

## Anti-Dumping Questionnaire (Producer) Case AD0012: Aluminium Extrusion exported from The People's Republic of China

Period of Investigation (POI):	1 June 2020 –31 May 2021
Injury period:	1 June 2017 –31 May 2021
Deadline for response:	03 <sup>rd</sup> September 2021
Contact details:	AD0012@traderemedies.gov.uk
Completed on behalf of:	Hydro Aluminium UK Ltd

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

Confidential

Non-Confidential – will be made publicly available

Your completed response must comprise this questionnaire and the corresponding annex. Please note that you will have to provide a **Confidential** and a **Non-Confidential** version of both the questionnaire and annex, as well as any additional documents you append. All documents should be uploaded to the Trade Remedies Service ([www.trade-remedies.service.gov.uk](http://www.trade-remedies.service.gov.uk)) by **18 August 2021**.

## Table of Contents

<b>Introduction</b> .....	<b>1</b>
Preparing confidential and non-confidential copies.....	3
Providing information from subsidiaries or associated parties.....	4
What happens next.....	4
Verifying the information you supply .....	5
<b>The scope of this investigation</b> .....	<b>6</b>
Goods concerned .....	6
Like goods.....	6
Product Control Numbers .....	7
<b>SECTION A: Company structure and operations</b> .....	<b>10</b>
A1 Identity and contact details .....	10
A2 About your company .....	10
A3 Organisational structure .....	11
A4 Board members and principal shareholders .....	12
A5 Operational links with other companies or persons .....	13
A6 Accounting practices .....	13
<b>SECTION B: About your goods</b> .....	<b>17</b>
B1 Understanding your like goods .....	17
B2 Understanding the UK market .....	18
<b>SECTION C: Costs and production</b> .....	<b>20</b>
C1 Cost to make and sell .....	20
C2 Cost and sales reconciliation.....	21
C3 Production process .....	22
C4 Joint products and by-products .....	23
C5 Raw material (RM) and major input purchases .....	23
C6 Purchases of like goods and/or goods concerned.....	24
<b>SECTION D: Sales</b> .....	<b>25</b>
D1 – Domestic sales.....	25
D2 – Export sales .....	25
D3 Sales reconciliation .....	25
D4 Distribution channels and price setting.....	27
D5 Captive use.....	28
<b>SECTION E: Injury to your company</b> .....	<b>30</b>
<b>SECTION F: Dumping</b> .....	<b>35</b>
F1 Dumping.....	35
F2 Adjustments .....	35



F3 Particular market situation .....	36
<b>SECTION G: Supplementary questions.....</b>	<b>37</b>
G1 Economic interest .....	37
<b>SECTION H: .....</b>	<b>42</b>
<b>Next steps and declaration.....</b>	<b>42</b>
Next steps .....	42
Declaration .....	43
<b>SECTION I:.....</b>	<b>44</b>
<b>Checklist and appendices .....</b>	<b>44</b>

# Introduction

## About us, this case and this questionnaire

The Trade Remedies Authority (TRA) investigates whether trade remedies are needed to prevent injury to UK industry. The TRA has been established to provide the UK with its own independent trade remedies system.

This case is investigating the allegation that Aluminium Extrusions from The People's Republic of China are being dumped (exported to the United Kingdom (UK) at prices less than their normal value) and that this dumping is causing injury to the UK industry for these goods.

### Why should I take part?

We are asking domestic producers to complete this questionnaire to help us understand the industry and market for this product and assess if a measure is needed. We need to establish whether the alleged dumping has occurred and has caused injury to the UK industry.

The information your company provides will help us to reach a fair and proportionate decision.

### How do I respond?

Detailed guidance on how to complete the questionnaire is provided in the [instructions](#) section below.

Please provide all the information requested by **18 August 2021**. We may need to issue a deficiency notice if we determine that the information supplied in the questionnaire is incomplete or inadequate. We may also send a notice requesting clarification or supplementary information if necessary. Therefore, please provide as much detail as possible in your responses.

### Where can I find more information?

Our [trade remedies guidance](#) provides general information about our investigations and processes we follow.

If you have any specific questions relating to the case, now or while you're completing the questionnaire, please contact the Case Team at [AD0012@traderemedies.gov.uk](mailto:AD0012@traderemedies.gov.uk)

You can also find out more about the regulatory basis of our investigations. The TRA investigates cases under the provisions of *Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019* and under the *Taxation (Cross-border Trade) Act 2018*.

## Instructions on completing this questionnaire

### Preparing your response

This section sets out guidance on how to complete this questionnaire.

If you think you won't be able to complete the questionnaire within the required time, please contact the Case Team ahead of the deadline using the contact details on the cover of this questionnaire. You should outline the length of extension you need and the reasons why. We will notify you of our decision.

If we can accommodate an extension, we will publish a note on our [public file](#) to record both the request and the extension granted.

### How to answer the questions

Please read and follow all the instructions carefully. Your company will need to substantiate all claims with relevant data and information. You may be asked to attach supporting documents in appendices to supplement your responses. To help us verify your information, please retain all these documents, your completed spreadsheet annexes and any calculations you made when developing your responses.

Please also note the following points:

- Do not leave any questions blank. If the question is not relevant to your organisation, please explain why. If the answer to a question is “zero”, “no” or “none”, please write this.
- Please complete the spreadsheet annexes as requested. Annexes are named to correspond to the relevant sections of this questionnaire and must be completed with reference to the instructions provided. If you feel you cannot present the information as requested, please contact your Case Team as soon as possible.
- Please provide all formulas and calculations used within your questionnaire response.
- If there is insufficient space in any part of the questionnaire to provide the details requested, or we ask for copies of additional information, please submit this information as 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.

- Any documents not in English should be accompanied by an English translation.
- Please provide all dates in the format DD/MM/YYYY (e.g. 23/05/2019).
- Unless otherwise stated, 'year' or 'calendar year' refers to the period 1 January – 31 December and 'quarter' refers to the associated three-month periods e.g. 1 January – 31 March, 1 April – 30 June, etc.
- Identify all units of measurement and currencies used in tables, calculations and lists, if not provided by the corresponding instructions, and use units of measurement consistently (e.g. do not use kg and metric tonnes interchangeably).
- 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). Please ensure that all numbers which represent increasing costs and sales are reported as positive figures, and decreasing costs and sales are reported as negative figures.
- Please limit all sales/currency/income figures to two decimal places, apply a full point as a decimal separator and use the appropriate currency symbol or abbreviation (e.g. £1,300.00).
- Provide all costing figures as actual amounts. Where actual amounts cannot be provided and you have reported standard costing instead, please indicate this in the relevant answer, and explain the variance from actual costs, if any.
- All figures should be reported net of tax unless otherwise stated.
- Please refer to the case number AD0012, in any correspondence with the TRA.

## Preparing confidential and non-confidential copies

You will need to submit one confidential version and one non-confidential version of your questionnaire and the corresponding spreadsheet annex by the due date. This is so that we can publish the non-confidential version of your information on our public file. **Please ensure that each page of information you provide is clearly marked either “Confidential” or “Non-Confidential” in the header.**

Please see our guidance on [how to submit information](#) for further details on what can be considered confidential and how to prepare a non-confidential version of this questionnaire.

In preparing your response, please note the following:

- It is your responsibility to ensure that the non-confidential version does not contain any confidential information.

