Department for International Trade

Trade Remedies Investigations Directorate
☐ Confidential ☒ Non-Confidential

Anti-dumping and Subsidy Investigations:

Application form

When you have completed this form, indicate the **confidentiality** of this document by placing an X in the relevant box below:

☐ Confidential
X Non-Confidential – will be made publicly available

Please note that you will have to provide **two copies of your response** – a **Confidential** and a **Non-Confidential version.** Both copies should be returned to TRID using the Trade Remedies Service (www.trade-remedies.service.gov.uk).

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About us

The Trade Remedies Investigations Directorate (TRID) is part of the UK's Department for International Trade. It carries out trade remedies investigations to find out if a new trade measure may be needed to counter dumped or subsidised imports or a sudden surge in imports.

The legislative framework that TRID operates under is found in the Taxation (Cross-border Trade) Act 2018) ('the Act') and the Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019 ('the Regulations').

About you

You can apply to us to open an investigation if you are a UK producer of goods or a representative of a UK producer and you have evidence of unfair trade practices relating to the dumping or subsidy of goods imported into the UK.

You must provide sufficient evidence of dumped or subsidised goods being imported in the UK and that the dumped or subsidised imports have caused or are causing injury to the UK industry (in compliance with the Act)

You can find out more about our remit and how we work by reading our guidance on trade remedies investigations.

About this form

Complete this form and the relevant annexes if you want to apply for a new anti-dumping or subsidy investigation. This form will give us the information we need to decide whether to initiate an investigation into your concerns. You can find more information on how we assess applications in our guidance.

You must submit your application online through the Trade Remedies Service (https://www.trade-remedies.service.gov.uk). When you submit your application, you must also submit a non-confidential version (including the annexes) which doesn't contain any data you think is sensitive (for instance, commercial data about your company), as we are required to publish a copy of the application form. You can find out more about what can be considered confidential and how to prepare a non-confidential version of your documents in our guidance.

If you are considering submitting an application and would like to discuss it with someone first, please email contact@traderemedies.gov.uk. You can find more on completing this application in our Pre-Application Office and application assessment guidance.

If you have any issues or queries about using the Trade Remedies Service, please email help@traderemedies.gov.uk.

What happens next

Once you have completed this application form you can share a confidential version with the Pre-Application Office to get feedback before you formally submit your application. When you formally submit your application, you will need to submit a confidential and a non-confidential version of this form. Please upload these through our Trade Remedies Service at www.trade-remedies.service.gov.uk.

Once you have done this:

- you will receive an email confirming the documents have been uploaded successfully;
- the assessor(s) of your application will contact you if further information is required; and
- the assessor(s) of your application may contact you to arrange a visit to verify the information contained in your responses.

How to complete this application form

Please read and follow all the instructions carefully. You will need to provide evidence to support your concerns. You may need to attach supporting documents in appendices to supplement the answers you give.

Please also note the following points:

- Try to avoid leaving any questions blank. If the question isn't relevant to you, please try to explain why.
- If the answer to a question is "zero", "no", "none" or "not applicable", please write this rather than leaving the answer blank.
- If you feel you can't present the information as requested, please contact the Pre-Application Office by emailing contact@traderemedies.gov.uk.
- If there is not enough space in any part of the application form to provide a full answer, please attach appendices. Please ensure that any attachments are given a corresponding appendix reference in the title of the document and that these are referenced in the boxes provided.
- If you include any documents not in English, please provide an English translation.
- Provide all dates in the format DD/MM/YYYY (e.g. 23/05/2019).

- For all numerical figures, where appropriate please express every third number with a comma (e.g. '1,300' for one-thousand three hundred, '1,300,000' for one million and three-hundred thousand).
- Limit all sales/currency/income figures to two decimal places and use the appropriate currency symbol (e.g. £1,300.00).
- All figures should be reported net of tax unless otherwise stated.
- For definitions of the incoterms used throughout this document, please visit the International Chamber of Commerce.

About The Goods

This section of the application form is about the imported goods you want us to investigate. These imported goods will be referred simply to as 'the goods'.

You can only ask us to investigate imported goods if you (or the industry you represent) produce 'like goods'. Like goods are defined as goods which are similar to the goods under investigation in all respects or have characteristics which closely resemble them. When we decide what are like goods, we will consider the following non-exhaustive list of criteria:

- physical likeness, such as physical characteristics
- commercial likeness, including competition and distribution channels
- functional likeness, such as end-use or if the goods can be substituted for each other
- similarities in production, such as method and inputs
- other relevant characteristics

The Imported Goods

1. Describe the imported goods you are concerned about (if possible, please attach digital versions of images, brochures, catalogues, etc which show the goods in question).

The goods under investigation are bars, rods, profiles (whether or not hollow), tubes, pipes; unassembled; whether or not prepared for use in structures (e.g. cut to length, drilled, bent, chamfered, threaded); made from aluminium whether or not alloyed, containing not more than 99.3% aluminium.

The product concerned is commonly referred to as 'aluminium extrusions', referring to its most common manufacturing process even if it can also be produced by other production processes such as rolling, forging or casting.. The goods are commonly referred to as 'Extrusions', referring to its most common manufacturing process even if the goods can also be produced by other production processes such as rolling, forging or casting.

The goods are produced from aluminium alloys having metallic elements corresponding to the alloy series 2-8 published by European Standard EN 573-1:2004 (or proprietary equivalents or other certifying body equivalents).

The goods can have a variety of finishes (both coatings and surface treatments), and types of fabrication, and combinations. Common finishes are mill finishing (i.e.,

without any coating or further finishing), brushing, buffing, polishing, anodizing (including bright-dip anodizing), liquid painting and powder coating.

Fabrications are preparations for use in structures, including cutting-to-length, machining, drilling, punching, notching, bending, stretching, knurling, wedging, mitring, chamfering, threading and spinning are also covered by the product scope.

The goods may be identified with reference to their end use, such as industrial and automotive machined parts or sub-parts for structural parts, machine powertrains, industrial automation systems (hydraulic and pneumatic machines), and industrial heavy equipment, such as components for infrastructure projects (mining, oil and gas, chemical and refinery equipment), electrical and electro-technical applications. These goods are covered if they otherwise meet the goods definition, regardless of whether they are ready for use at the time of importation.

Appendix reference:

2. Explain where the imported goods you are concerned about are being exported from.

The goods are being exported from the People's Republic of China.

Appendix reference:

3. Provide the tariff classification(s) for the imported goods.

76109090; 76082089; 76082081; 76081000; 76042990; 76042100; 76042910; 76041090; 76041010

Appendix reference:

4. Give details regarding whether the imported goods are currently subject to any anti-dumping/countervailing/safeguard measures or ongoing investigations in other countries.

Similar goods from China (as well as from other origins) are subject to anti-dumping measures in Australia, Canada, Colombia, Mexico the United States of America and Vietnam.

The Applicant notes that the European Commission press release accompanying the publication of Regulation 2021/546 imposing anti-dumping duties in the EU states:

'This sector suffers from many distortions caused by Chinese overcapacity and other State-induced practices, undermining fair competition and endangering EU companies and jobs. Given indications that certain operators are ready to circumvent

the measures, the Commission will monitor this market closely and react swiftly to any attempts to avoid duties.'

See: https://trade.ec.europa.eu/doclib/press/index.cfm?id=2261

Appendix reference:

The Like Goods

1. Describe the like goods produced by the UK industry (if possible, attach digital versions of images, brochures, catalogues, etc).

The goods in this Application are aluminium extrusions that are supplied to meet customer design needs (usually identified in the form of drawing specifications, tolerance level and aluminium alloy specification), including but not limited to bars, rods, profiles (whether or not hollow), tubes, pipes; unassembled; whether or not prepared for use in structures (e.g. cut-to-length, drilled, bent, chamfered, threaded); made from aluminium alloy containing less than 99% of aluminium. The goods are commonly referred to as 'Extrusions', referring to its most common manufacturing process even if the goods can also be produced by other production processes such as rolling, forging or casting.

The goods are produced from aluminium alloys having metallic elements corresponding to the alloy series 2-8 published by European Standard EN 573-1:2004 (or proprietary equivalents or other certifying body equivalents).

The goods can have a variety of finishes (both coatings and surface treatments), and types of fabrication, and combinations. Common finishes are mill finishing (i.e., without any coating or further finishing), brushing, buffing, polishing, anodizing (including bright-dip anodizing), liquid painting and powder coating.

Fabrications are preparations for use in structures, including cutting-to-length, machining, drilling, punching, notching, bending, stretching, knurling, wedging, mitring, chamfering, threading and spinning are also covered by the product scope.

The goods may be identified with reference to their end use, such as industrial and automotive machined parts or sub-parts for structural parts, machine powertrains, industrial automation systems (hydraulic and pneumatic machines), and industrial heavy equipment, such as components for infrastructure projects (mining, oil and gas, chemical and refinery equipment), electrical and electro-technical applications. These goods are covered if they otherwise meet the goods definition, regardless of whether they are ready for use at the time of importation.

Appendix reference:

Comparability between the Goods

1. Explain how the like goods produced by the UK industry are like the imported goods. Please cover the following aspects of the goods.

   The physical, technical, chemical and any other characteristics that describe the goods – explain any differences:

The production methods, to the best of our knowledge, between the UK producers and the Chinese Importers are identical. The equipment is certainly identical and we believe the production methods are fundamentally the same so there are no real differences between the goods imported and the like goods produced in the UK. The goods have the same basic physical, chemical and technical characteristics. They are commercially alike and have the same distribution channels, they have functional likeness, similar production methods and end uses.

Appendix reference:

2. If the goods can be subdivided into separate models – provide details about each of the models, such as their product literature and technical documentation:

The goods subject to this Application have a wide variety of applications. Major end-use applications include:

- *Building and Construction: windows, doors, railings, high-rise curtainwall, highway and bridge construction, framing members, other structures;*
- *Transportation: automotive (cars, buses, trucks, trailer/van/container vehicles), heavy rail, light rail and other mass transit vehicles, recreational vehicles, aircraft, aerospace, marine; and*
- *Engineered Goods: consumer and commercial products such as air conditioners, appliances, furniture, lighting, sports equipment, personal watercraft; electrical power units, heat sinks, coaxial cables, bus bars; machinery and equipment, food displays, refrigeration, medical equipment, display structures, laboratory equipment and apparatus.*

While the goods can have differences in physical characteristics, end uses (based on sector) and specific end-user requirements (for example, a good used for automotive applications may be more "engineered" than goods used as building and construction materials), all the goods share the same general physical characteristics and range of tolerances, and all are used as inputs (i.e., intermediate products) in the production of downstream goods.

Examples of such physical characteristics include different metal strengths (based on the length of the baking process used), appearances (based on the customer's finish

preference), shapes (as required by the specific purchaser), and specific fabrications (provided for end users).

Appendix reference:

3. Give the tariff classification of the goods (customs commodity code) – if there are multiple models, provide the customs commodity code for each model:

76109090; 76082089; 76082081; 76081000; 76042990; 76042100; 76042910; 76041090; 76041010

Appendix reference:

4. Summarise the production process of the goods in the UK and in the exporting country/countries. Make sure you explain if there are different production processes within the UK and/or the exporting country/countries concerned:

The goods are predominantly produced by an extrusion process (including drawing which is a subgroup of extruding) but can also be produced by other production processes such as rolling, forging or casting.

Extrusion

Extrusion is one the most widely used aluminium extrusion forming processes that delivers almost unlimited possibilities in product design. Aluminium extrusions are principally produced from an aluminium billet in a heating furnace that softens the billet to the necessary temperature (600-700 degrees Celsius) before extrusion. Aluminium is one of the easiest materials to extrude due to the relatively low temperatures (600-700 degrees Celsius) at which it becomes extrudable. The heated aluminium alloy billets are forced under pressure through a metal die by a hydraulic extrusion press. The pressure capacity of the extrusion press determines the size of the extrusion it can produce, and the die inserted in the press matches precisely the profile of the shape produced.

Under the direct extrusion process, the heated billet enters a hydraulic extrusion press where a ram pushes a dummy block to force the softened metal through a precision opening, or die, to produce the desired shape. As pressure is applied against the die, the billet becomes shorter and wider until its expansion is restricted by full contact with the container walls. As the pressure increases, the softened metal begins to squeeze out through the shaped orifice of the die and emerges as a fully formed profile.

Under indirect extrusion, the die is contained within the hollow ram, which moves into the stationary billet forcing the metal to flow into the ram, acquiring the shape of the die as it proceeds. In either process, the aluminium exiting the die acquires the same cross-sectional shape as the die.

