



Verification Report – UK Producer
Case TS0060: Polyethylene Terephthalate (PET) originating in India

Period of Investigation (POI):	01 January 2023 – 31 December 2023
Injury Period:	01 January 2020 – 31 December 2023
Date of report:	20 December 2024
Case team contact details:	TS0060@TRADEREMEDIES.GOV.UK
Interested party verified:	Alpek Polyester UK Ltd.

For further details, please see the [Notice of initiation](#) on the public file.



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Executive Summary

The Trade Remedies Authority (TRA) is conducting a transition review to determine whether the UK should vary or revoke countervailing measures on Polyethylene Terephthalate (PET) originating in India, pursuant to Part 12 of The Trade Remedies (Dumping & Subsidies) (EU Exit) Regulations 2019 ('the Regulations') - Statutory Instrument 450/2019.

More information about the case can be found on the public file: [TS0060 Public File](#)

Alpek Polyester UK Ltd (APUK), a sole domestic producer of the like goods, returned a completed, domestic producer questionnaire ('questionnaire response'). APUK is a private limited company with office located at Davies Office, Wilton International, Redcar, Cleveland, United Kingdom.

The TRA sought to verify the completeness, relevance and accuracy of the information submitted. We conducted a walkthrough of the accounting systems to assess how much reliance we can place on information produced by the system and compared questionnaire responses and other accompanying evidence and information to sources including Companies House, company's websites, etc. as part of our office assessments. We also tested and recalculated a sample of the data provided to evaluate its accuracy.

Based on the verification activity undertaken, the TRA have a reasonable level of assurance on the completeness, relevance and accuracy of the information provided by APUK and we can use it for the purpose of this review.

Purpose of verification

The purpose of the TRA's verification activity is to determine whether the information provided by APUK is complete, relevant, and accurate and can be used in our review. This verification report sets out the conclusions reached for each component part that covers the scope of our work. It also provides an overall conclusion stating the level of assurance reached.

The information verified may then be considered in our assessments and analysis to determine:

- whether the importation of the subsidised goods subject to review would be likely to continue or recur if the countervailing amount were no longer applied to those goods; and



- whether injury to the UK industry in the relevant goods would be likely to continue or recur if the countervailing amount were no longer applied to those goods.

This will form the basis for maintaining or varying the measure where necessary, and to assess whether these are in the UK's economic interest.

We carried out verification activities remotely. The TRA did not seek to verify all information provided, but undertook the work considered appropriate and possible within the time constraints of the review to obtain assurance upon which to base our case decision.

This verification report documents the work completed, providing an overview of the range and scope of verification procedures performed, for each component part that covers the scope of our work, on the information submitted by APUK. It details the conclusions reached regarding completeness, relevance, accuracy and provides an overall conclusion stating the level of assurance reached.

Confidential information

APUK must provide a non-confidential version of the verification report marked as 'non-confidential' in the header.

If any information contained in the verification report is considered confidential, APUK should delete or redact those sections and provide a non-confidential summary of the information which has been removed. It must provide reasons as to why the particular information is considered confidential (see also [public guidance](#)).

The non-confidential version of the verification report will be placed on the public file.



Verification

Please find below a summary of work completed by the TRA to determine whether the information provided by APUK in its questionnaire response is complete, relevant, and accurate.

A. Company structure and associations

What information was considered

We considered APUK's responses relating to:

- Company details
- Organisational structure
- Principal activities
- Associations

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

How the information was checked

We cross-checked the information provided by APUK on its setup, ownership, business activities and association by examining official documents published on Companies House, company's website, the group consolidated financial statements, and other open sources. We confirmed that APUK is a subsidiary of Alpek Polyester, S.A. de C.V., a petrochemical holding company based in Mexico, which in turn is a subsidiary of the industrial conglomerate ALFA SAB de CV. We found the information from the sources to be consistent with the information provided by the company in its questionnaire response.

We confirmed that APUK was established in 2009 and duly registered in the UK. Up to 2020, its name was Lotte Chemical UK Limited. APUK manufactures and sells PET resins with production facilities in Redcar, Cleveland. This information in addition to the familiarisation visit to APUK's production plant confirmed its response as a UK producer of the like goods.

We reviewed APUK's questionnaire responses relating to its financial year and accounting convention and found it to be consistent with publicly available information. We confirmed that APUK produces accounts annually, each covering the period from January to December which are audited and follow the Generally Accepted Accounting Practices (GAAP).



