



Trade Remedies
Authority

Final Determination

**Ironing boards
imported into the United Kingdom
from the Republic of Türkiye**

Investigation No. AS0020 into alleged subsidisation

Contents

Section A: Introduction	2
Section B: Summary and findings	3
Section C: Provisional measure	6
Section D: Background	8
Section E: The Goods Concerned and Like Goods	12
Section F: UK industry and UK market	15
Section G: Subsidy	20
Section H: Injury	35
Section I: Economic Interest Test	58
Section J: Final Determination and recommendation	76
Annex A: Interested parties and contributors	77
Annex B: PCN Structure	78

Section A: Introduction

1. This section briefly summarises the legal framework for this Final Determination and highlights the milestones of the investigation. The background to the investigation (see [Section D](#)) and the Trade Remedies Authority (TRA)'s findings on all other relevant aspects are set out in the remaining sections.
2. The purpose of this document is to set out our Final Determination and recommendation to the Secretary of State and detail the facts on which we have based our recommendation. It should be read in conjunction with other public documents available for this case on the [public file](#).
3. For further guidance and information about our investigations, please see our [public guidance](#).

A1. Legal framework

4. This Final Determination is made pursuant to paragraphs 11(5) and (6) of Schedule 4 to the Taxation (Cross-border Trade) Act 2018 (the Act).

A2. About this investigation

5. This investigation concerns a new application for countervailing measures to be applied on ironing boards imported into the United Kingdom (UK) from the Republic of Türkiye (Türkiye). The case was initiated on 7 April 2022 and our [Notice of Initiation \(NOI\)](#) was published on that date.
6. The period of investigation (POI) was 01 January 2021 to 31 December 2021. To assess injury, the TRA chose to examine the period from 01 January 2018 to 31 December 2021.
7. On 26 April 2023, we published our [Provisional Affirmative Determination](#) (PAD) and the [Statement of Essential Facts](#) (SEF). See [Section C](#) for more information.

Section B: Summary and findings

B1. Interested parties and contributors

8. This investigation involves the following interested parties:
- The Applicant (name withheld by request) (domestic producer);
 - Milenyum Metal Diş Ticaret Ve Sanayi A.Ş. (exporter);
 - 3M Plastik Ve Metal Diş Ticaret Ve Sanayi A.Ş. (exporter);
 - Addis Housewares Ltd (importer);
 - Mabel Home Ltd (importer); and
 - Ministry of Trade for Türkiye (foreign government).
9. This investigation involves the following contributors:
- Turkish steel supplier (name withheld by request).
10. The following parties registered to the case but did not provide a response to the questionnaires issued to them:
- Doğrular Ev Ürünleri A.Ş. (exporter);
 - EGE Kiran İthalat İhracat Ve Pazarlama Ltd Şti (exporter).
11. Relevant non-confidential submissions are published and available on the [public file](#).

B2. Scope

12. The [NOI](#) describes the Goods Concerned and sets out the scope of this investigation as:
- Ironing boards made from iron or steel, whether or not free-standing, with or without a steam-soaking and/or heating top and/or blowing top, including sleeve boards, and essential parts thereof, i.e. the legs, the top and the iron rest.*
13. Four commodity codes define the scope of the measure. The individual code definitions are fully described in [Section E](#).

B3. Subsidy assessment

14. In accordance with paragraph 8(3)(a) of Schedule 4 to the Act, we examined whether the Goods Concerned are subsidised.
15. We concluded that the Goods Concerned which have been or are being imported into the UK from Türkiye are subsidised (see [Section G](#)).

B4. Injury assessment

16. In accordance with paragraphs 5 and 8(3)(b) of Schedule 4 to the Act, we examined whether the importation of the Goods Concerned has caused or is causing injury to the UK industry in the Like Goods.
17. We concluded that the UK industry has suffered injury and that the subsidised goods from Türkiye have caused injury to the UK industry (see [Section H](#)).

B5. Economic Interest Test (EIT)

18. We considered the evidence before us and considered the following factors set out under paragraph 25 of Schedule 4 to the Act:
- the injury caused by the importation of the subsidised goods to a UK industry in the Like Goods and the benefits to that UK industry in removing that injury;
 - the economic significance of affected industries and consumers in the UK;
 - the likely impact on affected industries and consumers in the UK;
 - the likely impact on particular geographic areas, or particular groups, in the UK;
 - the likely consequences for the competitive environment, and for the structure of markets for Like Goods, in the UK; and
 - such other matters as we considered relevant.
19. We concluded that the application of the countervailing measure we are recommending to the Secretary of State meets the EIT (see [Section I](#)).

B6. Recommendation to the Secretary of State

20. With reference to paragraphs 11(5) and 11(6)(a) of Schedule 4 to the Act our Final Determination is in respect of Goods Concerned originating from Türkiye that fall under commodity codes:
- | | |
|-----------------|-----------------|
| • 7323 93 00 10 | • 8516 79 70 10 |
| • 7323 99 00 10 | • 8516 90 00 51 |
21. We determined that the Goods Concerned imported into the UK have been or are subsidised and the importation of the subsidised goods has caused injury to the UK industry. We determined that the application of the countervailing measure we are recommending to the Secretary of State meets the EIT.
22. In accordance with paragraphs 17(4), 18(2)(a), and 18(5) of Schedule 4 to the Act, we therefore recommend that the Secretary of State impose an ad-valorem duty on the

Goods Concerned which are the subject of the Final Determination at the following rates:

Table 1: Recommended ad-valorem duty rates

Country	Overseas exporter/producer	Countervailing measure
Türkiye	Milenyum Metal Dış Ticaret Ve Sanayi A.Ş.	4.02%
Türkiye	3M Plastik Ve Metal Dış Ticaret Ve Sanayi A.Ş.	4.02%
Türkiye	All other overseas exporters (residual amount)	4.02%

23. In the PAD our recommendation to require a guarantee was made pursuant to paragraphs 11(3) and 13(3)(b) of Schedule 4 to the Act. The provisional measure came into effect on 26 May 2023 with a requirement that importers of the Goods Concerned provide a guarantee in the form of cash, a bond or a bank guarantee, equal to the estimated amount of provisional anti-subsidy duty due on their imports of goods from Türkiye.
24. We therefore also recommend, in accordance with paragraph 19 of Schedule 4 to the Act and regulation 92 of the Regulations, that the definitive measures should apply to imports of the Goods Concerned from 26 May 2023.
25. This means that, in line with paragraph 18(3) of Schedule 4 to the Act, our recommendation is that the definitive measure applies for a period of five years from the day after publication of the Secretary of State's notice giving effect to this recommendation, plus the period from 26 May 2023 until the date of publication of that notice.

Section C: Provisional measure

26. On 26 April 2023, we published our PAD¹ and the SEF².
27. The PAD and recommendation to require a guarantee were made pursuant to paragraphs 11(3) and 13(3)(b) of Schedule 4 to the Act. The provisional measures came into effect on 26 May 2023³.
28. The SEF was published in accordance with regulation 62 of the Trade Remedies (Dumping and Subsidisation) (EU Exit) 2019⁴ (the Regulations). The SEF set out:
- the Final Determination that we intended to make;
 - a summary of the facts considered during the investigation; and
 - details of the analysis forming the basis of the intended Final Determination.
29. Following the publication of the PAD and the SEF, we invited interested parties, contributors and any other person who supplied information to the investigation to make submissions in response. The deadline for submissions was 23:59 hours on 29 May 2023⁵. We also gave interested parties and contributors the opportunity to meet to answer any questions on the published documents or to discuss any submissions.
30. We subsequently had meetings with the Applicant, Milenyum Metal Dış Ticaret Ve Sanayi A.Ş. ("Milenyum Metal") and the Government of the Republic of Türkiye ("the GoT"). A note for each meeting has been published to the [public file](#).
31. We received two submissions to the PAD and SEF. These submissions were from Milenyum Metal and the GoT. Non-confidential versions are available on the [public file](#). In this Final Determination, we have summarised and addressed the points raised in Milenyum Metal's and the GoT's submissions as appropriate. Our responses to their comments can be found in the sections relevant to the content of the comment itself.
32. In addition, we offered parties the opportunity to request a hearing in accordance with regulation 61 of the Regulations. We did not receive any requests for a hearing.

¹ Provisional Affirmative Determination: [Trade remedies \(trade-remedies.service.gov.uk\)](https://trade-remedies.service.gov.uk)

² Statement of Essential Facts: [Trade remedies \(trade-remedies.service.gov.uk\)](https://trade-remedies.service.gov.uk)

³ Taxation Notice: [Taxation notice 2023/05: provisional countervailing duty on ironing boards originating from Türkiye - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/taxation-notice-2023-05-provisional-countervailing-duty-on-ironing-boards-originating-from-turkiye)

⁴ Statutory Instrument No. 2019/450, as amended.

⁵ See Regulation 62(2) of [The Trade Remedies \(Dumping and Subsidisation\) \(EU Exit\) Regulations 2019 \(legislation.gov.uk\)](https://www.legislation.gov.uk/ukreg/2019/450)

C1. Additional requests for information

33. Following the publication of the PAD and SEF, we received a request from Milenyum Metal for further information on how the subsidy margin had been calculated. We granted this request and provided Milenyum Metal with a breakdown of the calculations we had performed using the confidential information they had provided.

Section D: Background

D1. Initiation

34. On 21 February 2022, the TRA received an [application](#) lodged by a UK producer of ironing boards (the Applicant) alleging that ironing boards imported into the UK from Türkiye are subsidised and causing injury to the UK industry.
35. It was specifically alleged that countervailable subsidies are provided to Turkish producers located within Turkish Free Zones ("Free Zones").
36. The Applicant is the only UK producer of ironing boards, and the market share requirement is met in accordance with regulation 52(2) of the Regulations.
37. The application contained evidence of countervailable subsidies and of resulting injury that the TRA deemed sufficient to justify the initiation of the investigation.
38. During verification, we confirmed the existence of subsidies outside the original scope of the investigation. Having considered regulation 41 of the Regulations and having provided opportunity for parties to comment, we published an amended NOI on 21 November 2022. This revised the scope of the investigation by including the following subsidies that were not referred to in the original NOI:

Preferential financing through equity and other capital instruments and provision of preferential export credit and insurance provided by the Government of the Republic of Türkiye and entities exercising functions on behalf of the Government, including banks (for example, loans provided by Türk Eximbank).

39. The recipients of these additional subsidies do not have to be located in a Free Zone. For example, Türk Eximbank offers loans for financing the preparation of goods for export, which are contingent on export commitments and are available to other eligible companies in Türkiye⁶. Including these subsidies within the scope means that the investigation has now considered subsidies available to ironing-board producers located both inside or outside Free Zones.

D2. Participation in the investigation

40. We invited interested parties and contributors to register to participate in the investigation.
41. [Annex A](#) contains a summary of information received from all interested parties and contributors.

⁶ For this example, refer to Exhibit 15 within the GoT's "[Exhibits Non-Confidential.zip](#)".

D2.1 The domestic industry

42. The sole registered UK producer is the Applicant.
43. We received a questionnaire response from the Applicant.

D2.2 Exporters from Türkiye

44. Initially, we received a registration of interest in the case from three Turkish exporters.
45. Due to the number of parties registering their interest in this investigation, we did not limit our examination of overseas exporters in accordance with regulation 57 of the Regulations. We confirmed this approach in our [note](#) dated 20 May 2022, which was published on the public file.
46. Of the initial three Turkish exporters, only Milenyum Metal continued to cooperate with the investigation. Milenyum Metal is located within a Free Zone and also exports the Goods Concerned to the UK through their associated company, 3M Plastik Ve Metal Dış Ticaret Ve Sanayi A.Ş. (3M Plastik).
47. 3M Plastik is a wholly owned subsidiary of Milenyum Metal and during the POI only exported the Goods Concerned produced by Milenyum Metal.
48. Milenyum Metal submitted a questionnaire response. This included 3M Plastik's submissions under the relevant annex.

D2.3 Importers

49. The following UK importers registered an interest in the case:
- Mabel Home Ltd ("Mabel Home"); and
 - Addis Housewares Ltd ("Addis").
50. We received questionnaire responses from both Mabel Home and Addis.

D2.4 Foreign Government

51. The GoT registered its interest through its Ministry of Trade and made submissions to the TRA during the investigation.

D2.5 Contributors

52. A steel supplier from Türkiye (name withheld by request) registered its interest in the case and made submissions to the TRA during the investigation. This supplier provides steel products to a range of domestic and overseas industries, including Turkish ironing board producers.

D2.6 Non-cooperation

53. Two other Turkish exporters initially registered to the investigation:
- Doğrular Ev Ürünleri A.Ş. (Dogrular); and
 - EGE Kiran İthalat İhracat Ve Pazarlama Ltd Şti. (EGE).
54. Neither Dogrular nor EGE submitted a sufficient questionnaire response. After repeated attempts to obtain their cooperation, we determined them both to be non-cooperative parties on 22 December 2022. We disregarded the limited information provided by Dogrular and EGE in accordance with regulation 49(1) of the Regulations.

D3. How we have used submitted data

55. Throughout this investigation, we used submitted data as part of our evidence base upon which we have made our assessments and formed our conclusions. We compared submitted evidence against the totality of relevant evidence available to us – whether this is evidence submitted by other interested parties, evidence taken from TRA data submissions, or publicly available data from governmental, industry and other sources.
56. We also used submitted data to corroborate or gain a level of assurance as to that data itself, or other evidence either submitted to us or gathered by us.

D4. Verification of data

57. We undertook verification activities in relation to the information provided by the cooperating interested parties, during which we assessed the completeness, relevance and accuracy of that information for the purposes of our investigation. We had regard to the information supplied by interested parties and contributors, provided that this:
- complied with our statutory obligations and public guidance;
 - is considered verifiable;
 - could be used without undue difficulty; and
 - was supplied within an applicable time limit and in a form that the TRA has requested.

58. We conducted on-site verification visits with the following interested parties:

Table 2: On-site verification visits

Interested party	Party type	Dates of visit
The Applicant	UK producer	30 August - 1 September 2022
Milenyum Metal and 3M Plastik	Turkish producer and exporter	19-23 September 2022
Mabel Home	UK importer	9 September 2022
Addis	UK importer	29-30 September 2022

59. Verification reports were produced for each of the parties visited and non-confidential versions of these reports are available on the [public file](#)⁷.
60. An [addendum](#) to Milenyum Metal's verification report was subsequently published following their clarification that certain elements of the report required updating.

⁷ [The Applicant's verification report](#), [Milenyum Metal's verification report](#), [Mabel Home verification report](#), [Addis's verification report](#)

Section E: The Goods Concerned and Like Goods

E1. Legislative framework

61. The Goods Concerned are defined in regulation 2 of the Regulations as “the goods described in the relevant notice of initiation [...] of a subsidisation investigation under regulation 65(2) [of the Regulations]”.
62. In accordance with paragraph 17(2) of Schedule 4 to the Act, the goods to which a Final Determination applies are referred to as the ‘Relevant Goods’. Since the goods which our Final Determination will apply to are the same goods as defined in [Section E2](#), this Final Determination will hereafter only refer to the ‘Goods Concerned’.
63. For the purposes of the Final Determination, we will refer to ‘Like Goods’ as those which are like the Goods Concerned in all respects or have characteristics which closely resemble them (paragraph 7 of Schedule 4 to the Act). A further description of the Like Goods is set out in [Section E3](#).

E2. Goods Concerned

64. The Goods Concerned in this investigation are ironing boards originating in Türkiye and exported to the UK, which are:
- made from iron or steel, whether or not free-standing, with or without a steam-soaking and/or heating top and/or blowing top, including sleeve boards, and essential parts thereof, i.e. the legs, the top and the iron rest.*
65. The Goods Concerned are subject to the following commodity codes:
- | | |
|-----------------|-----------------|
| • 7323 93 00 10 | • 8516 79 70 10 |
| • 7323 99 00 10 | • 8516 90 00 51 |
66. We are aware that there are goods falling into the description of the Goods Concerned which may be, or have been, imported under commodity codes outside of those set out in the NOI, including where the end-use qualifies for a lower duty rate⁸. The Final Determination will apply to the Goods Concerned as defined by the description of the goods that fall under the commodity codes set out in the NOI.

⁸ We found that one of the importers has occasionally used a different commodity code when registering the import transactions. The data from the importers participating in the case also suggests that imports from these do not cover the majority of imports registered by HMRC.

E3. Like Goods

67. Like Goods are defined as goods which are like the Goods Concerned in all respects or, if there are no such goods, goods which, although not alike in all respects, have characteristics closely resembling the Goods Concerned under paragraph 7 of Schedule 4 to the Act. Like Goods include:

ironing boards made from iron or steel, whether or not free-standing, with or without a steam-soaking and/or heating top and/or blowing top, including sleeve boards, and essential parts thereof, i.e. the legs, the top and the iron rest, currently falling within CN codes 7323 93 00 10, 7323 99 00 10, 8516 79 70 10 and 8516 90 00 51.

68. In identifying Like Goods, we considered:

- physical likeness, such as physical characteristics;
- commercial likeness, including competition and distribution channels;
- functional likeness, such as end-use or interchangeability;
- similarities in production, such as method and inputs; and
- other relevant characteristics.

69. We found that the basic product type consists of steel legs, steel top, an iron rest and textile cover. The primary use of all product types is the ironing of clothes.

E4. Product Control Numbers

70. The TRA uses Product Control Numbers (PCNs) to define and group different types of products that fall under the goods descriptions above ([Section E2](#) and [Section E3](#)).

71. PCNs are created on the basis of the main physical characteristics differentiating the goods, providing that the characteristics have an impact on price. This then allows us to match goods originating in Türkiye and exported to the UK with identical or mostly comparable domestically produced and sold goods in the UK.

72. In a subsidy investigation, the use of PCNs then allows the TRA to calculate the injury margins (see [Section H8.4](#)).

73. The PCN structure used in this case can be seen in [Annex B](#).

74. We received comments from interested parties on this PCN structure. Having considered the comments of interested parties, we concluded that this PCN structure was suitable for the purposes of this investigation.

75. We verified that parties had allocated PCNs consistently within their submissions, and where anomalies were identified, this was addressed with the parties.

E5. PCN analysis

76. In our calculations, we used the methodology of conducting a PCN-by-PCN margin calculation. PCN-by-PCN calculations were possible for PCNs that were both sold in the UK as domestically produced Like Goods and exported from Türkiye to the UK as the Goods Concerned. We determined that the PCNs included in our calculations were sufficiently representative to proceed with this methodology.

E6. Conclusion

77. We determined that the Goods Concerned are directly comparable and interchangeable with the Like Goods produced in the UK.

Section F: UK industry and UK market

F1. Overview

78. In accordance with paragraph 6 of Schedule 4 of the Act, the 'UK industry' is defined as:

- (a) *all the producers in the United Kingdom of the like goods, or*
- (b) *those of them whose collective output of like goods constitutes a major proportion of its total production in the United Kingdom of those goods.*

F2. The UK ironing boards industry

79. There is one known producer of the Like Goods ("the Applicant") in the UK. We determined that the Applicant constitutes the UK industry for this investigation.

80. The UK industry's production process of the Like Goods solely takes place in the UK and there is an existing UK market.

F2.1 Production processes

81. The UK industry's production process is as follows:

Stage One – Top manufacture

Mild steel coil or plates are perforated, flattened and cut into the shape of the ironing board top.

Stage Two – Rim

Mild steel strip is formed into a rim the shape of the ironing board. Cut sheets from stage one are inserted into the rim and attached.