After emerging from the die, the extrusion cools either naturally or through air or water quenching. The following steps usually occur after cooling:

- *Stretching: A stretcher and/or straightener may be used to straighten the extrusion and correct any twisting that may have occurred during and after the extrusion process.*
- *Cutting: The profile is cut in order to reduce it to the specified commercial length.*
- *Aging: Certain extrusion alloys reach optimal strength through the process of aging, or, age hardening.*

The aging process ensures the uniform precipitation of fine particles through the metal, producing an alloy with maximum strength, hardness, and elasticity. Natural aging occurs at room temperature and artificial aging occurs through controlled heating in an aging oven. Non-heat treatable aluminium alloys (aluminium series 2, 6 and 7) are subject to natural aging. Artificial aging, also known as precipitation heat-treating, occurs through controlled heating in an aging oven (aluminium series 1, 3 and 5).

Common extrusion shapes include bars, rods, pipes, and tubes, hollow profiles and solid profiles such as angles, tees, I-beams, H-beams, channels, tracks, rails, mullions, stiles, gutters, and other shapes.

After an extrusion is aged, it is considered a mill-finished product. Aluminium extrusions can be sold as mill-finished (without any further surface treatment) or they can be further fabricated and/or finished.

Extrusion goods are properly identified by a four-digit alloy series number (without decimal point or leading letter), e.g. 6062 or 6080.

Other production processes

There are other, less common, production processes to manufacture the goods identified in this Application. They are less common because their manufacture is more expensive than the extrusion process. However, whatever the production process, they are none the less goods for the purposes of this Application.

Semi-finished rolled aluminium alloy goods are manufactured from slabs cast from molten aluminium. The slabs are first hot-rolled, then re-rolling on cold rolling sheets and foil rolling mills to the desired thickness, or by continuously casting and cold rolling to maintain a constant thickness of aluminium alloy.

Forged aluminium alloy goods are made from either extrusions or castings by the hot forming process, wherein hot metal is punched by stems and tooled into a high precision mould. The forging process is followed by heat treatment and surface machining or sand blasting.

Cast aluminium alloy goods are solid shaped products manufactured from liquid metal poured into specific moulds. The metal takes the shape of the cast/mould and is subsequently cooled. In a last step, the aluminium alloy receives the desired mechanical properties by heat treatment.

The Applicant is not aware of any differences between the production process in the UK and China.

Appendix reference:

5. Provide a general description of the UK market for the goods including the nature and conditions of competition within the overall market. In your answer please refer to:

- general users/consumers/customers;
- market segmentation;
- government regulation or tax;
- distribution and marketing (for example, how is the product sold and is quality or price the deciding factor);
- the nature of competition within the overall market;
- the degree of price sensitivity;
- the trends and drivers of demand, including causes of demand fluctuations and any factors contributing to overall market growth or decline;
- developments in technology affecting the characteristics, demand or the production process of the goods;
- other commercially significant goods which could be substituted for your goods and the goods being imported into the UK; and
- any other factors that influence the market.

The market for Aluminium and, in particular the market for the goods, is growing, with increasing numbers of end users preferring to use the sustainable values that Aluminium brings when compared to other material options.

The UK market for Aluminium Extrusion profiles is estimated to be around 170k-180k tonnes per annum in a normal year (non-pandemic).

The market is split between Building and Construction (B&C), Transport and Automotive, Engineering and, increasingly, consumer durables.

End users of the goods are either serviced directly by UK manufacturers or through Stockists and Distributors importing the more standard profiles.

The UK aluminium extrusions industry is capable of supplying all sectors of the market.

Appendix reference:

6. We give goods in our investigations Product Control Numbers (PCNs) which are identifiers unique to our work and are created on the basis of the main characteristics differentiating the goods from other goods. We use PCNs to allow comparison between products made by domestic and foreign producers. The accuracy of TRID's PCN structure is directly proportionate to information supplied by the applicant. If the goods concerned covers a range of goods with different characteristics that would affect comparability:

- Please describe the key physical characteristics that have a consequential and material effect on prices, with the list of characteristics going from most to least consequential
- Please provide evidence to substantiate that these physical characteristics have a consequential and material effect on prices. This evidence could be in reference to specific unit costs, if those costs effect price comparability
- Use this information to delineate between models of not only the goods produced by the UK industry, but by the exporting producers, giving the information requested in the subsequent sections in refence to each model rather the goods category as a whole. The annex will indicate where information is being asked for on an individual model basis.
- If you already have a view on a PCN structure, please propose that here.

The Applicant proposes using the PCN structure that was used in the European Commission anti-dumping investigation, into the same goods originating in China, and considers that this PCN structure is appropriate for an investigation in the UK.

Appendix reference:

About the Application

Individuals or groupings of companies, individuals and trade bodies can all be applicants. Generally, an industry that is concerned about a set of imported goods should make only one application to us for an investigation. When we assess your application, we will consider information about all the companies which make up the group that is applying. When you are answering questions about the goods you produce, please include information about the goods produced by all the companies and individuals who are submitting this application.

Applicant Information

Name of Applicant

Hydro Aluminium UK Ltd

Address

Email

Telephone

Contact Name

Company Ownership (provide broad details of shareholding)

Name of Lawyer/Representative

Period of Investigation

For the subsequent sections, please use the same 12-month period for every question and indicate below which 12-month period you are using. This period should not end more than six months before the date this application is submitted.

This period will be referred to as 'the period of investigation (POI)' for the rest of the application. The 36-month period preceding the POI, will be referred to as the injury period. Please indicate the 12-month POI in the box below.

Q4 2019 to Q3 2020.

The period of investigation (POI) avoids the distorting effect of the provisional EU anti-dumping duties which were imposed as from 12 October 2020 on the basis of Commission Regulation 2020/1428 and subject to registration as from 21 August 2020 by virtue of Regulation 2020/1215. This had a major impact on supplies into the UK from Chinese Importers.

In the exceptional circumstances that imports of the goods concerned into the UK were subject to EU provisional measures prior to 31 December 2020 and that fact that the European Commission has now imposed definitive measures by means of Commission Implementing 2021/546 (from 29 March 2021) the Applicants suggests that consideration is given to taking as the POI the investigation period used the European Commission i.e. Q1/2019 to Q4/2019.

The Applicant refers back to (see answer to Goods Question 4) the European Commission press release accompanying the publication of Regulation 2021/546 states:

'This sector suffers from many distortions caused by Chinese overcapacity and other State-induced practices, undermining fair competition and endangering EU companies and jobs. Given indications that certain operators are ready to circumvent the measures, the Commission will monitor this market closely and react swiftly to any attempts to avoid duties.'

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Please give the volume and value of like goods you produced in the UK for the POI.

The latest published accounts listed are £128.7m

About Other Interested Parties

UK Producers

Your application must be supported by other UK producers who represent at least 25% of total UK production. This is based on production physically located in the UK. The level of support for the application must be greater than the level of opposition among UK producers.

If there are other UK producers, you will need to contact them and ask them whether they support or oppose this application. Please attach their written responses to your application OR their details should be provided below. Use a separate table for each producer.

We understand that other producers may be concerned about providing confidential information for this form. If necessary, you can ask an independent third party to confidentially combine information from the individual companies. Alternatively, the other producers can send the information separately to TRID for us to combine.

UK producer	
Legal name of company:	Hydro Aluminium UK Ltd
Company website:	www.hydro.com
Goods produced Please list all the UK-made goods this producer makes which are sold on the UK market and are like the imports this application is about	
Aluminium Extrusions that are supplied to meet customer design needs (usually identified in the form of drawing specifications, tolerance level and aluminium alloy specification)	
Position regarding application (delete as applicable)	Support/~~oppose/undeclared~~
Legal name of company:	Exlabesa
Company website:	www.exlabesa.com
Goods produced Please list all the UK-made goods this producer makes which are sold on the UK market and are like the imports this application is about	
Aluminium Extrusions that are supplied to meet customer design needs (usually identified in the form of drawing specifications, tolerance level and aluminium alloy specification)	
Position regarding application (delete as applicable)	Support/~~oppose/undeclared~~

Legal name of company:	Garnalex
Company website:	www.garnalex.com
Goods produced Please list all the UK-made goods this producer makes which are sold on the UK market and are like the imports this application is about	
Aluminium Extrusions that are supplied to meet customer design needs (usually identified in the form of drawing specifications, tolerance level and aluminium alloy specification)	
Position regarding application (delete as applicable)	Support/~~oppose/undeclared~~
Legal name of company:	Aluminium Shapes
Company website:	www.alishapes.co.uk
Goods produced Please list all the UK-made goods this producer makes which are sold on the UK market and are like the imports this application is about	
Aluminium Extrusions that are supplied to meet customer design needs (usually identified in the form of drawing specifications, tolerance level and aluminium alloy specification).	
Position regarding application (delete as applicable)	Support/~~oppose/undeclared~~
Legal name of company:	BOAL UK Ltd
Company website:	www.boalextrusion.com
Goods produced Please list all the UK-made goods this producer makes which are sold on the UK market and are like the imports this application is about	
Aluminium Extrusions that are supplied to meet customer design needs (usually identified in the form of drawing specifications, tolerance level and aluminium alloy specification)	
Position regarding application (delete as applicable)	~~Support/oppose~~/undeclared
Legal name of company:	SMARTS
Company website:	www.smartsystems.co.uk
Goods produced Please list all the UK-made goods this producer makes which are sold on the UK market and are like the imports this application is about	
Aluminium Extrusions that are supplied to meet customer design needs (usually identified in the form of drawing specifications, tolerance level and aluminium alloy specification)	

Position regarding application (delete as applicable)	~~Support/oppose~~/undeclared
Legal name of company:	Capalex
Company website:	www.capalex.co.uk
Goods produced Please list all the UK-made goods this producer makes which are sold on the UK market and are like the imports this application is about	
Aluminium Extrusions that are supplied to meet customer design needs (usually identified in the form of drawing specifications, tolerance level and aluminium alloy specification)	
Position regarding application (delete as applicable)	~~Support/oppose~~/undeclared
Legal name of company:	Kawneer
Company website:	www.kawneer.com
Goods produced Please list all the UK-made goods this producer makes which are sold on the UK market and are like the imports this application is about	
Aluminium Extrusions are supplied to meet customer design needs (usually identified in the form of drawing specifications, tolerance level and aluminium alloy specification).	

Other Parties

1. Provide details of all known producers/exporters in the exporting country or producer/exporter associations in the exporting country, including:

Name:	Press Metal International
Name:	Pan Asia Aluminium
Name:	Zhongwan Aluminium
Name:	Shandon Nanshan Aluminium
Name:	Haomei Aluminium
Name:	Hanwood
Name:	Kamkiu Aluminium Extrusion
Name:	Yingkou Liache Aluminium

2. Provide the details of all known importers of the goods in the UK or any associations of importers in the UK, including:

Name:	Press Metal
Name:	Hanwood
Name:	Pan Asia

3. Provide the details of all known suppliers, users and consumers of the goods in the UK, or associations of suppliers, users or consumers including:

Name:	Hydro Deeside (member of Applicant group of companies)
Nature of business:	Supplier
Company:	ALFED (Aluminium Trade Association)
Affiliation	Trade Association

Representativeness

Summary of UK Producer support or opposition for this application

We need to know about the total volume of UK production for UK markets by the producers who support your application. **Please complete Annex 1**, which will guide you through the calculation of whether representativeness requirement is met in terms of volume and value. If any figures are estimates, please explain how you worked out this information.

We took the information from UK Trade Statistics, along with market analysis, to show volume levels for UK production.

The import data for all origins for the following CN codes 76109090, 76082089, 76082081, 76081000, 76042990, 76042910, 76042100, 76041090, 76041010 were extracted from UK trade data at the following link:

https://www.uktradeinfo.com/trade-data/ots-custom-table/

Market Share

1. The applicant UK industry/industries should have at least a 1% share of the UK market for the goods, irrespective of where the goods were produced. Please demonstrate this by **completing Annex 2**. If you have other specific market share information, please also provide that.

This market share information was produced by a combination of sources of market intelligence ranging from our own market intelligence, use of trade statistics and Prodcom Data and cross referenced for accuracy against market size reports to show that the applicant's market is more than the minimum required to complete the application.

The Prodcom data for aluminium is found in chapters 24422230 and 24422250 relating to HS 7604 and 24422630 and 24422650 relating to HS 7608 HS 7610 code 24531010 (Division 24). They were extracted from the following link:

https://www.ons.gov.uk/businessindustryandtrade/manufacturingandproductionindustry/datasets/ukmanufacturerssalesbyproductprodcom

The trade statistics are available at https://www.uktradeinfo.com/trade-data/ots-custom-table.

The market size reports can be obtained from https://www.crugroup.com

2. Please note that the requirement can be waived in certain circumstances, for example if your application is about imports preventing a UK industry from being established for a 1% market share. If you think the requirement should be waived, explain why.

Not applicable

Related Persons

If you know that the Applicant or any other known UK producer of the goods is related (as defined under Regulation 128 of the Customs (Import Duty) (EU Exit) Regulations 2018 (a)) to an exporter or an importer of the goods, describe the company and the relationship.

The Applicant is a single enterprise. The Group to which it belongs is involved both in the production of the main raw material for aluminium extrusions and in the production of the goods themselves.