If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Exceptions/Findings/Adjustments

There were no exceptions, findings, and/or adjustments to report with regards to the company structure and associations.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Conclusions

The information relating to company structure and associations provided by APUK is verifiable. Based on the work performed, we have a reasonable level of assurance that the information can be treated as complete, relevant, and accurate and can therefore be used by the TRA for the injury likelihood assessment and for any other purpose within the review.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):



B. Accounting Systems and Procedures

What information was considered
<ul style="list-style-type: none"> • Information Technology Systems and Applications • Accounting policies • Sales process • Costing methodology
<i>If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see Confidential information):</i>
How the information was checked
<p>We conducted a walkthrough of APUK’s accounting system to understand the system APUK used to produce the data provided to the TRA for this review and gain insights to inform the verification strategy and planning.</p> <p>During the walkthrough, we confirmed the accounting system APUK uses corresponds with the information it reported in its questionnaire response. We observed how it processes sales transactions by tracing an invoice through the system from order to delivery. We also gained an understanding of its costing processes and observed how it extracted the data for the like goods reported for the injury period. The information helped us understand the level of reliance we can place on the system from which the questionnaire responses was produced and to plan adequate verification procedures.</p> <p>In addition, we reviewed APUK’s accounting basis, policies, and reporting cycle and found that the information it provided was consistent with the information contained in its audited financial statements. We established that APUK’s financial year aligns with the POI.</p>
<i>If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see Confidential information):</i>
Exceptions/Findings/Adjustments
There were no exceptions, findings, and/or adjustments to report with regards to the accounting systems walkthrough.



If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Conclusions

Based on the work performed, we have obtained a basic understanding of the relevant accounting and associated business systems of APUK. This enabled us to plan appropriate verification procedures.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):



C. Goods

What information was considered

- APUK’s internal product codes and associated types of products
- Individual product usage
- Questionnaire response and annexed data
- Supporting documents provided
- Walkthrough and verification meeting
- The Notice of Initiation
- APUK’s web site
- APUK’s annual audited accounts for the injury period, published on Companies House.
- UK Integrated Online Tariff on gov.uk

Note that there are no PCNs and this case does not use PCNs

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

How the information was checked

We confirmed that APUK produces PET, this reconciles with their questionnaire submission, audited annual reports and its web site. APUK also produces scrap as a by-product which can be sold.

In the familiarisation visit and verification visit it was identified that APUK produces two grades of PET; G1 and G2. Both grades were confirmed by APUK as being similar and both are in scope and fall within the commodity codes of the goods subject to review and like goods.

APUK explained its internal coding to us. We identified that the internal codes can be used to distinguish between the like goods APUK manufactures and the goods it purchases for resale.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Exceptions/Findings/Adjustments

There were no exceptions, findings, and/or adjustments to report with regards to the goods.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):



Conclusions

The information relating to the goods produced by APUK is verifiable. Based on the work performed, we have a reasonable level of assurance that the information can be treated as complete, relevant, and accurate and can therefore be used by the TRA for the injury assessment and for any other purpose within the review.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):



D. Costs

What information was considered
<p>APUK's</p> <ul style="list-style-type: none"> • Audited financial statements • Cost reconciliations <p><i>If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see Confidential information):</i></p>
How the information was checked
<p>We checked the completeness of the cost of production reported in the questionnaire response by reconciling it to the audited financial statements. APUK's financial statements only report the cost of goods sold, therefore, to check the completeness of the cost of production, we multiplied the unit cost of production derived from the bill of materials and overhead by the quantity of goods sold during the POI and added the goods purchased for resale.</p> <p>We identified that the raw materials and energy make up the most significant portion of the production cost, therefore we carried out additional checks by tracing the cost of raw materials to the accounting systems monthly report for the POI and sampled the breakdown for one month. We did not identify any error and obtained a reasonable level of assurance over the relevance and accuracy of the data.</p> <p><i>If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see Confidential information):</i></p>
Exceptions/Findings/Adjustments
<p>There were no exceptions, findings, and / or adjustments to report with regards to the costs.</p> <p><i>If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see Confidential information):</i></p>
Conclusions
<p>The information relating to cost of production of the like goods provided by APUK is verifiable. Based on the work performed, we have a reasonable level of assurance that the information can be treated as complete, relevant, and accurate</p>



and can therefore be used by the TRA for the injury assessment and for any other purpose within the review.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):



E. Sales

What information was considered

We considered APUK's

- sales reconciliations
- sample of relevant sales transaction
- rebates

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

How the information was checked

We performed procedures to verify the completeness, relevance, and accuracy of APUK's sales data for the financial year. Our work included reconciling its total sales to its audited financial statements, testing a sample of detailed sales transactions, and reviewing the rebates applied to selected sales.

APUK provided its total sales figure for the POI and the injury period. As its financial year aligned with the POI, we reconciled the figure to the audited financial statements to confirm completeness. We did not identify any discrepancies or anomalies in the reconciliation.

APUK also provided detailed sales listings for the POI. We selected a representative sample of transactions and tested them against supporting documentation, including invoices, sales orders, and payment evidence. Our testing confirmed that the sampled transactions were accurately recorded, with no material issues identified. This provided assurance on the relevance and accuracy of the detailed sales data.