Stage Three – Profiles

Mild steel profiles are then welded onto the underside of the top to strengthen the structure and allow for the fixing of the legs.

Stage Four – Rest

Plates of mild steel are pressed into iron rest shapes. Fixing wires are welded onto these shapes. The iron rest is welded onto the top.

Stage Five – Leg manufacture

Pre-cut lengths of mild steel tube are formed by a combination of pressing and welding into single or double leg configurations.

Stage Six – Height levers

Mild steel wires are formed into height levers by bending.

Stage Seven – Assembly

The tops and legs are assembled.

Stage Eight – Painting

The product is pre-treated with a rust inhibitor, then coated using epoxide resin and baked to fix the powder into place.

Stage Nine – Feet

Plastic material is moulded into the shapes of the feet.

Stage Ten – Dressing

The boards are 'dressed' with a fabric and foam/felt cover. Ancillary components are then added as required.

Stage Eleven – Packing

The ironing boards have a paper insert placed on them. The board is then automatically wrapped in plastic and labelled.⁹

F2.2 Employment details

- 82. During the POI, the UK producer had 110 employees directly involved in ironing board production, which represents 34% of their total workforce.
- 83. Employment is analysed in more detail in [Section I4](#).

F2.3 Conclusion on UK industry

- 84. We determined that the UK producer of the Like Goods (“the Applicant”) constitutes the UK industry for this investigation. The ironing boards produced by UK industry are Like Goods when compared to the Goods Concerned, they are wholly produced in the UK, and there is an existing UK industry.

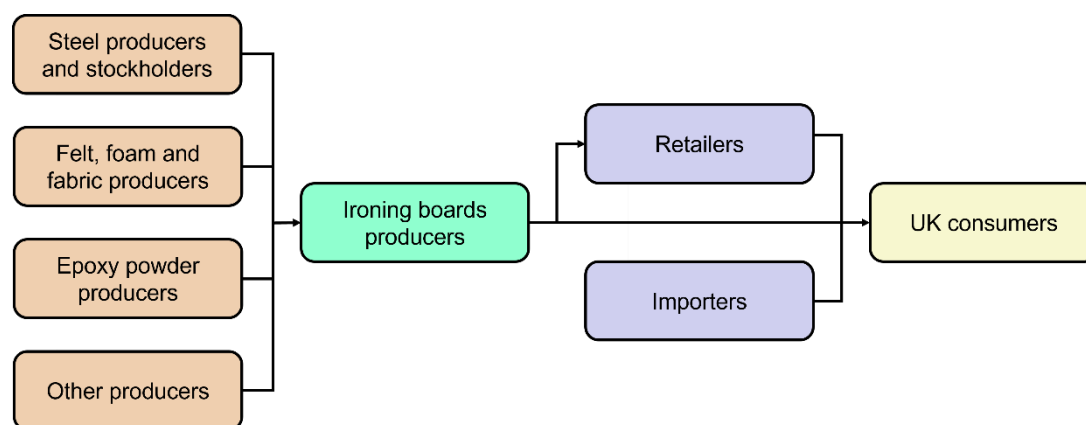
F3. UK market

- 85. Figure 1 illustrates the supply chain for ironing boards in the UK, detailing the main upstream industries and the structure of the market between production and consumption. Steel, in particular coil steel, is the most significant input in the production of ironing boards. Other inputs include felt, foam, fabric, paper inserts, epoxy powder coatings, polypropylene, and welding materials.
- 86. As mentioned in [Section E2](#) above, there is one known UK producer of ironing boards. Most of their inputs are sourced domestically, including steel. We identified approximately 20 upstream businesses in the UK that provide inputs in the production of ironing boards. However, ironing boards was an important product for only one of the businesses, a coil steel provider.
- 87. The producer mostly sells to retailers, and, to a lesser extent, wholesalers and directly to consumers.

⁹ [The Applicant's questionnaire response](#), section C3, question 1 (pages 22 and 23).

88. Importers include both retailers, wholesalers, and homeware brands. The latter re-sell ironing boards to retailers or directly to UK consumers such as households. We identified approximately 90 retailers and importers. For all businesses but two, ironing boards were not a significant product, in terms of turnover.
89. [Section I](#) includes a more detailed analysis of the UK market.

Figure 1: An overview of the ironing boards supply chain



Source: Questionnaire responses

F3.1 Market size

90. We estimated from questionnaire responses that approximately 1.4 million ironing boards were sold in the UK in 2021. Total sales of ironing boards include sales from the UK producer plus imported ironing boards in 2021.
91. During the POI, we estimated that the UK producer supplied between 30% to 40% of total demand, in terms of both volume (kg) and value (£).

F3.2 Market analysis

92. We consider the market for ironing boards to be mature, with an established customer base, as most UK households own at least one ironing board¹⁰. As a mature industry, we would not expect substantial growth in the customer base or the market. However, there are ongoing trends in demand for high quality and new innovations at competitive prices¹¹.
93. HMRC import data suggests that although there was a notable decrease in global demand for ironing boards during the COVID-19 pandemic, the market has shown signs of recovery, as UK production and non-EU imports increased in 2021. However,

¹⁰ [Ironing Boards Market Size, Share & Trends | Research Report, 2030 \(alliedmarketresearch.com\)](#)

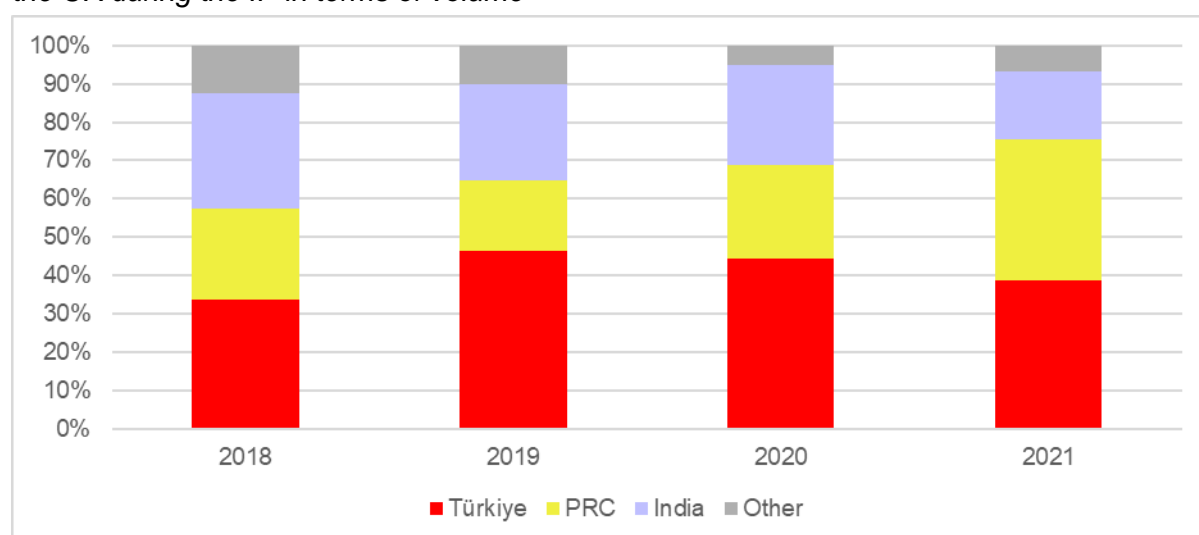
¹¹ [Ironing Table Market Size, Analysis, Share Trends – 2032 \(futuremarketinsights.com\)](#)

it remains unclear how the forecasted economic slowdown and high inflation rate will impact future demand.

F3.3 Sources of supply

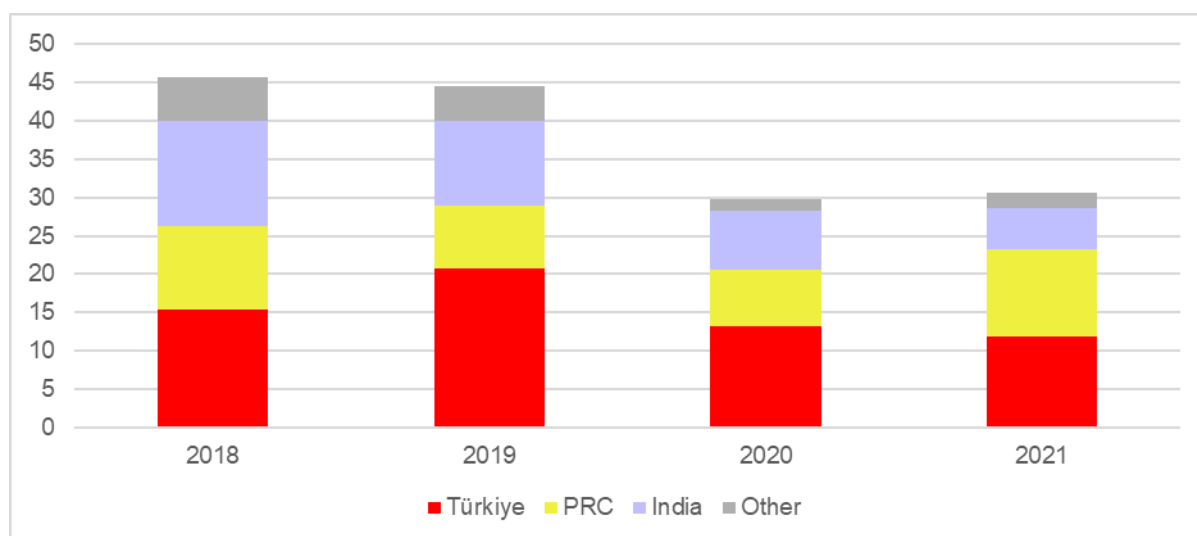
94. Figure 2 shows the non-EU sources of UK imports of the Goods Concerned and Like Goods over the IP. The UK's main sources of supply are Türkiye, the People's Republic of China (PRC), and India, which accounted for 87% to 95% of the import volume (kg) of ironing boards from non-EU countries during the IP. The share of imports from Türkiye was between 34% and 46% during the same period.
95. The EU is also another major source of supply of ironing boards for the UK, accounting for 29% of the total import volume (kg) in 2021. For the 10-digit commodity codes of interest, data for imports from the EU is only available from 2021, so is not included in Figures 2 or 3.

Figure 2: Share of imports of the Goods Concerned and Like Goods from non-EU countries to the UK during the IP in terms of volume



Source: Non-published import data, provided by HMRC in October 2022

Figure 3: Volume of imports of the Goods Concerned and Like Goods to the UK from non-EU countries during the IP (00,000 kg)



Source: Non-published import data, provided by HMRC in October 2022

F3.4 Competition in the market

96. As discussed in [Section 17](#), the ironing boards market is competitive in nature, as retailers are likely to hold the market power. Producers and importers are therefore not able to materially influence market conditions, which is unlikely to change as a result of the imposition of a countervailing duty. Based on questionnaire responses, we also concluded that ironing boards are a commoditised good, which means that retailers and consumers are likely to be able to switch easily between suppliers.

Section G: Subsidy

G1. Introduction to subsidy

97. In accordance with paragraph 3(3) of Schedule 4 of the Act, a subsidy is deemed to exist if there is either:
- a financial contribution by a foreign authority which confers a benefit on the recipient); or
 - a form of income or price support within the meaning of Article XVI of the General Agreement on Tariffs and Trade 1994 (part of Annex 1A to the WTO Agreement) received from a foreign authority which confers a benefit on the recipient.
98. Not all subsidies are countervailable (i.e. capable of being offset through a trade remedy). In accordance with paragraph 3(2) of Schedule 4 of the Act, a subsidy is countervailable if it is specific rather than general and is granted either directly or indirectly for the manufacture, production, export or transport of goods. These subsidies may promote unfair trade in goods that harm UK industry.
99. This section will outline:
- the subsidy schemes we considered;
 - our assessment of the countervailability of the schemes we identified to be within the scope of the investigation;
 - our methodology for determining the amount of subsidy attributable to the Goods Concerned in the POI for each subsidy determined to be countervailable;
 - the individual subsidy amount applicable to Milenyum Metal, and the residual amount; and
 - our response to any specific comments from interested parties following the publication of the PAD and SEF.
100. We calculated an individual subsidy amount for the cooperating overseas exporter and their associated exporting company: Milenyum Metal and 3M Plastik.
101. We then determined a subsidy amount for all other overseas exporters. This is known as the residual subsidy amount.
102. We used data that was assessed as verifiable and to be complete, relevant and accurate to calculate the subsidy amounts set out in [Section G8](#). The methodology used to calculate the subsidy amounts is set out in the sections below.

G2. Background

103. In the mid-1980s, the GoT began pursuing a programme of economic liberalisation¹². As part of this programme, the GoT introduced legislation providing for the establishment of Free Zones: private sites within the borders of Türkiye but formally outside its customs area¹³.
104. Free Zones provide licensed companies with a variety of benefits, including tax exemptions, and they are one of multiple kinds of investment region in Türkiye, alongside Organized Industrial Zones (OIZs) and Technology Development Zones. There are currently 18 Free Zones in operation across Türkiye¹⁴. In addition to industrial regions, the GoT has also made preferential financing available to promote export competitiveness, including loans through Türk Eximbank¹⁵.

G3. Approach

105. During the investigation, we examined whether there was evidence that the Goods Concerned had benefitted from countervailable subsidies relating to Free Zones and preferential financing.
106. We also sought to identify other subsidy schemes relevant to the Goods Concerned¹⁶, and assessed whether there was sufficient evidence to include any additional subsidy schemes in the scope of the investigation.
107. To assess whether the subsidies identified to be within the scope of the investigation are countervailable, we considered:
- whether there had been a financial contribution from a foreign authority in line with regulation 20 of the Regulations;
 - whether the scheme conferred a benefit on the Goods Concerned during the POI in line with regulation 21 of the Regulations;
 - whether the scheme is specific in line with regulation 22 of the Regulations and considering regulation 22(4).
108. For each subsidy scheme that we determined was countervailable, we then calculated the benefit conferred by the scheme that was attributable to the Goods Concerned in the POI.
109. Although three Turkish exporters registered to the case, only Milenyum Metal provided a sufficient questionnaire submission. Therefore, for each subsidy programme identified, we calculated a subsidy amount based on Milenyum Metal's information.

¹² [The GoT's questionnaire response](#), section C2, question 1 (page 16).

¹³ List Istanbul, "[Investment regions in Turkey](#)" (published 8 September 2019, accessed 29 December 2022).

¹⁴ [The GoT's questionnaire response](#), section C2, question 1 (page 16).

¹⁵ [The GoT's questionnaire response](#), section C5, question 2 (pages 30 to 45).

¹⁶ The TRA considered information in the [application](#) and issued questionnaires to collect information from interested parties. We then examined the questionnaire responses we received from the [GoT](#) and [Milenyum Metal](#). We also considered open-source information on subsidy schemes available in Türkiye.

110. We attempted to identify all the exporters of the Goods Concerned. No registered parties were able to provide a comprehensive list of ironing-board exporters in Türkiye. The Applicant did identify six¹⁷ and the GoT provided a list of 8,246 companies that had globally exported the eight-digit commodity codes covering the Goods Concerned in 2021.
111. We used this information, in combination with open sources¹⁸, to establish that there are at least eight exporters of ironing boards in Türkiye, but of these, Milenyum Metal were the only exporter to cooperate fully with the investigation.
112. [Section G4](#) (below) sets out the subsidy schemes we consider relevant, along with our assessment of whether each scheme is countervailable, and if so, how we calculated the applicable subsidy amount.

G4. Subsidy schemes

113. We identified the following subsidy schemes that we deem to be countervailable:

Table 3: Subsidy schemes used to calculate the subsidy amount

Scheme	Subsidy type	Legislation
Corporate-tax exemptions	Preferential tax programme	Free Zones Law No. 3218
Income-tax exemptions	Preferential tax programme	Free Zones Law No. 3218
Property-tax exemptions	Preferential tax programme	Property Tax Law No. 1319
Eximbank loans	Export credits and financing	Various

Source: Questionnaire responses

G4.1 Corporate-tax exemptions

114. Producers in Free Zones receive exemptions from corporate tax¹⁹. The earnings they generate in Free Zones are allowed as deductions from the tax they would otherwise have to pay to the GoT were they not located in a Free Zone. Having considered [footnote 1](#) and [Annexes I to III](#) to the Agreement on Subsidies and Countervailing Measures²⁰, we determined that corporate-tax exemptions in Free Zones amount to a

¹⁷ The [application](#), “Other parties” section, question 1 (pages 16 to 18).

¹⁸ These sources include the websites of Free-Zone operators. For example, Kayser’s [“Companies”](#), Mesbaş’s [“Companies”](#), İzbaş’s [“Full Company List”](#), Esbaş’s [“AFZ Company List”](#) and Kosbaş’s [“Companies In Our Free Zone”](#).

¹⁹ In their [questionnaire response](#), the GoT submitted that “According to the provisions of Provisional Article 3 of Free Zones Law No. 3218 dated June 6, 1985: (a) Free zone users which obtained an operating license before February 6, 2004 are **exempt from income or corporate taxes** on the earnings generated through their activities in these zones, as long as they have a valid operating license for ‘Production’ in a free zone” (emphasis added). See also the “Free Zone Law” in [Exhibit 5](#) within “Exhibits Non-Confidential”.

²⁰ [Agreement on Subsidies and Countervailing Measures](#). In particular, see Annex I, item (e).

financial contribution from the GoT, in accordance with regulations 20(1)(b) and 20(2) of the Regulations.

115. The nature of the subsidy is a direct tax exemption, and the benefit is conferred upon the whole of a business holding a Free-Zone operating licence. We determined that this subsidy confers a benefit on the ability of manufacturer-exporters to produce and export the Goods Concerned, and we verified the benefit conferred on Milenyum Metal during the POI.
116. To receive this subsidy, producers must hold a Free-Zone operating licence²¹. Under regulation 22(2) of the Regulations and with reference to regulation 22(4), we concluded that the scheme is specific under regulation 22(2)(a)(iv), being limited to specific geographical regions in Türkiye.
117. As these corporate-tax exemptions are financial contributions from a foreign authority, confer a benefit on the recipient, and are specific, we concluded that they constitute countervailable subsidies.
118. For determining the subsidy amount applicable to Milenyum Metal for corporate-tax exemptions, we verified that Milenyum Metal have a Free-Zone operating licence²² and so were eligible for the corporate-tax exemption they received in the POI. We also verified that the amount they received related to activities in a Free Zone.
119. Considering that corporate tax is a direct tax imposed on the profits of a company (where the rate of corporate tax in Türkiye was 25% during the POI²³), we needed to identify the profits relevant to Milenyum Metal's ironing-board exports to the UK during the POI to quantify the corporate-tax exemption attributable to the Goods Concerned.
120. We calculated the benefit attributable to the Goods Concerned by calculating the total amount of profit relevant to Milenyum Metal's UK exports of ironing boards. This is appropriate because of the close connection between corporate-tax exemptions and revenue streams and also because the information provided by Milenyum Metal allowed us to factor in this connection. This was the most accurate attribution method for corporate-tax exemptions (whereas, for the other countervailable subsidies identified below, attributing the benefit conferred entirely by sales value was more appropriate, because the receipt of those subsidies was not so closely linked with profits).
121. When performing these calculations for the PAD and the SEF, we excluded all costs classified as "selling expenses", which mainly consisted of transport costs and sales-staff salaries. This was because we had discussed the selling expenses with Milenyum Metal during verification and concluded they related exclusively to third-country shipments.