About the allegedly dumped imports you want us to investigate

Complete this section if you are making an application for a dumping investigation.

Please give us all the information you can about the imported goods you believe are being dumped and the injury being caused to UK industry.

Sufficiency Test

Please note that we may reject your application if there is not sufficient evidence of dumping or injury. Evidence of dumping is insufficient if the margin of dumping is less than 2% of the export price (minimal).

1. List all countries (or territories) where the imported goods are produced (country of origin) and the countries (or territories) from which they are exported to the UK, if this is different.

Please see below for the list of the top ten countries from which the imported goods are exported:
China
Portugal
Spain
Poland
Belgium
Turkey
Netherlands
Germany
Italy
France

The import data for all origins for the following CN codes 76109090, 76082089, 76082081, 76081000, 76042990, 76042910, 76042100, 76041090, 76041010 were extracted from UK trade data at the following link:

https://www.uktradeinfo.com/trade-data/ots-custom-table/

2. **Complete Annex 2**, giving the volume and value of the imported goods for the POI, to demonstrate percentage of total imports. This is confidential information.

3. Provide details and evidence of how the volume and value of dumped imports have been calculated.

Volume and value of dumped imported goods were retrieved from UK trade data from HM Revenue & Customs at www.uktradeinfo.com
Aluminium extrusions are imported under 9 Tariff Codes, namely:
- *76041010 Bars, rods and profiles, of non-alloy aluminium*
- *76041090 Profiles of non-alloy aluminium, n.e.s.*
- *76042100 Hollow profiles of aluminium alloys, n.e.s.*
- *76042910 Bars and rods of aluminium alloys*
- *76042990 Solid profiles, of aluminium alloys, n.e.s.*
- *76081000 Tubes and pipes of non-alloy aluminium (excl. hollow profiles)*
- *76082081 Tubes and pipes of aluminium alloys, not further worked than extruded (excl. hollow profiles)*
- *76082089 Tubes and pipes of aluminium alloys (excl. such products welded or not further worked than extruded, and hollow profiles)*
- *76109090 Structures and parts of structures, of aluminium, n.e.s., and plates, rods, profiles, tubes and the like, prepared for use in structures, of aluminium, n.e.s. (excl. prefabricated buildings of heading 9406, doors and windows and their frames and thresholds for doors, bridges and bridge-sections, towers and lattice masts).*

Normal value

Normal value refers to the domestic price that the imported goods are normally sold for on the domestic market in their country of export. This value should then be adjusted for costs arising after the ex-works (EXW) level (and any other factors that need to be considered) to make a fair comparison with the export price.

If your complaint concerns more than one exporting country, calculate the normal value for each country

There are several different methods for calculating normal value, with the appropriate method being determined by the circumstances of trade between the exporting country and the UK, and the nature of exporting country's economy.

Therefore, when you tell us the normal value of the goods, you will also need to explain which method you are using to calculate it and why.

The methods are:

- 'Comparable Price', this is the price of the goods in the ordinary course of trade in the home market of the exporting country;
- Constructed Normal Values in the country of export based on the cost of production, plus reasonable amounts that would have been incurred on a

domestic sale in the country of export for administrative, selling and general expenses and for profit;

- 'Sales made to a third country by the exporter', provided this amount is representative of the domestic selling price in sales in the country of export (provide evidence to support this); or
- If none of the above is possible, establish the normal domestic value from the best information available to you and provide this information to us, along with an explanation of the approach you have adopted. Alternatively, if prices in the exporter's domestic market are unavailable and it is not possible to construct a normal value, please contact TRID to discuss further options.

Where possible, you should calculate normal value using the 'Comparable Price' Method. However, there are situations where this would be inappropriate, and so one of the alternative methods should be used. This includes situations where:

- the goods are not sold in the ordinary course of trade in the domestic market of the exporting country;
- these sales on the domestic market of the exporting country sales don't allow a proper comparison with their sales on foreign markets because of:
  - a particular market situation;
  - low volume of sales in the domestic market of the exporting country;
- the overseas exporter does not sell these goods in their domestic market;
- the imports are from a particular foreign country – this is a specific term defined under Regulation 14 of the Dumping & Subsidy Regulations which means that it's difficult to use prices of goods in that country as a fair comparison.

More information on each of these conditions and when they apply can be found in our guidance on dumping investigations.

Method

Please indicate below the method you have used for calculating normal value of the imported goods. If you have used an alternative basis to comparable price (e.g. constructed normal value), please explain why you believe it isn't appropriate to use comparable price and provide your evidence to support this.

Since the market for aluminium extrusions, as well as the markets for the different factors of production for aluminium extrusions in China, are distorted, the Applicant has constructed the normal value.

These distortions in the Chinese market permeate all aspects of the economy. The consequence of the distortions is that the costs and prices for aluminium extrusions and the factors of production used to make aluminium extrusions are distorted. Normal Value cannot therefore be a price for the comparable product on the domestic Chinese market but must be a value constructed within the terms of Regulation 8(1)(a) of the Trade Remedies Regulation.

As all aspects of the economy are distorted the costs and prices to be used in the construction of the Normal Value cannot be the distorted prices and costs present in markets for the factors of production in China.

The Trade Remedies Regulation allows the Applicant to construct Normal Value on the basis of Regulation 14 and, in particular, China's WTO Accession Protocol. This is the basis of this Application. As an alternative, the Applicant will also calculate Normal Value on the basis of Regulation 8 which allows it to determine what the exporting producers' costs and profits would be if the factors of production were determined by market forces.

In this section of the Application the Applicant will demonstrate that:

i) the market for aluminium extrusions in China is distorted and the markets for the factors of production of the product concerned are also distorted;
ii) the market for aluminium extrusions is a particular market situation within the terms of Regulation 8 as are the markets for the different factors or production;
iii) TRA should apply Regulation 14 of the Trade Remedies Regulations;
iv) in the alternative, as the individual markets for each factor of production are distorted and come within the provisions on particular market situations and the TRA can apply Regulation 8 of the Trade Remedies Regulations.

<u>The market in China is distorted</u>

China has a 'Socialist Market Economy' in which the State and the Chinese Communist Party (CCP) plan and control all the core functions of all economic activity from the supply of capital, labour, land, energy and raw materials, to controls on exports, imports, import substitution, public procurement, bankruptcy and the micro-management of the activities of all enterprises, whether state-owned or otherwise, operating in the market. The State and the CCP determine the allocation of all factors of production through five-year plans and determine the use and destination of the products processed from those factors through control of the commercial activities of individual enterprises. This control of commercial enterprises is not only through the allocation of resources in the five-year plans but also through the CCP cells active, by law and by reason of the articles of association of many of the enterprises themselves, in the daily functioning of those enterprises. In short, for the purposes of trade remedy law, prices are not determined in the ordinary course of trade.

In recitals 70 to 158 of Commission Regulation 2020/1428 (Provisional measures), as confirmed by recitals 95 to 141 of Commission Regulation 2021/546 (Definitive measures) the European Commission examined in detail the market in China for aluminium extrusions and the markets for the different factors of production to conclude that these markets were distorted. The examination included rebuttals of the arguments submitted by extrusion exporting producers in China that the markets were not distorted or the costs and prices of individual producing exporters were not distorted. The Commission rejected submissions from the Government of China (GOC) that the markets were not distorted.
The Commission also rejected GOC claims that the EU methodology (based on the costs for the factors of production taken from a representative non-distorted market) was incompatible with WTO law. The Applicant observes that China withdrew a claim before a WTO dispute settlement panel that the EU's methodologies for calculating Normal Value from origins where the market is distorted was not compatible with WTO law. The withdrawal of the claim came after the parties (the EU and China) had been provided with a draft of the panel's conclusions.

The EU is not alone in considering that markets in China are distorted. In investigating the dumping of certain aluminium foil from China, the EU, the US and Mexico held that China is not a market economy. Mexico found that to the extent that 'the form and degree of intervention of the Chinese government in the price formation of key markets such as labour or energy, generally or globally demonstrate that distortion and affectation is present at the level of the sectors in which these factors of production are involved'.[1]

Mexico's finding is reflected in Article 6 of the Chinese Constitution which provides:

The basis of the socialist economic system of the People's Republic of China is socialist public ownership of the means of production, namely, ownership by the whole people and collective ownership by the working people. [...]

In relation to non-state-owned activities in the Chinese economy Article 11 provides:

The State protects the lawful rights and interests of the non-public sectors of the economy such as the individual and private sectors of the economy. The State encourages, supports and guides the development of the non-public sectors of the economy and, in accordance with law, exercises supervision and control over the non-public sectors of the economy.

[1] See *Government of Mexico's Initiation of Antidumping Investigation of Certain Aluminum Foil from China,* 28 August 2018, translated from Spanish.

The Chinese Communist Party implements state policy through the micro-management of the activities of all enterprises through Party committees which must be established in all enterprises. Article 19 of the Chinese company law provides:

In a company, an organisation of the Communist Party of China shall be established to carry out the activities of the party in accordance with the charter of the Communist Party of China. The company shall provide the necessary conditions for the activities of the party organisation.

Within State-Owned Enterprises (SOEs) greater power has been given to the Party Committees so as to avoid *efforts to establish boards of directors to push SOEs to make decisions based on market conditions, profitability and hard budget constraints.* The FT reports President Xi saying that [a]*ll the major decisions of the company must be studied and suggested by the party committees. Major operations management arrangements involving macro-control, national strategy and national security must be studied and discussed by the party committee before any decision by the board of directors or company management.*

In relation to the subsidisation of the Chinese aluminium industry, the OECD observed:

The relationship in China between the government and companies generates opacity around the form and scale of government support. One example is the provision of inputs such as coal, alumina, or electricity by Chinese SOEs to other companies - public or private - for prices that are below market, and for which it can be very difficult to identify the specific policies that underlie support. This example illustrates a broader tendency for "provincial and municipality governments [in China to] subsidize purchases of raw materials by requiring other SOEs or pressuring their own suppliers to provide these inputs at below-market or even below-cost prices".[2]

A detailed overview of the role of the State and the CCP can be found in a European Commission Staff Working Document dated 19 December 2017 which lists how these two entities, the State and the CCP working together, control all aspects of the economy including land, energy, capital, raw materials and labour. This document is found in Appendix 26 to this answer.

As seen in footnote 2, a 2019 OECD study 'Measuring distortion in international markets: the aluminium value', highlights the distortions occurred in the aluminium sector in China in consideration of subsidies provided by the Chinese government. This document is found in Appendix 24 to this answer. The OECD report found, among many distortions, the following features of aluminium production in China:

[2] See OECD (2019-01-07), "Measuring distortion in international markets: the aluminum value chain", *OECD Trade Policy Papers No. 218,* OECD Publishing, Paris, page 93.

The vast majority of financial support was provided by China's state-owned banks to Chinese aluminium SOEs; however, two large private firms also benefitted from support from state-owned banks: China Hongqiao, the world's largest producer of primary aluminium, and China's Zhongwang, China's largest producer of extraction products. While governments participate in the aluminium value chain via SOEs, state influence is at least as important as ownership, including because SOEs are both recipients and providers of support S especially in China, where SOEs provide SOEs and private producers alike with below-market-cost inputs and loans. This fluid relationship between the government and companies generates opacity around the form and scale of government support.[3]

China's export taxes are another measure that has had important effects on world aluminium markets. Their impact has come on top of the impact of China's incomplete rebates of value-added tax (VAT) for exporters, which also serve to discourage exports of primary aluminium while encouraging exports of certain semis and fabricated articles of aluminium. The combination of incomplete VAT rebates and export taxes implies a de facto export tax on primary aluminium well in excess of 15% (around 30%). This is in contrast with more processed aluminium products (e.g. semis), for which VAT costs and export taxes are generally both lower.[4]

China applies most of its export taxes on industrial raw materials, primary products, and natural resources for which domestic demand is high, with the intent of safeguarding the needs of domestic production. In the case of aluminium, taxes range from a low of 0-1% on semis and articles of aluminium to a 15% rate on primary aluminium. This confers strong incentives for smelters to sell their production to domestic semis producers, who benefit through lower prices on their intermediates.[5]

The Staff Working Document and the OECD Report both demonstrate that the markets for all factors of production are distorted. While an EU Member State, the UK accepted the reasoning contained in this document when it was applied in trade remedy investigations and in particular in Commission Implementing Regulation 2021/546 imposing definitive anti-dumping duties on imports of aluminium extrusions originating in the People's Republic of China.

Evidence of this is found in the increasing number of investigations by trade remedy authorities worldwide that consider distortions in different Chinese markets. The Government of India Ministry of Commerce & Industry Department of Commerce, for example, noted significant market distortions prevailing in the steel industry in China due to significant state influence. Therefore, the domestic industry requested the

[3] OECD Aluminium Report, page 6.

[4] OECD Aluminium Report page 25.

[5] Ibid.

