



## **Statement of Essential Facts**

**Transition review TD0003 – certain pre- and post-stressing wire and strands (PSC wire and strands) originating in the People's Republic of China**



## Executive Summary and Intended Preliminary Decision

On 30 July 2020, the Secretary of State for the Department for International Trade (the “Secretary of State”) published a [notice](#) under Regulation 98 of the Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019 (the “D&S Regulations”) determining to transition [Commission Implementing Regulation \(EU\) 2015/865](#) of 4 June 2015 (the “EU trade remedies measure”). The EU trade remedies measure imposed a definitive anti-dumping duty on imports of certain pre- and post-stressing wires and strands of non-alloy steel (PSC wire and strands) originating in the People’s Republic of China. Pursuant to that notice of determination, the Secretary of State also published on 30 July 2020 a notice under Regulation 96(1) of the D&S Regulations to [initiate](#) a transition review of the EU trade remedies measure.

On 30 July 2020, the Secretary of State published a [notice](#) (the “Taxation Notice”) under Regulation 96A(1) of the D&S Regulations to give effect to the EU trade remedies measure in the UK upon replacement of EU trade duty (31 December 2020).

The Trade Remedies Investigations Directorate of the Department for International Trade is conducting a transition review to assess whether the anti-dumping duty on PSC wire and strands described above is appropriate for the UK. This was initially conducted under Regulation 97(2)(a) as a transition review of the EU trade remedies measure and has been continued as a transition review of a UK trade remedies measure under Regulation 97(2)(b) pursuant to Regulation 97A.

The EU trade remedies measure would have expired on 6 June 2020 but for an expiry review initiated by the European Commission on 4 June 2020. Consequently, pursuant to Regulation 96B of the D&S Regulations, the period specified in the



Taxation Notice for which the anti-dumping amount is to apply ends 30 days after replacement of EU trade duty. However, pursuant to Regulation 97C of the D&S Regulations, the UK trade remedies measure continues to apply until the day the Secretary of State publishes a notice giving effect to, or setting out the reasons for deciding not to give effect to, a preliminary decision following a transition review to vary or revoke the application of the anti-dumping amount.

Specifically, we considered under Regulation 99A(1)(a) and (1)(b) of the D&S Regulations:

- whether the application of the anti-dumping amount is necessary or sufficient to offset the dumping of the relevant goods in the UK market; and
- whether injury to the UK industry in the relevant goods would occur if the anti-dumping amount were no longer applied to those goods.

Based on the UK industry's withdrawal of interest in maintaining the measure, under 99A(1)(b) we consider that injury would not occur to the UK industry if the measure was no longer applied. We also consider under 99A(1)(a) that the measure is sufficient to offset the dumping, but we do not have sufficient information or data that allows us to draw a conclusion as to whether the measure is necessary to offset dumping.

Under 99A(2) of the D&S Regulations, we may also consider:

- whether it is appropriate to recalculate the anti-dumping amount;
- whether the goods or the description of the goods to which the anti-dumping amount applies should be varied;
- whether to reassess the dumping margin;
- and whether to reassess the anti-dumping amount adequate to remove the injury to the UK industry.



We did not consider it necessary to do any of the tests under 99A(2) because of the outcome of the tests under 99A(1).

Following the analysis of the evidence available, TRID intends to recommend a preliminary decision following the transition review under Regulation 100(1) of the D&S Regulations to revoke the anti-dumping amount.



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## SECTION A: Introduction

### Initiation of case and interest from external parties

#### Background legislation

The background legislation relevant to this transition review is described in the foregoing section, Executive Summary and Intended Preliminary Decision.

#### Goods covered by the measure

The measure applies to certain pre and post-stressing wires and wire strands of non-alloy steel (PSC wire and strands) originating in the People's Republic of China.

The goods subject to review are:

Not plated or not coated wire of non-alloy steel, wire of non-alloy steel plated or coated with zinc and stranded wire of non-alloy steel whether or not plated or coated with not more than 18 wires, containing by weight 0.6 % or more of carbon, with a maximum cross-sectional dimension exceeding 3 mm. (Galvanised (but not with any further coating material) seven wire strands in which the diameter of the central wire is identical to or less than 3 % greater than the diameter of any of the 6 other wires are not covered by the measures in force and are not subject to this review.)

These goods fall under the commodity codes 7217109010, 7217209010, 7312106191, 7312106591, 7312106991.

#### Anti-dumping rates

The rate of anti-dumping duty which currently applies to the goods produced by the relevant companies is summarised in the following table:



Company	Anti-dumping duty
Kiswire Qingdao, Ltd. Qingdao	0%
Ossen Innovation materials Co. Joint Stock Company Ltd, Maanshan, and Ossen Jiujiang Steel Wire Cable Co. Ltd, Jiujiang	31.1%
All other companies	46.2%

## Our review process

Our review considered whether the application of the anti-dumping amount is necessary or sufficient to offset dumping of the relevant goods in the UK market and whether injury to the UK industry in the relevant goods would occur if the anti-dumping amount were no longer applied to those goods. The outcome of the review is an intended preliminary decision to revoke the measure currently in place.

We initiated the transition review on 30 July 2020. At this point, we invited all known domestic producers of the relevant goods, trade bodies representing domestic producers of the relevant goods, UK importers of the relevant goods, and overseas exporters of the goods subject to review, to register their interest in the review.

### Registration of interested parties to the case

One UK producer of like goods (goods which, although not alike in all respects, have characteristics closely resembling those of the goods subject to review), Bridon International Ltd., (the “UK Producer”) registered an interest in the case. We could not identify any other UK producers of like goods. One trade association, EEF/UK Steel, representing UK producers of the like goods (the “UK trade association”), also registered. In their registration documents, both the UK Producer and the UK trade association stated that only PSC wire, and not PSC strand, is produced in the UK.