²¹ In answer to question 1, section C3 (page 23) of their [questionnaire response](#), the GoT stated that "it is obligatory to have an Operating License on Manufacturing for the Corporate Tax exemption".

²² Milenyum Metal, [Appendix A2-3](#) within "Appendices-Milenyum Metal (Producer-Exporter)-NON-CONFIDENTIAL".

²³ The GoT's [questionnaire response](#), section B3, question 1 (page 12).

122. However, in response to the SEF, Milenyum Metal clarified that some of these expenses were in fact relevant to the Goods Concerned. We assessed the evidence provided, reinspected the relevant accounts and we determined these expenses should be included in our calculations, as they are relevant to the Goods Concerned. No further verification was required as this change related to the interpretation of the existing information we had already assessed rather than any new data. This reduced the subsidy amount for corporate-tax exemptions by 0.4209 percentage points, from 3.4869% in the PAD and SEF to 3.0660%.
123. In their SEF response, Milenyum Metal also submitted that we should adjust the profit from their UK exports to remove the effects of exchange-rate gains/losses and transport income from UK sales.
124. We assessed this claim and the evidence provided, and we determined such adjustments were not appropriate. We concluded that, in order to calculate the benefit conferred from corporate-tax exemptions, it is correct to include all revenue streams and costs that were relevant to the Goods Concerned (and exclude all those that were not relevant to the Goods Concerned). The exchange-rate gains/losses and transport income that arose from Milenyum Metal's sales of the Goods Concerned were relevant and have therefore been included.
125. In the PAD and SEF, we excluded corporate-tax payments relating to domestic sales, because they were not relevant to UK sales. We then apportioned all the remaining profit amounts by sales value. Having calculated the amount of profit attributable to the Goods Concerned, we then applied the corporate-tax rate of 25% to establish the benefit conferred. This gave us the benefit conferred by the corporation-tax exemption already attributed to the Goods Concerned in the POI.
126. In response to the SEF, Milenyum Metal submitted their own calculation of the subsidy amount for corporate-tax exemptions. We examined their calculation and concluded that Milenyum Metal had not accounted for the 25% corporate-tax rate. Whilst our calculations identified the benefit to be 25% of the profit from the Goods Concerned, they applied adjustments to this amount at a rate of 100%. We therefore found the impact of the adjustments to be overstated.
127. We concluded that **corporate-tax exemptions conferred a benefit on Milenyum Metal's exports of the Goods Concerned corresponding to a subsidy amount of 3.0660%** (as opposed to 3.4869% in the PAD and SEF).

G4.2 Income-tax exemptions

128. Producers in Free Zones receive exemptions from income tax if they "export at least 85% of the Free on Board (FOB) value of the products manufactured in these zones"²⁴. For such producers, the GoT does not require income tax to be paid on the labour costs relating to activities in Free Zones. Producers make deductions from their employees' wages as normal, but are not required to pay this over to the GoT. For companies and activities outside of a Free Zone, income tax is a requirement.

²⁴ See Interim Article 3 on page 6 of the "Free Zone Law" (Exhibit 5 within "[Exhibits Non-Confidential](#)").

129. Having considered [footnote 1](#) and [Annexes I to III](#) to the Agreement on Subsidies and Countervailing Measures²⁵, we determined that income-tax exemptions in Free Zones do amount to a financial contribution from the GoT, in accordance with regulations 20(1)(b) and 20(2) of the Regulations.
130. The nature of the subsidy is a direct tax exemption. Income tax is a direct tax imposed on personal income, and recipients of this subsidy are “exempted from the income tax on the wages they pay to their workers”²⁶.
131. In their questionnaire submission, Milenyum Metal reported that income-tax exemptions conferred a benefit on their company during the POI²⁷. We determined that the exemption allows recipients to keep the amount they would otherwise be paying to the GoT on behalf their employees. We also found that the benefit is conferred upon the whole of a business holding a Free-Zone operating licence.
132. We concluded that this subsidy confers a benefit on the ability of manufacturer-exporters to produce and export the Goods Concerned.
133. To receive this subsidy, producers must hold a Free-Zone operating licence²⁸. Under regulation 22(2) of the Regulations and with reference to regulation 22(4), we concluded that the scheme is specific under regulation 22(2)(a)(iv), being limited to specific geographical regions in Türkiye²⁹.
134. As these income-tax exemptions are financial contributions from a foreign authority, confer a benefit on the recipient, and are specific, we concluded they constitute countervailable subsidies.
135. We verified that Milenyum Metal was eligible for the income-tax exemption they received in the POI³⁰, and we verified that the amount they received related to activities in a Free Zone. We were able to identify the exact amount of the exemptions from Milenyum Metal’s questionnaire submission, as Milenyum Metal had provided the total amount of benefit attributable to the POI from the income-tax exemption, along with sufficient source documentation for us to verify the figure.
136. To attribute the benefit to the Goods Concerned, we apportioned the amount across all of Milenyum Metal’s sales by value, because the benefit was conferred on the whole company, not just the Goods Concerned. **This resulted in a subsidy amount of 0.7515%.**

²⁵ [Agreement on Subsidies and Countervailing Measures](#). In particular, see Annex I, item (e).

²⁶ Interim article 3 in Exhibit 5 within the GoT’s “[Exhibits Non-Confidential](#)”.

²⁷ Milenyum Metal’s [questionnaire submission](#), Annex II, D2

²⁸ In answer to question 1, section C2 (page 17) of their [questionnaire response](#), the GoT stated that companies “are exempt from income [...] taxes on the earnings generated through their activities in [free] zones, as long as they have a valid operating license for ‘Production’ in a free zone”.

²⁹ See regulation 22(2)(a)(iv) of the Regulations.

³⁰ Milenyum Metal, [Appendix A2-3](#) within “Appendices-Milenyum Metal (Producer-Exporter)-NON-CONFIDENTIAL”.

G4.3 Eximbank loans

137. Türk Eximbank is a “fully state-owned bank”³¹ acting as “the official export credit agency of the Turkish government and Türkiye’s major export incentive instrument”³². It is required to operate programmes according to its “Establishment Principles and Charter”, overseen by a committee containing senior government ministers³³. We consider it to be functionally a part of the GoT that (unless otherwise stated) is providing finance as a foreign authority. It provides loans under various schemes and those identified and deemed to be potentially countervailable are detailed in the table below:

Table 4: Türk Eximbank programmes that were used to calculate the subsidy amount

Programme name	Abbreviation	Purpose
Rediscount Program ³⁴ (or Rediscount Credit Program)	RP	To finance the preparation of exports and increase the competitiveness of exporters
Export-Oriented Working Capital Credit Program ³⁵	EOWCP	To finance the working-capital needs of exporters for raw materials, intermediate goods and final goods
Export-Oriented Investment Credit Program ³⁶	EOICP	To finance machine, equipment and accessory expenditures
Pre-Export Credit Program ³⁷	PEC	To meet the working-capital needs of exporters, manufacturer-exporters and export-oriented manufacturers

Source: Questionnaire responses

138. The different schemes are all loans, and as can be seen from the table above, they help finance different aspects of the exporting (and production) process, but all with a stated aim of increasing the ability of Turkish companies to export competitively.
139. During verification, we identified that Eximbank loans can be more beneficial than commercial loans. This included the payment scheduling, the length of loan terms, larger limits and different currency options. We then found evidence that some of the

³¹ EMIS, “[TURK EXIMBANK \(TURKIYE\)](#)” (accessed 27 October 2022).

³² Trade Finance Global, “[Türk Eximbank | Export Credit Agency \(ECA\) in Turkey](#)” (accessed 19 October 2022). In “[Fitch Affirms Turk Eximbank at ‘B’; Outlook Negative](#)” (accessed 27 October 2022), FitchRatings remarked on the GoT’s “propensity to support the bank in case of need”, the significant amounts of “Central Bank of Turkey (CBRT) funding and the record of support from the authorities”.

³³ Türk Eximbank’s “[Corporate](#)” webpage states that its operational framework is shaped by the programmes of its “Establishment Principles and Charter”. “These programs, which the Executive Board must follow, enter into force by decision of the Supreme Advisory and Credit Guidance Committee. The Supreme Advisory and Credit Guidance Committee is chaired by the affiliated Minister and comprises: the Deputy Minister of Treasury and Finance, the Deputy Minister of Commerce, the Deputy Minister of Industry and Technology, the Chairman of the Central Bank of the Republic of Türkiye, the Deputy Chairman of Strategy and Budget, the Chairman and Vice-Chairman of the Board of Directors and the General Manager of the Bank are natural members of the Board.”

³⁴ The GoT’s [questionnaire response](#), section C5 (pages 39 to 41)

³⁵ The GoT’s [questionnaire response](#), section C5 (page 31 to 33)

³⁶ The GoT’s [questionnaire response](#), section C5 (page 33 to 35)

³⁷ The GoT’s [questionnaire response](#), section C5 (page 35 to 37)

Eximbank loans received by Milenyum Metal were more beneficial than commercial loans.

140. We determined both that Eximbank loans can in principle benefit the Goods Concerned, and that in practice the loans Milenyum Metal received did confer benefits in the POI.
141. We then considered the specificity of the Eximbank programmes, with reference to regulation 22(4), 22(5) and 22(6). We identified that there are clear and verifiable eligibility criteria for the loans. We noted that recipients must make an export commitment and will face penalties if they do not fulfil that export commitment (or only partially fulfil it)³⁸. That is, to benefit fully from the loan, recipients have to export an FOB value not less than the principal of the loan (plus interest and other charges)³⁹. It is not sufficient to just be an exporter.
142. We determined that Eximbank loans under the RP, the EOWCP, the EOICP and the PEC programme are specific because they are contingent on export performance, in accordance with regulation 22(2)(a)(ii).
143. As Eximbank loans under the RP, the EOWCP, the EOICP and the PEC programme are financial contributions from a foreign authority, confer a benefit on the recipient, and are specific, they constitute countervailable subsidies.
144. We calculated the benefit attributable to the POI using the source documentation provided by Milenyum Metal for each loan.
145. We compared the interest payments made in the POI with average commercial rates reported by the Central Bank of the Republic of Türkiye⁴⁰. For each loan that involved payment of interest in advance, we calculated the benefit conferred as the difference between the upfront payment at the loan's actual interest rate and the payment that would have been expected at a commercial rate. This is in accordance with regulation 21(4) of the Regulations.
146. From the benefit attributable to the POI, we deducted the fees necessary to receive the Eximbank loans which exceeded those expected for comparable commercial loans.
147. Finally, we calculated the benefit attributable to the Goods Concerned. Since the benefits from the Eximbank loans were conferred on Milenyum Metal as a whole (and not solely upon the Goods Concerned), we apportioned the benefits attributable to the POI across all Milenyum Metal's sales by value.

³⁸ The GoT's "[Exhibits Non-Confidential](#)". See Exhibit 10, section 18 (page 9), Exhibit 12, section 19 (page 10), Exhibit 13, section 16 (page 7), and Exhibit 15, section 27 (page 19).

³⁹ The GoT's "[Exhibits Non-Confidential](#)". See Exhibit 10, section 6 (page 3), Exhibit 12, section 6 (page 2), Exhibit 13, section 13 (page 5), and Exhibit 15, section 27 (page 19). For the EOWCP and the EOICP, loans longer than 5 years require a commitment not less than 1.5 times the principal (plus interest and other charges).

⁴⁰ The Central Bank of the Republic of Türkiye, Electronic Data Distribution System, <https://evds2.tcmb.gov.tr/index.php?/evds/portlet/K24NEG9DQ1s%3D/en> (accessed 6 September 2022).

148. Using this methodology, we calculated that **Eximbank loans conferred a benefit on Milenyum Metal's exports of the Goods Concerned that corresponds to a subsidy amount of 0.1881%.**

G4.4 Property-tax exemptions

149. As stated in our SEF, we continued to investigate property-tax exemptions and the corresponding subsidy amounts after completing the PAD.
150. Property tax is a direct tax imposed annually on the value of property. The exact rates of property tax due vary between municipalities, but typical rates are 0.2% for non-residential buildings, 0.1% for land, and 0.3% for plots⁴¹. Certain properties in Türkiye are exempt from these taxes. Article 4 of [Property Tax Law No. 1319](#) sets out the full list of exemptions.
151. Under the property-tax exemption, no property tax is paid on exempted buildings, and this includes buildings in Free Zones which are not rented out⁴². Consequently, recipients of the exemptions will not be paying taxes to the Turkish authorities that would otherwise be applicable. Having considered [footnote 1](#) and [Annexes I to III](#) to the Agreement on Subsidies and Countervailing Measures⁴³, we determined that property-tax exemptions do amount to a financial contribution from the GoT, in accordance with regulations 20(1)(b) and 20(2) of the Regulations.
152. Recipients of this subsidy will not be paying property taxes for eligible properties and will therefore be in a better financial position than if they were paying all generally applicable property taxes. Since ironing-boards producers in Free Zones are eligible, we determined that property-tax exemptions would in principle confer a benefit on the Goods Concerned.
153. Furthermore, we found evidence that benefits were conferred in practice during the POI. Milenyum Metal received property-tax exemptions for the factory at their main land plot. For the POI, they received an exemption of between 28,000 TRY and 35,000 TRY, as shown in their tax declaration to Melikgazi Municipality Revenue Administration in Kayseri⁴⁴. (We also confirmed that, for the properties that were not eligible for exemptions, Milenyum Metal did pay property taxes⁴⁵.)
154. We concluded that property-tax exemptions do confer a benefit, in line with regulation 21 of the Regulations.

⁴¹ The GoT's [questionnaire response](#), section C5 (page 49). These rates are doubled within the borders of a metropolitan municipality. Also see Immigrant Invest's "[Taxes in Turkey: a complete guide for individuals and companies](#)" (accessed 24 October 2022).

⁴² The Republic of Türkiye Ministry of Trade's "[Advantages of the Turkish Free Zones](#)" (accessed 24 October 2022).

⁴³ In particular, see [Annex I, item \(e\)](#).

⁴⁴ See [Attachment 1\(a\)1 Milenyum Metal Property Tax Letter-PUBLIC.pdf](#).

⁴⁵ This is explained in Milenyum Metal's answer to question 1(a) within "[AS0020 - Milenyum Metal - Answers to Additional Questions-PUBLIC.pdf](#)". We checked the payments by inspecting the collection receipt from Melikgazi Municipality Directorate of Financial Services Collection Directorate. This collection receipt was provided to us during the verification process, and is confidential.

155. We assessed that property-tax exemptions are specific, because they are limited to certain geographical regions or otherwise disproportionately favour certain enterprises and industries.
156. We note that property-tax exemptions are also available outside of Free Zones. They are available in OIZs, industrial zones, technology development zones and industrial sites, as well as being applied to certain types of building regardless of their location.
157. Article 4 of the Turkish legislation sets out criteria governing the eligibility for property-tax exemptions, but these are not objective or neutral. Paragraph (m) of Article 4 relates to geographical locations, and is therefore specific in accordance with regulation 22(2)(iv) of the Regulations. The other paragraphs in Article 4 define which types of property are eligible, but all these types of property have a precise function, and so in practice, only certain enterprises will own them. As a result, the eligibility criteria are not neutral and not objective.
158. We acknowledge Milenyum Metal's initial statements that industrial sites exist in "all cities and almost all towns", and that in their opinion, property-tax exemptions are "general in nature and not specific to a region or industry"⁴⁶.
159. However, we found that the list of eligible buildings is finite and defined, and the eligibility criteria are clear and verifiable. Using data submitted by the GoT⁴⁷, we estimated the number of companies receiving the exemptions. This suggested that property taxes of 0% are not so widely available as to constitute a generally applicable tax rate. The subsidy does represent an *exemption* from taxes that would normally be payable, and the exemption is only available in relation to a defined list of eligible buildings.
160. In response to the SEF, Milenyum Metal submitted that property-tax exemptions are not specific because eligibility is automatic.
161. We considered this claim and we agree that eligibility is automatic, but automatic eligibility does not in itself mean a subsidy is not specific. Since the criteria and conditions set out in [Turkish Property Tax Law 1319](#) are not objective⁴⁸ (see paragraph 157), their automatic application does not change our determination on specificity from the PAD and SEF.
162. Having made all of the necessary considerations under regulation 22(4), we concluded that the subsidy is specific, in line with regulations 22(2)(a), 22(2)(b) and 22(3)(a) of the Regulations.

⁴⁶ See Milenyum Metal's answer to question 1(c) within "[AS0020 - Milenyum Metal - Answers to Additional Questions-PUBLIC.pdf](#)".

⁴⁷ This was submitted by the GoT in their corresponding confidential version of "[Industry information in Türkiye - Non-Confidential.docx](#)".

⁴⁸ According to regulation 22(5)(b) of the Regulations, "objective criteria or conditions" means criteria or conditions that are neutral, do not favour certain industries or enterprises over others, and which are economic in nature and horizontal in application, such as the number of employees or size of enterprises. As explained, property-tax exemptions do favour certain industries or enterprise over others, and so the criteria and conditions are not objective.

163. In addition, we concluded that property-tax exemptions are in scope, because they can be received directly as a result of being in a Free Zone.
164. To attribute the benefit to the Goods Concerned, we apportioned the total benefit of 28,000 TRY to 35,000 TRY across all of Milenyum Metal's sales by value. This was because the benefit was conferred on the whole company, not just the Goods Concerned. This resulted in a **subsidy amount of 0.0202%**.

G4.5 Pass-through

165. According to regulation 21(2) of the Regulations, countervailable subsidies may confer benefits directly or indirectly. When an upstream subsidy confers a benefit on the Goods Concerned indirectly, this is known as "pass-through".
166. Having examined their purchases listing for the POI⁴⁹, we identified that Milenyum Metal had purchased inputs to the Goods Concerned from suppliers in Free Zones⁵⁰. In line with our SEF, we therefore continued to investigate pass-through after completing the PAD. This included investigating pass-through from corporate-tax exemptions in Free Zones, income-tax exemptions in Free Zones, Eximbank loans and property-tax exemptions.
167. To inform our pass-through assessment, we requested additional information from all cooperating parties that were already registered to the investigation. We also requested information from Milenyum Metal's suppliers during the POI. We received responses from [the Applicant](#), [the GoT](#), [Milenyum Metal](#), and [a steel supplier to Milenyum Metal](#).
168. Since corporate-tax exemptions in Free Zones, income-tax exemptions in Free Zones, Eximbank loans and property-tax exemptions represent financial contributions from a foreign authority, it follows that pass-through from these subsidies would amount to an indirect financial contribution from a foreign authority.
169. Rather than automatically presuming benefit to the producers of the Goods Concerned on identifying upstream subsidies, we considered whether there was evidence that the four subsidy schemes (above) had conferred an indirect benefit on the Goods Concerned.
170. Having considered the available information, we concluded there was no reliable evidence of a causal link between upstream subsidies and the prices of inputs to the Goods Concerned. Although we observed a difference between the price of steel purchased by Milenyum Metal and the prices we used as benchmarks, the reasons for the price difference could not be determined from the available information. We did not have reliable information regarding the other factors that might be affecting the prices, and we could not attribute the price difference to pass-through. Therefore, we could not conclude a benefit was conferred on the Goods Concerned from pass-through.

⁴⁹ See the "C14_-RM_and_input_purchases" sheet within "[NON_CONFIDENTIAL_Questionnaire_Annex_II \(Milenyum Metal\).xlsx](#)".

⁵⁰ We confirmed this during on-site verification and through open-source research.