Authority not to accept the costs and prices prevailing in China PR for determining the normal value unless producers/ exporters in China are able to demonstrate that their costs and prices are not distorted. This was accepted by the competent Indian authority.[6]

Key finding in the Commission Staff Working Document in relation to the factors of production show:

Energy

China is the world's largest electricity producer,[7] and 50% of generation capacity is state-owned. Prices are fixed by the State. The Department of Pricing in the National Development and Reform Commission (NDRC)[8] is responsible for overseeing prices in China. The prices for electricity and domestic natural gas are regulated by NDRC and according to the Chinese government set on the basis of a procedure that includes cost investigation, expert appraisal, public hearings, and final price determination and publication.[9]

The NDRC publishes the prices applicable to each province in Notices, and then the local price bureaus publish a corresponding notice at the local level implementing the prices decided by the central NDRC.

The final price is supposed to reflect purchasing costs, transmission costs and government surcharges. However, as the Commission Working Document reports, it seems that on top of this approach, the prices are further differentiated by province depending on the local situation and policy objectives pursued in the various provinces, as well as by customer category.[10]

It was established in a number of instances that selected industries receive, at the provincial level, special electricity tariffs which are lower than electricity tariffs paid by other industrial users. Such practice was found for instance in 2013 by the Canada Border Services Agency ('CBSA') with regard to silicon metal.

CBSA found that the government exercises substantial influence over key raw material inputs in the silicon metal industry, including electricity and coal which

[6] See Government of India Ministry of Commerce & Industry Department of Commerce, F. No.6/4/2019-DGTR, *Anti-dumping Investigation concerning imports of Aluminium and Zinc coated flat products" originating in or exported from China PR, Vietnam and Korea RP – Final Findings*, 21 February 2020.
[7] See Commission Staff Working Document on Significant Distortion in the Economy of the People's Republic of China for the purposes of Trade Defense Investigations, Brussels, 20.12.2017 SWD(2017) 483 final/2, page 217.
[8] The NDRC is also the body responsible for the drafting of the five-year plans and is central to economic planning in China.
[9] Staff Working Document, page 221.
[10] Staff Working Document, page 222.

together account for as much as 70% of the cost of production. The Canadian industry demonstrated that silicon metal producers in Yunnan province benefitted from electricity prices considerably lower than producers in other provinces and the CBSA investigation confirmed that the prices paid by the silicon metal producers were lower from those paid by other heavy industries in Dehong Prefecture in Yunnan.[11]

During an investigation in 2013, the European Commission pointed out that the electricity rates depend on many factors such as the size of the enterprise - a lower rate is applicable for large industrial users -, type of industry and in which Province they are based. Furthermore, in an Australian investigation into silicon metal in 2015, the Australian Government Antidumping Commission found that the industries in the silicon manufacture sector benefitted from preferential electricity rates and paid lower electricity fees than other heavy industries in Yunnan province.[12]

In a recent investigation into the dumping of aluminium extrusions originating in China, the Australian Commission noted that the 2017 European Commission report highlights the central government's and local authorities' involvement in the energy sector, with some local governments in China giving additional energy subsidies to aluminium smelters to help them stay in production and remain competitive against new capacity in northwest regions. The Australian Commission took the view that the GOC continues to provide support to Chinese aluminium producers through discounted electricity.[13]

Certain aluminium producers also paid lower electricity rates as from 2015 (when metal prices experienced an important drop). For example, a state owned Liancheng smelter in Gansu province was awarded an electricity price cut, from 0.375 RMB to 0.25 RMB per kWh.778.[14]

There are also a number of economic zones granting preferential prices and subsidies to companies located in the zone. For example, in the Shawan Industrial Park in Xinjiang, 'preferential policies for electrical power supply, water supply etc. [are] granted by the park' [15]. Preferential electricity prices are also provided to enterprises located in the Wuyi New District in Fujian province.

China recognises that the practices offering preferential electricity rate to specific industries in individual provinces '*may breach China's international commitments*', including its obligations to the WTO. In other words, China recognizes that there are distortions that it will address gradually.

[11] Ibid.
[12] Staff Working Document, page 223.
[13] See Report no. 543, *Inquiry into the continuation of anti-dumping and countervailing measures applying to aluminium extrusions exported to Australia from the People's Republic of China,* 14 September 2020.
[14] Staff Working Document, page 233.
[15] Staff Working Document, page 224.

However, energy prices in China are still not market-based. Prices are still largely controlled by the state. While regulatory control is normal for this sector, the Chinese energy sector has a number of features that go beyond it.

Capital

The credit system in China is affected by distortion resulting from the pervasive role of the Sate in capital markets. SOEs and private business close to the government are best placed to take advantage of available capital.[16] Therefore, access to capital is not equally available to all market participants. Instead, it is biased in favour of enterprises with agreed access to the formal financial system.

A range of studies have found that state ownership in China is positively associated with leverage and access to long term debt, thus creating a positive loan bias. The availability of political connections to help in obtaining bank loans is also a factor for private firms[17]

The bias in favour of SOE's can be seen in statistics on the share of loans by ownership type. The share of credit going to private enterprises in China has expanded over the years. However, a large share of loans outstanding (47.6% in 2014) still flows to the State enterprise sector.[18]

Since the financial crisis, private sector profitability has constantly increased, but investment has decreased. In contrast, state sector profitability has constantly decreased, whereas investment has peaked in the years after the global crisis and again as of the end of 2015.

They typically find that within the industrial sector, SOEs have sharply increased leverage in recent years, while private firms have reduced leverage. The increased leverage of SOEs can be explained by the falling profitability of SOE industrial firms combined with the pressure on state firms to increase spending in response to the global financial crisis. These two pressures acted jointly to push up leverage. The corollary of this assessment is that the banking sector may have been unusually lax in extending credit.[19]

As explained in chapters 6.4 and 6.5 of the Commission Working Document, state intervention and restrictions on access to capital do not only extend to banking loans, but also to the Chinese bond market, as well as to the stock market. Concerning the bond market, it has been explained that access to the market is tightly regulated by

[16] Staff Working Document, page 235.
[17] Staff Working Document, page 236.
[18] Ibid.
[19] Staff Working Document, page 237.

governmental institutions, and the major players in the market are mainly state-owned entities.[20] In addition, also access to the Chinese stock market is heavily regulated by the State and that many of the firms listed on the stock exchanges are state-owned.

As regard capital cost, several EU anti-subsidy investigations over the past years have concluded that loans had been provided to Chinese companies under investigation below normal commercial market rates regardless of the companies' financial and credit risk situation. Each of these investigations concerned products or sectors that were considered to be 'key' or 'encouraged' areas by the Chinese government.[21]

In this respect, the US Department of Commerce stated that the Government of China had a policy in place to encourage the development of the production of aluminum foil through policy lending, and further, that Chinese SOCBs are authorities under the countervailing duty law.[22]

The pervasive role of the Sate in the capital markets is also demonstrated by the activities performed through the 'local government financing vehicles' ('LGFV') after the global financial crisis in 2008, when local governments undertook major spending projects to keep economic growth on track. Many of the local level SOEs are LGFVs. LGFV activities have contributed to the systemic risks in the financial sector, such as the excessive use of debt instruments, the overinvestment in capital intensive industries, and the increasingly inefficient allocation of credit. [23]

The OECD reports, in relation to aluminium, that the vast majority of financial support was provided by China's state-owned banks to Chinese aluminium SOEs; however, two large private firms also benefitted from support from state-owned banks: China Hongqiao, the world's largest producer of primary aluminium, and China's Zhongwang, China's largest producer of extraction products. While governments participate in the aluminium value chain via SOEs, state influence is at least as important as ownership, including because SOEs are both recipients and providers of support - especially in China, where SOEs provide SOEs and private producers alike with below-market-cost inputs and loans. This fluid relationship between the government and companies generates opacity around the form and scale of government support.[24]

[20] Staff Working Document, page 240.
[21] Staff Working Document, page 242.
[22] See US Department of Commerce and International Trade Administration, C-570-054, *Issues and Decision Memorandum for the Final Determination in the Countervailing Duty Investigation of Certain Aluminum Foil from the People's Republic of China,* 26 February 2018)
[23] Staff Working Document, page 246.
[24] OECD Aluminium Report, page 6.

In the China capital market, the presence of 'zombie companies' (mainly SOEs in sectors plagued by excess capacity) take up vast resources that could be allocated for more productive purposes. OECD research also shows that zombie-firms aggravate capital misallocation by preventing more efficient firms from expanding, and by dragging down productivity.[25]

Artificially low borrowing costs have led to the excessive use of capital investment with ever lower returns on investment. Indeed, private sector profitability has constantly increased, but investment has decreased. In contrast, State sector profitability has constantly decreased, whereas investment has peaked in the years after the global crisis and again as of the end of 2015. These developments suggest that the mechanisms at work in the banking system do not follow normal commercial responses.

Government organisations seek to direct investment into such key projects and industries by offering loan interest subsidies and other means of reducing capital costs. Banks and other lenders are encouraged to support these policies by providing loans to companies active in such sectors. All this generates a further lending bias and non-arm's-length pricing of debt, which fundamentally distort China's financial markets.[26]

In a Countervailing Duty Investigation of Certain Aluminium Foil from China, also the US Department of Commerce noted that *'because there has been no fundamental change in the state's pervasive role in the financial system and the institutional relationships that bind the government and the principal actors in that system, Commerce's properly determined, as detailed in the Financial System Memo, that the Chinese financial system is distorted."*[27]

Thus, the corporate credit system in China is affected by significant systemic distortions resulting from the continuing pervasive role of the State in the capital markets.

Raw Materials and Other Materials Inputs

China invests a lot into expanding its sources of raw material including the acquisition of mines outside the Country. China is the global leader in the production and

[26] Staff Working Document, page 260.
[27] See US Department of Commerce and International Trade Administration, C-570-054, *Issues and Decision Memorandum for the Final Determination in the Countervailing Duty Investigation of Certain Aluminum Foil from the People's Republic of China,* 26 February 2018

consumption of raw materials. The price of raw materials on the market and the overall volume of production is influenced by the Chinese government.[28]

Raw materials are one of the bases of China's rapid economic expansion. China possesses the world's largest reserves of: antimony, barite, bismuth, graphite, gypsum, indium, molybdenum, rare earth elements, silicon, strontium, tin, titanium, tungsten and vanadium and the second-largest reserves of cadmium, diatomite, lead, lithium, magnesium and zinc. It has furthermore a leading position on iron ore, fluorspar, gold and mercury.[29]

According to the criticality assessment for the 2017 EU List of Critical Raw Materials (CRM), China is the major global supplier of 30 out of the 43 individual critical non-energy raw materials or 70% of the total.

The Chinese government is influencing the supply and hence the prices of raw materials on the market by using a number of interventionist policies. A significant problem is a mismatch between demand and supply.

China has implemented 15% export taxes and no VAT refund on export of primary aluminium, more detailed described on pages 44 etc.). The main purpose is to utilise the subsidized primary production for the benefit of Chinese downstream producers especially their Extrusion business.

The Chinese government takes measures to limit capacity and support downstream products. For example, in the case of tungsten, in 2016 there were limits on the numbers of mining and export licenses, production quotas and additional constraints for mining and processing. [30]

The 13th Five Year Plan relevant for raw materials mentions the role of governmental decision-making on the sector's development and it includes a number of detailed provisions with regard to different mineral groups. The plan sets out the target of medium-large sized mines accounting for more than 12% of all mines. For iron, manganese, copper, aluminium, nickel, lead, zinc, tungsten, tin, antimony, gold and silver the plan envisages to ensure enterprise concentration and development of large and medium sized mines competitive on the market. The Plan sets out that the government will support the reform of SOEs, actively encourage the development of mixed ownership enterprises and foster mining sector market actors which are competitive on the market.[31] In addition, the Plan confirms that the government will

[28] Staff Working Document, page 325.
[29] Staff Working Document, page 264.
[30] Staff Working Document, page 265.
[31] Staff Working Document, page 273.

have a role in private initiatives.[32] In other words, the State controls the supply, distribution and ownership of raw materials.

Government measures influence export activities by increasing the relative price of exported products, decreasing the quantity supplied or changing the terms of competition among suppliers. In particular, export restrictions can lead to considerable price differences between China and the world market, limit the exports significantly and keep the products on the domestic market. The increased supply on the domestic market, which is not necessarily linked with an increased demand, drives the domestic prices for those products down. This means that the downstream industry gains access to cheaper raw materials. The cheaper raw materials mean lower cost of production and enable the downstream industry of the country imposing the export restrictions to undercut the international prices of the downstream products and expand their exports of the finished products. All this is at the cost of a distorted market for raw materials.[33]

While the UK was a member of the EU, the EU initiated three WTO disputes against export restricting measures imposed on raw materials by the Chinese government. Following the legal action by the EU, China abolished the export restrictions on the raw materials subject to those disputes. However, China continues to impose export restrictions on a number of other raw materials and other products.

