Given the low importance of CIA to this part of the supply chain and its relatively small overall size as an industry, we do not anticipate there being any major benefits or costs to UK upstream industry.

H6.2.2 UK Producers

295. Varying current anti-dumping measures would prevent injury to the UK CIA industry that would likely recur were the measure to be revoked.

296. As this is an extension of an existing measure, we do not anticipate any fall in imports of CIA if the measure is varied. Imports of CIA from the PRC currently comprised less than 10% of total UK imports by volume during the period of investigation. Given that UK producers operate with spare capacity, it is likely they will be able to expand production to meet any expansion in demand for CIA from downstream industry and end users.

297. If the anti-dumping measure is revoked, and price decreases are passed down by importers, it would likely have a negative impact on UK producers of CIA. They would likely be exposed to heightened competition and lowered prices in the domestic market. We consider that UK producers would likely not be able to compete with cheaper imported goods and as a result their market share would shrink.

298. Given relatively high barriers to entry, it is unlikely that UK producers would be able to re-enter the industry in the case that importers raise prices in the future. Still, it should be noted that (as discussed in the Competition section below) it is plausible that import cost-savings will not be fully reflected in importers' pricing of CIA.

H6.2.3 Importers

299. Varying the anti-dumping measure as proposed would have no impact on UK importers of CIA, as this would be an extension of the status quo.

300. Revoking the measure would allow UK businesses to import goods subject to review from the PRC at a lower price. As a lower bound estimate assuming no switching of other import sources to the PRC, this could save importers around

£1 million per year[9], however it is likely further gains would be made by switching import sources to newly cheaper PRC imports.

301. Questionnaire responses from importers claim this could result in lower prices being passed on to customers, and potentially increased employment due to additional demand. However, this would come at the cost of causing material injury to UK producers of the like goods. Additionally, as discussed in more detail in the Competition section below, there is little compelling evidence that suggests that importers would be strongly or sufficiently incentivised by competition—from other importers, or from UK producers—to pass down any cost savings to consumers. We believe it is also plausible that importers could either refrain from passing down cost savings, or raise prices at a later time period (for example, after UK producers are priced out of the market).

H6.2.4 Downstream businesses

302. The likely impact on downstream businesses is difficult to determine with confidence. It is unclear to what extent importers would pass on any cost savings to downstream businesses, were the measure to be revoked and it is unclear, if so, how any savings would be distributed between installer-type (e.g. construction companies) and final-user-type (e.g. water companies) industry.

303. Furthermore, it is then unclear whether any savings that eventually accrued to, for example, water companies, in terms of cheaper infrastructure installations, would then be passed on to consumers of (in this example) water. Many infrastructure providers are private companies operating a monopoly provision under close regulation (in the water example, by OFWAT) to whom they have to give an accounting of the reasonableness of their costs in regular reviews. It is hard to predict whether any such cost savings to such companies would then reduce the price of the services they offer to the public, such as water.

304. As a result, the impact on downstream business is uncertain. However, as CIA makes up a negligible fraction of the costs of these companies in any case (see significance section above), it is unlikely that any such impacts will be particularly important for these businesses.

[9] This is calculated from the amount of duty currently paid on imports from the PRC, which would drop to zero if the measure were to be revoked. It is a lower bound estimate based purely on this first-order effect, and does not assume any substitution effects that might occur.

H6.2.5 Consumers

305. CIA is not a consumer product. Instead, it is an intermediate good that is used as part of the production process for a wide range of goods, meaning UK consumers are several steps removed from the consumption of CIA.

306. We do not anticipate any price increases for UK consumers involving products that are made from CIA if the measure is varied by extending at the same level of duty as this is a continuation of the current state of the market.

307. If the measure is revoked, it is possible that the overall price of CIA could decrease due to an influx of cheaper imports from the PRC, however there is no guarantee that any such cost savings would pass from importers, via downstream businesses, to consumers.