We reviewed the rebates applied to selected sales transactions by obtaining the rebate agreements and reviewing the calculations. We considered the rebate agreements and the calculations for the rebate reasonable for the purpose of this review.

Based on the work completed, we obtained a reasonable level of assurance regarding the completeness, relevance, and accuracy of APUK's sales data.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):



Exceptions/Findings/Adjustments

There were no exceptions, findings, and / or adjustments to report with regards to the sales.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Conclusions

The information relating to sales provided by APUK is verifiable. Based on the work performed, we have a reasonable level of assurance that the information can be treated as complete, relevant, and accurate and can therefore be used by the TRA for the injury likelihood assessment and for any other purpose within the review.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):



F. Injury

What information was considered

- Sales figures
- Profitability
- Finance cost
- Output
- Stock at year end
- Cost of production
- Capacity and utilisation of capacity
- Employment, median wage and productivity
- Investment
- Cash flow

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

How the information was checked

Sales figures

We reconciled APUK's total sales figures over the injury period including the POI to the audited financial statements. We crosschecked and confirmed that APUK had separated the like goods sold in the domestic market from like goods exported. We tested a sample of the domestic sales from the detailed sales listing for accuracy and found the data to be accurate.

Profitability of the like goods

APUK only produces the like goods and purchases some goods for resale. To check the accuracy of the profitability of the like goods, we reconciled the profit for each year of the injury period to the financial statements and deducted the profit related to the sales of the goods purchased for resale. Our figures reconciled back to APUK's figures; this gave us a reasonable level of assurance on the accuracy of the profitability of the like goods reported by APUK.

Finance cost

APUK calculated its finance cost for the like goods for the injury period as its interest expense and adjusting for gains or losses on currency fluctuations. We assessed this to be reasonable approach.

Output



We reconciled the figures APUK reported for its output of the like goods for the injury period to the production cost file from its MIS report. The production machine also generates a production report sent to SAP. The data from the two sources are reconciled monthly. We identified that APUK correctly separated the scrap from the like goods and assessed the data to be reasonable.

Stock at year end – volume and value

The value of APUK's stock for the like goods for the injury period agreed with the finished goods stock on the balance sheet. APUK also provided its Inventory Movement files which we reviewed and saw the quantities and value of the finished goods for the injury period along with the adjustment for goods invoiced but not delivered. The inventory movement files showed there was no closing stock of finished goods purchased for resale. This provides us with reasonable assurance that the year-end stock figures for value and volume are entirely manufactured by APUK.

Employee numbers and median wage

We reconciled the total number of employees to the audited financial statements for the injury periods. During the verification meeting, APUK also provided the anonymised list of wages for all employees at year end for the injury period. The number of employees on the list reconciled reasonably to the numbers in the financial statements. APUK explained that the insignificant difference was because the financial statements reported the average figures for the year. This explanation was considered reasonable. From the list, we also established that APUK reported the median wage correctly.

Cost of production

We reconciled the cost of production for the like goods for the injury period through APUK's *Production Costs Report* to the audited financial statements. We did not identify any material issues in the data.

Production capacity and capacity utilisation

We reviewed the capacity evidence APUK provided which included the operating manual from the plant supplier and extracts of the plant production history document. The documents stated the daily production capacity which APUK used in calculating the annual production capacity. We assessed that the evidence provided is reasonable.

Next, we calculated the annual capacity and the capacity utilisation and found APUK's figures consistent with our figures.



Investment

APUK calculated its investment from its non-current assets which included plants and machinery, building and assets under construction. This was reconciled to the audited financial statements. APUK reported all its investment to be related to the like goods. As APUK only produces the like goods and most of its sales relate to the like goods, we considered this to be a reasonable approach.

Cash flow

APUK adopted the FRS 101 Reduced Disclosure Framework and, as a result did not publish a cash flow statement in its audited financial statements. We checked the accuracy of APUK’s cash flow for the like goods by reworking it using the audited financial statements’ balance sheet and excluding the profit from non-like goods. Our figures reconciled to APUK’s figures except for 2021, which APUK corrected promptly. After the correction, we gained a reasonable level of assurance that the cash flow for like goods for the injury period can be treated as accurate.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Exceptions/Findings/Adjustments

There were no exceptions, findings and adjustments to report with regards to the injury factors.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Conclusions

The information relating to injury factors provided by APUK is verifiable. Based on the work performed, we have a reasonable level of assurance that the information can be treated as complete, relevant, and accurate and can therefore be used by the TRA for the injury likelihood assessment and for any other purpose within the review.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):