Under the State trading provisions, only certain State Trading Enterprises ('*STEs*') can trade goods specified by the government (exports and imports). According to the WTO Trade Policy Review 2006 of China: '*The continued use of state trading to export these commodities allows the Government to influence their domestic (and export) price. Exports by STEs are determined taking into account both domestic and international demand and supply, and seek to maintain stable prices of "strategic" agricultural commodities, and ensure adequate supplies of inputs to state-run processing industries. Thus, the latter industries enjoy an implicit subsidy*'. [34]

The Department of Prices in the NDRC is responsible for setting prices.[35] The European Commission confirmed significant distortions of prices of aluminium in China after a comprehensive antidumping investigation on small rolls of aluminium foils. It has also been detected that prices of energy in the aluminium industry are heavily distorted and do not result from market forces.[36]

[32] Staff Working Document, page 274.
[33] Staff Working Document, page 299.
[34] Staff Working Document, page 310.
[35] Staff Working Document, page 313.
[36] See Recitals 62 to 66, 87 and 88 of the Commission Implementing Regulation (EU) 2019/915 of 4 June 2019 imposing a definitive anti-dumping duty on imports of certain aluminium foil in rolls originating in the People's Republic of China following an expiry review under Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council, O.J.E.U. L 146/63, 5.6.2019.

In the past, the Chinese government used to set the retail price for refined petroleum products which often didn't keep pace with the price of crude oil. According to new rules introduced in 2013, the prices of refined oil are adjusted by the NDRC whenever the international crude oil prices fluctuate by more than RMB 50 per tonne for a period of 10 working days. Therefore, domestic prices do not change if the price fluctuations in the international oil markets are below RMB 50.

In addition, the government of China seems to agree that the current pricing for water in China does not reflect the real cost. There are also academic sources pointing at too low water pricing in China, which in the global context can be seen as a competitive advantage and thus a distortion.

Stockpiling is another instrument allowing the State to significantly influence the domestic – and in some cases the global – raw material prices. The stockpiling of certain metals, including copper, nickel and tungsten, as well as cotton and agricultural commodities, and the major impact those reserves have on domestic and global prices.

China's SOEs represent a majority in the following raw material industries: mining and washing of coal (SOEs own 88% of assets in this industry), mining and processing of ferrous metal ores (60%), mining and processing of non-ferrous metal ores (67%), support activities for mining (97%), smelting and processing of ferrous metals (72%), smelting and processing of non-ferrous metals (61%), manufacturing of raw chemical materials and chemical products (52%), and production and supply of glass (87%).[37]

One of the instruments to influence the level of supply is the steering of investment activities by the government. The government of China limits investment into a number of businesses related to raw materials, for the domestic as well as foreign investments. Therefore, the Commission Working Document reports that the Chinese government has considerable investment restrictions in place with regard to investment projects relating to raw materials. This in turn has an impact on the structure of whole industry.[38]

Labour

The European Commission confirmed the existence of distortions in the labour market in China in previous TDI investigations. The Chinese government intervenes in the decision making of the company regarding the hiring and dismissal process.[39]

[37] Staff Working Document, page 321.
[38] Staff Working Document, pages 322-325.
[39] Sodium cyclamate L 124, 11.05.2012, p.3. – See page 343.

The most notable examples of these distortions include lack of independence of the companies from the state, with the Chinese state intervening in the decisions of the company with regard to hiring and dismissal of staff or other staff related decisions of the company. Another distortion concerned labour contracts signed by workers in blank, without any reference to remuneration and working hours.

The first reforms to the labour system fully controlled by the State were introduced in the 1980s. However, remnants of the old system are still in place, such as the *hukou* system having an impact on the mobility of workers, lack of the explicit right to strike, as well as the lack of independent collective bargaining.

According to China's Trade Union Law, Chinese workers have no possibility to freely choose or establish a trade union in which they want to organise themselves, because there is only one legally recognized trade union, the ACFTU. The ACFTU has more than 250 million members and is present in 5 – 6 million enterprises. However, the ACFTU is not independent, but rather is closely intertwined with the Party and the State.

Furthermore, although collective bargaining of wages exists, it is not well developed. China introduced first provisions on minimum wages in 1993 in the Regulations on Minimum Wages in Enterprises, with additional provisions in the 1994 Labour Law, the 2004 Provisions on Minimum Wages and 2007 Ministry of Labour and Social Security Notice on Further Developing the Minimum Wage System. In accordance with the Labour Law, the State has to implement a system of guaranteed minimum wages. The minimum wage can be fixed by provincial, regional or municipal governments and is reported to the State Council for the record.

The freedom of association and the right to strike are fundamental conditions to arrive at equitable labour market outcomes. Nevertheless, since the right to strike was removed from the Chinese constitution in 1982, no other laws or regulations have explicitly permitted such right.

Finally, the Chinese workforce is impacted by the *hukou* household registration system. Only *hukou* holders have access to the full range of social security and public welfare benefits. It seems to be virtually impossible for workers with the lowest qualifications (the least paid workforce) to obtain a residence permit in the large cities. Migrant workers who do not possess a local *hukou* find themselves in a vulnerable employment position in their place of residence, and according receive lower income than the *hukou* holders. Therefore, migrant workers who do not possess a local *hukou* continue to have difficulties obtaining access to education for their children, health care, pension, welfare and affordable housing in their place of place of work. Those restrictions in practice are a factor discouraging or effectively hindering workers' mobility across China.

In the late 1990s, migrant workers accounted for 70-80% in the special economic zones and in 2011 they still represented the absolute majority of the workforce in manufacturing, construction and basic services.

By providing a massive supply of low-cost labour, migrant workers contributed significantly to the Chinese extensive growth model. The current structure is gradually converging with internationally recognised labour standards, though at the moment the system is still impacted by the distortions of the past.

Land

All land is owned by the State; therefore, the allocation of land is exclusively dependent on the State. The State pursue specific political goals rather than free market principles.

The State may assign a land use right by means of an agreement, an invitation to bid or an auction with the exact procedure being decided at the provincial, autonomous region or municipality level. There is a legal obligation to auction or bid the land used for commercial purposes. However, in certain circumstances granting of land-use rights can be done by means of a bilateral negotiation.

Land use rights can be 'granted' or 'allocated'. In both cases the decision on the transfer of land-use rights is made by local government bodies. As set out above, the *granted* land-use rights are restricted to a specific period of time and the transfer is subject to payment of granting fee. Those rights are freely transferable in the secondary market.

While land allocation is often not very transparent, it is also noted that some official documents favour land allocation to SOEs. An example is provided in the Opinions of the Ministry of Land and Resources on Further Control over Land Assets and Promotion of the Reform and Development of State-owned Enterprises where it is provided that the State may allocate land to pillar SOEs in key industries as state investment.

The 13th Five Years Plan on Land Resources includes a number of provisions strictly controlling the allocation and prices of land use.

Furthermore, the government controls the supply of land by setting a quota of the land area for which land-use rights can be sold for industrial or residential purposes, by province and by year.

In principle, access to bidding for land-use rights destined for construction purposes should be open to all natural persons, legal persons and other organisations inside and outside of China. However, it is common practice that only a number of bidders

or participants (in case of auctions) are allowed to participate, instead of accepting all parties that registered. In addition, a system of auction should allow the market to judge the price of a particular land use right, and therefore the price should be set independently and correspond to the actual market value of the land-use right. Yet, if the land-use right is granted via bilateral negotiations, the fee may not be lower than the minimum price fixed by the state's regulations. [40]

The authorities set the land-use right prices according to the Urban Land Evaluation System which instructs them among other criteria to consider also industrial policy when setting the price of industrial land.

MLR runs an urban land price dynamic monitoring system. Land prices are published on a quarterly basis for 105 Chinese cities. The findings of a trade defence instrument ('TDI') investigation confirmed that these prices are higher than the minimum benchmark prices set by the urban land evaluation system and used by local governments. This is because the benchmark prices set by the urban land evaluation system are updated only every three years, while the dynamic monitoring system updates prices quarterly. However, there was no indication that prices paid for the transfer of land use rights are based on the dynamic monitoring system.

The considerable difference between the prices indicated by the dynamic monitoring system and the prices set by the urban land evaluation system shows that the minimum prices set by the State are below market value of the land-use-rights.

A State Council notice from 2014, recognising that China might be in breach of its international legal obligations and in particular the WTO rules, introduced a prohibition on preferential land pricing:

It is necessary to focus on current situations, set clear priorities, resolutely abolish preferential policies that are in violation of laws and regulations to ensure that they are in line with the rules of the World Trade Organisation and China's commitments to the international community, and gradually standardise other preferential policies. [Article 2]

The following activities are strictly prohibited: reducing, waiving or deferring the levy of administrative and institutional fees and government funds on enterprises, or transferring land parcels to enterprises at discounted prices or zero land price in violation of applicable provisions. [Article 3] [41]

Even though has been detected the presence of provisions governing the transfer of land-use rights for commercial purposes, which in principle should ensure impartiality

[40] Staff Working Document, page 209.
[41] Staff Working Document, page 210.

and equal opportunities for different economic players, those rules are in practice often not applied.

The Commission Staff Working Document makes reference to EU trade defence investigations in which it was found that the price paid for the land-use right was below market value.[42] Other EU TDI investigations established distortions with regard to the land-use rights. Other authorities investigating the situation in China also found distortions with regard to preferential supply of land.[43] Therefore it seems that the implementation of the law varies from case to case, with a majority of investigated cases however finding considerable distortions.

The distortions in China's aluminium sector

The government plays a key role in the development of the Chinese aluminium sector.

China is the largest aluminium producer in the world, with several large SOEs amongst the top individual producers worldwide. According to estimates, SOEs account for more than 50% of the total primary aluminium output in China. SOEs account for a dominant share of the domestic market. Even though, the last years have shown an increase in capacity which is attributed to the so-called privately-owned companies, driven in particular by the growth of China Hongqiao Group, the aluminium production capacity amongst the main SOEs has also increased. Overall, SOEs have a significant presence in the Chinese aluminium market, especially in the primary aluminium segment.

The current trend of an increasing level of state intervention are also affecting companies in the aluminium sector.

In 2017 a Chinese state-owned aluminium producer, China Aluminum International Engineering Corporation Limited ('Chalieco'), amended its Articles of Association giving more prominence to the role of party cells within the company. It included a whole chapter on the Party Committee, and Article 113 thereof states: *'In deciding major corporate issues, the Board shall consult the Party Committee of the Company in advance.'* [44]

The presence of Communist party cells in all enterprises lessens the distinction between state-owned and the so-called privately-owned enterprises as the cells have the same influence no matter what the holding of the enterprise is.

The state has continuously intervened in the market by applying a broad variety of different instruments. Evidence of these numerous interventions can be found in the

[42] Staff Working Document, page 214.
[43] Staff Working Document, page 215.
[44] Staff Working Document, page 388.

various trade defence investigations carried out by different authorities showing the Chinese government's determination to strictly control and influence the Chinese aluminium sector.

The Australian Anti-dumping Commission found that the government of China (GOC) has maintained a central role in the development of the Chinese aluminium industry, and by virtue of this has materially contributed to its rapid expansion and oversupply. The central role of the GOC in the Chinese aluminium industry is also reflected through the numerous planning documents and directives regarding the structure and composition of the Chinese aluminium industry.[45]

China had in place a set of export-related measures, including export duties, export quotas, export performance requirements and minimum export price requirements on bauxite. The WTO Dispute Settlement Body found that these measures were inconsistent with WTO rules. While China has since removed these measures, they influenced the Chinese aluminium sector over a considerable period of time and contributed to the current configuration of this industry. China has also had in place other export restrictive measures on bauxite such as a non-automatic export licensing arrangement.[46]

In this respect, the European Commission has found, in different investigations, that raw material prices in the aluminium sector are the result of different types of government's intervention.

China's export taxes are another measure that has had important effects on world aluminium markets. Their impact has come on top of the impact of China's incomplete rebates of value-added tax (VAT) for exporters, which also serve to discourage exports of primary aluminium while encouraging exports of certain semis and fabricated articles of aluminium. The combination of incomplete VAT rebates and export taxes implies a de facto export tax on primary aluminium well in excess of 15% (around 30%). This is in contrast with more processed aluminium products (e.g. semis), for which VAT costs and export taxes are generally both lower.[47]

Electricity is one of the main cost drivers in aluminium production. Through the central government's and local authorities' involvement in the energy sector, aluminium producers benefit from reduced electricity prices.