- Remember to include a statement explaining why information obtained in your response should be treated as confidential e.g. the data is commercially sensitive.
- Provide the source for all information or data you don't own and clearly state any restrictions on sharing it.
- If you do not provide a non-confidential summary (or a statement of reasons why you cannot provide this) each time you provide confidential information, the TRA may disregard the information you give us.

All information provided to the TRA in confidence will be treated accordingly and only used for this investigation (except in limited circumstance as permitted by regulation 46 of the *Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019*) and will be stored in protected systems. The non-confidential version of your submission will be placed on the public file, which is available on [www.trade-remedies.service.gov.uk/public/cases](http://www.trade-remedies.service.gov.uk/public/cases).

## Providing information from subsidiaries or associated parties

Section A of this questionnaire includes detailed questions about your company structure. Although this questionnaire is intended for your company, our investigation covers all subsidiaries and any other associated companies involved in the import, production, sale, R&D, distribution and/or supply of the like good and/or goods concerned.

Please note, both natural persons (individuals) and legal persons (e.g. companies) are considered to be associated where they meet the definition of 'Related Persons' in [Regulation 128 of the Customs \(Import Duty\) \(EU Exit\) Regulations 2018](#).

- If any of your subsidiaries or associated companies are also a UK producer of like goods, they should **also** complete this questionnaire. Please make sure you provide your subsidiaries with access to it.
- Where your subsidiaries or associated companies are not producers but are involved in the sales of the like goods, your questionnaire response should include information from those companies.

If you have any queries about this part of the process, please contact the Case Team using the details provided on the cover of this questionnaire.

## What happens next

Once you have completed your questionnaire responses including the corresponding annex(es) and any additional documents requested, you must upload confidential and non-confidential versions through our [Trade Remedies Service](#). Following this:

- you will receive an email confirming the documents have been uploaded successfully;
- the Case Team will contact you if further information is required;
- the non-confidential responses will be placed on the public file; and
- the Case Team may contact you to arrange a visit to verify the information contained in your responses.

## Verifying the information you supply

The TRA will verify, as far as possible, the information provided to it. As part of this process, we may conduct verification visits. If we need to verify information that you provide by visiting your premises, the Case Team will contact you to arrange this.

Visits can last several days, during which we will want to speak to management and staff to help establish the completeness, relevance and accuracy of the information provided.

Please keep a record of formulas and steps used in your calculations and other related material/documentation as it may be asked for during verification. In some circumstances verification visits may be conducted remotely.

Once verification is complete, The TRA will prepare a report and share a draft with you. The TRA will then ask you to prepare a non-confidential copy of the report for the public record. If you feel some information in the report should be kept confidential, please provide your reasons for this.



## The scope of this investigation

### Goods concerned

This investigation covers **aluminium extrusions** exported from **the People's republic of China** described as:

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.

These **goods** are currently classifiable within the following CN code(s) 76041010; 76041090; 76042100; 76042910; 76042990; 76081000; 76082081; 76082089; 76109090. These codes are only given for information and not all goods within these codes are part of this investigation.

In this questionnaire, these goods will be referred to as '**the goods concerned**'. Any reference to 'goods concerned' in this questionnaire refers to the goods description above, regardless of the commodity code under which they are exported.

For the avoidance of doubt, the goods concerned refer to unassembled, aluminium extrusions and therefore aluminium structures or parts of structures, subassemblies, products that are imported in "finished goods kit", and welded tubes and pipes, are not part of this investigation.

### Like goods

This questionnaire asks for information about your company's production and sales of goods which are **like** the goods concerned. Any reference to '**like goods**' in this questionnaire refers to goods produced in the UK or imported to the UK from a country other than the People's Republic of China which are like the goods concerned in all respects, or with characteristics closely resembling them.

**Please follow the instructions for each question to provide the appropriate information regarding the like goods or goods concerned.**

## Product Control Numbers

The TRA uses Product Control Numbers (PCNs) to define and distinguish the different types of products that fall under the goods description above.

PCNs, which come in the form of an **alphanumeric code**, help to create a categorisation system so that comparisons can be made between goods produced in the domestic UK market and those produced in foreign markets.

The TRA uses Product Control Numbers (PCNs) to define and distinguish the different types of products that fall under the goods description above.

PCNs, which come in the form of an **alphanumeric code**, help to create a categorisation system so that comparisons can be made between goods produced in the domestic UK market and those produced in foreign markets.

In this questionnaire and the corresponding annexes you will be asked to construct PCNs representing the different types of products you import. When stating your PCNs, please do not use any spaces, dashes or other means of separation, and ensure you follow the order of characteristics outlined in the table below. Please use this PCN structure consistently throughout your questionnaire response, including the corresponding spreadsheet annex.

Field Description	Field Format	Explanation
Customisation	X Letter	<b>S</b> – standard profiles/shapes which can be purchased by any customer, normally shown in a standard catalogue  <b>C</b> – custom/bespoke profiles. The customer owns the copyright/design rights
Shape/Form	X Letter	<b>B</b> - Bars and rods <b>P</b> - Pipes and tubes <b>S</b> – Solid profiles specifically: I,C, T (both with equal and unequal sides), H, U, double U, Z, L (angle), mouldings/ledgers  <b>H</b> - Hollow Shape <b>O</b> – Other
Alloy Series	X Digit	<b>2</b> - 2000 series <b>3</b> - 3000 series <b>4</b> - 4000 series <b>5</b> – 5000 series

		<b>6</b> – 6000 series <b>7</b> – 7000 series <b>8</b> – 8000 series <b>9</b> - Other
Length	X  Letter	<b>S</b> – shorter than or equal to 2 metres <b>M</b> – longer than 2 metres and up to 7 metres <b>L</b> – longer than 7 metres
Weight per metre	X  Digit	<b>0</b> - <0.1 kg/m <b>1</b> – 0.1 kg/m to <0.5 kg/m <b>2</b> – 0.5 kg/m to < 4.5kg/m <b>3</b> - 4.5kg/m to < 8 kg/m <b>4</b> - 8kg/m to < 10 kg/m <b>5</b> - 10kg/m +
Maximum Cross-Sectional Dimension	X  Letter	<b>S</b> – less than or equal to 310mm <b>L</b> – greater than 310 mm
Finish	X  Letter	<b>N</b> - No Finish <b>P</b> - Painted <b>A</b> -Anodised <b>O</b> - Other
Fabrications	X  Letter	<b>N</b> - None <b>Y</b> - Other incl additional cutting, machining, drilling, punching, notching, bending, stretching,
Drawing	X  Letter	Only applies to Bars and Rods (Shape/Form <b>B</b> )  <b>N</b> - Not drawn <b>D</b> - Drawn  For shape/form P, S, H. O- use N

Example 1: A standard pipe made from aluminium series 6000, of a length of 10 meters, and a weight per meter measurement of 2.5kg/m with a maximum cross-sectional dimension of 8 inches, anodized and not further fabricated nor drawn would have the following PCN:

**SP6L2MANN**

Example 2: A custom profile including 8 hollows, made from aluminium series 5000, of a length of 1 meter, with a maximum cross-sectional dimension of 100 mm, and a weight per meter measurement of 0.4kg/m, painted and machined, would have the following PCN:

## CH5S1SPYN

Please review the PCN structure for this investigation shown in the table above. Please include any comments on the PCN structure in the box provided.