171. As a result, we decided **not to include pass-through within our recommended measure.**

G4.6 Other subsidy programmes

172. We also investigated other subsidy programmes during our investigation. The schemes we identified and deemed not to be countervailable are detailed in the table below:

Table 5: Subsidy schemes not used to calculate the subsidy amount

Scheme	Subsidy type	Legislation	Reason not countervailable
KOSGEB	Grants and loans		Not specific
Customs-duty exemptions	Tax exemption	Free Zones Law No. 3218	Not a financial contribution from a foreign authority
VAT exemptions	Tax exemption	Free Zones Law No. 3218	Not a financial contribution from a foreign authority
UR-GE project	Grants		No benefit conferred in the POI
Land purchases	Tax exemption	Free Zones Law No. 3218	Not a financial contribution from a foreign authority
Employment-support programmes	Social security premium deductions	Various	Not specific

Source: Questionnaire responses

173. We also identified the existence of subsidy schemes relating to OIZs in Türkiye. However, OIZ subsidies have never been in the scope of this investigation. We considered whether we should expand the scope to include OIZ subsidies, but we did not find evidence, either from submissions to the investigation or from open sources, that OIZs should be included. No parties submitted detailed information regarding OIZ subsidies, or made allegations that the Goods Concerned were affected by OIZ subsidies. Having considered the requirements of regulation 41(5) of the Regulations, we decided not to propose including them within scope. No subsidy amounts relating to OIZ subsidies have therefore been included in the measure we recommend.

G5. Subsidy amounts

174. Using the information available, we were able to calculate an individual subsidy amount for Milenyum Metal in accordance with Chapter 3 of Part 3 of the Regulations. We also determined a residual subsidy amount for all other exporters.
175. Since we did not need to limit our examination by sampling, it was not necessary to calculate a subsidy amount for non-sampled cooperating exporters.

G5.1 Milenyum Metal and 3M Plastik

176. We concluded that, during the POI, the Goods Concerned that Milenyum Metal exported to the UK were subsidised.
177. Using Milenyum Metal's verified data for the POI, we calculated the following subsidy amounts:
- 3.0660% relating to corporate-tax exemptions in Free Zones;
 - 0.7515% relating to income-tax exemptions in Free Zones;
 - 0.1881% relating to Eximbank loans under the RP and the EOWCP; and
 - 0.0202% relating to property-tax exemptions in Free Zones.
178. In response to the SEF, Milenyum Metal submitted that all subsidies conferring a benefit of less than 1% should be disregarded from the calculation, as they are not "qualifying countervailable subsidies" (as defined in regulation 25(4) of the Regulations).
179. However, in accordance with regulation 25(1) of the Regulations, any countervailable subsidy that is received in the POI and confers its benefit directly within the POI can be included in the overall subsidy amount.
180. During the investigation, we established that all of the subsidies listed above were received in the POI; we also identified how much benefit they conferred directly within the POI, without needing to apportion benefits across wider periods.
181. Consequently, we determined that regulations 25(2) and 25(3) do not apply to these subsidies, and as a result, these subsidies do not need to be "qualifying countervailable subsidies" in order to be included in the overall subsidy amount.
182. Milenyum Metal also commented that the subsidy benefits should be divided by the value of all their sales, rather than the value of their sales of the Goods Concerned.
183. We determined this would not be appropriate. When calculating subsidy benefits, we considered all the sales that benefitted from the countervailable subsidies, in line with regulation 26 of the Regulations. We then apportioned benefits to identify the benefit attributable to the Goods Concerned, and included only the benefit that was attributable to the Goods Concerned in the POI. Therefore, we were correct to divide the benefit attributable *to the Goods Concerned* by the sales value *of the Goods Concerned*, when establishing subsidy amounts.
184. We established a **subsidy amount for the cooperating exporter Milenyum Metal of 4.02%** (to two decimal places). This exceeds the threshold of 2% below which the amount of subsidy would be considered 'minimal' for a developing country⁵¹.

⁵¹ See [regulation 2](#) of the Regulations.

185. **We established an individual subsidy amount of 4.02% for 3M Plastik** due to their direct association with Milenyum Metal.

G5.2 Dogrular and EGE

186. On 22 December 2022, we determined both Dogrular and EGE to be non-cooperative parties, after they failed to submit sufficient questionnaire responses, despite our repeated attempts to obtain their cooperation. Consequently, **the residual subsidy amount applies to both Dogrular and EGE.**

G5.3 Residual subsidy amount

187. As previously referenced, only one of the three registered exporters provided a sufficient questionnaire submission. This means that for each subsidy programme identified, we were only able to calculate a single subsidy amount, which is for Milenyum Metal.
188. We considered whether the residual subsidy amount should be higher than the individual subsidy amount for Milenyum Metal, but we did not find reliable evidence regarding the subsidy amounts available to other exporters.
189. We also considered whether the subsidies identified might be unavailable to other Turkish exporters of the Goods Concerned. We confirmed that other Turkish exporters outside Free Zones had received Eximbank loans that conferred a benefit during the POI. We also attempted to identify whether Milenyum Metal were the only Turkish producer of ironing boards in a Free Zone.
190. As mentioned in [Section G2](#), we attempted to identify all the exporters of the Goods Concerned but were unable to obtain a comprehensive list. We instead examined lists of companies on the websites of Free-Zone operators⁵², and examined the GoT's list of 8,246 companies that had exported the eight-digit commodity codes covering the Goods Concerned in 2021. Since these lists could not be filtered to identify ironing-board producers, we had to manually check individual companies from the lists, and it was not feasible to check every one.
191. We made attempts to engage other Turkish exporters, including after the change of scope. However, we still did not receive sufficient information to conclude that any subsidies should be excluded from the residual subsidy amount.
192. Following these considerations, we determined that the information relating to Milenyum Metal remained the most reliable information for determining the residual subsidy amount. Consequently, we determined that **the residual subsidy amount should be equal to the individual subsidy amount calculated for Milenyum Metal: namely, 4.02%.**

⁵² For example, Kayser's "[Companies](#)", Mesbaş's "[Companies](#)", İzbaş's "[Full Company List](#)", Esbaş's "[AFZ Company List](#)" and Kosbaş's "[Companies In Our Free Zone](#)".

G6. Volume of subsidised goods

193. We verified Milenyum Metal's export volumes for the Goods Concerned. Using HMRC data, we compared these export volumes to the total volume of the UK's imports of the Like Goods. We also calculated that Türkiye accounted for 25% to 35% of the UK's total import volume (kg) of ironing boards in the POI. We determined that the volume of subsidised imports from Türkiye is at least 4% of imports of the Like Goods imported into the UK, and so is more than negligible in accordance with regulation 5(3) of the Regulations.

G7. Conclusions and findings

194. Having identified the subsidy schemes relevant to the investigation, we determined that the following are countervailable:
- Corporate-tax exemptions in Free Zones;
 - Income-tax exemptions in Free Zones;
 - Eximbank loans issued under the RP, the EOWCP, the EOICP and the PEC programmes; and
 - Property-tax exemptions.
195. We calculated the subsidy amount applicable to Milenyum Metal, which equated to 4.02%. We determined that the information relating to Milenyum Metal was the best information available with which to establish a residual subsidy amount, and so concluded that this should also equal 4.02%.
196. Based on the above findings, we concluded that:
- the Goods Concerned have been imported into the UK and are in receipt of countervailable subsidies;
 - the amount of subsidy is more than minimal; and
 - the volume of subsidised goods (actual or potential) is more than negligible.

G8. Subsidy amounts

197. Using the approaches and data detailed above, we calculated the following subsidy amounts:

Table 6: Recommended subsidy amounts

Country	Overseas exporter/producer	Subsidy amount
Türkiye	Milenyum Metal Dış Ticaret Ve Sanayi A.Ş.	4.02%
Türkiye	3M Plastik Ve Metal Dış Ticaret Ve Sanayi A.Ş.	4.02%
Türkiye	All other overseas exporters (residual amount)	4.02%

Section H: Injury

H1. Introduction to injury

198. Under regulation 27(2) of the Regulations, where the TRA has determined that goods that have been or are being imported into the UK benefit from a countervailable subsidy, we must determine whether the UK industry has suffered or is suffering injury (as defined by paragraph 5 of Schedule 4 to the Act). We must also determine whether the subsidised imports have caused or are causing that injury to the UK industry.

H2. Injury analysis

199. To determine whether a UK industry is suffering or has suffered injury from subsidised imports of the Goods Concerned, in line with regulation 30 of the Regulations, we examined the following:
- the volume of the subsidised imports during the IP;
 - the effect of the imports on prices in the UK market for Like Goods during the IP;
 - the consequent impact of the subsidised imports on the UK industry during the IP; and
 - any other factors we considered relevant.
200. To assess whether the injury is or has been caused by factors other than the subsidised imports, we considered the following other known factors:
- the economic impact of the COVID-19 pandemic;
 - inflation of raw-material costs; and
 - third-country imports and prices.
201. In response to the SEF⁵³, the GoT submitted that our injury findings would have been different had we selected 2019-2021 as the IP instead of 2018-2021. Following from this, the GoT claimed we did not select an IP which ensured a comprehensive and reliable examination of injury.
202. However, our selection of 2018-2021 as the IP is consistent with regulation 30(4) of the Regulations. The period 2018-2021 includes the POI and the three twelve-month periods preceding the POI. This IP allowed us to examine the trends in the import data and injury data over a four-year period, while ensuring the information was as recent as practicable to the date we initiated this investigation.
203. We acknowledge that the COVID-19 pandemic is likely to have affected the data trends during the IP (as discussed in [Section H3](#) and [Section H6.1](#)). However, we considered the impact of COVID-19 within our assessments, and our selected IP

⁵³ The GoT's [response to the SEF](#) (pages 1 and 2).

allowed us to consider evidence from before the onset of the pandemic. This allowed us to conduct a comprehensive and reliable examination of injury.

H3. Volume of imports from Türkiye

204. The following table shows the trends in import volumes of ironing boards into the UK. Due to data limitations, we have presented total imports from non-EU countries, as EU imports prior to the UK's EU Exit are not available.

Table 7: The volume of imports of ironing boards from Türkiye and all third countries – 01 January 2018 to 31 December 2021

	2018	2019	2020	POI
Total non-EU import volumes into the UK (indexed)	100	97	65	67
UK import volumes from Türkiye (indexed)	100	134	85	77
Imports from Türkiye as a percentage of total non-EU imports (indexed)	100	135	129	114

Source: Non-published import data, provided by HMRC in October 2022

205. Both imports of the Goods Concerned and imports of ironing boards from all third countries decreased over the IP. We found evidence that the level of decreases in 2020 and the POI was likely to have been a result of the COVID-19 pandemic, which caused a global reduction in the exports and imports of goods⁵⁴.
206. We also identified that, irrespective of the COVID-19 pandemic, the imports of ironing boards from all third countries declined at a greater rate than the Goods Concerned; and prior to the COVID-19 pandemic, there was an absolute increase in the level of the Goods Concerned that was not reflected in the import figures from all third countries.
207. Imports from Türkiye into the UK also retained an increased share of total imports across the IP following the initial increase in 2019. (See also [Section H6.3](#) regarding our assessment of injury related to third-country imports.)
208. We also considered the import volumes of the Goods Concerned in relative terms when compared to the UK production and to UK consumption. Examining the increase and decrease in relative terms allowed us to understand whether, despite the decrease in total imports in 2020 and the POI, we would find increased or high import volumes when the figures were placed in context.
209. The following table provides the import volumes of the Goods Concerned throughout the IP in comparison to UK production and UK consumption. We used the domestic

⁵⁴ Office for National Statistics (The impact of Coronavirus) – [analysis paper on impact of COVID-19 pandemic on subnational trade in goods and services in 2020](#).

sales figures provided by the Applicant, alongside the volume of imports of ironing boards into the UK, to calculate UK consumption and the UK industry's market share.

Table 8: Relative change in the import volume of the Goods Concerned in relation to UK production and UK consumption – 01 January 2018 to 31 December 2021

	2018	2019	2020	POI
Imports of the Goods Concerned (indexed)	100	134	85	77
UK production (indexed)	100	98	79	75
UK consumption (indexed)	100	96	71	69
UK producer's market share (indexed)	100	97	111	104
Imports of the Goods Concerned relative to UK consumption (indexed)	100	140	121	111

Source: The Applicant's submissions and non-published import data, provided by HMRC in October 2022

210. We observed an increase in imports of the Goods Concerned relative to UK production. We saw no evidence to suggest the impact of the COVID-19 pandemic would have caused a greater slowdown in the UK industry's production or sales than it would have caused for imports of the Goods Concerned. In fact, the evidence we assessed suggests the opposite: that the COVID-19 pandemic inhibited imports due to overseas production pauses, shipping disruption and high shipping costs⁵⁵. Therefore, the changes in the level of imports of the Goods Concerned seen during the IP are in spite of, rather than because of, the disruption caused by the COVID-19 pandemic.
211. We also noted an increase in imports of the Goods Concerned relative to UK consumption throughout the whole IP. This remained higher year-on-year than at the beginning of the IP, even when the volume of imports of the Goods Concerned began to decrease (i.e. during the COVID-19 pandemic in 2020 and the POI).
212. UK consumption of ironing boards decreased at much higher rate in 2020. We analysed the available evidence and established that this was due to changes in consumer habits. This was as a direct consequence of the COVID-19 pandemic restrictions placed by the UK Government. We did not identify any other contributing factors to the otherwise minimal decreases to consumption in the other years of the IP.
213. We therefore determined that the volumes of the subsidised imports are the main cause for the UK's market share loss in 2019. While the COVID-19 pandemic allowed the UK industry to temporarily increase its market share, it does not break the causal link between the subsidised imports and the UK's market share developments that indicate injury (see also [Section H5.4](#)).

⁵⁵ Seatrade Maritime News article – [2020 – A year of remarkable turnaround for container shipping](#)

214. Milenyum Metal commented that we incorrectly linked the decrease in the UK producer's market share to the imports of the Goods Concerned. The exporter claims that Table 8 (in both the SEF and this document) shows the UK producer's market share decreased by 7% during the POI, while imports of the Goods Concerned decreased by 8% and imports from Türkiye relative to UK consumption decreased by 10% during the same period. They therefore conclude that the imports of the Goods Concerned are not the cause of any alleged injury.
215. The GoT also submitted that, since 2019, imports of the Goods Concerned, and the relevant share of Turkish imports within total non-EU imports into the UK, have consistently decreased. It noted that, while we had determined these decreases were the effects of COVID-19 pandemic, the total imports into the UK from non-EU sources actually increased between 2020 and 2021. It therefore does not believe the Goods Concerned represents a threat to UK industry.
216. We considered these claims and can explain, as set out in [Section H2](#) above, that our assessment of injury involves analysing the changes to the Goods Concerned across the whole IP. The specific data referenced by both Milenyum Metal and the GoT solely focuses on the year-on-year change in the indexed amounts from 2020 to the POI. However, we can not base our conclusions on one particular period in isolation. For similar reasons, we would not focus only on the year-on-year change from 2018 to 2019 when there was a 34% increase to imports of the Goods Concerned, a 40% increase to imports of Goods Concerned relative to UK consumption and a 3% decrease to the market share of UK producer.
217. We also have to consider that the identified decreases to the imports of the Goods Concerned between 2020 and the POI need to be reviewed in the wider context. This includes the impact of imports from third countries (see [Section H6.3](#)). We would always need to make a full assessment of the actual impact of any imports into the UK and therefore any decreases in volumes and/or values of the Goods Concerned would not immediately equate to a positive outcome for UK industry.
218. We therefore found that the interpretation of the data by Milenyum Metal and the GoT does not change our holistic assessment of the data across the IP.

H4. Effect of the imports on prices in the UK market for Like Goods

219. To determine whether subsidised imports of the Goods Concerned have affected UK prices of the Like Goods, we considered:
- whether prices of the subsidised imports are significantly undercutting prices of the Like Goods produced in the UK; and
 - whether the subsidised imports have significantly depressed or suppressed domestic prices of the Like Goods produced in the UK.

H4.1 Undercutting analysis

220. Price undercutting is where an imported good is consistently sold at a price below that of the Like Goods in the UK.
221. To establish whether this has been occurring, we used POI data and we compared Ex Works prices for the Like Goods with UK landed prices for the Goods Concerned. We calculated these prices using a weighted average for each PCN and made appropriate adjustments for importation costs⁵⁶ to ensure price comparability.
222. We found significant evidence of price undercutting, calculating an average undercutting margin of 39.65%.
223. This differs from the undercutting margin given initially in the PAD, where we calculated an undercutting margin of 27.80%. The landed prices used for the PAD included import VAT; but the updated calculation in our SEF excluded VAT from both sides, thereby ensuring a like-for-like comparison.

H4.2 Price depression or price suppression

224. Price depression occurs when the UK industry is forced to reduce prices to compete with imported goods. We determined that there is no evidence of price depression since the UK industry did not reduce their sales prices during the IP.
225. Price suppression occurs where price increases for the Like Goods, which otherwise would have occurred, have been prevented to a significant degree due to the price of imported goods.
226. To assess whether there was any evidence of price suppression, we examined changes to domestic sales prices and changes to the cost of production for the Like Goods produced in the UK during the IP. The following table illustrates the trends we identified in these factors.

Table 9: The Applicant's average domestic sales price and cost of production (unit), January 2018 to December 2021

	2018	2019	2020	POI
Average domestic sales price per unit (indexed)	100	103	106	114
Average cost of production per unit (indexed)	100	104	107	121

Source: The Applicant's questionnaire response

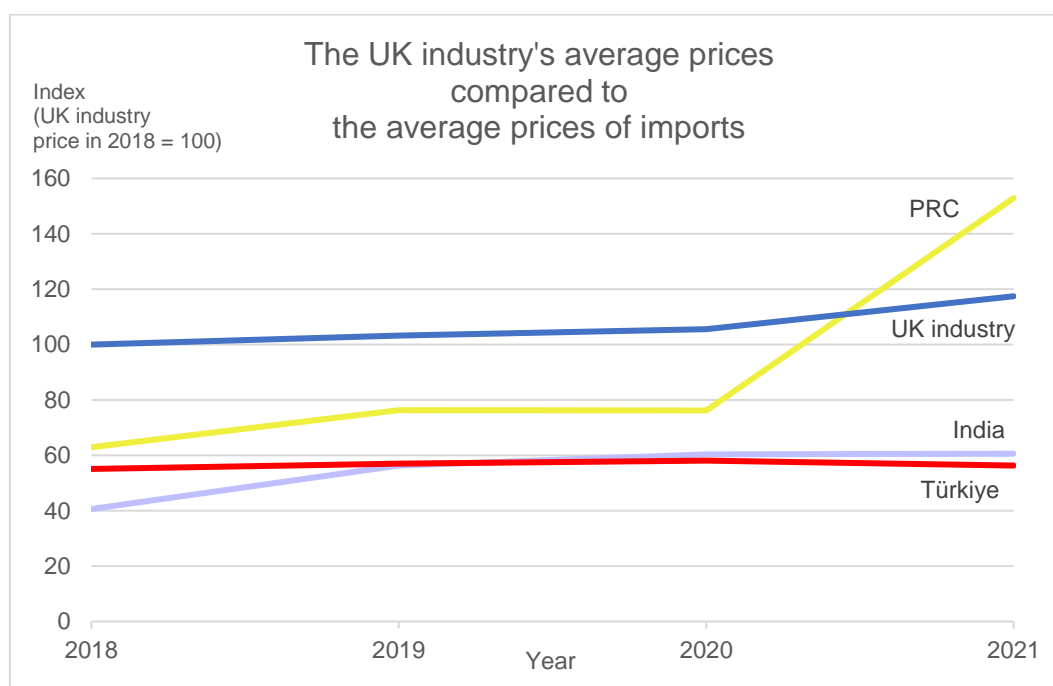
227. We identified that domestic sales prices increased during the IP, but the average per-unit cost of production increased by greater amounts. As identified in [Section H3](#) and [Section H4.1](#) above, imports of the Goods Concerned increased during the IP (in

⁵⁶ Average importation costs were calculated using the data from Addis and Mabel Home. These costs included port and infrastructure charges, deferment accounts, and broker and other administration fees.

absolute terms in 2019 and relative to UK production throughout the IP) and we also found significant evidence of price undercutting during the IP. We therefore determined that UK industry was prevented from increasing prices relative to its rising costs, and this was due to the increasing levels of the considerably lower priced imports of the Goods Concerned.

