



Trade Remedies
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AD0012: Meeting Minutes with UK Downstream Industry Members

Date: 22 March 2022

Time: 14:00 – 15:30

Location: North Gate House, 21-23 Valpy Street, Reading

Present (The TRA): [Confidential: Names of Attendees] Members of the TRA Case Team

Present (UK Industry Members): [Confidential: Names of Attendees] Companies represented were Richard Austin Alloys Ltd., Amari Metals Ltd. and GSM Aluminium Ltd.

Introduction to Trade Remedies Process

The Trade Remedies Authority (TRA) provided an overview of the organisation and the Trade Remedies investigation process.

Questions from Downstream UK Industry Members

The TRA were asked about their understanding of the UK industry. The TRA stated that they investigate the broader economic impact of potential measures, and they welcome further knowledge and data if gaps are missing in that understanding.

The UK industry members asked if a determination has been made. The TRA gestured to the public file, which notes that the PAD is due in March 2022. The TRA stated that they make a recommendation of a provisional determination to the SOS, who makes a final decision on the PAD. Industry members stated that the world has changed significantly in recent months and, as such, the PAD's findings are likely to be out of date.

The UK industry members summarised the industry's history and note that aluminium production has been declining in the UK for a number of years. As such, distributors and stockists source metal from a variety of global sources to meet UK manufacturing needs. They also stated that the UK industry has been forced to go



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elsewhere to source cheaper metal. Importers are concerned with protecting UK manufacturing.

Engagement with UK Industry on AD0012

UK downstream industry members recalled the TRA's encouragement to seek evidence from UK industry. The UK industry members felt they hadn't been listened to, and that the PAD decision has been made without giving them an opportunity to comment. They also have not had verification visits, and their information has not been placed on public file. These parties feel they represent the largest distributors in the market.

The TRA noted that regular communications took place to ensure their data met the necessary standards to be used in the investigation, but this was not always met. One member recalled a teams meeting with TRA colleagues where the TRA welcomed submission of their data. They questioned if the TRA's attitude to their data had changed. Information was submitted by another party on 29 July 2021, but information was not placed on the file until very recently. That party were not confident with uploading data to TRS and preferred to send information via email. The UK industry members felt that they were not comfortable with sharing confidential data, but still tried to share it. The TRA reminded parties that information needs to meet a sufficient quality before it can be used.

One party showed data to the TRA demonstrating similarities in prices between UK, Europe and PRC suppliers, stating that prices mirror one another.

Another party had invited the TRA to visit their sites, but no visit took place. They explained that distributors exist in the market because producers cannot meet demand, and that UK manufacturing is reliant on imports. They stated that information on the public file does not represent the full UK industry, including the applicant's information which downstream industry members believe is not accurate.

Letter sent by Downstream UK Industry

The downstream industry members discussed the letter sent to the TRA. They questioned whether the TRA disagree with any information provided in the letter,



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including the size of the UK market. The TRA stated that their provisional conclusions are confidential at this stage and the contents of the PAD cannot be shared until the PAD publication is made. UK industry members stressed that this information is publicly available and query why this information cannot be discussed.

The TRA reaffirmed that information associated with the investigation remains confidential, but that the TRA's provisional findings are published as part of the PAD and the SEF. The PAD is expected to be published shortly and includes information on the size of the UK market. Parties will then be able to comment on the findings. Moreover, provisional measures only exist until the final determination is made, at which point parties may be liable for the duty given in the final determination, if one is given in the SoS' recommendation. The downstream industry members explained that this does not help cash flow for customers who would have to pay rates from the PAD.

Condition of the UK Industry

The UK industry members explained that aluminium extrusion manufacturers cannot change suppliers as easily as is possible with other metal products. They noted that this is due to complexities around dies and the intricate nature of extrusions. Moreover, they observed that the European market is at full capacity, which creates issues with where the UK industry can go. The TRA stated that this information is known to them.

The UK industry members raised concerns about the impact of the Russia-Ukraine crisis. They explained that Russian imports are likely to be cut off, which means supply from Russia is no longer possible. They expressed concern that the PAD has been made based on historical information and does not consider this. The TRA mentioned the economic interest test, which allows the TRA to have a forward look at the direction of the UK industry. It may include how the UK industry could be impacted by trade remedies measures. The TRA are considering the effects in respect of the Russia and Ukraine conflict where data and evidence allows them to do so.



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The UK industry members expressed their view that the UK will be left at a disadvantage over the EU because Russian sanction duties may be applied in the UK but not in Europe. The UK's aluminium industry was noted to be different in structure to the EU's aluminium industry.

Methodology behind TRA decision making

The UK industry members asked about how the TRA takes their views into consideration in the investigation. The TRA referenced a recent biodiesel case publication, in which the TRA made the recommendation to remove measures on imports of a good that the UK did not make. This demonstrates that the TRA are considerate of how the UK's situation is different from that of the EU.