G. Economic Interest Test

What information was considered
<ul style="list-style-type: none"> • APUK’s confidential questionnaire response. • APUK’s questionnaire annex, especially the Injury sheet • APUK’s audited accounts for the injury period (2020 – 2023) • Booming Global PET market
<p><i>If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see Confidential information):</i></p>
How the information was checked
<p>Employment figures We compared the employment figures provided in the questionnaire annex for the POI with employment figures in the audited financial statements. We found the figures provided to be reasonable and reliable for the purposes of this transition review.</p> <p>Customers We reviewed the supporting evidence for a sample of downstream customers listed in the detailed sales transaction listing. The sample included the customer with the highest transaction volume and value in the POI. We obtained evidence that showed the customer details and transactions have been reported correctly. No material issues were identified.</p>
<p><i>If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see Confidential information):</i></p>
Exceptions/Findings/Adjustments
<p>There were no exceptions, findings and adjustments to report with regards to the Economic Interest Test.</p>
<p><i>If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see Confidential information):</i></p>
Conclusions
<p>The information relating to economic interest provided by APUK is verifiable. Based on the work performed, we have a reasonable level of assurance that the information can be treated as complete, relevant, and accurate and can therefore</p>



be used by the TRA for the Economic Interest Test and for any other purpose within the review.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):



Conclusions

We reviewed APUK's company details, organisational structure, and information around its general set up, ownership, locations and management provided as part of the questionnaire response and compared these to its audited financial statements and other publicly available sources. We conducted an accounting system walkthrough to better understand APUK's system and inform our verification strategy.

We examined APUK's description of the goods and internal coding systems to ensure it had reported the like goods correctly. We reconciled its sales and cost to its financial statements, internal ledgers and reports and found them to be consistent. We also tested a sample of transactions for accuracy. We did not identify any issue relating to the costs and sales data.

We crosschecked and where possible reworked the injury factors covering the sales, profit, output, capacity, finished goods stock, employment figures, investment, and cash flow for the injury period provided in APUK's questionnaire response and found them to be reasonable.

APUK provided sufficient and appropriate evidence, which enabled us to conduct verification work on a sample basis as detailed in the above sections. Based on the work performed, we have a reasonable level of assurance that the information provided in its questionnaire response is complete, relevant, and accurate for the purpose of this review.



Annexes

Annex 1: Meetings

Date and duration	Type of authentication	Company representatives	TRA representatives
12 November 2024	<input checked="" type="checkbox"/> remote <input type="checkbox"/> on-site		
19 November 2024	<input checked="" type="checkbox"/> remote <input type="checkbox"/> on-site		
20 November 2024	<input checked="" type="checkbox"/> remote <input type="checkbox"/> on-site		
21 November 2024	<input checked="" type="checkbox"/> remote <input type="checkbox"/> on-site		



Annex 2: Changes to some injury annex data

Stock of all like goods:

Year	Old figures		Updated figures	
	Stocks at year end, total volume (Kg)	Stocks at year end, total value (£)	Stocks at year end, total volume (Kg)	Stocks at year end, total value (£)
2020	100%	100%	100%	100%
2021	64%	108%	114%	136%
2022	86%	168%	152%	209%
2023	77%	115%	137%	144%

Indexed, using 2020 as the base year.

Stock of all like goods manufactured by you:

Year	Old figures		Updated figures	
	Stocks at year end, volume manufactured by you in UK (Kg)	Stocks at year end, total value manufactured by you in UK (£)	Stocks at year end, volume manufactured by you in UK (Kg)	Stocks at year end, total value manufactured by you in UK (£)
2020	100%	100%	100%	100%
2021	64%	108%	114%	136%
2022	86%	168%	152%	209%
2023	77%	115%	137%	144%

Indexed, using 2020 as the base year.

Cash flow:

Year	Old figures		Updated figures	
	Net Cash Flow for all goods (£)	Net Cash Flow for like goods (£)	Net Cash Flow for all goods (£)	Net Cash Flow for like goods (£)
2020	100%	100%	100%	100%
2021	96%	94%	-71%	-73%
2022	-2%	-3%	-2%	-3%
2023	-11%	-16%	-11%	-16%

Indexed, using 2020 as the base year.



If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Annex 2 contains proprietary company data, such as stock levels and cash flow figures for all like goods and those manufactured by us in the UK. Disclosing this information could provide competitors with detailed insights into our operational performance, financial health, and inventory management, which could be used to our competitive disadvantage.

Stock data, such as year-end volumes and values for all like goods and those manufactured domestically, reveal inventory levels and production efficiency. Competitors could use this to understand our supply chain and market strategies.

Similarly, **cash flow figures** for all goods or like goods reflect liquidity and operational trends that could be misinterpreted or exploited. While these data points may not be highly sensitive individually, their cumulative value could offer an in-depth view of our business operations beyond what we would usually disclose. For these reasons, we request that this information be treated as confidential and limited to the investigation process.