228. This also takes into consideration that the larger increases in domestic sales price at the end of the IP do correspond with the COVID-19 pandemic and related supply issues (as set out in [Section H3](#)). However, these sales price increases still remain below the relative increases to the costs of production.
229. We also compared the domestic sales prices of ironing boards with the average sales prices from countries that represent the main sources of imported ironing boards into the UK:

Figure 4: Average sales price of an ironing board – 01 January 2018 to 31 December 2021



Source: Non-published import data, provided by HMRC in October 2022 and questionnaire responses

230. We found no clear evidence that imports from other countries broke the causal link between the subsidised imports of the Goods Concerned and the observed price suppression. Of the UK's main sources of ironing boards, India and the PRC were the other two countries (alongside Türkiye) to undercut the UK industry during the IP. However, the weighted-average prices of the Goods Concerned were lower than those from the PRC for the whole IP and lower than those from India since 2020. (See also [Section H6.3](#).)
231. In response to the SEF, Milenyum Metal alleged that we did not explain why the Applicant's per-unit production costs increased during the IP and why they were also able to significantly increase their selling prices in the POI.

232. We considered these comments and would clarify that, due to the confidential nature of the referenced information, we cannot specifically detail the rationale for any changes to UK industry's production costs across the IP. Nor would we disclose the confidential details of an individual stakeholder's pricing arrangements with its customers. However, we independently considered raw-material cost inflation, a known cost factor in manufacturing industries (in [Section H6.2](#) below), and we have explained in paragraph 228 that "*larger increases in domestic sales prices at the end of the IP do correspond with the COVID-19 pandemic and related supply issues*".

H5. Impact of the imports on the UK industry

233. Having found evidence of a relative increase in import volumes and of price undercutting leading to price suppression, we then assessed the impact this has had on the UK industry.
234. In accordance with regulation 33 of the Regulations, in considering, for the purpose of regulation 30(2)(c), the consequent impact of the Goods Concerned on the UK industry, we must take into account all relevant macroeconomic and microeconomic factors and indices having a bearing on the UK industry including:
- (a) actual and potential decline in sales, profits, output, market share, productivity, return on investments or utilisation of capacity;
 - (b) factors affecting domestic prices of the Like Goods; and
 - (c) actual and potential negative effects on cash flow, inventories, employment, wages, growth, the ability to raise capital or investments.
235. The following sections will address each of these factors in turn before undertaking a holistic assessment of the impact on UK injury.

H5.1 Output and capacity utilisation

236. The Applicant submitted its output, production capacity and capacity utilisation for each of the 12-month periods of the IP. The trends for these factors can be seen in the following table – indexing is based on its 2018 figure:

Table 10: Relative change in output, capacity and capacity utilisation – 01 January 2018 to 31 December 2021

	2018	2019	2020	POI
Output of UK industry (indexed)	100	98	79	77
Production capacity (indexed)	100	100	100	100
Capacity utilisation (indexed)	100	98	79	77

Source: The Applicant's submissions

237. While the production capacity of the UK industry remained constant during the IP, output and capacity utilisation reduced year on year through the same period.
238. The overall decrease in production can be directly linked to the reduction in sales volumes over the IP (as detailed in [Section H5.2](#)). The Applicant has explained its products are made to order.
239. The available evidence demonstrates that imports of the Goods Concerned did gain market share over the IP relative to the UK industry (see [Section H5.4](#)), therefore impacting sales and production of the Like Goods in a declining market.

H5.2 Sales

240. The Applicant submitted its sales volumes and values (both domestic and export sales) for each of the 12-month periods of the IP. The trends for these factors can be seen in the following table – indexing is based on its 2018 figure:

Table 11: UK industry's sales volumes and values – 01 January 2018 to 31 December 2021

	2018	2019	2020	POI
Domestic sales volumes (indexed)	100	93	78	75
Domestic sales values (indexed)	100	96	82	88
Export sales volumes (indexed)	100	148	229	109
Export sales values (indexed)	100	151	306	166
Total sales volumes (indexed)	100	97	88	77
Total sales values (GBP – indexed)	100	100	98	93
Export sales volumes as a percentage of total sales volume	4-8%	8-11%	15-18%	8-11%
Export sales values as a percentage of total sales value	4-8%	9-12%	19-22%	11-13%

Source: The Applicant's submissions

241. The trends identified in the UK industry's total sales volumes during the IP follow a similar pattern to those for production and capacity utilisation, with reductions year on year.
242. In 2020, there was a 15% decrease in domestic sales volume and a 14% decrease in domestic sales value. The level of these decreases does not follow the same general year on year trends as the rest of the IP. This includes the subsequent increase of domestic sales value in the POI.

243. We would also assess that the continued importation of the Goods Concerned at prices that undercut the UK industry could result in lower volumes of Like Goods being sold. However, the available evidence would suggest the extent of the decrease in 2020 is due to the drop in demand associated with the COVID-19 pandemic. Third party analysis of the impacts also indicate that these would be temporary in nature⁵⁷.
244. Total sales values during the IP remained more static between 2018 and 2020 but also reduced overall. We found that this was due to increased export sales during 2020, which was on a preferred supplier contract. This allowed for a higher profit margin, but the impact of these export sales was short term with the volumes in absolute terms remaining comparably low to domestic sales. There is no evidence that the increasing decline in domestic sales was offset, or caused by, these export sales.
245. The decreases in domestic sales over the IP occurred alongside increases in the imports of the Goods Concerned relative to UK consumption, as established in [Section H3](#).

H5.3 Profits

246. The Applicant submitted its actual operating profit/loss figures and its average profit/loss margin for its sales of the Like Goods for each 12-month period of the IP. The figures represent the net operating profit/loss after tax. The trends can be seen in the following table – indexing is based on its 2018 figure:

Table 12: Profitability of domestic sales of the Like Goods – 01 January 2018 to 31 December 2021

	2018	2019	2020	POI
Operating profit(loss) of UK sales (indexed)	(100)	(2,273)	(1,434)	(2,750)
Profit(loss) margin of UK sales (% of sales turnover – indexed)	(100)	(2,750)	(2,050)	(3,650)

Source: The Applicant's submissions

247. The UK industry reported losses each year of the IP. This included in 2020 when the benefits of the UK industry's preferred supplier contract reduced the loss when compared to the previous year.
248. Since we established that the Goods Concerned caused prices of the Like Goods to be suppressed in the IP (as detailed in [Section H4.2](#)), we determined the inability to increase prices in line with costs would also have a negative impact on the UK industry's profitability.
249. Milenyum Metal commented that the UK industry's consistent loss figures cannot be explained by what they refer to as "negligible" amounts of subsidies allegedly causing injury. They also believe there is no clear causal link between the Goods Concerned

⁵⁷ [Ironing Boards Market Size, Share & Trends | Research Report, 2030 \(alliedmarketresearch.com\)](#)

and the alleged injury suffered by UK industry during the IP, since there is no causal link between the Goods Concerned and UK industry's profit levels during the IP.

250. We considered this claim and would like to clarify that our consideration of injury is independent from our subsidy calculations. Following our non-attribution analysis which has properly distinguished and separated the effects of all the known factors on the situation of the UK industry from the injurious effects of the subsidised imports, we conclude that subsidised imports from Türkiye have caused injury to the UK industry and that other known factors do not break the causal link (also see [Section H6](#)). As identified, we determined that it is the impact of price suppression caused by the Goods Concerned which would have had an injurious effect during the IP.
251. We also disagree that there is no causal link between the losses experienced during the IP and the Goods Concerned. As identified in [Section H4.2](#), during the IP the average costs of production increased at a higher rate than the average domestic sales price. We remain of the view that the UK industry's inability to increase sales prices in line with productions costs over the IP due to the identified price suppression would negatively impact the UK industry's profits.
252. We have therefore rejected this claim.

H5.4 Market share

253. The Applicant submitted its domestic sales figures for each of the 12-month periods of the IP. We then used these figures to calculate the UK industry's market share in line with [Section H3](#). The trends can be seen in the following table – indexing is based on the 2018 figure:

Table 13: UK industry's market share – 01 January 2018 to 31 December 2021

	2018	2019	2020	POI
UK industry domestic market share (indexed)	100	97	111	104
Imports from Türkiye market share in UK (indexed)	100	140	121	111

Source: The Applicant's submissions and non-published import data, provided by HMRC in October 2022

254. The UK industry's market share initially decreased in 2019 but increased by 14% in 2020. While its market share decreased again in the POI, it remained 4% higher than the beginning of the IP.
255. We determined the increase in 2020 to market share was related to the COVID-19 pandemic and subsequent international trade disruptions, which includes a downwards trend in imports into the UK despite decreasing absolute sales volumes.
256. In the same period, the market share for imports from Türkiye increased at a higher rate than UK industry. This includes a significant increase in 2019 before the COVID-19 pandemic when the imports from Türkiye increased their market share by 40% while UK industry's market share decreased by 3%.

257. The identified upward trends would nominally suggest a positive trend for the UK industry. However, the available evidence would indicate this instead reflects the global changes in the market due to the COVID-19 pandemic, rather than UK industry otherwise competing for and capturing market share.
258. Milenyum Metal commented that we had incorrectly determined that the market share of the Goods Concerned increased at a higher rate than the UK industry's market share. They stated that Table 13 of the SEF (which also corresponds to this document) does not evidence such a finding.
259. Milenyum Metal further noted that the market share of the Goods Concerned decreased by 19% in 2020, while in the same period UK industry's market share increased by 14%. They therefore suggested we had sought to omit certain information that shows better results for the UK industry during the IP.
260. We considered these claims and would clarify that we have not sought to omit any material information. The commentary within all sections of H5 represent a summary of the major changes in the trends identified in the relevant tables. This is why we have clearly referenced the 14% increase in the market share that the UK industry experienced in 2020.
261. On further review of Table 13, we still conclude that across the IP it is correct to say that the market share of Goods Concerned increased at the higher rate. When we directly compare the relevant indexed figures between 2018 and the POI, UK industry's market share has increased by 4% against an increase of 11% for the Goods Concerned. Further, year-on-year, the indexed changes to the market share of the Goods Concerned were higher than the changes experienced by UK industry.
262. We have therefore rejected these claims.

H5.5 Growth

263. The Applicant submitted its production, sales and employment figures for each of the 12-month periods of the IP. We used the Applicant's domestic sales figures, alongside the volume of imports of ironing boards into the UK, to calculate UK consumption and the UK industry's market share. The trends for these factors can be seen in the following table – indexing is based on the 2018 figure.

Table 14: Growth indicators – 01 January 2018 to 31 December 2021

	2018	2019	2020	POI
UK consumption (indexed)	100	96	71	69
UK domestic sales volumes (indexed)	100	93	78	73
UK market share (indexed)	100	97	111	104
UK production (indexed)	100	98	79	75
Employment (indexed)	100	101	96	99

Source: The Applicant's submissions and non-published import data, provided by HMRC in October 2022

264. We measured growth by comparing trends in total UK consumption of ironing boards with the UK industry's domestic sales, UK industry's market share, production and employment figures.
265. UK consumption declined over the IP, with the volumes of both domestic sales and imports of ironing boards into the UK decreasing in this period.
266. Employment remained relatively stable without growth over the period, which is likely to have been caused by the decrease in consumption and the subsequent decrease in output.
267. As we have set out in the sections above, the available evidence demonstrates that imports of the Goods Concerned did gain market share over the IP relative to the UK industry, therefore impacting sales and production of the Like Goods in a declining market. This does mean that, while UK industry was able to gain market share in relative terms, we do not consider this alone to be reflective of any industry growth. It remains this increased market share did not translate into increased sales.

H5.6 Investments, return on investments and cash flow

268. The Applicant submitted its investment, return on investment and cash flow figures for each of the 12-month periods of the IP. The trends for these factors can be seen in the following table – indexing is based on its 2018 figure:

Table 15: The Applicant's investment, return on investment and cash flow in relation to the Like Goods – 01 January 2018 to 31 December 2021

	2018	2019	2020	POI
Investments (GBP – indexed)	100	64	46	13
Return on Investment (% of net assets)	(100)	(2,116)	(1,265)	(2,390)
Cash flow from the Like Goods (GBP – indexed)	(100)	(89)	(40)	(114)

Source: The Applicant's submissions

269. The level of investments decreased during the IP. The return on these investments was also negative throughout the whole IP, although it experienced an improvement in 2020.
270. The net cash flow followed the same trend as the return on investment. As set out in [Section H3](#) and [Section H4.2](#), there was an improvement in 2020 due to the COVID-19 pandemic and related supply issues. These meant imports into the UK declined and UK industry's domestic sales prices increased in 2020 and the POI.
271. Further, as referenced above in [Section H5.2](#), the returns on the exported goods to the USA, which provided a better margin than domestic sales, also contributed to this short-term improvement.

272. The Applicant has submitted that they would normally finance any investments from the profits they derive. As the Applicant has been experiencing losses during each year of the IP, this would suggest their ability to raise capital or investments has been adversely impacted by the identified negative trends. (See [Section H5.3](#) for more detail on profitability trends during the IP.)
273. In response to the SEF, Milenyum Metal commented that the UK industry's return on investment and cash flow developments during the IP indicate there is an absence of a casual link between the alleged injury and the Goods Concerned.
274. We considered this claim and would like to clarify, as with consideration of UK industry's profits, our non-attribution analysis has properly distinguished and separated the effects of all the known factors on the situation of the UK industry from the injurious effects of the subsidised imports. We would still conclude that subsidised imports from Türkiye have caused injury to the UK industry and that other known factors do not break the causal link. We determined that it is the impact of price suppression caused by the Goods Concerned which would have had an injurious effect during the IP.
275. As already identified in [Section H5.3](#), an inability to increase sales prices in line with productions costs over the IP due to the identified price suppression would negatively impact the UK industry's profits. We are satisfied that this negative impact would extend to cash flow and any investment that is sourced from profit. As such we cannot agree there is no causal link between the highlighted factors based on our assessment of price suppression from the Goods Concerned.
276. We have therefore rejected this claim.

H5.7 Employment and productivity

277. The Applicant submitted its employment and employment productivity figures for each of the 12-month periods of the IP. The trends for these factors can be seen in the following table – indexing is based on its 2018 figure:

Table 16: UK industry employment and productivity for ironing boards – 01 January 2018 to 31 December 2021

	2018	2019	2020	POI
Total number of employees (indexed)	100	103	103	105
Number of employees for ironing boards (indexed)	100	101	96	99
Average productivity (indexed)	100	97	82	78

Source: The Applicant's questionnaire response

278. The overall increases to total employees, while positive are offset with a static proportion of employment working on ironing boards during the IP. The overall decline in productivity, with this being 22% lower in the POI than at the start of the IP, has run concurrently with the decrease in UK industry's domestic sales. This decrease in

productivity is therefore to be expected when, as described in [Section H5.1](#) above, products are made to order.

279. There is evidence that the importation of the Goods Concerned contracted the UK industry's domestic sales volumes (see [Section H5.2](#)). However, the minimal decrease in employment in the UK industry does not provide sufficient detail for us to say the use of this factor as an injury indicator, as well as the resulting productivity calculation, would be reliable.

H5.8 Wages

280. The Applicant submitted its wage figures for each 12-month period of the IP. The trends for this factor can be seen in the following table, and have been compared to the UK minimum wage – indexing is based on 2018 figures:

Table 17: UK industry's median wages for employees involved in the Like Goods – 01 January 2018 to 31 December 2021

	2018	2019	2020	POI
Median wage for FTE engaged in activities related to the Like Goods (indexed)	100	106	111	114
Hourly minimum wage in the UK (indexed)	100	105	111	114

Source: The Applicant's questionnaire response and UK Government information

281. The average wage paid by the UK industry has increased by 14% during the IP, which would nominally suggest a positive trend for the UK industry.
282. We considered the changes in wages alongside the minimum wage requirements in the same period. Due to confidentiality, we are not able to provide details of our specific findings.
283. However, we determined that, in isolation, the consideration of wage levels as an injury indicator may not be reliable.

H5.9 Stocks

284. The Applicant submitted its inventory figures for each of the 12-month periods of the IP. The trends for this factor can be seen in the following table – indexing is based on its 2018 figure:

Table 18: UK industry's inventories of ironing boards – 01 January 2018 to 31 December 2021

	2018	2019	2020	POI
Indices 2018 = 100	100	101	105	133
Stocks as % of production	4.5	4.7	6.0	7.8

Source: The Applicant's questionnaire response

285. Stock levels remained relatively constant during the IP, increasing slightly up until 2020. In the POI stock levels significantly increased and were 33% higher when compared to the beginning of the IP.
286. The upward trend in stock levels would nominally suggest a negative trend for the UK industry. However, we established the level of the increase in the POI did not align with the year-on-year stock movement in the rest of the IP.
287. The Applicant advised in its questionnaire response that the increase in the POI instead resulted from its forecasting of increased demand in the second half of the POI as UK retailers looked to restock following easing of COVID-19 pandemic restrictions⁵⁸.

H5.10 Factors affecting domestic prices

288. We have assessed factors affecting domestic prices in [Section H4](#) above.

H6. Other known factors (non-attribution analysis)

289. We revisited our non-attribution analysis following comments from both Milenyum Metal and the GoT in response to the SEF. This review, alongside our initial analysis, was conducted with consideration of regulation 35(2) of the Regulations, which states, *“Injury caused by other known factors must not be attributed to the dumped goods or subsidised imports”*.

H6.1 Economic impact of the COVID-19 pandemic

290. We established in [Section H3](#) and [Section H5.2](#) that the volume of imports and the volume of domestic sales decreased year by year throughout the IP (both of the elements we used to derive the UK consumption calculation).
291. In the relevant sections, we determined that the significant decreases in the respective data for 2020, and to a lesser extent in the POI, were heavily influenced by the COVID-19 pandemic.
292. However, we identified that the COVID-19 pandemic by itself would not account for the overall declining trend in domestic sales across the IP that we determined to be an indicator of injury. Outside of 2020, the level of decrease in domestic sales volumes experienced by UK industry was higher than the applicable decrease in the overall UK consumption (as set out in [Section H3](#)).