The TRA were asked to give advanced warning on the direction of the outcome of the investigation. The TRA state that a notice was placed on the public file to state that a PAD would be made. The TRA cannot give any information on the outcome of the PAD until the SoS makes a decision on their recommendation and the PAD is published.

UK Industry members expressed uncertainty over the use of TRS, expressing concerns over confidentiality and suggested that more guidance is needed on how to redact information. The TRA explained how the TRS works, and welcomed feedback from end-users on how to improve the service.

The TRA outlined the different parties that have been consulted to gather evidence in the investigation. This includes UK producers and importers, exporters from the People's Republic of China, UK government data and third party sources. The TRA have also acknowledged comments from parties who have raised concerns over issues like the press sizes, and the size of the UK industry.

The TRA explained how they have treated Chinese exporting producers. Upon initiation, the TRA invited exporters to register interest in the case. Approximately 20-25 exporters registered, providing information on the level of imports to the UK from China. The TRA sampled the 3 largest exporters, and requested information from them on their cost/sales data, source documents and financial information. The TRA



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met with each company (in-person and virtually) and verified that the information provided was accurate.

Response of the wider UK Industry to AD0012

The TRA and the UK industry members discussed prices of aluminium extrusions. The TRA look at prices at ex-works level, comparing the price as they are from the factory door in each country. One party discussed their supplier. They can see that the price charged by their supplier is higher than the price charged by UK manufacturers. Customers are feeding back to this party, stating they are changing business plans in response to the potential measures.

The UK industry members observed that the industry changes that are resulting (or will result) from potential measures being put in place could include higher lead times, complex changes in die production and a time-lag as the industry adjusts. They noted that dies are complex and cannot be switched rapidly. Moreover, they observed that customers cannot currently acquire products from Europe as the Aluminium Extruders are operating at full capacity, so they will still be forced to purchase from Asia. The members referenced an anti-dumping investigation in Australia where companies are changing the tariff code they import under.

The UK industry members stated that certain UK producers are the main beneficiary of measures, and are likely gaining higher profit margins whilst the rest of the UK industry suffer. The TRA state that the Economic Interest test (EIT) considers the wider economic impact of measures. The UK industry members believe that whilst Hydro are profitable, their production process is inefficient.

The UK industry members stated that businesses are concerned when investigations are announced (even before measures are confirmed). They cite an example where measures in Europe are already causing issues with supply. The UK industry members feel frustrated that the nuances of the UK industry appear to not have not been understood in the investigation.

Economic Interest Test

The TRA talked through the Economic Interest Test, which considers:



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- The injury caused by the dumping of the goods
- The economic significance of affected industries and consumers
- The likely impact on affected industries and consumers (what would happen if measures were and were not introduced)
- Likely impact on particular geographic areas, or particular groups
- The Likely consequences on the competitive environment in the UK
- Any other matters which the TRA deem relevant

As well as this, the Department for International Trade (DIT) conduct their own 'Public Interest Test' independently of the TRA. The SoS has the ability to not impose measures for any reason, if they do not satisfy the public interest (e.g. trade negotiations, wider conflicts).

The UK downstream industry stated that container costs need to be included in decision making. They have the view that the TRA needs to have the UK industry on side for measures to be imposed effectively. They observed that UK producers only form a small part of the UK industry's economic interest, compared to the rest of the downstream industry.

The TRA are asked about their relationship with DIT. The TRA explained that they operate independently of the SoS and DIT. The TRA are bound to follow policy and regulation, whereas the SoS has a greater degree of freedom in decision making. The investigation into Steel Safeguards was cited as an example, where the TRA's recommendation was overturned by the SoS based on matters of public interest.

The UK industry can ask for a reconsideration of the investigation, once the investigation is concluded. The TRA are asked about when decisions can be challenged. Under the regulations, the PAD cannot be challenged but the final determination can be challenged. Parties are able to appeal final determinations through the upper tribunal if they wish.

UK industry members asked whether the EIT decision has been made. The TRA state that an EIT decision has been made in the PAD, which is assessed against each of the criteria discussed above. There will be a gap between the PAD and the



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SEF, which is intentional and allows parties to provide comments to the TRA to inform their decision-making.

Finishing Comments

Regulations set out by DIT state that the TRA must make a provisional determination by month six of an investigation, and make a final determination by month 11-13.

The TRA case team have worked hard to complete this work. The PAD will show the TRA's first line of thinking, and parties are welcomed to comment in order to improve that decision-making.

The UK industry members asked if the letter they sent to the TRA can be placed on the public file. The TRA agreed to place that letter on the public file. The UK industry members welcomed the TRA to visit their sites once the PAD has been published, to discuss the information included.

The UK industry members expressed concern about the time delay between orders being taken, contracts being signed, and the delivery/fulfilment of orders. These lead times can be long and they are concerned that provisional measures may apply to orders that have already been made. This risks causing disruption to business dealings.

The meeting is concluded.