Several EU investigations have analysed the role of the Shanghai Futures Exchange (SHFE) and its influence on the domestic market for aluminium. In anti-dumping investigations, the European Commission consistently concluded that the

[45] see Report no. 543, *Inquiry into the continuation of anti-dumping and countervailing measures applying to aluminium extrusions exported to Australia from the People's Republic of China,* 14 September 2020
[46] Staff Working Document, page 389.
[47] OECD Aluminium Report, page 25

government interferes with the price setting mechanisms in the SFHE, and thus creates a distortion in the primary aluminium and downstream markets by depressing prices. In the same vein, the Australian anti-dumping investigating authority has determined that the aluminium prices paid in the SHFE did not '*reasonably reflect competitive market costs'* and that, aluminium being a globally traded commodity product, the nature and correlation of prices identified between the SFHE and the LME '*was not consistent with the forces of supply and demand'*. [48]

As confirmed by different investigating authorities, Chinese aluminium producers have consistently benefitted from a variety of State support measures from the government and other public bodies. In this respect, a study established that the main recipients of these measures are primarily SOEs.

The CBSA, as well as the Australian authorities, established that Chinese producers of certain aluminium extrusions had benefited from numerous subsidies. In this respect, the Australian Commission considered that the GOC materially contributed to the excess supply of aluminium in the domestic Chinese market and hence has significantly influenced the domestic price for Chinese primary aluminium. The extent of the GOC's direct involvement within the Chinese aluminium industry is also reflected in the extent of production capacity accounted for by Chinese SOEs and SIEs.[49]

Governments are involved at different stages of the aluminium value chain through SOEs and direct participation in mining joint ventures. State ownership globally is estimated to account for at least 27%, 34%, and 41% of total capacity in bauxite mining, alumina refining, and smelting respectively. States have traditionally retained important stakes in their mining sectors and it is therefore not surprising that about a quarter of all bauxite mining capacity is currently in the hands of governments. Growing ownership of capacity by the state moving up the value chain is more surprising and largely accounted for by China, Norway, and the GCC countries. China alone makes up more than two-thirds of all state-owned capacity in both alumina refining and aluminium smelting.[50]

The effect of government support for smelting has been most pronounced in China, due to both its export restrictions (in particular as Chinese firms account for almost 60% of world output in volume terms) and much larger domestic support. The combined effect of these measures has been to make aluminium cheaper in China than it would otherwise have been, conferring a cost advantage to Chinese producers of semis, whose exports have grown very rapidly.[51]

[48] Staff Working Document, page 393.
[49] see Report no. 543, *Inquiry into the continuation of anti-dumping and countervailing measures applying to aluminium extrusions exported to Australia from the People's Republic of China,* 14 September 2020.

[50] OECD Aluminium Report, page 28.
[51] Ibid., page 31

The existence of a large number of state support measures granted to producers reveals that through these and other instruments, the Chinese government directs and controls virtually every aspect of the development and functioning of the sector, so granting an artificial advantage to Chinese producers. Such a pervasive intervention by the State creates a strong distortion in the aluminium market.

The Report prepared for WVMetalle confirmed what the OECD and the EU Commission state in their studies. In particular, the Report[52] states the following:

"*The Chinese non-ferrous metals industry profits very substantially from direct government grants and subsidy payments disbursed through a broad range of targeted programmes that facilitate the governmental micro-management of industry sectors as well as individual firms by Chinese government. This study identifies non-operating income subsidies received by 65 major Chinese non-ferrous metals industry firms during the period 2011 to the first half of 2016 amounting to more than 41 billion Yuan RMB or more than 5 billion Euro. In addition, these companies also profited from deferred income subsidies amounting to more than 16 billion Yuan RMB or more than 2 billion Euro. The programmes through which these subsidies are disbursed target a broad variety of policy goals ranging from electricity subsidies to green development, and from plant relocation to R&D subsidies. The highest subsidy volumes are to be observed with regard to electricity subsidies.*"

Additional evidence is provided by the US Department of Commerce investigation that identified that the Chinese producers of aluminium foil benefited from different supports, such as an Export Seller's Credit, an Income Tax Deductions for Research and Development Expenses Under the Enterprise Income Tax Law, and VAT Rebates on Domestically-Produced Equipment.[53]

<u>China's membership of the WTO</u>

China joined the WTO in 2001. In both the Working Party Report and in China's Protocol of Accession to the WTO, China made commitments in relation to State Owned Enterprises (SOEs). The most comprehensive expression of this commitment is found in Paragraph 46 of the Working Party Report which provides:

China would ensure that all state-owned and state-invested enterprises would make purchases and sales based solely on commercial considerations, e.g., price, quality, marketability and availability, and that the enterprises of other WTO Members would

[52] See *Think!Desk China Consulting & Research, "Final Report – Analysis of Market Distortions in the Chinese Non- Ferreous Metal Industry*, 24 April 2017, page 53.
[53] See *IS ITC: Preliminary Determination for a Countervailing Duty Investigation of Certain Aluminum Foil from the People's Republic of China.*

have an adequate opportunity to compete for sales to and purchases from these enterprises on non-discriminatory terms and conditions.

In addition, the Government of China would not influence, directly or indirectly, commercial decisions on the part of state-owned or state-invested enterprises, including on the quantity, value or country of origin of any goods purchased or sold, except in a manner consistent with the WTO Agreement. The Working Party took note of these commitments.

Rather than complying with this commitment China has increased the control not only over SOEs but overall enterprises in the basic aluminium sector, in finance and banking, in raw materials and in energy.

The specific provisions of Article 15 of China's WTO Accession Protocol which were included as a means of enforcement of China's commercial considerations commitments are addressed in relation to the application of Regulation 14 of the Trade Remedies Regulations.

<u>The application of Regulation 14 of SI 2019 No. 450</u>

The Applicant considers that the terms of China's WTO membership contain specific provisions regarding the determination of Normal Value. Article 15 of China's WTO Protocol of Accession, after the expiry of subparagraph (a)(ii) in 2016, provides that:

> *(a) In determining price comparability under Article VI of the GATT 1994 and the Anti-Dumping Agreement, the importing WTO Member shall use either Chinese prices or costs for the industry under investigation or a methodology that is not based on a strict comparison with domestic prices or costs in China based on the following rules:*

(i) If the producers under investigation can clearly show that market economy conditions prevail in the industry producing the like product with regard to the manufacture, production and sale of that product, the importing WTO Member shall use Chinese prices or costs for the industry under investigation in determining price comparability;

Paragraph (a) clearly gives the UK the choice to use a methodology to determine Normal Value that is not based on a strict comparison with domestic prices or costs in China. Within the terms of Article (a)(i) it is up to Chinese exporting producers to clearly show that market economy conditions prevail in the aluminium extrusions industry. The Applicant considers that exporting producers are not in a position to meet that burden of proof. This consideration is in part based on the detailed examination of the distortions in the production of aluminium extrusions to be found in this Application (below) and also on the fact that China withdrew its complaint in

WTO Dispute Settlement that the continued use of alternative methodologies by the EU after 2016 was incompatible with WTO law. It is clear that China withdrew its complaint after it had seen a draft ruling which rejected its claims.

Regulation 14 is a methodology that can be used by the UK. It has been notified to the WTO as part of its submissions by the UK to the WTO as it withdrew from the European Union and in particular its submission of 6 February 2020 (G/ADP/N/1/GBR/1 and supplements).

The Applicant considers that Normal Value should be determined within the terms of Regulation 14(3)(a).

<u>The possible application of Regulation 8 of SI 2019 No. 450</u>

The Applicant has set out in detail the reasons it considers that Regulation 14 of SI 2019 No 450 should apply. In the alternative, the Applicant considers, for the reasons set out above, that there is a particular market situation distorting the market for the goods concerned in this application. The Applicant also considers that it has demonstrated that there are a series of particular market situations in respect the markets for all the factors of production making up the goods concerned and in particular, aluminium and other raw material inputs, energy, labour, capital and land.

Given the presence of multiple particular market situations within the terms of Regulation 7(2)(b), the Applicant considers that the values for these factors of production cannot be determined on the basis of those values found in China but must be taken from a non-distorted market where there is no particular market situation.

On this basis the Applicant considers that whether or not the Secretary of State applies Regulation 14 or Regulation 8, external non distorted values for the factors of production are required. As will be seen subsequently in this Application, the Applicant considers that those values, under both scenarios, can be found in Turkey.

Please give the normal value calculations using the appropriate section below, making sure to use the section relevant to the method you have described in this section. Delete tables for any methodologies you are not using.

The evidence you provide of normal value should, as far as possible:

be representative of different product types or models within the goods you are applying to us to investigate, if there are substantial differences in the normal value between these product types and models; and relate to normal value spread over the POI

Comparable Price

Prices should be net ex-works (EXW) and exclude all internal taxes, such as VAT. If EXW prices are not available e.g. if Cost Insurance and Freight (CIF) or Free On Board (FOB) prices are the only ones available, these prices should be adjusted to bring them to a net ex-works level. If using this method, **please complete Annex 3**.

Constructed Normal Value

Please complete Annex 4, explaining how each cost was calculated including:

- materials;
- direct labour;
- overheads;
- administration, sales and general expenses (ASG), excluding transport costs; and
- the reasonable profit margin in the country of origin.

A bill of materials for aluminium extrusion has been established on the basis of the actual cost structure of the Applicant during the period of investigation. This information is confidential.

This bill of materials for extrusions so-called “mill finish”, i.e. the majority of extrusions produced in the UK. Aluminium extrusions can be sold as mill-finished (without any further surface treatment) or they can be further fabricated and/or finished.

Where there is a particular market situation, make adjustments to elements of cost or profit that are not substantially determined by market forces. For further information, see our guidance on adjusting costs when constructing normal value or contact our Pre-Application Office (contact@traderemedies.gov.uk)

For any of the above methodologies, attach supporting documentation for the prices, costs and any adjustments (see below) you have made. This can include:

- price lists;
- price quotations;

- sales invoices for domestic sales;
- sales correspondence;
- publicly available material containing information on domestic selling prices; and
- market surveys.

All cost factors are distorted in China, including raw materials, energy, labour, capital, etc. Therefore, to establish a constructed normal value, the Applicant relied on a reasonable benchmark and elected Turkey for several reasons:

• Turkey is regarded by the World Bank as a country with a similar level of economic development to the PRC, being classified as 'upper-middle income' country on a gross national income basis;
• Turkey has a sizeable domestic industry with a total production of extrusion of approximately 750,000 tonnes (78 extrusion facilities with capacity ranges from 1-60kt each);
• The extrusion market in Turkey has witnessed a significant growth in the last years. Turkey is a significant exporter of extrusions and there are many dozens of extruders (both SME's and larger companies) present on the Turkish market;
• The goods concerned in this Application produced in Turkey have essentially the same characteristics as the goods produced in China.

Therefore, all direct costs have been estimated on the basis of Turkey as a representative country.

Regarding raw materials, aluminium billets, the Applicant relied on the London Metal Exchange 3 months (LME 3M) and added a European Billet Premium during the PoI. This cost is applicable to imports of billets in Turkey. The source is in USD, which have been converted in GBP and CNY using the Bank of England exchange rates for the PoI. The result is as follows:

Metal Price during POI	USD	GBP	CNY
LME 3M average	1687.23	1323.03	11816.9
European Billet premium	493.89	387.277	3459.03
Total (LME + Premium)	2181.11	1710.31	15275.9

POI = 1 October 2019 to 30 September 2020

Regarding **electricity** prices, the Applicant used the electricity prices from the Turkish Statistical Institute, first half 2020. The result is as follows:

Electricity during POI /kWh	TRY	GBP	CNY
Electricity prices for Industrial consumers, first half 2020	0.5860	0.07071	0.63152

The press release "Electricity and Natural Gas Prices, Period I: January-June, 2020" of 23 September 2020 can be consulted: https://data.tuik.gov.tr/Bulten/Index?p=Electricity-and-Natural-Gas-Prices-Period-I:-January-June,-2020-33647

Regarding **natural gas**, the Applicant relied on the Presidency of the Republic of Turkey's Investment Office which publishes an investment guide "cost of doing business". The gas sales tariff for customers that have a signed a gas sales agreement with BOTAS is 0.1176 TRY/kWh, which has been converted as follows:

Cost of Natural Gas/kWh	TRY	GBP	CNY
Gas Sales Tariff for Customers that have a Signed a Gas Sales Agreement with BOTAS	0.1176	0.01419	0.12677

The source document can be consulted: https://www.invest.gov.tr/en/InvestmentGuide/pages/cost-of-doing-business.aspx

Regarding **water for industrial use**, the Applicant also relied on the Investment Guide published by the Republic of Turkey, as follows:

Cost of Water for Industrial Use /m3	USD	GBP	CNY
Industry	1.76	1.38009	12.3265

The source document can be consulted: https://www.invest.gov.tr/en/InvestmentGuide/pages/cost-of-doing-business.aspx

Regarding **labour** costs, the Applicant relied on the International Labour Organisation statistics applicable to Turkey (https://ilostat.ilo.org/topics/labour-costs/) and converted USD to CNY, resulting in 78.51 CNY/hour.