The above proposed PCN structure is fine, Hydro has no comments.

## SECTION A: Company structure and operations

### A1 Identity and contact details

1. Please complete the table below, ensuring that the point of contact given has the authority to provide this information:

Legal name of company:	Hydro Aluminium UK Limited
Legal structure (e.g. limited company, sole trader, partnership etc):	Limited Company
Year of establishment:	1969
Other operating names:	Formerly known as <b><u>“Hydro Extrusion UK Limited”</u></b>
Company registration number:	00961843
Place of registration:	Saw Pit Lane, Tibshelf, Alfreton, Derby, DE55 5NH
Name (point of contact):	
Position:	
Address:	
Telephone No:	
Email:	
Website:	www.hydro.com

### A2 About your company

1. Describe the role of your company in the UK market for the like goods (e.g. producer, producer/exporter, producer/importer or producer/distributor).

Hydro is a producer of aluminium extrusions as well as providing fabrication services, surface treated and remelting of scrap aluminium.

Please find attached a company brochure providing an introduction to the business.

Appendix reference: Appendix1 –  
Company brochure

2. Please provide details of any changes in the legal form of your business over the past 5 years, for example, mergers, acquisitions and/or sales.

Date	Legal form	Explanation of change
31/12/21	Closure	Closure of Bromyard facility
31/08/20	acquisition	Purchase of the assets and liabilities of Hydro Component UK Limited
30/09/19	Closure	Closure of Redditch facility

+Add additional rows as required.

3. List and explain all authorisations your company has been required to obtain to produce, sell, or to export the like goods. These may include licences, permits, permissions or mining concessions. Indicate if your company is subject to any direct or indirect, quantitative or other, restrictions on any of these activities.

Hydro requires a number of permits in order to operate

*The company has three permits to operate. These cover the extrusion, recycling and anodising in the respective plants.*

Appendix reference:

4. Please describe all the other products (not including the goods under review) produced or sold by your company in the UK.

The following products are sold by the Company but not included in the goods under review:

Sale of dies and remelt services and some specialised products.

Appendix reference:

5. State whether your company is a member of any representative organisations (e.g. trade bodies, associations, Chambers of Commerce).  
If so, provide a copy of the relevant documentation.

Member of the Aluminium Federation (ALFED)  
Member of Council for Aluminium in Building (CAB)

Appendix reference:

### A3 Organisational structure

Please answer the questions below about the internal structure of your company and any associations with other companies. Both natural persons (individuals) or legal persons (e.g. companies) are associated where they meet the definition of 'Related Persons' in Regulation 128 of the *Customs (Import Duty) (EU Exit) Regulations 2018*.

1. Please explain, or demonstrate in a diagram, the legal structure of your company showing the internal hierarchical and organisational structure, all sites/locations and departments which are involved in the production, sales, R&D, supply and distribution of the like goods for domestic and export markets. Clearly indicate the different production stages carried out by your company.

Birtley Site – Extrusion, thermal Break & cutting  
Tibshelf Site – Extrusion, cutting, die production, remelt  
Cheltenham Site – Extrusion, anodizing & cutting  
Bedwas – Fabrication and Anodizing  
Gloucester Components – Fabrication, Anodizing and Chemical Brightening

Appendix reference:

2. Please complete **Annex 1 – Associated companies**.
  - If relevant, include your company's worldwide corporate structure and affiliations, including parent companies, subsidiaries and/or other associated companies.
  - If your company is the subsidiary of another company, please give the name of this company, as well as that of your company's ultimate controlling entity, their registration number(s) and place(s) of registration.
  - Please provide the name, address, email address and telephone number for an appropriate representative from each company identified.
  - Please list the activities carried out by each company (e.g. manufacturing, administration, sales).
  - Indicate the shareholdings you have in each company and the shareholdings that each company has in your company.

### A4 Board members and principal shareholders

1. Please complete **Annex 2 – Shareholdings**, providing a list of all your company’s shareholders that owned more than 5% of its shares during the period of investigation (POI), 1st June 2020 –31st May 2021. Where known, provide details of their activities. Also include, for the last five years:
  - your company’s registered capital;
  - the scope of business; and
  - the composition of the Board of Directors and/or shareholders, including their roles and rights.

Please provide this information for your company and for all its predecessor legal entities.

2. Explain your procedure for appointing the members of the Board of Directors.

There is no formal procedure, the board is decided by the parent company.
Appendix reference:

3. If applicable to your company, please attach the latest copy of the following documents (in the original language and in English):
  - articles of association and all related documents;
  - business licence; and
  - proof of registration of the company with the competent authorities.

Please describe what you are submitting and provide appendix references for your attachments in the box below. Earlier copies from the date of establishment of the company until the present should be available upon request during any verification visit.

See: Articles of Incorporation Certificate of Incorporation Certificate of Name change
Appendix reference: Appendix3

## A5 Operational links with other companies or persons

1. Please indicate if your company has established long term agreements with any company/companies located in the UK, The People’s Republic of China or in third countries for the production (e.g. sub-contracting), supply and sale of the like goods, or other licensing, technical patent or compensatory agreements.

Include:

- the name and address of the company;





- an explanation of the nature of the agreement; and
- if your company has long-term agreements with other companies for the supply of goods destined for internal sale, e.g. captive use, please provide the contract to demonstrate this.

<b>Company name and address</b>	<b>Nature of agreement</b>	<b>Company registration number</b>	<b>Place of registration</b>
Hydro Components UK Limited –	Supply of extrusion profiles to produce Roof Rails and Window trims for cars and decorative parts for the automotive industry	06249930	United Kingdom
Hydro Building Systems UK Limited	Supply of extrusion profiles for building and construction products	01029071	United Kingdom
Hydro Deeside	Supply of raw material in billet form and toll conversion of scrap metal	01786117	United Kingdom
			Appendix reference:

+Add additional rows as required

## A6 Accounting practices

1. Give the address where your company's accounting records are kept and can be verified by the TRA. If records are maintained in different locations, please indicate which records are kept at which location. If records are digital and do not have a physical location, please mark as N/A.

Records address	What records are held?
Saw Pit Lane, Tibshelf, Alfreton, Derby, DE55 5NH	Accounting Records

+Add additional rows as required

2. Please give the financial year convention your company uses for its accounts (e.g. 1 January – 31 December). If any changes have occurred with respect to
  - the financial period
  - the company's legal form as per section **A2 About your Company**, question 2
  - your accounting practices over the last five financial years,
  - your accounting practices applied to the POI, which differs from your financial statements

Please describe these changes, with reference to any re-statements to your financial accounts including dates and reasons for them.

1 January – 31 December Local and Corporate reporting is prepared under IFRS GAAP	Appendix reference:
--	---------------------

3. For your company (and any associated parties inside and outside the UK involved in the production, marketing or sales of your goods, R & D, Distribution and or supply of goods) please attach a copy of your annual reports covering the injury period. This may include a
  - statement of financial position;
  - statement of profit and loss and other comprehensive income;
  - statement of changes in equity;
  - cash-flow statement;
  - notes to the accounts and all reports;
  - an auditor's opinion on these documents.