⁵⁸ The Applicant's questionnaire response, Section E, Question 7 (page 33), [Non Confidential Questionnaire \(Producer\) - deficiency response 1008.pdf](#)

293. We therefore determined the COVID-19 pandemic did not break the causal link between the Goods Concerned and the injury suffered by UK industry.
294. Milenyum Metal commented that the UK producer's output, capacity utilisation and sales decreased due to COVID-19 pandemic. As such, they consider these decreases indicate changes to market and demand conditions rather than the effect of imports, since all imports continued to decrease during the POI.
295. The GoT also commented that we had ignored the fact that most of the UK production facilities remained closed or faced restrictions in 2021. It also noted that it is normal to see a decrease in domestic sales more than the decrease in domestic consumption as an effect of the COVID-19 pandemic. As such, it believes we failed in our analysis of non-attribution for the effects of the pandemic in line with Article 15.5 of the Agreement on Subsidies and Countervailing Measures.
296. We considered these claims and note that our analysis does not dispute that there have been changes to the market and demand conditions due to the COVID-19 pandemic. However, these changes by themselves would not account for the overall decline in the trends identified in UK industry's domestic sales and those related factors that are impacted by changes in sales volumes/values. Equally, it does not immediately follow that declining import numbers, in a market that is declining overall, could not have a negative impact.
297. As set out in this section, we have considered the economic impact of the COVID-19 pandemic and have considered the available information in accordance with regulation 35(2) of the Regulations. We are satisfied that adherence to the Regulations would ensure any analysis would be in line with Article 15.5 of the Agreement on Subsidies and Countervailing Measures.
298. Our review of the available information involved separating and distinguishing potential injury caused by Goods Concerned imports from the injurious effects of the COVID-19 pandemic. This includes the impact during 2021 – as noted in paragraph 291 above, in which we refer to the influence of the COVID-19 pandemic in the POI.
299. However, it remains that our analysis of non-attribution and the effects of COVID-19 would always be focussed on 2020 and 2021 based on the time frame during which it was actually having an impact. We remain satisfied that it cannot be used to explain any identified injury before 2020.
300. We noted the GoT's counterpoint that it would be normal to see a decrease in domestic sales higher than the decrease in domestic consumption as an effect of the COVID-19 pandemic. Even if we were to accept this statement in full, we cannot attribute the relative decreases to domestic sales and UK consumption in 2019 when there were no pandemic restrictions affecting the market at that time. This means we will still have to consider that the injury indicators that are present prior to 2020 are independent from the impacts of the COVID-19 pandemic. It follows that we do not agree that the causal link between the Goods Concerned and any associated injury is broken by the COVID-19 pandemic.

H6.2 Inflation of raw-material costs

301. We did not receive any commentary directly related to our non-attribution analysis of raw-material costs during the IP. However, we reconsidered our findings as part of the wider review exercise of our other known factors following the responses to the SEF from Milenyum Metal and the GoT.
302. The cost of production for the UK industry increased year on year during the IP, with the most significant increase in the POI (as illustrated in [Section H4.2](#)). The questionnaire responses we analysed show that the increase in cost of production during the IP was mainly driven by the increase in the price of steel.
303. As submitted by the applicant, between 30% and 50% of ironing board manufacturing costs originate in the various steel inputs used in the production of ironing boards, in particular coil steel. Based on the evidence we analysed, we determined that, during the IP, the price of steel increased because of increasing costs of its raw materials (iron ore and scrap), delays of imports from Europe due to adjustments from EU exit and low supply due to lockdowns in the PRC⁵⁹.
304. When looking at the likely impact that the inflation of raw-material costs may have had in the UK industry's profitability more generally, we can see in [Section H5.3](#) a slight improvement in UK industry's profitability in 2020. This followed a period of steady increases to the costs of production (2018-2020) as illustrated in Table 9. These changes would suggest the increases in raw-material prices during the first half of the IP did not have a significant impact on UK industry.
305. On further review of raw-material costs, we are satisfied our analysis has identified that the increase in these costs is less significant than that of the imports of the Goods Concerned. Even if we were to disregard the limiting factors associated with the significant increases to the costs after 2020, the overall increases would not account for the level of movement, both upwards and downwards, that is seen in UK industry's profitability during the same periods.
306. Furthermore, we remain satisfied that the significant increase in the costs of raw materials during the POI, as reflected by the 14% increase in the Applicant's costs of production, is directly linked to economic factors not present before 2020. These factors, such as EU exit and supply issues related to the COVID-19 pandemic, were temporary in nature and could not have had an impact prior to 2020. We therefore assessed that the causal link between the Goods Concerned and the associated injury, which we found across the IP, would not be broken by the increases to raw-material costs between 2020 and the POI.

⁵⁹ [Steel Price Forecast and Steel Market Outlook | S&P Global \(spglobal.com\)](#)
[Three Reasons Why Steel Prices Are So High - Made in Britainperp](#)
[Steel Report May 2021 \(allsteelstrading.co.uk\)](#)
[\(1\) New Messages! \(spglobal.com\)](#)

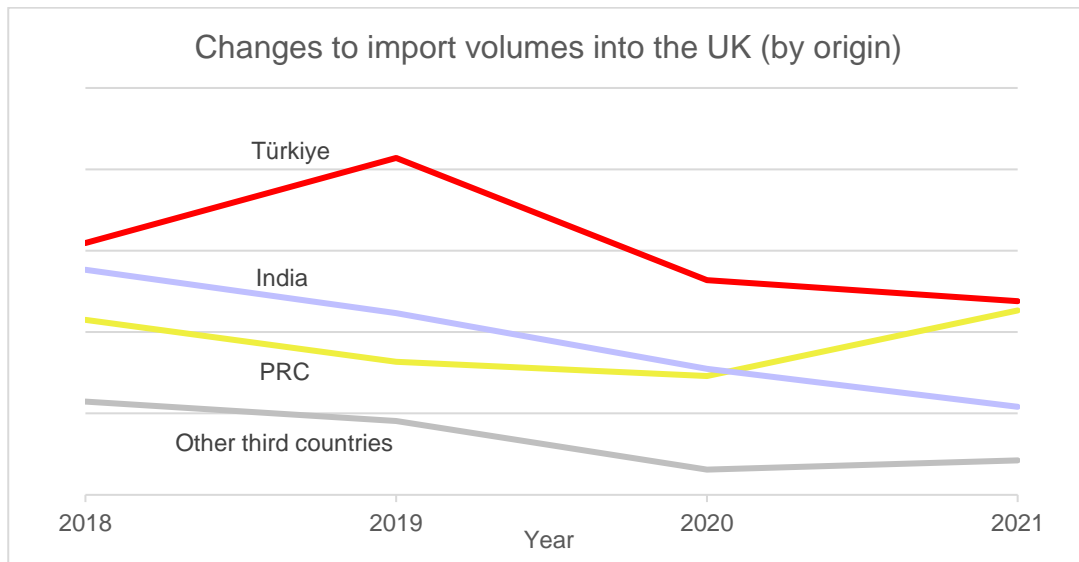
307. We would therefore still conclude that the imports of the Goods Concerned have caused injury to the UK industry and that the inflation of raw-material costs does not break the causal link.

H6.3 Third-country imports and prices

308. The volume of total imports from all third (non-EU) countries decreased by 33% during the IP (as set out in Table 7 in [Section H3](#)). Imports to the UK from non-EU countries mainly originate in Türkiye, the PRC and India. There is currently an anti-dumping duty imposed on imports from the PRC. This was originally an EU measure and is due for transition review initiating no later than October 2024.

309. We compared the changes in the volumes of third-country imports to the imports from Türkiye:

Figure 5: Changes in the import volumes of the imports from Türkiye, the PRC, India and other third countries – 01 January 2018 to 31 December 2021



Source: Non-published import data, provided by HMRC in October 2022

310. The following table also compares the respective changes to the import volumes from Türkiye, the PRC and India and the respective market share during the IP:

Table 19: Changes in the import volumes/market share of the imports from Türkiye, the PRC, India and other third countries – 01 January 2018 to 31 December 2021

	2018	2019	2020	POI
Imports of the Goods Concerned (indexed)	100	134	85	77
Imports from Türkiye market share in UK (indexed)	100	140	121	111
Imports from the PRC (indexed)	100	76	68	105

Imports from the PRC market share in UK (indexed)	100	79	96	152
Imports from India (indexed)	100	81	56	39
Imports from India market share in UK (indexed)	100	84	79	56
Imports from other third countries – excluding the PRC and India (indexed)	100	79	27	37
Imports from other third countries market share, excluding the PRC and India (indexed)	100	83	38	53

Source: Non-published import data, provided by HMRC in October 2022

311. While the volume of imports from the PRC did increase during the IP, we can see in Figure 5 these have remained below the levels of the Goods Concerned throughout the period we considered. From 2020 to 2021, the price per unit from the PRC more than doubled and it was 143% higher when compared to 2018 levels (as illustrated in Figure 4 in [Section H4.2](#)).
312. As import volumes from the PRC were below those of the Goods Concerned (in absolute terms), and import prices from the PRC were above the Goods Concerned, we determined that their impact on UK industry would be less significant than that of the imports of the Goods Concerned.
313. Imports from India, and the corresponding market share for these imports, were at similar levels to those of the Goods Concerned in 2018. However, imports from India have decreased on a larger scale over the IP. In the POI imports from India were less than half of the Goods Concerned by volume – with its market share decreasing by 7% compared to Turkish imports increasing their market share by 3%.
314. We therefore determined the impact of imports from India is less than the impact of the Goods Concerned as import volumes were decreasing throughout the IP.
315. Imports from all other third countries (imports from all other countries outside of Türkiye, the PRC and India) have also decreased in volume during the IP. The market share for these other countries has also decreased in the corresponding period. We would note, however, that this group is composed of several other countries with very low levels of imports, with some of them not even registering imports in each year of the IP.
316. On further review of the third-country imports and prices, we are satisfied our analysis has identified that the impact of imports from the PRC and India are clearly less significant than those of the Goods Concerned. This takes into consideration the price increases of the imports from the PRC and the lower volumes from India. We would therefore still conclude that the imports of the Goods Concerned have caused injury to the UK industry and that the imports from third countries do not break the causal link.
317. Milenyum Metal submitted in their comments that we had failed to compare the effect of prices from other countries and did not take into account both the decreasing imports of the Goods Concerned and increased market share of UK producer.

318. We considered this claim and would note that the SEF did set out how we had completed our review of these matters. That said, this section now further details our initial considerations of the major third-country imports and prices. This sits alongside our findings in [Section H4.2](#). As already stated in paragraph 308, imports from third countries declined by 33% across the IP and that the prices of these increased (as illustrated by Figure 4 in [Section H4.2](#)). By way of comparison, we identified that in same period the market share of UK industry increased by 4% and imports of the Goods Concerned increased by 11% which occurred against the respective decreases of 25% in domestic sales volumes by UK industry ([Section H5.2](#)) and 23% of import volumes of the Good Concerned ([Section H3](#)).
319. We have therefore rejected this claim.

H6.4 The impact of EU exit

320. In response to the SEF, the GoT commented that the impact of the EU exit should also be considered as part of our non-attribution analysis.
321. We considered this request but would firstly note that we did not receive sufficient evidence of any negative impacts that the EU exit by itself would have caused. The only previous reference to this event related to the commentary in [Section H6.2](#) regarding its impact on the costs of raw materials, alongside several other factors.
322. Even if we were to receive sufficient evidence of a negative impact, like the COVID-19 pandemic, our consideration of the impact of this event would be limited to the period after 2020. Therefore, it could also not be used to explain any identified injury between 2018 and 2020 or break the causal link between the Goods Concerned and any associated injury in this time frame.

H7. Conclusions on injury

323. We concluded that the Goods Concerned benefit from countervailable subsidies and assessed absolute and relative import volumes, price effects and the impacts on the UK industry.
324. We observed an absolute increase in import volumes of the Goods Concerned within the first part of the IP, with the later years being affected by the COVID-19 pandemic. We also observed an increase in imports of the Goods Concerned relative to UK consumption and to UK production of the Like Goods throughout the IP.
325. We determined that there has been significant price undercutting by the Goods Concerned when compared with the price of the Like Goods produced in the UK. We also found evidence of price suppression which prevented the UK industry from further increasing prices in line with its increased costs of production during the IP.
326. We assessed the trends of the economic factors in [Section H5](#) throughout the IP and identified negative effects in the following economic factors:
- output and capacity utilisation;

- sales;
- profits;
- growth;
- investments, return on investments and cash flow; and
- market share.

327. Our assessment of the following economic factors did not provide sufficient detail to reach a definitive determination on whether these evidenced positive or negative effects:
- wages;
 - employment and productivity; and
 - stocks.
328. Given the evidence of a relative increase in import volumes and of price undercutting leading to price suppression, as well as the negative effects evidenced in the economic factors (as specified in paragraph 326 above) which have a bearing on the UK industry, we conclude the Goods Concerned have caused injury to the UK industry.
329. We examined whether the injury identified could be attributed to any factors other than the imports of the Goods Concerned. While we determined that the COVID-19 pandemic had impacted UK consumption in 2020, it would not account for the overall declining trend in domestic sales across the IP that we determined to be an indicator of injury.
330. Having considered the other known factors that could be causing the injury, including imports from third countries and raw-material costs, we did not find sufficient evidence to break the causal link between the Goods Concerned and the injury identified.
331. Having regard to all the available information, we did not identify any additional factors that we deemed relevant for our injury analysis.
332. Milenyum Metal commented that we had failed to consider the positive trends on the injury indicators cited in paragraphs 326 and 327 above (paragraphs 258 and 259 of the SEF). They therefore concluded there had been no injury caused by the Goods Concerned throughout the IP.
333. We considered this claim and note that our assessment of the economic factors clearly highlights where there have been positive year on year changes. However, it remains when considering the trends across the entirety of the IP that the economic factors cited in paragraph 326 are negative overall.
334. In terms of the remaining economic factors (as stated in paragraph 327 above), we maintain our view that the available detail does not allow us to reasonably make an injury determination either way. That said, even if we were to conclude these factors were all positive, which we do not, this still would not prevent a holistic finding of injury in this case. This is because we are not required under regulation 33 of the Regulations to find a negative outcome in all of the relevant economic factors and indices having a bearing on the UK industry.

335. We have therefore rejected these claims and consider that our injury analysis should remain unchanged. We conclude that the UK industry has suffered injury and that the importation of the Goods concerned has caused injury to the UK.

H8. Injury margin

336. The injury margin is the extent of the injury to UK industry.
337. We calculated an individual injury margin that applies to the cooperating overseas exporter, Milenyum Metal, and their subsidiary, 3M Plastik (as listed in [Annex A](#)).
338. We calculated an injury margin for all other overseas exporters. This is known as the residual margin.
339. We used data, which was assessed as verifiable and accurate, relevant and complete for the purposes of our investigation to calculate the injury margins set out in [Section H8.4](#).
340. During verification, we were able to establish a reasonable level of profit for an ironing boards manufacturing business in the UK. The methodology used to calculate the injury margins is set out in the sections below.
341. The TRA's default methodology is to base the estimate of injury margins for each exporter on underselling margins. This is calculated by comparing a benchmark UK price (the target price) with the import price (the landed price).
342. In the PAD, we initially calculated an individual injury margin of 91.02% for Milenyum Metal and calculated the residual injury margin to be 121.54%. We based the residual injury margin on the highest value calculated for a PCN that Milenyum Metal exported to the UK in significant quantities.
343. We subsequently identified in the SEF that, in calculating the target price, freight costs had been included and the most up-to-date costs of production had not been used. We also removed import VAT from the landed prices, which had been added on to the landed prices within the PAD. Following the updating of these elements, the individual injury margin attributable to Milenyum Metal is now 93.92%, and the residual injury rate is now 124.80%.

H8.1 Target price

344. The target price is the price that a UK producer would expect to sell its Like Goods at if it were not being affected by the subsidised goods.
345. We calculated the target price by using the domestic producer's costs of production for the Like Goods, adding their AS&G costs, and then applying a normal rate of profit on top of those costs.
346. The normal rate of profit was set at 5% (profit margin) and was determined by considering the rate of profit the UK industry would reasonably achieve in the absence of injury from the subsidised imports.

347. In order to assess this amount, we reviewed the information provided by the Applicant, including in its questionnaire responses⁶⁰, and examined its rates of profit from 2015 to 2017.

H8.2 Landed price

348. The landed price is the price of the Goods Concerned when they arrive at the UK port. It equates to the CIF (Cost, Insurance and Freight) import price plus any relevant import duties and other costs associated with import.
349. We calculated landed prices for the Goods Concerned by PCN.
350. We did this using the CIF values of Milenyum Metal's exports to the UK, and then applying adjustments for importation costs and import duty⁶¹. Where the CIF value was not provided in GBP, we converted it using suitable exchange rates⁶². Where export sales were made to a related importer in the UK, we made an adjustment to remove the AS&G costs.

H8.3 Residual injury margin

351. We determined the residual injury margin by taking account of information in the UK producer's and overseas exporters' questionnaires.
352. We set the residual injury margin using the method of selecting the highest injury margin for a PCN which had a high sales volume compared to the total export volume during the POI.

H8.4 Injury margins

353. Using the approaches and data detailed above, we calculated the following injury margins for overseas exporters from Türkiye:

Table 20: Injury margins UK industry's inventories of ironing boards – 01 January 2018 to 31 December 2021

Country	Overseas exporter/producer	Injury margin
Türkiye	Milenyum Metal Dış Ticaret Ve Sanayi A.Ş.	93.92%
Türkiye	3M Plastik Ve Metal Dış Ticaret Ve Sanayi A.Ş.	93.92%
Türkiye	All other overseas exporters (residual amount)	124.80%

⁶⁰ [The Applicant's questionnaire response](#), section E, questions 12 and 13 (page 35), and "Non Confidential Annex E1 - Injury evidence.xlsx".

⁶¹ Average importation costs were calculated using the data provided by Addis and Mabel Home.

⁶² Turkish lira (TRY) were converted into GBP using "(GBP) British Pound (Currency Buying)" [exchange rates from the Central Bank of the Republic of Türkiye](#). USD were converted into GBP using [spot exchange rates from the Bank of England](#).

Section I: Economic Interest Test

I1. Introduction

354. The TRA must be satisfied, in accordance with paragraph 17(5) of Schedule 4 to the Act, that any recommendation made to the Secretary of State requiring a countervailing duty from importers meets the Economic Interest Test (EIT). This relates to any applicable, or potentially applicable countervailing duty to the Goods Concerned.
355. The test is set out in paragraph 25 of schedule 4 to the Act and is, in accordance with paragraph 25(3) of schedule 4 to the Act, presumed to be met unless the TRA is satisfied that the requirement of a countervailing duty is not in the economic interest of the UK.
356. In line with paragraph 25 of schedule 4 to the Act, we took account of the following in conducting the EIT:
- the injury caused by the importation of the subsidised goods to a UK industry in the Like Goods and the benefits to that UK industry in removing that injury;
 - the economic significance of affected industries and consumers in the UK;
 - the likely impact on affected industries and consumers in the UK;
 - the likely impact on particular geographic areas, or particular groups, in the UK;
 - the likely consequences for the competitive environment, and for the structure of markets for Like Goods, in the UK; and
 - such other matters as we considered relevant.

I2. Stakeholder engagement and evidence submitted

357. Our primary evidence sources were the questionnaire responses from interested parties. The following provided information that was particularly relevant to the EIT assessment:
- **one domestic producer** of ironing boards;
 - **one Turkish producer**: Milenyum Metal;
 - **two importers**: Mabel Home and Addis;
 - **one foreign government**: the Ministry of Trade of the Republic of Türkiye.
358. We invited several other stakeholders, including retailers and a consumer group, to participate in this investigation, but no other parties submitted evidence.

359. We supplemented questionnaire responses with evidence from background research and collated additional information on the interested parties. We also conducted research on parties that did not respond to the questionnaires, including upstream and downstream businesses. We used publicly available sources such as Companies House and the Office for National Statistics (ONS).
360. The sections that follow assess each of the factors of the EIT in turn.