308. Therefore, it is unlikely that there would be any significant benefits to UK consumers of revoking this measure.

H6.3 Impact Summary

309. Revoking the measure would almost certainly have a significant negative impact on the competitiveness and viability of UK producers, accompanied by a potential loss of employment. The positive impacts of revoking the measure, which are around £1 million per year in eliminated duty, plus any additional savings from substitution, must by necessity accrue somewhere. Where is largely a factor of the decisions of individual importer businesses, which appear to have some price-setting power, as well as on hard-to-predict process such as the 5-yearly reviews of water prices performed by OFWAT. There is also no guarantee that any reduction in prices were the measure to be revoked would persist over time, particularly if PRC imports were able to gain a large advantage in market share. Furthermore, these savings could be realised simply as increased profit for a small number of importers, or utility companies, without the wider consequences on employment associated with the negative impacts on UK producers.

H7 Geographic and Groups

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

H7.1 Likely impact on Particular Areas

311. Our geographical analysis considers the two groups for whom CIA was deemed to be a significant product: UK producers and importers. All such interested parties are based in the midlands.

312. We use a threshold of 1% of the employment in any particular Travel to Work Area (TTWA) to determine whether there are any notable clusters of CIA-related employment in the UK. For no TTWA is this threshold met, meaning that we foresee no particularly notable impact on any particular local labour market related to this measure.

H7.2 Likely impact on Particular Groups

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

314. No party provided any evidence with respect to potential impacts on any particular groups, either as workers or consumers.

315. Therefore, there are no obvious impacts on groups with protected characteristics or other groups, which might result from varying the measure as proposed or revoking the measure.

H8 Competition

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

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

H8.1 The impact on the number or range of suppliers

317. Domestic production supplies approximately 27-36% of the UK market with imports making up the rest. The largest import source by volume is Türkiye, and some imports still enter the market from the PRC despite the existing measure. Our calculated Herfindahl Hirschman Index (HHI) suggests that the market is currently highly concentrated, with an HHI of well over 2,000. Nevertheless, the market remains competitive, even with the measure in place, as evidenced by the fact that continuing imports from the PRC, imports from third countries, and UK production are all viable.

318. If the measure were to be revoked, the number or range of suppliers from the PRC is likely to increase. However, it is unclear how exporters from third countries may react to price and what impact this would have on market shares. On the other hand, it is also very likely that UK production would decrease significantly. UK producers may either exit the market entirely or choose to focus on the subsections of the market where they can remain competitive even at a higher price. For example, they may try to retain

competitiveness by offering shorter lead times due to reduced shipping compared with imports.

319. Varying the measure will allow the UK producers to continue competing with imports from the PRC without the recurrence of injury, but may prevent additional PRC suppliers from entering the UK market.

H8.2 The impact on the ability of suppliers to compete

320. If the measures were to be revoked, the ability of exporters in the PRC to compete in the UK market would improve, while the ability of UK producers to compete with PRC exporters would be limited. However, as discussed previously, the current measures in place have not completely barred them from the market. PRC imports remain competitive with UK production and third country imports, as they accounted for 7% of the market over the POI.

321. Both major UK producers stressed that they also differentiate themselves on other matters besides price. They provided some evidence that they target buyers willing to pay slightly more for either higher quality, faster lead times, more customisation options, or some combination of these. It should also be noted that importers do not experience significant competitive pressure (that would weigh on their prices and profit) in the existing market due to the market being contract based, their ability to price goods heterogeneously (across individual consumers) and importers already imposing a substantial cost-markup generating significant profits. Revoking the measure would further alleviate existing pressure.

H8.3 The impact on the incentives for suppliers to compete vigorously

322. There is no evidence to suggest that revoking or varying the measure as proposed would have an impact on the incentives for suppliers to compete vigorously.

H8.4 The impact on the choices and information available to consumers

323. As mentioned above, UK producers strain to differentiate their offerings from imports on other grounds than price, offering faster lead times, more customisation, or a product judged higher-quality in some manner. Were the measure to be revoked, and UK producers were forced to exit or largely exit the market, this choice would no longer be available to customers.

324. If the measure is revoked, it is possible that importers could differentiate their offerings and replace some of this choice. However, some elements, particularly lead time, are impossible for importers to replicate due to logistical constraints.

325. As a result, varying the measure could arguably maintain the current choices and information available to consumers relative to the situation in which the measure is revoked.

H9 Other Factors

326. The period in which the measure has been in force has seen economic disturbances from EU Exit, the COVID-19 pandemic, the Russian invasion of Ukraine, and high inflation. All of these have affected the CIA industry in the UK and around the world to some degree, but our analysis has revealed no particular way in which these factors, nor any other factor not discussed above, has any material effect on the economic benefits (or otherwise) to the UK of varying or revoking the measure.