	Appendix reference: Appendix4 - 2017 Stat Accounts Appendix4 - 2018 Stat Accounts Appendix4 - 2019 Stat Accounts
--	---

Appendix4 - 2017 Stat Accounts – Hydro Components  
Appendix4 - 2018 Stat Accounts – Hydro Components  
Appendix4 - 2019 Stat Accounts – Hydro Components

4. If your accounts are unaudited, please attach a copy of your unaudited financial statements for the injury period 1 June 2017 – 31 May 2021

Not applicable

Appendix reference:

5. Please attach a copy of your company's trial balance for total organisation and if possible, the profit centre relating to the like goods (in original and spreadsheet form) covering the POI and the most recent financial year. This includes:
- the trial balance which covers the beginning of the financial year to 1 June 2020;
  - the trial balance which covers the full financial year including 1 June 2020;
  - the trial balance which covers the beginning of the financial year to 31 May 2021.

Appendix reference:

6. For your company and any associated parties involved in the production, marketing or sales of the like goods or the goods concerned, please attach copies of relevant management reports (e.g. profit and loss statement) for the profit centre and total organisation that includes the goods and like goods. Please provide these reports for the
- (i) POI
  - (ii) most recently completed financial year.

This information is confidential.

Appendix reference:

7. If your company is part of a group of companies, please also attach a copy of the consolidated accounts of the group for your most recently completed financial year.



Annual group report for 2020 for Norsk Hydro attached.  
Q1/2021 financial report enclosed  
Q2/2021 financial report enclosed

Appendix reference:  
Appendix7 - Norsk Hydro Annual Report  
2020

8. Please provide a detailed description of your financial accounting system, explaining how sub-ledgers (e.g. costing, debtors, creditors) and other systems (e.g. sales and production) integrate with the general ledger. Please provide a description of how it links to the management accounting system, including any manual interventions. Please also attach:
- your company's chart of accounts;
  - your company's cost centres;

This information is confidential.

Appendix reference:

9. Describe your accounting policies, where applicable, for:
- the recognition and/or timing of income and the impact of discounts and rebates, sales returns, warranty claims and intercompany transfers;
  - the depreciation and amortisation method, and the periods used by your company for each class of asset such as intellectual property, plants, buildings, machinery and equipment (including average useful life and the methods for calculating this);
  - provisions for bad or doubtful debts;
  - the accounting treatment of general expenses and the extent to which these are allocated to the cost of goods;
  - the accounting treatment of finance costs and how these are allocated to the cost of goods;
  - costing methods (for example, by tonnes, units, revenue, activity, direct costs, standard costing etc.) and allocation of costs shared with other goods or processes;
  - your inventory valuation methods for raw material, work-in-process, and finished goods, for example First In First Out (FIFO), (Last in First Out (LIFO), current cost, standard cost or weighted average cost;



- aging/obsolete inventories, your write-off and/or write-down process(es);
- valuation methods for scrap, by-products or joint products;
- valuation methods for damaged or sub-standard goods generated at the various stages of production;
- valuation and revaluation of fixed assets, and the subsequent treatment of excess depreciation/amortisation;
- treatment of any subsidies or grants;
- treatment of foreign exchange gains and losses arising from transactions;
- restructuring costs, costs of plant closure, expenses for equipment not in current use and/or plant shut-downs;

Hydro follows the group accounting manual which is based on IFRS. This information is confidential.

Appendix reference:

## SECTION B: About your goods

### B1 Understanding your like goods

The goods concerned in this investigation are defined in '[the scope of this investigation](#)'.

We use a PCN number to help us compare the goods concerned and the domestic like goods. When you are completing this section, you must apply the PCN system set out at the link above to describe your goods consistently throughout your responses. If you don't use the PCN table correctly, this could limit the TRA's ability to use the information you provide.

1. How many presses do you have at each of your production sites, and what sizes are they?

Hydro Aluminium UK limited operates 6 Extrusion presses.

Appendix reference:

2. Please categorise the goods that you manufacture in the UK which are like the goods concerned. Indicate the degree of physical likeness, commercial likeness and functional likeness. Please also provide details of your like goods and the goods concerned regarding their production processes, interchangeability, raw materials used, degree of model differentiation, tariff classifications, channels of distribution and sale, pricing and other relevant characteristics.

If your company manufactures a range of like goods, list this information for each individual make and model in the range. If there are differences in characteristics within your range of like goods which cause distinguishable differences in price, explain those differences and the effect they have.

The goods concerned originating in China are produced from Aluminium Billets using the same manufacturing process and have the same mechanical and chemical properties as the like goods products produced in the UK.

Appendix reference:

3. Explain the internal coding system your company uses to classify your range of like goods. If your company uses multiple internal reference codes across departments, cross-reference each one. Cross-reference your internal coding system with any sales (invoice codes) made via associated companies.

Technical documentation (such as sales catalogues, safety standards, technical data, etc.) should be attached for each model where available.

This information is commercially sensitive.

Appendix reference:

4. Please complete **Annex 3 – PCN comparison**, indicating which of your like goods (by make or model) are comparable to each of the goods concerned.

Please substantiate your answers by providing details on any likeness and/or differences you have identified between the goods concerned and the like goods. Attach any evidence you have that is relevant. This could take the form of sales brochures, input costs, research papers or any other relevant documentation.

This information is commercially sensitive.

Appendix reference:

5. If you have identified differences in **Annex 3 – PCN comparison** between the goods concerned and the goods that you manufacture, please estimate the difference in cost to make and sales price. Explain those differences and the effect they have in the text box below.

Where applicable, this should be on a per unit basis. Describe how you established your estimations and substantiate with evidence where possible.

This information is commercially sensitive.

Appendix reference:

## B2 Understanding the UK market

1. Please explain the end use of the goods concerned and the like goods. If there are multiple uses for the like goods, list them and, where possible, estimate what proportion of your sales goes to each.

The markets for Aluminium Extrusions are extremely varied and growing. The benefits of Aluminium over other materials are becoming increasingly important, as it is lightweight, recyclable, easily formable, conductive, corrosion resistance and with different strengths due to alloys. Aluminium is becoming more and more popular as a material of choice when compared to other materials such as Steel, Copper, Composites and PVC.

This information is commercially sensitive.

Also attached Appendix 9 – EA Circular Aluminium is an article created by European Aluminium highlighting the growing importance of Aluminium, and the need to support the infrastructure to leverage one of the key features of its use (i.e. Infinite recyclability). Furthermore, there is also an article attached from European Aluminium detailing the growing importance of aluminium in the content of Cars as a true enabler of electromobility

Appendix reference:  
Appendix 9 – EA Circular Aluminium  
Appendix 9 – EA Car content

2. Provide a general description of the UK market for the goods concerned and the like goods, including the nature and conditions of competition within the overall market. In your answer please refer to:
  - 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;
  - distribution and marketing;
  - general users/consumers/customers;
  - the degree of competition between the goods concerned and the like goods;
  - market segmentation;
  - government regulation or tax;
  - 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 <concerned/subject to review> being imported into the UK.
  - any other factors that influence the market (e.g. seasonality).