Regarding **smaller cost items**, namely packaging, dies, other process variable costs, the Applicant applied a % of the total production cost, as follows:

- Packaging;
- Dies:
- Other process variable costs

The same method was used for indirect costs and overheads:

- Depreciation;

- Maintenance
- Indirect labour

Selling Price from Exporter to a Third Country

If this is the preferred method, **please use Annex 3**, indicating here which country you are using, and amending the listed adjustments to better reflect the adjustments made. Prices should be net ex-works (EXW) and exclude all internal taxes, such as VAT. If EXW prices are not available e.g. if Cost Insurance and Freight (CIF) or Free On Board (FOB) prices are the only ones available, these prices should be adjusted to bring them to a net ex-works level

This is not publicly available information and we have supplied in the confidential version a detailed breakdown of the selling price.

Appropriate third country

This method is only available for particular foreign countries as defined under Regulation 14 of the D&S Regulations.

1. Nominate an appropriate third country so you can establish normal values based on their selling prices.

The Applicant considers Turkey to be the appropriate third country for the purposes of constructing the Normal Value.

2. Explain your basis for selecting this third country.

The appropriate country for the purposes of obtaining undistorted values of the different factors of production for the construction of Normal Value is Turkey.

Turkey has a similar level of economic development as the exporting country and the relevant data is readily available.

Prior to identifying Turkey as the appropriate representative country, the Applicant considered the following countries: Algeria, Angola, Argentina, Brazil, Colombia, Ecuador, Malaysia, Mexico, Peru, Russia, Serbia, South Africa, Thailand, Turkey and Venezuela on the basis of the World Bank classification of economic development.

These countries have either no production of the goods concerned by this Application or a very limited production. Turkey has a sizeable production of the goods concerned (see details below) as well as data available for important factors of production, manufacturing overheads, SG&A and profit.

Turkey is regarded by the World Bank as a country with a similar level of economic development to the PRC, being classified as 'upper-middle income' country on a gross national income basis.

Turkey has a total production of extrusions of approximately 750,000 tonnes. The extrusion market in Turkey has witnessed significant growth in the last years. Turkey is a significant exporter of extrusions and there are many dozens of extruders (both SME's and larger companies) present on the Turkish market. The goods concerned produced in Turkey have essentially the same characteristics as the product concerned produced in China.

Data on important factors of production were readily available from public sources.

3. **Please use Annex 3** to calculate the Normal value based on the third country data, amending the listed adjustments to better reflect the adjustments made. Prices should be net ex-works (EXW) and exclude all internal taxes, such as VAT. If EXW prices are not available e.g. if Cost Insurance and Freight (CIF) or Free On Board (FOB) prices are the only ones available, these prices should be adjusted to bring them to a net ex-works level. This is confidential information.

Export price of the goods

The export price is the selling price of the goods from the exporting country to a UK importer or a third party for export to the UK. This is adjusted to account for export costs and calculated back to the ex-works export price in the country of export. In most cases, you can base the export price on the price charged by the exporter to an unrelated importer in the UK. If your complaint concerns more than one exporting country, calculate the export price for each country

However, you may need to construct export price based on sales to first independent buyers or another reasonable method if:

- there is no export price;

- the price is unreliable due to an association or compensatory arrangement between the exporter and UK importer or third party.

Before providing the export price of the goods, please explain which basis you are using to calculate this and why. If you have constructed the export price, please give your reasoning for doing this and evidence to support this.

The Applicant calculated the export price on the basis of the unit customs value recorded at the UK border on imported goods from China imported into the UK Since the prices recorded by HM Revenue & Customs is at CIF level, an adjustment was made for overseas freight and internal freight in the country of origin in order to obtain a EXW price.

Please give your export price calculations in the appropriate table below. Make sure you use the basis you described above and delete tables for any methodologies you are not using. Please note that whichever methodology you use, you will need to provide an export price on a CIF and EXW level. You should use price information from the POI.

The evidence you provide of the export price should, as far as possible:

- be representative of different product types or models within the goods you are applying to us to investigate, if there are substantial differences in the normal value between these product types and models; and
- relate to normal value spread over the POI

If either/both of these are not possible, please explain why. If you consider that export prices would not have varied significantly over the last year and so prices over the period outlined above would not be relevant for establishing representative export prices, please explain why you consider that to be the case.

Export price based on the selling price of the goods from the exporting country to a UK importer or a third party for export to the UK

Provide the export prices of the allegedly dumped goods using Annex 5 Evidence and individually itemise the costs subtracted from this selling price to bring it back to an ex-works level, such as publicly available freight rates. Explain how the amounts were established.

Provide documentary evidence for the selling price to the importer in the UK, such as:

- sales invoices;
- written offers;
- price quotations;
- sales correspondence; or
- official statistics.

Not applicable

Constructed Export Price

Calculate the constructed export price(s).

You may need to adjust for any costs included in the selling price which relate to the movement of the goods to the UK. If you are using sales to the first independent buyer as a basis for constructing, establish the details of the first sale to an independent buyer in the UK and deduct taxes, costs, charges, expenses and profit margins to obtain an ex-works price in the country of origin.

If there are different models or types of product for the imported goods, please construct a price for each one. Provide each adjustment separately. If your starting point is a CIF value, you will only have to find and deduct costs incurred by the exporter in the country of export from CIF back to the ex-works level.

Provide evidence to show how you have calculated or estimated the export prices. Include all the evidence you have on the resale price of the imported goods in the UK. Provide the basis for the costs and profits subtracted from this selling price to bring it back to an ex-works level such as published industry mark-ups or publicly available freight rates and give evidence to support each cost adjustment.

Not applicable

Fair Comparison

To achieve an appropriate price comparison, the export price and the normal value should be compared at a fair level, in terms of their basic physical and chemical characteristics and the terms and conditions of sale. To achieve this comparison,

please adjust your calculations to account for any differences which affect price comparability. This means that the comparison should be made at the same level of trade (such as wholesale or retail), at ex-factory level (EXW), and where possible, at the same time.

For certain types of adjustment, only the normal value may need to be adjusted. Sometimes both the normal value and export price will need to be adjusted. Use the table of adjustments below to check if the adjustment can be applied to export price or normal value or both. For more information, please consult our fair comparison guidance.

Table of adjustments	Export Price	Normal Value
Physical characteristics	No	Yes
Import charges and indirect taxes	No	Yes
Discounts, rebates, quantities	Yes	Yes
Level of trade	No	Yes
Transport, insurance, handling	Yes	Yes
Packing	Yes	Yes
Credit	Yes	Yes
After sales costs	Yes	Yes
Commissions	Yes	Yes
Currency Conversion	Yes	Yes

1. Provide the relevant adjustments so you can compare the export price and normal value.

The only adjustment in the Application is the removal of the transport, insurance and handling from the export price. The source for the export price is a CIF level, while the constructed normal value is at EXW level. Therefore, this adjustment was necessary to bring the export price at an EXW level in order for it to be comparable.

2. Provide, for all adjustments you make, the following:

- details of the differences that resulted in an adjustment;
- details of how you produced the estimate of the allowances for the differences; and
- supporting evidence concerning these differences.

This is covered in the above section.

Dumping Margin

If the overall dumping margin calculated across all product types/models and across all transactions is **less than 2%**, the Regulations consider this to be minimal and we cannot initiate an investigation.

1. Calculate the dumping margin. **Complete Annex 7**, repeating the calculation for each different model of the imported goods you have previously identified. Make sure you do this for each export price you have provided and for the normal value you have provided which is most closely comparable to that export price. If your complaint concerns more than one exporting country, calculate the dumping margin for each country.

If the normal value or the export price (or both) you have used was not an ex-works price, please describe the level of trade it relates to.

The overall dumping margin calculated across all product types/models is 54.8%.

Subsidised imports

Complete this section if you are making an application for a subsidy investigation.

In order for us to investigate whether the goods are subsidised, we must be satisfied that the application contains enough evidence:

- that the goods are being imported
- that the goods are subsidised
- that the goods are causing injury to UK industry
- that the volume of goods and injury is more than negligible and the amount of subsidy is more than minimal
- that the market share is met or waived.

'Minimal', for developed countries, means a subsidy amount that is less than 1% of the estimated value of the goods (2% in the case of a developing country).

'Negligible' is where the exporting country accounts for less than 3% of imports of the goods in question into the UK (less than 4% in the case of a developing country). The other exception to this is where the exporting countries individually account for less than 3%, but collectively account for more than 7% of imports of the goods being imported.

Volume of subsidised imports

1. List all countries (or territories) that export the goods to the UK, noting whether they are the country of origin or just the exporting country; in the latter case, please provide the identity of the country of origin.

Not applicable
Appendix reference:

2. **Complete the Annex 2**, giving the volume and value of the imported goods for the POI, to demonstrate percentage of total imports.

3. Provide details and evidence of how the volume and value of subsidised imports have been calculated.

Not applicable
Appendix reference:

Countervailable subsidies in the exporting country

A subsidy exists if there is a financial contribution by a foreign authority which confers a benefit on the recipient (usually an industry or business manufacturing goods) or a form of income or price support received from a foreign authority which confers a benefit on the recipient. Forms of income and price support are defined in Article XVI of the General Agreement on Tariffs and Trade 1994 (part of Annex 1A to the WTO Agreement).

Not all subsidies are countervailable. A subsidy is countervailable if it is specific to certain companies or industries (rather than general) and when it is granted either directly or indirectly for the manufacture, production, export or transport of goods.

Please refer to our guidance on How we carry out a subsidy investigation for further information.

1. Using the table below, list all known countervailable subsidy programmes in the exporting country which relate to the production and/or sale of the goods you are asking us to investigate. Subsidy programmes can include, but are not limited to:

- Grants
- Loans and loan guarantees
- Tariff/tax exemptions (including VAT/Sales Tax)
- Debt for equity swaps
- Land use rights
- Export credits and financing
- Equity infusions
- Provision of goods and services
- Purchase of goods
- Income or price support arrangements.

Subsidy programmes

Subsidy name	Subsidy type

+Add/remove additional rows as required.

To understand if there has been a financial contribution, we need to identify if:

- there has been a direct transfer of funds from a foreign authority, including making money and financial resources available;
- there has been a potential direct transfer of funds from a foreign authority, including a commitment to transfer funds;
- revenue that is rightfully due to government has not been collected (waived or deferred), including, taxes, debt, derivatives, or dividends;
- goods and services have been provided for by a foreign authority, at a lower amount than normally would have been paid;
- goods were purchased from a producer by a foreign authority, that artificially increases the revenue gained from selling the goods; or
- a foreign authority has:
    - made payments through a financial mechanism, or
    - entrusted or directed a private body to carry out any of the above functions.

2. For all subsidy programmes listed above, please explain and provide documentary evidence of the subsidy programme (the financial contribution), including:

- the subsidy programme's commencement date;
- the subsidy amount or value; and
- the frequency of subsidy i.e. one-off or re-occurring.

Not applicable	
	Appendix reference:

3. For all subsidy programmes listed above, please explain and provide documentary evidence that the subsidy has been (or is still being) provided by a foreign authority.

Not applicable	
	Appendix reference:

As well as establishing that a subsidy is in place, we need to understand the benefit it confers on the recipient. A benefit cannot exist theoretically – it has to be received

by a recipient. It is important to note that the recipient of the benefit doesn't necessarily need to be the same recipient that received the financial contribution. For example, a subsidy provided to an upstream industry provides a benefit to a downstream industry.

4. For all subsidy programmes listed above, please explain and provide documentary evidence of the effect of the subsidy on the production and sales of the goods being imported to the UK.

Not applicable	
	Appendix reference:

5. For all subsidy programmes listed above, please explain and provide documentary evidence of the specific nature of the subsidy, including:

- conditions of eligibility to receive the subsidy;
- all known recipients of the subsidy;
- whether the subsidy is only available to certain regions or territories within the exporting country.

Not applicable	
	Appendix reference:

Calculating how much subsidy the imported goods attract

We need to understand the amount of subsidy which the subsidised imports receive. If we establish that a measure is needed to counteract the injury the goods are causing to the UK market, this will help us determine what sort of measure to recommend and at what level.

To make this calculation, we will need to establish:

- the total amount of the countervailable subsidy;
- the amount of the countervailable subsidy that can be attributed to the POI; and
- which goods the countervailable subsidy can be allocated to during the POI.

1. For all subsidy programmes listed above, please explain and provide documentary evidence about the total amount of countervailable subsidy that the imported goods attract. You will need to explain the calculation methodology used. It is the benefit to the recipient that matters, not the cost (or

opportunity cost) to the foreign authority. You should refer to our How we assess the benefit a subsidy provides guidance to understand what is required.

Not applicable
Appendix reference:

2. For all subsidy programmes listed above, please explain and provide documentary evidence relating to the amount of the countervailable subsidy that can attributed to the period of investigation, including the calculation methodology you used. You should refer to our guidance on Determining the amount of the subsidy that can be attributed to the period of investigation when completing this section.