H10 Forms of Measure

327. In the EIT we consider the most appropriate form of measure to recommend, in particular, whether any changes to the length or coverage of the measure would minimise the negative impacts of the measure on some parties while retaining the overall benefits. We have neither received nor found evidence suggesting that a change to the form of the measure would benefit the UK economy.

H11 Conclusion

328. In accordance with paragraph 25 of the Schedule 4 to the Act, we consider whether the application of a remedy 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.

329. Following the dumping and injury likelihood assessments, in sections F and G respectively, we have considered whether maintaining the existing measure would be in the economic interests of the UK.

330. In the injury section, we concluded, following the injury likelihood assessment, that varying the measure would remedy much of the injury that is likely to recur and affect UK industry were the measure to be revoked.

331. In the significance section, we concluded that CIA is very important to UK producers and somewhat important to selected importers (though we were not able to conduct a full importer survey). We concluded that both major UK producers and some importers are in a state of vulnerability to economic shocks.

332. Upstream industries are in general unlikely to be materially affected by the measure as UK producers of CIA do not make up a notable fraction of their

sales as an industry, though some smaller upstream industries we did not sample may differ from this industry average. Downstream industries purchasing CIA include the construction and utilities sector, which are a large part of the UK economy, but CIA purchases represent such a small fraction of their costs that they are unlikely to be materially impacted by the measure.

333. In the impacts section, we concluded that varying the measure would have a large positive impact on UK producers compared with revoking the measure, allowing them to continue to be competitive with imports from the PRC and engage in consolidation and efficiency improvements, as were the measure to be revoked they would likely be forced to exit the market or scale back to niche sub-markets.

334. The positive impacts of revoking the measure in the form of lower prices paid by importers, at least initially, would have uncertain pass-through to the wider downstream sector and consumers of utilities, such as water.

335. In the competition section, we concluded that although revoking the measure would make it easier for PRC exporters to supply to the UK market, it could also lead to UK producers exiting the market.

336. In the geographical and groups, and other factors sections, we found no particular effects on geographical areas or groups, or any other important factors to consider regarding the effects of the measure on the UK economy.

337. In summary, the key positive impacts of varying the measure are the remediation of the injury to UK producers that is likely to continue or recur if the measure is revoked, allowing the maintenance of an industry that, though poorly profitable, serves a significant (27-36%) share of UK demand and shows a credible path to improved efficiency and profitability.

338. The key negative impact of varying the measure is the forgoing of a possible cost decrease for importers that has the potential to pass through to downstream industry and consumers, but might be short-lived if it allowed PRC imports to dominate the market.

339. Based on the available evidence, we do not consider the negative impacts of varying the measure as proposed to be disproportionate to the benefits, so the EIT is met.

SECTION I: Preliminary Findings and Intended Final Recommendation

I1 Preliminary findings

340. We intend to make a recommendation on the grounds that:

- it is likely, on the balance of probabilities, that dumping of the goods subject to review from the PRC would continue or increase if the measure were no longer applied;
- it is likely, on the balance of probabilities, that injury would recur if the measure were no longer applied to goods subject to review originating in the PRC; and
- the application of this measure meets the EIT.

I2 Intended final recommendation

341. We intend to make a recommendation to the Secretary of State to vary the application of the anti-dumping amounts to the goods subject to review originating in the PRC, by extending their application for a period of five years from 31 January 2023 and maintaining the current anti-dumping amounts pursuant to regulations 100 and 100A of the Regulations.

342. Annex 1 specifies the duties to be maintained and applied to the goods described or imported under the above UK tariff codes. We intend to maintain the form and levels of the original EU measure that are the subject of this review.