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

Appendix reference:

## SECTION C: Costs and production

### C1 Cost to make and sell

#### 1. Complete **Annex 4 – Cost to make and sell**

- Report your total cost to make and sell the like goods domestically.
- Please clearly separate your costs to make (direct manufacturing costs and indirect costs), from your cost to sell (administrative, selling and general expenses (AS&G)).
- All values entered in the table should be totals for the POI by PCN unless otherwise specified in the column title.
- All figures should be reported net of recoverable tax.
- When stating labour costs, please ensure you include all labour costs, directly or indirectly incurred by any activity related to the like good.
- Include revenue (or related value for internal re-use) for any by-products (including aluminium scrap) produced during the production process

Note that headings of each column (e.g. raw materials, energy) can be adapted to suit the naming conventions of your own cost accounting system.

- #### 2. Please list, and explain, your labour, manufacturing overheads and AS&G costs for domestically sold like goods. Describe the individual components of these costs and provide detail on how these costs are paid.

*This information is commercially sensitive.*

Appendix reference:

- #### 3. Please list all inputs (e.g. raw materials, energy, labour) to the production of the like goods. Indicate the source of your inputs and whether they are imported or domestically sourced.

This information is commercially sensitive.

Appendix reference:

- #### 4. If your company is vertically integrated or some of the inputs (e.g. raw materials, energy) used in the production of your like goods are produced by an associated party, provide details of this arrangement and attach documentation demonstrating any agreements you have.

Hydro Aluminium UK Limited is part of Norsk Hydro, which is a vertically integrated aluminium company: an overview is available on the website ([www.hydro.com](http://www.hydro.com)).

Appendix reference:

5. If your company incurred any extraordinary costs (such as start-up or ramp up costs) during the POI, please provide details of these costs, explaining why they were extraordinary and how they have been included and amortised/depreciated in your accounts.

This information is commercially sensitive.

Appendix reference:

6. Please explain how you finance your production of like goods, your sources of finance, whether there is any cost of finance associated with the production of like goods, and how you have reported this in the cost to make figures and company accounts.

This information is commercially sensitive.

Appendix reference:

7. Please state the cost allocation method used for each PCN for the POI, including an explanation of the allocation under each subheading.

*This information is commercially sensitive.*

Appendix reference:

## C2 Cost and sales reconciliation

1. In **Annex 5 – Cost reconciliation**, please only fill in the white cells. Insert additional columns or rows as required. Please include reference to the source documents of the inserted data.
- Please give the total cost of goods made and sold as shown on your audited financial statement of the most recent accounting period.
  - If the POI and your accounting period are different, please enter the difference in cost of goods sold between the periods, as per the management accounts.
  - Please provide your company's total cost of goods sold over the POI, as shown on your management accounts.



- Please give the change in finished goods inventory over the POI. This usually relates to the difference between the cost of goods sold and cost of production.
- Please provide the company's total cost of production over the POI as shown on your management accounts.
- You may manufacture other products that are not under consideration. Please provide the cost of production and the production quantity of the other products that are not under consideration over the POI. Please provide the names of each product group that you have determined to be not the goods. Please add more rows if required.
- For the cells under 'Cost of production for the goods under consideration', please enter the total cost of production and production quantity for domestic sales and export.

### C3 Production process

1. Please provide a written summary and a diagram/flow chart of your production process for the like goods that you produce in the UK.

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 subject to the investigation. 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 investigation.

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:

- Identify what parts of your production process take place in the UK and explain at what stage the most value is added to your like goods in the production process. Please describe the manufacturing process of the like goods, its level of complexity and the investment of capital involved. If a production process is carried out outside the UK, please explain the nature of the activity and where this process step takes place.

All production process for Hydro Aluminium UK occur in four manufacturing sites in the UK, covering Extrusion, Anodising, Thermal Break and Fabrication.

Appendix reference:

- Please provide the physical addresses (including town/city and county) of all your company's UK sites/facilities involved in the production of the like goods.

Company name	Physical address
Hydro Aluminium UK Limited – Birtley Site	Durham Road, Chester-Le-Street DH3 2AH County Durham
Hydro Aluminium UK Limited – Tibshelf Site	Saw Pit Lane, Alfreton, Tibshelf DE55 5NH Derbyshire
Hydro Aluminium UK Limited – Cheltenham Site	Tewkesbury Road, Cheltenham GL51 9DT Gloucestershire
Hydro Aluminium UK Limited – Bedwas Site	Pantglas Industrial Estate, Bedwas Caerphilly, CF83 8DR

Appendix reference:

+Add additional rows as required

## C4 Joint products and by-products

1. Please explain any waste, scrap or by-products related to the production of the like goods. Please explain:
  - how you differentiate your waste, scrap and by products;
  - what you do with your waste, scrap and by-products;
  - how any income or cost from waste, scrap or by-products is recorded and allocated across products.
  - the average waste, scrap, and by-product ratio resulting from the production process of the goods subject to review and like goods.

This information is commercially sensitive.

Appendix reference:

2. If there are joint products please explain how your costs of production (per unit) differ between the like goods and its joint products. Comment on the reason for this difference and explain your method(s) of calculation.

Not applicable

Appendix reference:

## C5 Raw material (RM) and major input purchases

Please complete **Annex 6 – Raw materials and input purchases**, detailing the principal purchases used in the production of the like goods during the POI by your company.

- Please provide a complete breakdown for any inputs that account for more than 5% of the cost to make and sell of your like goods. Please include all purchases and internal transfer costs of these materials used during the POI.
- For each reported purchase/ internal transfer transaction, describe the raw material and its characteristics (e.g. grade, purity).
- If your energy costs constitute more than 1% of your production costs, please also include energy purchases in the annex.
- All figures should be reported net of recoverable tax.

Please provide an invoice and any supporting documents for two of your purchases stated within **Annex 6 – Raw materials and inputs**. Use the box below to give an overview of any supporting documents provided.

The main purchases over 5% are aluminium and energy

Appendix reference:

## C6 Purchases of like goods and/or goods concerned

1. Complete **Annex 7 – Purchases of like goods** and/or goods concerned. This should include information relating to your company’s total annual purchases of the like goods and/or goods concerned over the injury period. All figures should be reported net of recoverable tax. Please list for each year every country you have purchased from in a separate row.
2. Describe how these purchases fit into your business model. Please attach copies of any agreements or contracts that you have relating to your purchases of like goods and/or goods concerned.

This information is commercially sensitive.
Appendix reference:

3. Do you further process the goods concerned or like goods before sale?

This information is commercially sensitive.
Appendix reference:



## SECTION D: Sales

### D1 – Domestic sales

1. Please complete **Annex 8 – Transaction by transaction (T by T) domestic sales**

- These should include all your domestic sales and returns of the like goods and/or goods concerned for the POI. Include the like goods you have produced, purchased and resold and/or goods concerned that you have purchased and resold.
- Please report returns as negative (-) sales figures.
- Please ensure that you correctly categorise each sale by PCN.
- For transactions or invoices that consist of multiple PCNs, the same invoice number should be referenced. All information in a row should refer to the individual PCN displayed in the first column of that row.
- Where one of the dates requested falls outside of the period of investigation, but another date falls within it, both dates should be provided for the relevant domestic sale transaction.

Please contact the Case Team if you can't provide the relevant information in sufficient detail.

### D2 – Export sales

1. Please complete **Annex 9 – Export sales**.

- These should include all your export sales of like goods for the POI 1st June 2020 –31st May 2021
- Please ensure that you correctly report your total volume and total value for your export sales per PCN.
- All figures should be reported net of recoverable tax.