I3. Injury caused by subsidised imports from Türkiye and benefits to UK industry in removing injury

361. In [Section H](#), we concluded that the subsidised ironing boards from Türkiye imported to the UK have caused injury to the UK producer.
362. We found that the volume of subsidised imports from Türkiye increased relative to UK production and consumption over the IP. Evidence did not show price depression but did show signs of price suppression and price undercutting during the POI, with our calculations showing an undercutting margin of 39.65%. We calculated an injury margin of 93.92% for cooperating exporters and 124.80% all other exporters.
363. Negative effects in sales, profits, output and capacity utilisation, growth, return on investment and cash flow, and market share throughout the IP suggest that the UK producer is suffering injury. The UK producer's wages, employment and productivity, and stocks did not provide sufficient evidence for us to reach a determination on the direction of the trends.
364. The non-imposition of a countervailing duty would likely cause further injury to the UK industry. The imposition of a countervailing duty could prevent some of this injury, allowing them to increase production, and subsequently sales. The impacts on injury are explored further in [Section I5](#).

I4. Economic significance of affected industries and consumers in the UK

365. This section considers the economic significance of the relevant industries and consumers within the ironing boards supply chain. From the available evidence, we identified the following groups in the UK as potentially being affected by a countervailing duty:
- **Upstream businesses:** suppliers of steel;
 - **UK producer** of ironing boards;
 - **Retailers and importers:** including brand importers and wholesalers; and
 - **Consumers:** households and commercial users.

366. Although some businesses span different groups⁶³, we attributed all known businesses to one group based on their predominant activity to avoid double counting. Several retailers are importers, so we chose to analyse these two groups together.

14.1 Upstream industry

367. From the producer's questionnaire response, we identified approximately 20 upstream businesses in the UK that provide inputs in the production of ironing boards.
368. Using the producer's questionnaire response and, where available, accounts published on Companies House, we estimated the importance of ironing boards to each business by calculating the upstream suppliers' sales to the UK producer as a percentage of their revenue. We selected the one upstream business for which this was between 1% and 10%, suggesting that ironing boards are somewhat important to them.
369. This business provides coil steel, which is the main raw material used in ironing board production. We estimated that the coil steel supplier had a Gross Value Added (GVA) of over £3 million and employed fewer than 50 people during the POI.
370. Cover fabric and steel blank also make up a smaller percentage of the UK producer's total raw-material costs. Their suppliers are exempt from filing full accounts on Companies House⁶⁴ and did not provide any questionnaire responses.
371. We found that the sales to the UK producer are less than 1% of turnover for the remaining known upstream businesses with publicly available accounts.
372. We therefore concluded that the production of ironing boards is not important for cover fabric and steel blank producers, or for other suppliers for which sales to the UK producer are less than 1% of turnover.

14.2 UK producer of ironing boards

373. There is one UK producer of ironing boards. We calculated that during the POI, the UK producer's GVA across the entire business was approximately £28 million and they had 110 employees directly involved in ironing board production⁶⁵. Turnover and profitability relating to the entire business show positive trends. However, over the IP, turnover related to ironing boards sold domestically decreased by 12% (see [Section H5.2](#)).
374. During the POI, sales of ironing boards were a significant percentage of the producer's turnover, at between 15% and 25%. We estimated that during the POI, UK production supplied 30% to 40% in terms of volume (kg) of ironing boards sold in the UK market, and imports supplied the remainder.

⁶³ The UK producer acts as a retailer too, selling to end users and wholesalers as well as other retailers.

⁶⁴ Medium or small companies are exempt from filing full accounts on Companies House.

⁶⁵ GVA estimates use publicly available Companies House data, and employment and financial trends are based on questionnaire responses.

14.3 Retailers and importers

375. We assessed the importance of ironing boards to importers and retailers that buy from Turkish exporters, the UK producer, and third countries.
376. We considered both importers that provided questionnaire responses, Mabel Home and Addis. Both companies import from Türkiye and sell to end users and retailers⁶⁶.
377. Imports from Türkiye accounted for 28% of the total volume (kg) of ironing board imports during the POI (including imports from the EU).
378. During the POI, ironing board imports accounted for between 1% and 10% of Addis' total import volume, suggesting that ironing boards are somewhat important to them, and over 50% of Mabel Home's import volume, suggesting that ironing boards are very important to them. The value and volume of imports for these selected importers represented 15% to 25% and 20% to 30% of the total import value and volume from Türkiye respectively during the POI.
379. Employment for these importers during the POI was 94, turnover was approximately £36m and their GVA was £5m. Ironing boards represented 1% to 5% of Addis' turnover during the POI, suggesting that ironing boards are somewhat important to them, and over 90% of Mabel Home's turnover, suggesting a high level of importance of ironing boards.
380. We identified approximately 90 importers and retailers based on the questionnaire responses from the UK producer, importers, and the Turkish exporter. Of those identified, we analysed the businesses with the largest value of purchases. For these businesses, the total value of ironing board imports and domestic production made up less than 1% of their turnover⁶⁷.
381. We therefore concluded that ironing boards are not an important product for the retailers and importers identified that did not submit questionnaire responses.

14.4 Consumers

382. Most end-users of ironing boards are private individuals or households. We estimated that in 2021, approximately 1.4 million ironing boards were sold in the UK⁶⁸ and approximately 5% of UK households bought an ironing board⁶⁹.

⁶⁶ Mabel Home sells ironing boards, while Addis sells household and light commercial products, including ironing boards.

⁶⁷ This is an overestimation of the importance of ironing boards on each business. Due to the lack of questionnaire responses, we were unable to calculate the share of ironing board sales as a percentage of turnover for each business. The calculation is therefore based on comparing individual business turnover with the total value of non-EU imports and domestic production in 2020. Although this excludes EU imports due to the lack of import data for the 10-digit commodity codes in 2020, it is likely still an overestimation of the importance of ironing boards to each business.

⁶⁸ Total sales of ironing boards include sales from the UK producer plus imported ironing boards in 2021. For the latter, we used data from questionnaire to estimate the weight of an ironing board and then divided the total number of imports from 2021 by the weight.

⁶⁹ ONS, [Families and households in the UK](#).

383. Demand for ironing boards is likely to have declined in 2019 and 2020⁷⁰. Non-EU imports increased by 3.2% in 2021 but it remains unclear how the forecasted economic slowdown and high inflation will impact future demand. Evidence shows that spending on durables is cyclical and can be postponed in periods of economic uncertainty, so demand for ironing boards could decline over the next few years⁷¹.
384. While interested parties did not mention substitutes for the ironing boards concerned in this investigation, these include table ironing mats, hand-held garment steamers, non-steel ironing boards, dry cleaning, or even wrinkle-free clothing. Most substitutes have operational constraints or, in the case of dry cleaning, financial constraints, that prevent consumption in the same manner as ironing boards.
385. The existence of substitutes, even if not perfect, and the durable nature of ironing boards, suggest that consumers are sensitive to price changes. The price elasticity of demand⁷² is likely to be higher in the shorter term as consumers postpone buying new ironing boards if prices increase.
386. UK ironing boards compete directly with ironing boards produced abroad as they share physical and technical characteristics. Consumers are therefore driven by prices and would be willing to switch between brands to avoid higher prices.
387. Ironing boards do not represent a large proportion of household expenditure. In the year to March 2021, the ONS estimates that UK households spent less than 0.5% of their total weekly expenditure on commodities such as glassware, tableware and households' utensils. This group includes ironing boards⁷³.
388. We therefore concluded that ironing boards are not an important product for households in terms of expenditure.

14.5 Summary table

389. Table 21 presents evidence on the economic significance of segments of the ironing boards supply chain. Based on the comparative metrics set out in the table, we concluded that ironing boards are an important product for the UK producer, one upstream business and two retailers and importers.

⁷⁰ This is based on data for ironing boards produced in the UK and imports from non-EU countries as HMRC data for EU trade flows for the 10-digit commodity codes of interest is only available from 2021. We are therefore unable to assess any trends in demand of ironing boards from EU countries.

⁷¹ [Consumption of durable goods in the ongoing economic expansion \(europa.eu\)](https://ec.europa.eu/economy_finance/consumption-durable-goods-ongoing-economic-expansion)

⁷² Price elasticity of demand measures how sensitive demand is when prices change.

⁷³ ONS, 2022, [Family spending in the UK: April 2020 to March 2021](https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/physicalactivity/articles/familyspendingintheuk/april2020tomarch2021)

Table 21: Summary table for the significance metrics for affected industries

	Upstream businesses	UK producer	Retailers and importers
Total known businesses	Approximately 20	1	Approximately 90
Total selected	1	1	2
Questionnaire responses	0	1	2
Estimated significance of ironing boards	Not very significant for most businesses. Significant for the 1 selected business.	Very significant.	Not significant for retailers and unknown importers. Significant for the 2 selected importers.
Total employment of selected businesses	<50	327	94
Total GVA of selected businesses (£ million)	<5	28.9	5.4
Average EBITDA margin for selected businesses (%)	<10	7	12.5
Vulnerability to economic shocks	Low – reasonable profitability and turnover, positive trend in net assets, no significant change in employment, and relatively low reliance on ironing-boards production	Medium – strong profitability and turnover trends, and no significant change in employment but ironing boards production is vulnerable due to negative profits across the IP	Low – strong turnover and profitability trends, and no significant change in employment
<ul style="list-style-type: none"> • We estimated GVA by adding employment costs, depreciation, and amortisation to operating profits. • We estimated EBITDA by dividing the sum of operating profit, depreciation, and amortization by turnover. • We assessed the vulnerability to economic shocks by analysing companies' accounts from 2018 to 2021. • Metrics are primarily based on company financial data as a whole, rather than just relating to ironing boards. 			

Source: Companies House and questionnaire responses

I5. Likely impact on prices and quantities of affected industries and consumers

390. This section examines how prices and quantities throughout the supply chain will be impacted with and without a countervailing duty. It then assesses the impact of changes in prices and quantities on affected industries and consumers.

I5.1 Prices and quantities if a countervailing duty is imposed as recommended

I5.1.1 Retailers and importers

391. Turkish exporters are unlikely to absorb the cost of the countervailing duty due to already low profit margins. Therefore, if a measure is imposed as we recommend, import prices from Türkiye would likely increase by 4.02% for importers such as Mabel Home and Addis.

392. Import volumes from Türkiye could decrease if importers and retailers decide to switch suppliers. Questionnaire responses suggest that ironing boards are commoditised goods, which implies that there is little differentiation in products between countries.

393. On the other hand, Mabel Home is an associated importer for the Turkish exporter. As such, they do not source their ironing boards from third countries or domestically, so their prices are likely to increase by the amount of the countervailing duty.

394. Quantities of third-country imports may increase slightly if imports from Türkiye decrease, but the extent to which this will occur also depends upon consumer preferences and UK production, as discussed in [Section I5.1.2](#).

395. Third-country suppliers may also choose to increase their prices in line with the increase in the price of ironing boards from Türkiye, leading to an increase in the import price of retailers and importers buying from them.

I5.1.2 UK Producer

396. If a countervailing duty is imposed, the UK producer's prices could remain unchanged to maintain price competitiveness with imports or increase in line with the increase in the price of ironing boards from Türkiye.

397. The UK producer is currently operating with sufficient spare capacity, which increased further during the IP as capacity utilisation decreased by 23%. Their questionnaire response suggests that if there was an increase in demand for their products as a result of the countervailing duty, they could increase production to cover a decrease in imports from Türkiye. Quantities for the UK producer may therefore increase but the extent of this also depends upon imports from third countries and whether retailers and importers absorb the increased cost of ironing boards from Türkiye.

I5.1.3 Upstream businesses

398. If a countervailing duty is imposed, the UK producer may increase production of ironing boards. This would lead to an increase in their demand for coil steel so the coil steel supplier may increase the volume they produce. If they face capacity constraints, other suppliers would likely be able to cover the UK producer's requirements.
399. The UK producer and their supplier of coil steel are not major businesses in the coil steel market so any increase in production is unlikely to affect coil steel prices.

I5.1.4 Consumers

400. The degree of impact on consumers will largely depend upon whether importers and retailers continue to import from Türkiye, and if they do, whether they choose to pass the higher prices on to consumers or reduce their profits.
401. Statements in questionnaire responses claimed that when freight costs increased after the COVID-19 pandemic, the higher costs were borne by consumers. Therefore, consumers of Turkish ironing boards could face slightly higher prices. Since some consumers are sensitive to price changes, as discussed above, they may switch to buying from retailers offering lower prices or choose not to buy the product. Some may choose not to change their consumption.
402. Regardless, due to the level of the countervailing duty we recommend, we do not expect significant impacts on prices and quantities for consumers.

I5.2 Prices and quantities if a countervailing duty is not imposed

403. If no countervailing duty were to be imposed, we would not expect any significant impacts on prices or quantities.
404. The UK producer stated that they may be forced to cease production of ironing boards in the absence of a countervailing duty. However, we would not expect this to affect overall prices and quantities consumed because imported ironing boards could replace domestic supply.

I5.3 Likely impact on affected industries and consumers

405. We have undertaken an illustrative analysis to estimate the impacts of the countervailing duty by estimating surplus for consumers and businesses on the supply side of the ironing boards market.
406. Consumer surplus is a consumer's welfare from buying a product, which is the difference between the price consumers pay and the price they are willing to pay. We calculated the impact on consumer welfare as the difference in consumer surplus with

and without a measure. This is the change in the price multiplied by the average of the quantities consumed with and without a measure⁷⁴.

407. Our estimate of surplus on the supply side of the market includes surplus for the UK producer and surplus for retailers and importers. Their welfare from selling a product is calculated by taking the marginal cost of production⁷⁵ away from revenue⁷⁶.
408. Our analysis uses simplifying assumptions and explores uncertainty using a range of different scenarios, as described below. It provides estimates of the annual impact of the countervailing duty once a new market equilibrium is achieved.
409. If a countervailing duty is not imposed, we considered two scenarios that we use as counterfactual:
1. The ironing board market remains the same, with quantities and prices at 2021 levels⁷⁷.
 2. The UK producer exits the market. In their questionnaire responses, the UK producer stated that if a measure was not imposed, there was a possibility of ceasing UK production. We also noted that it was possible that the UK producer may switch to importing ironing boards from Türkiye or third countries instead of producing them domestically. To show the full range of impacts, we assume the extreme scenario in which they completely exit the market.
410. To assess the range of potential impacts, we considered two extreme scenarios, each with different options to account for various assumptions regarding price rigidity and substitutability:
- A. **Retailers and importers absorb the cost of the countervailing duty:** in this scenario, prices and quantities for consumers are unchanged. We consider two further potential outcomes:
1. Prices only increase for retailers and importers of ironing boards from Türkiye, and are not passed on to consumers.
 2. The UK producer and exporters of ironing boards from third countries also increase their prices to retailers and importers in line with the duty amount. Retailers and importers now also absorb these costs.
- B. **Retailers and importers fully pass the costs on to consumers:** in this scenario, the price to consumers of ironing boards imported from Türkiye increases by the full amount of the countervailing duty. Consumers will therefore

⁷⁴ This is in line with the standard approach used for estimating consumer welfare in microeconomics. This implicitly assumes that the demand curve is linear, which is reasonable given the relatively small change in price.

⁷⁵ Marginal cost is the cost of producing one additional unit. The approach to calculating welfare impacts, again, is in line with standard microeconomics.

⁷⁶ It is worth noting that producer surplus is not the same as profit. Profit subtracts fixed costs to total revenue, while producer surplus does not.

⁷⁷ This analysis does not consider inflation, rising energy bills or economic uncertainty, which may have a detrimental impact on the demand and prices of ironing boards.

demand fewer Turkish ironing boards. We consider four further potential outcomes:

1. Prices of other ironing boards do not change but the decrease in consumption of Turkish ironing boards is not replaced by others. This implies that Turkish ironing boards are not substitutable with those produced domestically or in third countries, which is highly unlikely, as products are not substantially differentiated. However, we consider this outcome nonetheless for completeness.
2. Prices of other ironing boards do not change and the decrease in consumption of Turkish ironing boards is fully replaced by ironing board imports from third countries.
3. Prices of other ironing boards do not change and the decrease in consumption of Turkish ironing boards is fully replaced by ironing boards produced domestically.
4. Prices of other ironing boards also increase by the amount of the duty. As a result, there is an overall decline in consumption, regardless of the origin of ironing boards.

411. We used questionnaire data to estimate the UK producer's marginal cost⁷⁸ and the price of an ironing board at different stages of the supply chain (i.e., the average price of an ironing board imported from Türkiye, the average price paid by retailers to the UK producer, and the average price paid by consumers).
412. To estimate how much demand for Turkish ironing boards would decline if a countervailing duty were imposed, we needed to understand how sensitive consumers are to price changes.
413. We used price elasticities of demand (PED) estimated by the U.S. International Trade Commission for an anti-dumping investigation on ironing boards from the PRC, since consumption of ironing boards is likely to be similar in the USA and the UK⁷⁹. They estimated that the PED for ironing boards was in the range of -0.5 to -1.5⁸⁰. We used this range to calculate lower and upper bound estimates for how demand might

⁷⁸ To estimate the UK producer's marginal cost, we assumed that the most relevant variable costs based on questionnaire responses are raw materials, energy, and transportation costs. Although the total cost also includes the cost of labour, the UK producer is producing sufficiently below capacity to be able to increase production, to a certain extent, without increasing the number of employees.

For importers and retailers of Turkish ironing boards, we assumed that the marginal cost is the cost of buying an additional ironing board. We did not include storage or transportation costs. In the absence of information to the contrary, we assume that these would be distributed across their entire product range and therefore remain unaffected by small changes in volumes of ironing boards.

We had limited information for importers and retailers of ironing boards from third countries. Based on import data, we assumed that their marginal cost is equal to the price that the UK producer sells to retailers at. If instead we had assumed that their marginal costs were equal to the price of Turkish ironing boards sold by importers and retailers, our analysis would result in the same broad conclusions.

⁷⁹ [Ironing Tables and Certain Parts Thereof from China \(usitc.gov\)](https://www.usitc.gov)

⁸⁰ A PED equal to -1.5 means that, if prices increase by 10%, demand will decrease by 15%. The greater the availability of substitutes for ironing boards, the closer the elasticity is to the higher end of the range.

respond to price changes to show the possible range of impacts in our illustrative analysis. However, it is highly unlikely that they would be at any one extreme.

- 414. According to economic theory, the price increase caused by the imposition of a tariff is generally expected to cause a net welfare loss and redistribute welfare from consumers and importers to the UK producer. However, the gains are concentrated, and losses dispersed.
- 415. Table 22 presents the upper and lower bounds for the estimated change in surplus for consumers and suppliers based on the range of elasticities (-0.5 to -1.5) for both counterfactuals. Due to the possibility of the UK producer exiting the market, the results for both counterfactuals are significantly different. We have therefore presented the results separately.
- 416. The gains for the UK producer are much larger under counterfactual 2 because in this scenario, a countervailing duty is needed to enable them to remain in the market.
- 417. For counterfactual 1, the UK producer will remain in the market, with or without a countervailing duty but their market share may vary. When the UK producer is not in the market, we assume their demand would be reallocated to importers and retailers. This means that the estimated losses for importers and retailers are much larger under counterfactual 2, as these are also being compared to the scenario in which they have more to gain.
- 418. Demand for Turkish ironing boards is expected to decline by between 1,000 and 5,000 pieces for the assumed range of elasticities. This occurs when the Turkish importers and retailers pass the costs to consumers and UK producers and third countries do not increase their prices (scenario B.1 to B.3)⁸¹. Demand for other ironing boards only declines under scenario B.4, where all prices increase. Under this scenario, total demand is expected to decline by up to 17,000 pieces.
- 419. Our illustrative analysis suggests that changes in total welfare could range from decreasing by £558,000 to increasing by £1,503,000 per annum.
- 420. Under counterfactual 1, scenarios A.1 and B.4 result in the lowest and highest loss of total social welfare, respectively. In scenario A.1, retailers and importers from Türkiye are marginally worse off, because they absorb the cost of the tariff, which is low. In scenario B.4, the negative impacts are larger because prices to consumers of all ironing boards increase, so demand falls.
- 421. Under counterfactual 2, scenario B.1 results in the highest loss of total social welfare, as demand for Turkish ironing boards is not replaced. The gain in social welfare is largest in scenario B.3. This is solely driven by gains for the UK producer, who would not be in the market without a countervailing duty.