Annex 1: UK transitioned and intended anti-dumping duties

Overseas exporter	Intended anti-dumping duty amount	Additional TAP code[10]
Botou City Wangwu Town Tianlong Casting Factory	15.5%	**C221**
Botou Lisheng Casting Industry Co. Ltd	31.5%	**C222**
Fengtai (Handan) Alloy Casting Co. Ltd	38.1%	**C223**
Hong Guang Handan Cast Foundry Co. Ltd	21.3%	**C224**
Shijiazhuang Transun Metal Products Co. Ltd	25%	**C225**
Overseas exporter specified in Annex 2	25.4%	**See Annex 2**
All other overseas exporters (residual amount)	38.1%	**C999**

[10] On 1 January 2021 the UK initiated a new tariff regime called the UK Global Tariff (UKGT), which includes the UK Integrated Online Tariff, and 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 25.4% duty amount

Overseas exporter	Additional TAP code[11]
Baoding City Maikesaier Casting Ltd	**C226**
Baoding GB Metal Products Co., Ltd	**C232**
Baoding Hualong Casting Co., Ltd	**C233**
Baoding Shuanghu Casting Co., Ltd	**C234**
Bo Tou Chenfeng Casting Co., Ltd	**C235**
Botou City Minghang Casting Co., Ltd	**C236**
Botou City Qinghong Foundry Co., Ltd	**C237**
Botou City Simencun Town Bai Fo Tang Casting Factory	**C238**
Botou Dongli Foundry Co., Ltd	**C239**
Botou GuangTai Precision Casting Factory	**C240**
Botou Mancheng Foundry Co., Ltd	**C241**
Botou Okai Foundry Co., Ltd	**C242**
Botou Sanjiang Casting Co., Ltd	**C243**
Botou TongYang Casting Factory	**C244**
Botou Weili Precision Casting Co., Ltd	**C245**
Botou Xinrong Foundry Co., Ltd	**C246**
Botou Zhengxin Foundry Co., Ltd	**C247**
Cangzhou Hongyuan Machinery & Foundry Co., Ltd	**C248**
Cangzhou Qinghong Foundry Co., Ltd	**C237**
Cangzhou Yadite Casting Machinery Co., Ltd	**C249**
Changsha Jinlong Foundry Industry Co., Ltd	**C250**
Changyi City ChangZhan Casting Co., Ltd	**C251**
China National Minerals Co., Ltd	**C252**
Dingxiang Sitong Forging and Casting Industrial	**C253**
Dingzhou Dongyu Foundry Co., Ltd	**C254**
Handan City Jinzhu Foundry Co., Ltd	**C255**
Handan Haolin Casting Co., Ltd	**C256**
HanDan Qunshan Foundry Co., Ltd	**C257**

[11] On 1 January 2021 the UK initiated a new tariff regime called the UK Global Tariff (UKGT), which includes the UK Integrated Online Tariff, and replaced the EU Common External Tariff (EU CET) and the EU TARIC codes. The codes listed relate to the transitioned measure.

Handan Yanyuan Machinery Foundry Co., Ltd	**C258**
Handan Yuanyang Foundry Co., Ltd	**C259**
Handan Zhangshui Pump Manufacturing Co., Ltd	**C260**
Hebei Cheng'An Babel Casting Co., Ltd	**C261**
Hebei Feixiang East Foundry Products Co., Ltd	**C262**
Hebei Jinghua Casting Co., Ltd	**C263**
Hebei Shunda Foundry Co., Ltd	**C264**
Hebei Tengfeng Metal Products Co., Ltd	**C265**
Hebei Zhonghe Foundry Co., Ltd	**C266**
Handan Yuanyang Foundry Co., Ltd	**C259**
Handan Zhangshui Pump Manufacturing Co., Ltd	**C260**
Hebei Cheng'An Babel Casting Co., Ltd	**C261**
Hebei Feixiang East Foundry Products Co., Ltd	**C262**
Hebei Jinghua Casting Co., Ltd	**C263**
Hebei Shunda Foundry Co., Ltd	**C264**
Hebei Tengfeng Meta; Products Co., Ltd	**C265**
Hebei Zhonghe Foundry Co., Ltd	**C266**
Hengtong Valve Co., Ltd	**C267**
Heping Cast Co Ltd Yi County	**C268**
Jiaocheng County Honglong Machinery Manufacturing Co., Ltd	**C269**
Jiaocheng County Xinlei Machinery Manufacturing Co., Ltd	**C270**
Jiaocheng County Xinxing Casting Co., Ltd	**C271**
Jinan Laiwu Haitian Machinery Manufacturing Co., Ltd (formerly Laiwu City Haitian Machinery Plant)	**C272**
Laiwu Xinlong Weiye Foundry Co., Ltd	**C273**
Lianyungang Ganyu Xinda Casting Foundry	**C274**
Lingchuan County Rainbow Casting Co., Ltd	**C275**
Lingshou County Boyuan Foundry Co., Ltd	**C276**
Pingyao County Master Casting Co., Ltd	**C277**
Qingdao Jiatailong Industrial Co., Ltd	**C278**
Qingdao Jinfengtaike Machinery Co., Ltd	**C279**
Qingdao Qitao Casting Co., Ltd	**C280**
Qingdao Shinshu Casting Co., Ltd	**C281**
Qingyuanxian Yueda Fountry Co., Ltd	**C282**
Rockhan Technology Co., Ltd	**C283**
Shahe City Fangyuan Casting Co., Ltd	**C284**
Shandong Heshengda Machinery Technology Co., Ltd	**C298**