2. Please provide a list of associated customers who purchase like goods. Explain the nature of the association and any effect it has on the terms of sale to that customer.

This information is commercially sensitive.
---

Appendix reference:
---------------------

## D3 Sales reconciliation

1. Please complete the sales reconciliation table in **Annex 10 – Sales reconciliation** starting from the bottom of the table.

Sales revenue and quantity of like goods during POI:

- For your like goods, enter the sales revenue and quantity for domestic and export sales during the POI as reported in Annex 8 and Annex 9.

Sales revenue and quantity of all goods during POI:

- If you produce goods other than the like goods, please provide the sales revenue and quantity of each of these goods during the POI. Please note that the headings (e.g. Sales revenue/quantity of good A during the POI, Sales revenue/quantity of good B during the POI, etc.) should be adapted to reflect the names of the goods.

Total sales revenue/quantity of all goods during the POI as stated in your management accounts:

- Please provide the total sales revenue and total quantity of all your goods during the POI as shown on your management accounts.
- If this figure does not reconcile with the totals of the sales revenue and quantity data below, the table will show a variance. Please use the text box below to provide an explanation for the shown variance.

This information is commercially sensitive.
---

Appendix reference:
---------------------

Difference in total sales revenue of all goods between POI and accounting periods:

- If the POI and your accounting period are different, please enter the difference between the total sales revenue of all goods during the POI and the total sales revenue of all goods during the accounting period as per your management accounts.

Total sales revenue of all goods as per Income Statement

- Please provide the total company sales revenue of all goods as shown on your Income Statement of the accounting period that covers the majority of the POI.
- If this figure does not reconcile with the sum of the total sales revenue of all goods during the accounting period as per your management accounts, the

table will show a variance. Please use the text box below to provide an explanation for the shown variance.

This information is commercially sensitive.

Appendix reference:

- Please use the text box below to reference any source documentation for the data.

This information is commercially sensitive.

Appendix reference:

- Additionally, please provide quantitative estimates (e.g. projections or forecasts) for the sales revenue and quantity of like goods and of all other goods you produce on the UK market for the next five years.

## D4 Distribution channels and price setting

1. Attach copies of distributor or agency agreements that you have relating to the sale of like goods.

This information is commercially sensitive.

Appendix reference:

2. Provide copies of price lists for the like goods for the POI 1st June 2020 –31st May 2021.

This information is commercially sensitive.

Appendix reference:

3. If any price reductions have been applied to any of your sales of like goods over the POI, please provide a description. This includes discounts, rebates, credit terms, allowances and commissions.
  - Explain the terms and conditions that must be met for any price reduction.



- Indicate any price reduction not included in an invoice price. Explain how the invoice price and the price reduction have been calculated.
- If you have issued any credit notes that are not reflected in invoice prices, provide details of the criteria for issuing such notes and the impact that they have on prices (both past and future).

This information is commercially sensitive.

Appendix reference:

4. Please provide details of your distribution network for like goods, if you have one. Do your sales usually include delivery? How do you calculate delivery costs and prices? Does this vary between customers?

This information is commercially sensitive.

Appendix reference:

5. Attach sales contracts for the top five customers by volume in **Annex 8 – T by T domestic sales** that you have sold like goods to in the period of investigation.

This information is commercially sensitive.

Appendix reference:

6. Select examples of domestic sales of like goods to two different customers included in **Annex 8 – T by T domestic sales**. Attach as an appendix a complete set of documentation for these sales. Where possible, include purchase orders, commercial invoices, order acceptances, discounts or rebates, credit and debit notes, contracts of sale, freight and insurance details, bank documentation and all other relevant documents.

This information is commercially sensitive.

Appendix reference:

## D5 Captive use

7. Complete **Annex 11 – Captive sales and use**. This should include transaction-by-transaction information for the POI 1 June 2020 –31 May 2021, detailing your company’s individual transfers of the finished like good for internal or captive use. You will need to use the [PCN table](#) to categorise each of these transfers by PCN. In the destination column, indicate any transfers for captive use that have not remained on your manufacturing site. In the “use” column, specify how the like



goods were used and in the “value” column please assign a market value to the like goods transferred.

1. Please comment on whether your captive use of the like goods has changed over time and what has caused any changes. Please attach evidence to support your answer where required

This information is commercially sensitive.

Appendix reference:

## SECTION E: Injury to your company

1. Is your company suffering from injury? If so, please describe the nature and degree of the injury. This can relate to the prices, volumes or profits associated with your production and sale of the like goods, or to wider aspects of your business. Please specify and substantiate your claims with evidence. Please estimate the date when the injury began to affect your company. Explain how it has developed since this date.

Hydro (and previously the companies Alcoa and Sapa, now consolidated into Hydro) have suffered hugely in the past 20 years due to dumping onto the UK market of imports originating in China. Sites and Presses have been closed, jobs have been lost, market share has been continually eroded from both a volume and price perspective and profitability in UK Extrusion has suffered.

Appendix reference:

2. Please estimate the date when the injury began to affect your company. Explain how it has developed since this date  
Injury can relate to the prices, volumes or profits associated with your production and sale of the like goods, or to wider aspects of your business. Please specify and substantiate your claims with evidence.

The date at which injury started to affect Hydro's business can be traced back to the rise of Chinese imports almost 20 years ago and subsequent consolidation in the UK industry that has resulted in a significant number of closures, organisational restructuring and loss of jobs while at the same time seeing an inversely proportional growth curve of Chinese imports.

In Appendix 20 – Statement from European Aluminium and Appendix 20 – EA Extrusion Shipments and domestic Shipments, Bob Lambrechts of European Aluminium explains the background.

Appendix reference:  
Appendix 20 – Statement from European  
Aluminium  
Committee

3. Please provide details if your cost of production of the like goods has changed significantly during the injury period. If so, please explain the cause(s) and, where possible, substantiate with evidence.

This information is commercially sensitive.

4. Please complete **Annex 12 – Injury**. This should be completed in reference to your UK production of the like goods for the injury period. For the following injury factors listed in the annex, please explain in the text box below:
- How you calculated and apportioned your average net operating profit after tax (NOPAT) for the like goods;
  - How you calculated and apportioned your finance costs (e.g. interest) incurred for the like goods;
  - How you assess your stock levels. Please indicate if your stock levels were abnormally high during the injury period. If so, please explain.
  - How you estimated your percentage of market share for the like goods;
  - How you calculated your production capacity and capacity utilisation for the like goods, and the cause of any significant variations;
  - How you set your wages, and the causes of any significant variations; and,
  - How your total employees involved in the UK manufacture of like goods are split across different sites/locations.

This information is commercially sensitive.

Appendix reference:

5. For your like goods only, please state what level of profit, before tax and as a percentage of turnover, your company would expect to achieve in the absence of injury and explain how you arrived at this figure

This information is commercially sensitive.



### 3. Manufacturing and services

In Quarter 4 (Oct to Dec) 2019, the net rate of return for manufacturing companies fell to 9.4% from the revised estimate of 10.9% in Quarter 3 (July to Sept) 2019 (Figure 2). The net rate of return has now fallen for five consecutive quarters. This decline in the net rate of return is primarily caused by a fall in the net operating surplus, but there has also been a steady rise in the net capital employed.