⁸¹ In Table 22, the lower bound for change in quantities consumed for scenario B.1 to B.3 is zero because under scenario B.2 and B.3 consumers replaced Turkish ironing boards by ironing boards from third countries or UK produced.

Table 22: Estimates of changes of producer and consumer surplus (rounded to the nearest thousand)

	Change in welfare for UK producer (£'000)	Change in welfare for importers and retailers (£'000)	Change in welfare for consumers (£'000)	Change in total social welfare (£'000)	Change in quantities consumed (000)
Scenario A.1: Retailers and importers absorb the cost of the duty on ironing boards from Türkiye. Prices and quantities for consumers remain unchanged.					
Counterfactual 1	0	-66	0	-66	0
Counterfactual 2	0	-94	0	-94	0
Scenario A.2: Third countries and the UK producer also increase their prices by the amount of duty. Retailers and importers absorb all price increases.					
Counterfactual 1	98	-479	0	-381	0
Counterfactual 2	2,912	-1,693	0	1,219	0
Scenario B.1 – B.3: Turkish ironing board prices increase by the amount of the duty and quantities decrease accordingly. Lost imports from Türkiye are either not replaced, fully replaced by imports from third countries, or fully replaced by domestic production.					
Counterfactual 1	0 to 22	-10 to -79	-65 to -66	-69 to -145	0 to -3
Counterfactual 2	0 to 2,836	-14 to -1,244	-93 to -94	-206 to 1,503	0 to -5
Scenario B.4: All prices increase by the duty amount and quantities decrease accordingly.					
Counterfactual 1	66 to 90	-95 to -285	-339 to -341	-346 to -558	-6 to -17
Counterfactual 2	2,879 to 2,903	-1,308 to -1,498	-339 to -341	1,042 to 1,254	-6 to -17

15.3.1 Retailers and importers

422. If a countervailing duty is imposed, import prices of Turkish ironing boards are likely to increase. Importers and retailers may either absorb the increased prices of ironing boards, pass these costs on to consumers, or may choose to replace imports from Türkiye with imports from third countries or UK production.
423. Our illustrative analysis suggests that a measure could result in a welfare loss of £10,000 to £1,693,000 for this group.
424. Estimated losses in our analysis are highest in scenario A.2, where retailers and importers absorb cost increases of all ironing boards. Counterfactual 2 results in the largest estimated losses. As mentioned, in counterfactual 2, we assume demand for ironing boards from the UK producer would be reallocated to importers and retailers, so their welfare loss is much larger, as it is being compared to the scenario in which they have more to gain.
425. However, we note that if the UK producer were to cease domestic production and becomes an importer, the losses presented under counterfactual 2 of our analysis would be overestimates.

I5.3.2 UK Producer

426. The imposition of a countervailing duty could prevent further injury to the UK producer. Given the level of spare capacity they are operating with, they could increase production, and subsequently sales, to cover a decrease in imports from Türkiye that may result from a countervailing duty.
427. It is also possible that a 4.02% increase in the prices of ironing boards from Türkiye may not be sufficient to significantly shift demand and thus keep the UK producer in the market or lead to material benefits.
428. Our illustrative analysis suggests that a countervailing duty could result in a welfare gain of up to £2,912,000 for the UK producer. The most important determinant of the benefits to the UK producer is whether they would exit the market in the absence of a countervailing duty. If the UK producer ceased domestic production and became an importer in the absence of a measure, the gain in their welfare caused by a countervailing duty would be smaller than we have estimated.
429. The UK producer's welfare remains the same when prices and quantities do not increase (scenarios A.1, B.1, and B.2). In counterfactual 2, and under these circumstances, the UK producer still exits the market.

I5.3.3 Upstream businesses

430. If a countervailing duty was imposed as recommended, the UK producer may increase supply. Their suppliers of coil steel may benefit from increased demand.
431. As addressed in [Section I5.1](#), other upstream industries would likely remain unaffected as their dependency on the UK producer of ironing boards is low.

I5.3.4 Consumers

432. We do not expect UK consumers to be significantly impacted by the imposition of a countervailing duty. They would only experience a welfare loss if retailers pass higher costs on to them.
433. Our illustrative analysis suggests that a countervailing duty could result in a welfare loss of £0 to £341,000 for consumers.
434. In scenario A, consumers continue to buy the same amount of ironing boards as they would without a countervailing duty and at the same price, so their welfare remains unchanged.
435. Consumers are worst off under scenario B, in which some leave the market due to the increase in the prices of ironing boards⁸². This is more extreme in scenario B.4, in which prices of all ironing boards increase.

⁸² Higher prices and less consumption result in lower consumer welfare: less price sensitive consumers are marginally worse off than consumers in the scenario with higher elasticity as they cannot delay consumption

15.3.5 Summary table

Table 23: Expected annual impacts of imposing a measure on affected groups

Products	Expected impacts
UK producer	Potential welfare gains of £0 to £2,912,000
Upstream businesses	No welfare gain/loss
Importers/Retailers	Welfare loss of £10,000 to £1,693,000
Consumers	Welfare loss of £0 to £341,000

436. Although our estimates of welfare impacts are illustrative and uncertain, the majority of our estimates are in line with economic theory, as explained in paragraph 414. On a per-business basis, negative impacts from retailers and importers are likely to be small, independent of the scenario. The same holds for consumers.
437. The UK producer has the potential to benefit the most from the countervailing duty if importers and retailers of Turkish ironing boards choose to source their ironing boards domestically instead.
438. It is unclear where within the ranges presented in Table 23 the actual impact will lie, as the magnitude of impacts largely depends upon whether a countervailing duty is needed to enable the UK producer to remain in the market.

16. Likely impact on particular geographic areas or particular groups in the UK

439. This section explores how potential impacts of imposing a countervailing duty may be geographically distributed and whether any particular groups might be disproportionately impacted.

16.1 Likely impact on particular areas

440. This section considers those companies for which the evidence suggests that ironing boards is a significant product: the UK producer, the upstream company, and the two importers and retailers that participated in the case.
441. We used three sources of evidence for our employment analysis:
- Questionnaire responses: these provided employment by site and employment relating to ironing boards for the UK producer, Addis, and Mabel Home;
 - Companies House: this provides data on total employment for the upstream business; and
 - ONS estimates of working age population by Local Authority Districts (LADs).

16.1.1 UK producer

442. The UK producer's sites are in Rochdale and Manchester, two neighbouring LADs. During the POI, approximately one third of their employees were working with ironing boards, in the production of the goods or in administrative and operational tasks.

443. We calculated employment as a percentage of the total LAD working age population and found that it was a very small proportion at both locations (i.e. less than 1%).

16.1.2 Upstream businesses

444. The only known significant upstream supplier, a coil steel business, is located in Birmingham and employed fewer than 50 people during the POI.
445. Comparing local authority working age population data to Companies House data suggests that the coil steel producer is not a significant source of local employment.

16.1.3 Importers and retailers

446. Mabel Home and Addis are located in Brighton and Bridgend, respectively. They represent a small proportion of imports from Türkiye and employed 94 people in total during the POI.
447. We found that the employment attributable to UK importers is not a significant proportion of the total working age population of the relevant LADs.

16.2 Likely impact on particular groups

448. We considered the likely impact on particular groups, including those with protected characteristics as defined by the Equality Act 2010. In accordance with the Public Sector Equality Duty, we conducted research to identify if a countervailing duty would disproportionately impact other groups with protected characteristics.
449. One of the interested parties stated that around 80% of ironing boards' users were females aged 25 years and over. We did not find further information to support this claim. Nonetheless, if accurate, we would expect impacts on this group to be negligible, as overall impacts on consumers are already likely to be minimal.
450. No additional evidence was provided with respect to potential impacts on any particular groups, either as workers or consumers.

17. Likely consequences for the competitive environment, and for the structure of the market, in the UK

451. We assessed four areas relating to the likely consequences for the competitive environment and structure of the UK ironing boards market:
- the impact on the number or range of suppliers;
 - the impact on the ability of suppliers to compete;
 - the impact on the incentives to compete vigorously; and
 - the impact on the choices and information available to consumers.
452. Based on the number of suppliers and characteristics of the market, we concluded that the market for ironing boards is fairly competitive. Questionnaire responses also

support the assessment that the market for ironing boards is highly commoditised, and demand is mostly driven by prices.

453. As there is only one producer in the UK, imposing a countervailing duty could be considered anti-competitive, as it would shield them from overseas competition.

17.1 Impact on the number or range of suppliers

454. We estimated that during the POI, the UK producer had a 30% to 40% market share in terms of volume (kg). Imports from Türkiye accounted for 15% to 25% of the UK market.
455. Based on the research and data available, we estimated a Herfindahl-Hirschman Index (HHI) for the POI to determine the level of concentration in the UK market for the volume of ironing boards. According to the CMA, a HHI of over 1,000 indicates a concentrated industry, while a HHI of over 2,000 indicates a highly concentrated industry. Our estimation of between 1,000 and 2,000 suggests that the market for ironing boards is concentrated⁸³.
456. If a countervailing duty is not imposed, the UK producer could exit the market, leading to a decrease in the number of suppliers in the market. Our estimation of the HHI if the UK producer exits the market suggests that it will remain concentrated⁸⁴.
457. The extent to which the imposition of a countervailing duty would affect the UK producer's market share is unclear.

17.2 Impact on the ability of suppliers to compete

458. If a countervailing duty is not imposed, we do not expect any impact on the ability of suppliers to compete during the period for which it would be in place.
459. The imposition of a countervailing duty is likely to reduce the Turkish producer's ability to compete in the UK market.

17.3 Impact on the incentives to compete vigorously

460. There is no evidence to suggest that imposing or not imposing a countervailing duty would impact the incentives for ironing board producers to compete vigorously.

⁸³ Due to the lack of sufficient data, we assumed that each country that exports to the UK only has one producer, except Türkiye and the EU, where we have knowledge of at least two producers each. While this method is likely to have provided an over-estimation of the HHI, the data available means that the conclusion that the market is concentrated is likely to be accurate.

⁸⁴ We assumed that if the UK producer exits the market, their market share would be proportionately distributed amongst other suppliers of ironing boards.

17.4 Impact on the choices and information available to consumers

461. The UK producer maintains that they have been one of the main innovators in the market for ironing boards, leading to more consumer choice. Addis suggest that an increased cost of importing from Türkiye would lead to a more limited selection of styles, sizes, designs, and product innovation.
462. We compared the PCNs exported by Milenyum Metal to those produced by the UK producer. While some PCNs are only produced by the Turkish producer, we do not consider these to be significantly different to other PCNs produced by the UK producer. For example, one produces a model with T legs and the other with three legs. In addition, although we do not have PCN information from third countries, they may also be exporting these PCNs.
463. The evidence suggests that the market for ironing boards is highly commoditised and that ironing boards from Türkiye are comparable with other ironing boards. We do not therefore predict any significant impact on choices available to consumers even if a countervailing duty is imposed and there are fewer imports from Türkiye.

18. Such other matters as the TRA considers relevant

464. As part of the EIT, the TRA can consider any other factors additional to those set out in the legislation which may be relevant in concluding whether a trade remedy measure is in the economic interest of the UK.

18.1 Impact on greenhouse gas emissions

465. The UK producer stated that ironing board production in Türkiye has higher CO₂ equivalent (CO₂e) emissions.⁸⁵ Using questionnaire responses, we estimated that the CO₂e from ironing board production in Türkiye is 60% to 85% higher than in the UK. We estimated the impact of imposing a countervailing duty on CO₂e emissions and used BEIS carbon values⁸⁶ to monetise the changes.
466. Our estimates show a small international benefit of imposing a countervailing duty, of up to £189,000 per annum. This is in scenario B.4 (counterfactual 2), in which all prices increase, and lost imports are not replaced. In this scenario, the environmental benefits result from a reduction in consumption and, consequently, production. Instead, if all lost Turkish imports are replaced by ironing boards produced in the UK, as per scenario B.3 (counterfactual 2), our calculations suggest benefits of up to £177,000.

⁸⁵ CO₂e emissions means the number of metric tons of CO₂ emissions with the same global warming potential as one metric ton of another greenhouse gas.

⁸⁶ BEIS, Valuation of greenhouse gas emissions: for policy appraisal and evaluation - GOV.UK (www.gov.uk)

19. Conclusions

467. In accordance with paragraph 25 of Schedule 4 to the Act, the EIT is met in relation to the requirement of a countervailing duty if the application of the remedy is in the economic interest of the UK. This test is presumed to be met unless the TRA is satisfied that the application of the remedy is not in the economic interest of the UK.
468. In [Section H](#), we concluded that subsidised imports of ironing boards from Türkiye have caused injury to the UK producer. There would likely be further injury to the UK industry if a countervailing duty is not recommended.
469. In [Section I4](#), we found that ironing boards are very significant to the UK producer, significant to the one selected upstream business, and significant to the two selected businesses operating as retailers and importers. Ironing boards are not significant to other upstream or downstream companies. The UK producer is somewhat vulnerable to economic shocks, due to their negative profits relating to ironing boards across the IP. The vulnerability to economic shocks for the remaining upstream and downstream businesses is low.
470. In [Section I5](#), we found that the imposition of a countervailing duty may lead to a welfare loss for consumers. This is likely to be small due to high substitutability between ironing boards, the possibility that retailers and importers absorb cost increases, and the low level of the countervailing duty we recommend. The potential gains of the duty would be concentrated with the UK producer, while the potential losses for retailers and importers would be distributed. The magnitude of the impact on each group largely depends upon the assumption of whether the UK producer would exit the market if a countervailing duty was not imposed. The UK producer could experience welfare gains if it increases its supply or increases its price to importers and retailers.
471. In [Section I6](#), we found no evidence of significant impacts on particular geographic areas, or particular groups in the UK.
472. In [Section I7](#), we concluded that the market for ironing boards is fairly competitive and is driven by prices. We do not expect significant changes in the UK producer's market shares in the period for which a countervailing duty would be in place. The imposition of a countervailing duty is likely to reduce the Turkish producer's ability to compete in the UK market. We do not predict any other impact on the competitive environment.
473. In [Section I8](#), we concluded that the imposition of a countervailing duty could lead to a small international benefit by reducing greenhouse gas emissions, depending on the degree to which lost imports from Türkiye are replaced by domestically produced ironing boards.
474. Having considered the evidence, we conclude that imposing a countervailing duty would not have a negative impact on the UK economy that is disproportionate to the need to remove injury caused to the UK industry. Therefore, we find that imposing a countervailing duty is in the economic interest of the UK.

Section J: Final Determination and recommendation

475. The TRA makes a final affirmative determination under paragraphs 11(5) and 11(6)(a) of Schedule 4 to the Act our Final Determination is in respect of Goods Concerned originating from Türkiye that fall under commodity codes:

- 7323 93 00 10
- 7323 99 00 10
- 8516 79 70 10
- 8516 90 00 51

476. We have determined that the Goods Concerned imported into the UK have been or are subsidised and the importation of the subsidised goods has caused injury to the UK industry. We have determined that the application of the countervailing measure we are recommending to the Secretary of State meets the EIT.

477. In accordance with paragraphs 17(4), 18(2)(a), and 18(5) of Schedule 4 to the Act, we recommend that the Secretary of State impose an ad-valorem duty on the Goods Concerned which are the subject of the Final Determination.

478. In accordance with the lesser duty rule under paragraph 18(6) of Schedule 4 to the Act, we recommend that the Secretary of State impose the lower of the two margins as the level of duty:

Table 24: Recommended ad-valorem duty rates

Country	Overseas exporter/producer	Subsidy amount	Injury margin	Level of duty
Türkiye	Milenyum Metal Dış Ticaret Ve Sanayi A.Ş.	4.02%	93.92%	4.02%
Türkiye	3M Plastik Ve Metal Dış Ticaret Ve Sanayi A.Ş.	4.02%	93.92%	4.02%
Türkiye	All other overseas exporters (residual amount)	4.02%	124.80%	4.02%

479. As previously noted, the PAD and the recommendation to require a guarantee was made pursuant to paragraphs 11(3) and 13(3)(a) of Schedule 4 to the Act. The provisional measures came into effect on 26 May 2023 with a requirement that importers of the Goods Concerned provide a guarantee in the form of cash, a bond or a bank guarantee, equal to the estimated amount of provisional anti-subsidy duty due on their imports of goods from Türkiye.

480. We would therefore also recommend, in accordance with paragraph 19 of Schedule 4 to Act, and regulation 92 of the Regulations, that the definitive measures which are the subject of the Final Determination should apply to imports of the Goods Concerned from 26 May 2023.

481. This means that in line with paragraph 18(3) of Schedule 4 to the Act, our recommendation is that the definitive measures apply for a period of five years from the day after publication of the Secretary of State's notice giving effect to this recommendation plus the period from 26 May 2023 until the date of publication of that notice.

Annex A: Interested parties and contributors

Name	Party type	Submission(s)
The Applicant	UK producer	Application Pre-sampling questionnaire Questionnaire response Additional submission
Milenyum Metal and 3M Plastik	Overseas exporter	Pre-sampling questionnaire Questionnaire response Comments on scope change Additional submission SEF response
Mabel Home	Importer	Questionnaire response
Addis	Importer	Questionnaire response
The GoT	Foreign government	Registration of interest Questionnaire response Additional submission 1 Additional submission 2 Additional submission 3 Additional submission 4
Steel supplier from Türkiye	Contributor	Registration of interest

Annex B: PCN Structure

Category	Sub-category format	Explanation
Ironing board type	S	Sleeve board
	T	Tabletop board
	N	Standard ironing board (other than 'S', 'T' and 'L')
	L	Pro ironing board (ironing board with steam soaking and/or heating and blowing top)
Top length	1	less than 115 cm (< 115)
	2	from 115 cm to 125 cm ($\geq 115 \leq 125$)
	3	more than 125 cm (> 125)
Top construction/material	M	Mesh steel
	S	Solid steel
	O	Other
Legs construction	1	Standard ironing board without legs or tabletop board or sleeve board
	2	Standard or pro ironing board with T legs
	3	Standard or pro ironing board with 3 legs
	4	Standard or pro ironing board with 4 legs
	5	Standard or pro ironing board with U legs
Cover and pad	S	Standard cotton and/or polyester cover without pad or with foam pad
	M	Metalized cover with foam or felt pad or cover with felt pad
Iron rest	0	Not present
	1	Steel wire
	2	Pressed steel or other solid iron rest (whether or not removable, with or without hanger rack or cord minder etc.)
	3	Combination iron / steam generator rest
Accessories	0	No accessories
	1	With accessories (e.g. sleeve board, linen rack and socket with extension with or without cord minder)