Shandong Hongma Engineering Machinery Co., Ltd	**C285**
Shandong Lulong Group Co., Ltd	**C286**
Shanxi Ascent Industrial Co., Ltd	**C310**
Shanxi Associated Industrial Co., Ltd	**C287**
Shanxi Jiaocheng Xinglong Casting Co., Ltd	**C288**
Shanxi Solid Industrial Co., Ltd	**C289**
Shanxi Yuansheng Casting and Forging Industrial Co., Ltd	**C290**
Shaoshan Huanqiu Castings Foundry	**C291**
Tang County Kaihua Metal Products Co., Ltd	**C292**
Tangxian Hongyue Machinery Accessory Foundry Co., Ltd	**C293**
Tianjin Jinghai Chaoyue Industrial and Commercial Co., Ltd	**C294**
Tianjin Yu Xing Da Casting Co., Ltd	**C295**
Wangdu Junrong Foundry Co., Limited	**C296**
Weifang Nuolong Machinery Co., Ltd	**C297**
Weifang Weikai Casting Co., Ltd	**C299**
Wen Shui Hengli Nature of the Company	**C300**
Wuhan RedStar Agro-Livestock Machinery Co., Ltd	**C301**
Zibo Joy's Metal Co., Ltd	**C302**

Annex 3: Information from participants in the review

Name (abbreviation)	Submission(s)
Thomas Dudley Foundry Limited (TDFL)	Registration of Interest Questionnaire Response
Saint-Gobain Construction Products UK Limited (Saint-Gobain)	Registration of Interest Questionnaire Response
Fowler and Holden Limited	Registration of Interest
EJ UK Fabrication and Access Solutions Limited (EJ)	Registration of Interest Questionnaire Response
R&B UK JT Limited	Registration of Interest
Alumasc Building Products Limited	Registration of Interest Questionnaire Response
Eccles (UK Foundries FE) Limited	Registration of Interest
Ministry of Commerce, People's Republic of China (MOFCOM)	Registration of Interest Comments on PMS
Heping Cast Co., Ltd. Yi County	Registration of Interest
Hong Guang Handan Cast Foundry Co. Limited	Registration of Interest Questionnaire Response
Qingdao Everbright Machinery Co. Limited.	Registration of Interest Questionnaire Response
Shanxi Ascent Industrial Co. Limited	Registration of Interest
Shanxi Yuansheng Casting & Forging Industrial Co. Limited.	Registration of Interest Questionnaire Response
Botou City Wangwu Town Tianlong Casting Factory	Registration of Interest Questionnaire Response
Botou Dongli Foundry Co. Limited	Registration of Interest Questionnaire Response
Hebei Cangxin Pipeline Co. Limited	Registration of Interest
Jize Jufeng Machinery Manufacturing Co. Limited	Registration of Interest

Rockhan Technology Co. Limited	Registration of Interest Questionnaire Response
Weifang Huxau Machinery Co. Limited	Registration of Interest
Shandong Heshengda Machinery Technology Co. Limited	Registration of Interest Questionnaire Response
Weifang Nuolong Machinery Co. Limited	Registration of Interest
Eurofonte	Registration of Interest Questionnaire Response
Cast Metals Federation	Registration of Interest Questionnaire Response
Botou City Simencun Town Baifotang Casting Factory	Registration of Interest Questionnaire Response
China Chamber of Commerce for Import and Export of Machinery and Electronic Products	Registration of Interest Questionnaire Response
Tang County Kaihua Metal Products Co. Limited	Registration of Interest
VolkerFitzpatrick Limited	Questionnaire Response
Hebei Machinery Imp/Exp Co. Limited	Registration of Interest Questionnaire Response