The [British Chambers of Commerce \(BCC\)](#) reported that indicators in the manufacturing industry remain very weak by historical standards, showing export orders are negative for two consecutive quarters for the first time in around a decade.

The [Bank of England summary report for Quarter 4 2019](#) reports that manufacturing output fell, reflecting weaker domestic and global demand. It identifies Brexit uncertainty and subdued investment as

Source: ONS

Appendix reference:

6. Explain how you set your current sales price for your like goods. Is this the same as your target sales price? If not, please explain the reasons for this.

This information is commercially sensitive.



Appendix reference:

7. Complete **Annex 13 – Investments**.

- Please include information relating to all company-wide investments, which includes investments that relate to the like goods, and investments that relate to like goods only
  - The last row should show aggregate investment totals per year
  - For each investment category, indicate the amount of investment. (apportioned, where applicable) and explain what the investment is for.
  - For the investments you have made during the injury period, please also provide the depreciation incurred company-wide and for the like goods.
- Please provide details of your typical source(s) of finance (e.g. loans, debt, share issues, bond issues etc.) for each category of investment relating to your company-wide investments.

This information is commercially sensitive.

Appendix reference:

8. Please describe any changes in your company's level and trends of returns on investment over the injury period. Please explain the nature and cause of this change and substantiate with supporting evidence e.g. funding proposals, loan approvals or other relevant financial documents

This information is commercially sensitive.

Appendix reference:

9. Please complete **Annex 14 – Return on fixed assets** related to the production of the like goods.

- Indirectly related assets are used in the upstream process for the production of the like goods. For these assets, please explain in the text box below how you apportion the corresponding values to the production of the like good.
- If you can't provide information for indirectly related assets, explain the reasons for this. Please describe the effects this has on the level and trend of return of the like goods.

This information is commercially sensitive.

Appendix reference:

10. Please complete **Annex 15 – Cash flow for the like goods**.



- Ensure the depreciation you state for the POI in this annex matches the figure stated in **Annex 5 – Cost reconciliation**.
- The figures for inventory should relate to the numbers in the section on stocks in **Annex 12 – Injury**.
- If you have an alternative cash flow calculation for the injury period, please attach it and explain how it has been calculated in the box below.

*This information is commercially sensitive.*

Appendix reference:

11. Explain any variances between your actual and forecasted budgets over the injury period, with reference to your cash flow statements.

This information is commercially sensitive.

Appendix reference:

12. Please complete **Annex 16 – Forward sales contracts**. Describe and attach copies of all forward sales contracts/ongoing supply agreements for like goods. Comment on these forward sales contracts – are they a usual way of doing business in your industry? Has there been any variation in the volume and value of forward contracts over time? If so, what has caused this variation?

This information is commercially sensitive.

Appendix reference:

13. If your company is suffering from injury, please **fully explain** and indicate the degree to which this has been caused by the alleged dumping of the goods concerned. Please also explain and indicate the degree to which any other factors might have caused the injury, 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.

Please substantiate your claim(s) with evidence.

The rise of Chinese Imports into the UK market over the last 20 years, combined with the low price offers to win volume has caused serious damage to UK production and



the UK market. This has directly and repeatedly caused site closures; job losses and the downward spiral of UK production capacity and flexibility to support a market which is growing in importance.

Appendix reference:

14. Has your company experienced an increase in any of the injury factors since the implementation of the EU's definitive determination 2021/546? Please provide any evidence of this

This information is commercially sensitive.

Appendix reference:

15. Would there be any indirect effects on your industry and/or business if trade remedies are imposed on the goods concerned? In your answer please also comment on the effect of no measures.

In the event that appropriate Trade remedies measures are introduced it will create a level playing field for competition for the supply of Aluminium extrusions between UK producers, European Imports and other non-dumping sources.

Appendix reference:

## SECTION F: Dumping

Please note that all questions in this section are optional. If you choose not to provide information to a question in this section, please state this or write 'N/A' in the respective text box.

### F1 Dumping

1. Do you have any information about the normal value of the goods concerned in The People's Republic of China? The normal value is the market price for aluminium extrusions in the People's Republic of China. Please substantiate with evidence where possible. This may include sales catalogues, price lists, invoices, quotes, market intelligence or sales correspondence, or any other documentation relating to the domestic price of the goods concerned in The People's Republic of China.

This information is commercially sensitive.

Appendix reference:

2. Do you have any information about the export price to the UK of the goods concerned from The People's Republic of China? Please substantiate with evidence where possible. This may include sales catalogues, price lists, invoices, quotes or sales correspondence, or any other relevant documentation relating to the export price to the UK of the goods concerned from The People's Republic of China.

The most reliable source of information is via trade statistics.

Appendix reference:

### F2 Adjustments

1. If you are aware of any factors that could mean costs or profits of the goods concerned are not substantially determined by market forces, please provide details and any supporting evidence.

The specific distortions in the Aluminium sector are set out in reports from the OECD and from the European Commission which both show that the government plays a key role in the development of the Chinese aluminium sector.

This information is commercially sensitive.

The current trend of an increasing level of state intervention are also affecting companies in the 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.<sup>1</sup>

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.<sup>2</sup>

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.<sup>3</sup>

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.

---

<sup>1</sup> 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

<sup>2</sup> Staff Working Document, page 389.

<sup>3</sup> OECD Aluminium Report, page 25

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 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*'.<sup>4</sup>

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.<sup>5</sup>

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.<sup>6</sup>

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

<sup>4</sup> Staff Working Document, page 393.

<sup>5</sup> 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.

<sup>6</sup> OECD Aluminium Report, page 28.



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.<sup>7</sup>

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<sup>8</sup> 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.<sup>9</sup>

Appendix reference:

### F3 Particular market situation

1. Are you aware of any government policies, laws or directives in China, or other planning documents, that have benefitted producers of aluminium extrusions during the injury period. This includes government policies at a Provincial/City

<sup>7</sup> Ibid., page 31

<sup>8</sup> See Think!Desk China Consulting & Research, “Final Report – Analysis of Market Distortions in the Chinese Non- Ferrous Metal Industry, 24 April 2017, page 53.

<sup>9</sup> See IS ITC: Preliminary Determination for a Countervailing Duty Investigation of Certain Aluminum Foil from the People’s Republic of China.



level, as well as at state level. Please provide copies of these policies.

This information is confidential.
-----------------------------------

Appendix reference:
---------------------



## SECTION G: Supplementary questions

### G1 Economic interest

The economic interest test helps the TRA assess the economic impact of a measure compared to what would happen if it was not imposed. There are six factors which the TRA must consider as part of the economic interest test:

- i) The injury caused by the dumped goods to UK industry and the benefits to that industry in removing the injury.
- ii) The economic significance of affected industries and consumers in the UK.
- iii) The likely impact on affected industries and consumers in the UK.
- iv) The likely impact on particular geographic areas, or particular groups, in the UK.
- v) The likely consequences for the competitive environment and for the structure of markets for goods in the UK.
- vi) Other matters that the TRA consider relevant.

The questions in this section will contribute to this assessment. Please provide information broken down by each of your company's UK sites/facilities, where relevant and possible.

1. Please provide an overview of your supply chain for the like goods, from raw materials through to final customers. Where possible, please describe the number, location and size of UK producers at each stage.