Not applicable
Appendix reference:

3. For all subsidy programmes listed above, please explain and provide documentary evidence relating to the goods the countervailable subsidy that can be attributed to during the period of investigation, including any calculation methodologies used. You should refer to our guidance on Determining the amount of the subsidy that can be attributed to the period of investigation when completing this section. We will be specifically looking at whether the subsidy is linked to the export of certain goods, the sale of certain goods, or to sales to a certain market.

Not applicable
Appendix reference:

Injury

This section is about injury which the imports may be causing to the UK industry for the goods.

Injury as defined by the Act can refer to:

- Material injury, or the threat of material injury to the industry, or
- Material retardation of the establishment of the industry.

If your industry has suffered or is suffering material injury, all companies/associations involved in this application must complete the section G1 separately. This section should also be completed to represent the entire UK industry. Label each completed section clearly showing who it relates to.

If your industry is threatened with material injury but there is no injury yet, all companies/associations involved in this application must complete the section G1 separately. This section should also be completed to represent the entire UK industry. Label each completed section clearly showing who it relates to.

If your industry is nascent and is being or has been materially retarded, please contact us at contact@traderemedies.gov.uk.

Material Injury

Material injury is determined through a number of injury indicators. Not all the injury factors need to indicate material injury, but all the factors need to be considered in order to establish material injury. These include, but are not limited to:

- Actual and potential decline in: sales, profit, output, market share, productivity, return on investments, or use of capacity;
- Factors affecting domestic prices of the goods;
- The magnitude of the margin of dumping and/or the amount of subsidy; and
- Actual and potential negative effects on: cash flow, inventories, employment, wages, growth, ability to raise capital, or investments.

1. Please describe, with appropriate figures, how the UK industry for these goods has performed in terms of each of the above injury indicators for the POI, and injury period.

- Explain how you have calculated the figures and substantiate your figures with evidence.
- Provide evidence for each indicator.

- If you don't know the exact figures for other UK producers, provide an estimate based on reasonable assumptions.
- State the methodology and assumptions that you used.

The injury indicators for the UK industry as a whole have been estimated on the basis of an extrapolation from the Applicant's data. The UK Industry has been significantly affected by the increase in volume in imports from China resulting in the decrease in, including but not limited to, volume, profitability and as a consequence, lack of investment. The volumes secured by UK producers is reducing, prices are under pressure, causing an unfair distortion in the UK aluminium extrusion market. The examination of all fifteen injury indicators demonstrates, as a whole, injury to the UK Industry. Extrapolation from the Applicant to the UK Industry is appropriate as the Applicant represents a significant part of the total UK production during the POI.

2. Is your company suffering injury which you believe to have been caused by the imported goods? If so, please describe the injury. You may want to include the prices, volumes or profits associated with your production and sale of the goods you manufacture or describe other aspects of your business. Please specify and substantiate your claims with evidence. Please estimate the date when the injury began to affect your business. Explain how it has developed since this date.

We have detailed in the Appendices in the confidential version the key injury indicators for the applicant over the period from 2017 to the POI. This confidential file shows the applicant suffered material injury in the POI due the undercutting of prices from China.

3. Report your total cost to make and sell like goods in the UK. Please clearly separate your costs of production (direct manufacturing costs and indirect costs), from your administrative, selling and general expenses (AS&G). Provide costs for each model that you produce. When giving your labour costs, please ensure you include all labour costs, directly or indirectly incurred by any activity related to the goods.

The Applicant's cost of production is set out in Appendix 14 in the confidential version.

4. For the goods that you produce, please state what level of profit, before tax and as a percentage of turnover, your company would expect to achieve if there was no injury from the imported goods and explain how you arrived at this figure.

The Applicant put forward in the confidential version a profit margin appropriate for the production of aluminium extrusions in the UK and the return on capital invested.

5. Explain if your current sales prices for the goods are the same as your target sales prices. If not, please explain the reasons for this.

The current sales price for the goods are not the same as the target sales price due to dumping onto the market of competing products originating in China.

6. Provide details of any price undercutting and and/or if the prices of the dumped and/or subsidised imports are reducing or negatively affecting prices in the UK. Compare the sales prices of the dumped and/or subsidised imports with the sales prices of your goods on the UK market. Include any supporting evidence.

The Applicant has examined both underselling and undercutting and found a significant undercutting margin during the period that was analysed. It can be seen from publicly available UK trade data that China's unit price on import was substantially below the unit price of imports from origins other than China.

The import data, including unit values, for all origins for the following CN codes 76109090, 76082089, 76082081, 76081000, 76042990, 76042910, 76042100, 76041090, 76041010 were extracted from UK trade data at the following link:

https://www.uktradeinfo.com/trade-data/ots-custom-table/

Threat of injury

1. Describe the change in circumstances that means the threat of material injury from dumping and/or subsidisation is foreseeable and imminent. The factors behind these changes could include:

- the rate of increase of dumped and/or subsidised imports;
- changes to the available production capacity of the exporters;
- changes to inventories of the imported goods (i.e. if large stocks of these goods are building up in their country of origin ready for export);

- expected price depression or price suppression of further imports; and
- any other relevant factors.

The Applicant considers that it has demonstrated, in the previous section of this Application, that it is suffering material injury. However, developments in the EU are expected to amplify the injury that is already present. For that reason, the Applicant will also complete the Threat of Injury section of the Application form.

On 12 October 2020, the European Commission published Commission Implementing Regulation (EU) 2020/1428 imposing a provisional anti-dumping duty on imports of aluminium extrusions originating in the People's Republic of China. The duties ranged from 30.4% to 48%. On 29 March 2021 the EU imposed Definitive anti-dumping duties of 21.2% to 32.1%. This duty is applicable for 5 years. The difference between the provisional and definitive duties is due to the exit of the UK from the scope of the measures. The reduction in the EU27 anti-dumping duties demonstrates that the EU found significant dumping into the UK.

The EU measures cover the same goods as those in this Application. The description of goods as set out in the answer to Question 1 in the Imported Goods section of the Application is the same as the product scope for the purpose of the EU investigation (see Regulation (EU) 2020/1428 and Regulation 2021/546).

Anti-dumping measures of this nature normally have a significant impact on the volume of goods entering a market. Products not able to enter the EU market normally seek alternative markets close by. This is known as a deflection of trade. In this case the deflection is likely to be from the EU to the UK.

2. If appropriate, include an analysis of trends (or a projection of trends) and market conditions illustrating that the threat is both foreseeable and imminent.

UK Trade Statistics demonstrate that imports into the UK are rising on a long-term basis with a downturn in the POI because of the Covid pandemic.

3. Explain why you believe the threatened injury to your industry will be material.

Injury is already material. The threat described in answers to questions 1 and 2 of this Section amplifies the material injury.

Causal link between the imported goods and injury to your industry

For TRID to initiate an investigation, there must be evidence of a causal relationship between the injury to the UK Industry and the alleged dumping and/or subsidisation.

1. If your company is suffering injury, please explain and provide evidence that shows how this has been caused by the goods you want us to investigate. Describe how the volumes and prices of the imported goods have affected your industry, basing your answer on the injury indicators in the previous section.

The Applicant considers that the goods concerned in this Applicant can be imported under 9 Commodity (HS) Codes.

Imports from China are causing the material injury to the UK aluminium extrusions industry. The Applicant has experienced loss of sales and production and a decline in market share due to the undercutting of prices leading to a decrease in, including but not limited to, profitability and investment. An examination of all fifteen injury indicators shows injury. The unit value of imports from China as recorded in UK trade statistics are considerably below the unit value of imports from other origins. .

2. Please indicate if the injury to your industry could be attributable in part or in full to any factors other than dumped or subsidised imports, for example:

- volume and prices of imports not sold at dumped prices;
- contraction in demand or changes in patterns of consumption;
- restrictive trade practices of, and competition between, third country and UK producers;
- developments in technology; and
- export performance and the productivity of the UK industry.
- This may be relevant as an industry weakened by other events may be more susceptible to injury from dumped or subsidised goods.

This information is provided in question 3.

3. Please provide evidence to support this information.

The data included in confidential Annex 2 shows that the value of imports from origins other than China are significantly above the cost of production of the UK industry.

The Applicant is not aware of any restrictive practices that might have a negative effect on the UK market for aluminium extrusions.

On 29 March 2021 the EU imposed anti-dumping duties on the import of aluminium extrusions originating in China for a period of 5 years. Appendix 21 on causation examines the growth of trade from China into the EU 28 and the EU 27 alongside the imports into the UK. The Applicant considers that exporting producers and importers will divert their trade from the EU into the UK.

Other Comments

A request for immediate Registration

The Applicant requests that the Secretary of State Orders the Registration of the imports of the goods concerned by this Application and originating in China, from the date of initiation of the investigation.

The Applicant is suffering material injury. This injury is likely to be amplified as a consequence of Brexit and the imposition of definitive anti-dumping duties on the same goods imported into the EU and originating in China. Anti-dumping duties of 21.2% to 32.1% are now applicable in the EU and have been made definitive for the next five years (until March 2026). These duties are likely to induce deflections of trade from the EU towards the UK.

The trade deflection is made all the more probable due to the special circumstances of the relationship between the UK and the EU. Prior to the imposition of definitive measures in the EU, provisional measures had been in place. As of 12 October 2020, Commission Implementing Regulation (EU) 2020/1428 imposed provisional anti-dumping duties on imports of aluminium extrusions originating in the People's Republic of China in the range of 30.4% to 48%. This measure was applicable in the UK until 31 December 2020. As of I January 2021 this measure no longer applied in the UK. It is this combination of the presence of duties and then their sudden removal that increases the likelihood of deflection of trade.

While Brexit resulted in the removal of anti-dumping duties on the import of the goods into the UK, the measure continued to apply in the EU. On 29 March 2021 the EU adjusted the measure and imposed Definitive anti-dumping duties of 21.2% to 32.1% on the goods originating in China. This duty is applicable for 5 years.

By way of information to TRID, the difference between the provisional and definitive duties is due to the exit of the UK from the scope of the EU measures and the

necessary adjustments to the dumping margin. This means in practice that the EU found significant dumping into the UK. This dumping is likely to continue and must be countered by effective anti-dumping duties.

Chinese exporting producers of aluminium extrusions as well as many EU/UK importers and traders consider the European market as one. The recent division in the market between the EU and the UK will take time to impact on these commercial and marketing considerations. Exporting producers will continue to ship to 'Europe'. And, as imports into the EU become more difficult due to the EU's definitive anti-dumping duties, exporting producers (and traders) will divert the product to the more open UK market.

The Applicant considers that this rather unique situation merits the imposition of Registration so as to allow the monitoring of trade in real time and to ensure that, if the dumping found by the EU in relation to the UK market continues, anti-dumping duties can be imposed on those imports in line with the provisions of Schedule 4 of the relevant regulations.

Declaration

This application is made by, or on behalf of, a UK industry that produces like goods to those that are the subject of this application.

This UK industry has at least 1% market share, taking into account the goods and particular market for those goods.

This application has the support of that UK industry as required in the Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019. Specifically, producer support for this application is greater than producer opposition and represents at least 25% of all UK production of the like goods.

The information contained in this application:

- provides evidence that goods have been or are being dumped and/or evidence that subsidised goods have been or are being imported into the UK (as per schedule 1(g) and 2(g) of the Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019);
- provides evidence that the dumped and/or subsidised goods are causing injury to the UK industry (as per schedule 1(i) and 2(i) of the Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019);
- is sufficient to initiate an anti-dumping and/or subsidy investigation as per schedule 4 paragraph 9(1)(b) of the Taxation (Cross-border Trade) Act 2018; and
- is accurate and complete.

Name:	
Company/Association:	Hydro Aluminium UK Ltd
Position:	
Company Registration number (if applicable):	
Date:	30/04/2021
Signature:	x _____

Checklist

Important

Please ensure that you have completed this application fully and refer to any attached documents using the corresponding appendix reference.

Complete the checklist above, to demonstrate you have covered all of the points, and attach evidence to support your claims and calculations.

Keep a copy of this application for your reference in case any queries arise when we are assessing the application. You will also need to refer to it if we initiate an investigation.

- ☐ The details of the UK producers making the application and level of UK industry support for the application
- ☐ The details of all known UK producers/associations of UK producers of like goods
- ☐ The volume and value of the domestic production of the like goods both by producers making the application and all other known UK producers
- ☐ Information that the market share requirement is met
- ☐ A complete description of the imported goods
- ☐ The names of countries/territories of origin and export of the imported goods
- ☐ The details of the exporters or overseas producers of the imported goods
- ☐ The details of the companies or individuals known to be importing the goods
- ☐ Normal values of the goods ***Dumping applications only***
- ☐ Export prices of the goods ***Dumping applications only***

☐ Details of subsidy programmes associated with the imported goods ***Subsidy applications only***

☐ The amount of countervailable subsidy attributable to the alleged subsidised goods imported into the UK ***Subsidy applications only***

☐ Changes in import volumes of the goods

☐ Effects of the imported goods on prices of like goods produced in the UK

☐ Impact of the imports have caused to the UK industry