This information is commercially sensitive.
---

Appendix reference:
---------------------

2. Please provide total annual employment figures in FTE (full-time equivalents) for the injury period for all your company's business activities relating to production of the like goods. Where possible, provide sub-totals for each of your company's sites or facilities. Please indicate how these employment figures would be affected if an anti-dumping measure were not imposed? Please substantiate your claims with evidence. Where possible, please provide estimates (e.g. projections or forecasts) for the next five years and explain the method used to calculate them.

This information is commercially sensitive.

Appendix reference:

3. Please provide total annual median employment figures for all your company's sites involved in the production of the like goods during the injury period. If you are unable to provide median figures, please provide mean figures. How would these figures be affected if an anti-dumping measure on the goods concerned were not imposed? Please substantiate your claims with evidence. Where possible, please provide estimates for the next five years (e.g. projections or forecasts) and explain the assumptions made.

–This information is commercially sensitive.

Appendix reference:

4. Please state your share of the domestic market for aluminium extrusions based on sales volumes (including imports of the goods concerned and like goods as well as domestically produced like goods). Indicate how this share would be affected if an anti-dumping measure were not imposed? Please substantiate your claims with evidence. Where possible, please provide estimates (e.g. projections or forecasts) for future years and explain the method used to calculate them.

This information is commercially sensitive.

Appendix reference:

5. Please comment on how significant production of the like goods is in relation to your company's entire UK production. Within your response, please state the share of total production value represented by the like goods during the POI.

This information is commercially sensitive.

Appendix reference:

6. For the like goods and/or goods concerned, please state (by value) the proportion of your total sales that was exported during the POI.

This information is commercially sensitive.

Appendix reference:

7. Please indicate who the consumers of the like goods are, which industry and level of trade they relate to and whether they are companies or private individuals. Are the like goods considered to be an intermediate and/or final good?

This information is commercially sensitive.

Appendix reference:

8. Please comment on how any other industries, markets or products could be affected if a trade remedy is (not) implemented on the goods concerned. This could include substitute products (such as margarine for butter) or complementary products (such as printers and ink).

Substitution products such as steel, copper or plastic are unlikely to benefit much as the materials themselves do not share the same properties or value proposition that aluminium does and so if this is important then they will simply re-source from outside the UK in the event of a decline in UK manufacturing capacity and capability. For example, in the e-Mobility sector Aluminium has become the material of choice due to the specific requirement of that sector needing the value proposition of Shape definition, lightweight, crashability and environment credibility when compared to steel or PVC. By not applying trade remedies to the UK aluminium sector, and then if a subsequent decline in UK capability were to follow, then this industry would simply source from outside the UK instead.

Appendix reference:

9. Please describe how you would expect the implementation and non-implementation of a trade remedy to affect:
- market price of the like goods in the UK;
  - total UK output of the like goods;
  - total imports of the goods concerned to the UK; and
  - total exports from the UK.



Where possible, please provide estimates for the next five years (e.g. projections or forecasts) to support your claims.

This information is commercially sensitive.	
	Appendix reference:

10. Do you know of any related industries that might be affected by (non) implementation of a trade remedy?

Please consider in particular:

- upstream industries – those who produce inputs needed for the like goods or goods concerned
- downstream industries – those who purchase the like goods or goods concerned.

This information is commercially sensitive.	
	Appendix reference:

11. To what extent would you expect any changes in prices for the goods concerned or like goods to be passed onto final consumers?

This information is commercially sensitive.	
	Appendix reference:

12. Please explain any effects on your plans for future investment or expansion in the UK if an anti-dumping measure was not imposed. Please state how this would affect different sites/locations of your company and support your claims with evidence.

This information is commercially sensitive.	
	Appendix reference:

13. As a public body, TRID has an obligation under the *Equality Act 2010* to ensure that the possible effects of its activities on different people are considered. This public sector Equality Duty covers the following protected characteristics:

- age,
- disability,
- gender reassignment,



- marriage or civil partnership,
- pregnancy and maternity,
- race,
- religion or belief,
- sex, and
- sexual orientation.

If you have any information that could assist us in our consideration of whether the imposition of an antidumping measure might disproportionately affect any of these groups, please provide it in the box below.

We do not consider that anything contained in this questionnaire would conflict with the Equality Act 2010.

Please find attached Hydro code of conduct policy and relevant articles in the attached appendix.

Appendix reference:  
Appendix18-Equality  
Appendix18-CodeofConduct

14. Please explain how imposing a trade remedy measure could affect the following aspects of the competitive market environment and structure for the like goods and goods concerned in the UK:

- the range of suppliers of this type of goods in the UK;
- the ability of suppliers to compete in this market;
- the incentives for suppliers to compete vigorously;
- consumer choices and availability of information.

Please provide evidence to support your answer.

The imposition of a trade remedy would simply level the playing field for producers and importers allowing fair competition on the aluminium extrusion market.

Appendix reference:

15. Please describe the nature and degree of any regional impacts that you anticipate from the imposition of a trade remedy measure

Hydro does not envisage any regional impact following the introduction of a trade remedy measure.

Appendix reference:

16. If there are any additional economic factors that you consider to be relevant for the economic interest test in this investigation, please provide details here and any supporting evidence.

Injury is likely to increase due to the 'Threat of Injury' resulting from deflections of trade due to the anti-dumping measures imposed by the EU. Hydro has therefore requested 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.

UK Producers are 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 1 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.

Hydro observes that the difference between the provisional and definitive duties in the EU 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.

Hydro 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.

In Appendix 20 – Statement from European Aluminium and Appendix 20 – EA Extrusion Shipments and domestic Shipments, Bob Lambrechts of European Aluminium explains the background.

Appendix reference:  
Appendix 20 – Statement from European  
Aluminium

## SECTION H: Next steps and declaration

### Next steps

Once you have completed all parts of the questionnaire the declaration on the following page should be signed by an authorised official of your company.

The questionnaire, spreadsheet annex and any appendices should be submitted through the Trade Remedies Service ([www.trade-remedies.service.gov.uk](http://www.trade-remedies.service.gov.uk)) by **18 August 2021**. The checklist in Section I of this questionnaire may help ensure your submission is complete.

A confidential and non-confidential version of the questionnaire and spreadsheet annex(es) must be submitted. You can find guidance on how to complete confidential and non-confidential versions in our guidance on [how to submit information](#).



## Declaration

By signing this declaration, you agree that all information supplied in this questionnaire is complete and correct to the best of your knowledge and belief and understand that the information submitted may be subject to verification by the TRA.

Company name:

---

Date

---

Signature of authorised official

---

Name and title of authorised official

## SECTION I: Checklist and appendices

This section is an aid to ensure that you have completed all sections of this questionnaire.

Section	Please tick if you have responded to all questions
Section A – Company structure and operations	Y
Section B – About your goods	Y
Section C – Costs and production	Y
Section D - Sales	Y
Section E – Injury to your company	Y
Section F – Dumping	Y
Section G – Supplementary questions	Y
Section H – Next steps and declaration	Y

+Add additional rows as required

Please list any appendices that you have referenced in your responses and are attaching with this questionnaire.

Appendix reference	Document title
Appendices 1-4	Zip File A
Appendices 5-9	ZIP File B
Appendices 10-20	ZIP File C

+Add additional rows as required