We also received registrations of interest from two overseas exporters, Jiangyin Fasten Steel Products Co., Ltd and Silvery Dragon Prestressed Materials Co., Ltd Tianjin. Although neither overseas exporter exported the goods subject to review to the UK during our period of investigation (POI), they participated in this transition review.

Two UK importers of the goods subject to review, Megasteel Ltd and Kromat Ltd also registered their interest in the case, though neither imported the goods subject to review in the POI.

We contacted members of the upstream industry and downstream users but despite initial expressions of interest from some, no member from the upstream industry or downstream users showed further interest in the review.

### **Review parameters**

Our period of investigation was: 1 January 2019 to 31 December 2019,

The period for the injury assessment was: 1 January 2016 to 31 December 2019.

### **Summary of facts considered during the transition review**

During this transition review, we considered a number of facts, some of which were supplied to us by interested parties and some of which we obtained from independent sources. A summary of those facts is as follows:

1. The UK domestic industry is constituted by one producer of the like goods, Bridon International Ltd, a wholly owned subsidiary of the NV Bekaert Group (the “UK producer”).
2. During the transition review’s registration period, the UK producer and the trade association which represents producers of the like goods, EEF/UK Steel (the “UK trade association”), stated that production of PSC strand in the UK ceased during the injury period. The UK producer stated that it has no





intention to resume production of PSC strand in the UK.

3. We received written notification in January 2021 that neither the UK producer nor the UK trade association any longer had an interest in maintaining the measure. Consequently, we were not able to conduct any activities with the domestic industry in order to verify the information they had supplied.
4. Following the notification of the UK industry's withdrawal of interest in maintaining the measure, legal representatives of the two overseas exporters respectively requested that that the transition review be terminated or that the measure be revoked. A response to that request, explaining the regulatory requirement to continue with the review was published in this [public notice](#).
5. There is very little publicly held data on UK domestic production of the like goods and their domestic sales prices. We were not able to use any publicly available information to verify data presented in questionnaire responses received from the UK industry.
6. HMRC data on imports of the goods subject to review during the period of investigation and throughout the injury period were at such low levels that the we could not conduct any analysis on this data.
7. Neither of the two importers who were willing to participate in the transition review had imported the goods subject to review from the People's Republic of China, during the POI. Therefore, we were not able to use any data they provided to conduct the necessary assessments as outlined in Regulation 99A of the D&S Regulations.
8. Two exporters co-operated with the transition review and submitted complete questionnaires. The two cooperating exporters did not export the goods subject to the review to the UK in the period of investigation or in the injury



period. The two cooperating exporters have both provided transaction-by-transaction data of sales to third countries.

**Those facts referred to above which formed the basis of the intended preliminary decision**

Based on the evidence presented, we intend to make a preliminary decision on the basis of the following facts:

1. The UK industry withdrawal of interest in maintaining the measure.
2. The lack of publicly available data concerning domestic production and sales of the relevant goods.
3. Insufficient levels of imports of the goods subject to review to allow us to conduct analysis.

At registration, it was confirmed that there was one UK producer, Bridon International Ltd, of the like goods. We further confirmed that during the POI, only PSC wire was produced in the UK. There is no longer any UK production of PSC strand.

After initially registering as interested parties to the case, both the domestic producer, Bridon International Ltd., and the trade association that would represent all producers of the relevant goods, EEF/UK Steel, withdrew their interest in maintaining the measure. As a result, we did not conduct any verification activities with the UK industry.

As the information supplied in the UK industry questionnaire submissions was not verifiable, we attempted to do this through publicly available information. Specifically, we tried to confirm the level of domestic production of the like goods, the prices of the relevant goods in the domestic market and the size of the domestic market.

We initially looked at UK government held data for this information. Information held by the Office of National Statistics Prodcorn database was analysed and found to not



specifically deal with the steel wire and strands relevant to this investigation and was therefore disregarded.

We accessed the third-party subscription database S&P Global Platts, looking for information on UK production volumes and sales prices of the relevant good. This database did not contain the relevant information.

We accessed HMRC trade data showing UK transaction level imports of the like goods, from Non-EU countries. This data covered the entire Injury Period and POI and was available at the 10-digit commodity code level. However, imports of the goods subject to review from the People's Republic of China were at such low levels throughout the injury period that they could not be used in any meaningful analysis.

The trade data from HMRC did not record UK imports from EU countries and we consider this lack of data to be significant as the domestic producer indicated that it faced significant competition from EU imports. Publicly available trade data only recorded imports of steel wire and strand and the 8-digit commodity code. The data at this level contained products outside the scope of this investigation which would bias any analysis.

We therefore disregarded all available trade data related to imports of the goods subject to review and the like goods because the data was unsuitable for the required tests under Regulation 99A. Furthermore, we were not able to verify the information contained in submitted questionnaires from Bridon International Ltd nor from EEF/UK Steel and therefore that information did not form any part of the basis of our intended preliminary decision.

### **How information supplied by interested parties has been used in making the intended preliminary decision**



We consider that the UK industry's withdrawal of interest in maintaining the measure is the most essential information that has informed our intended preliminary decision. We consider that it is not appropriate to have regard to the information supplied by the UK industry when making our intended preliminary decision because it is not verifiable. Other information that was supplied to us was either unsuitable to base our decisions on or it was considered as part of our assessment of the factors under Regulation 99A of the D&S Regulations.



## **SECTION B: Analysis forming the basis of the intended preliminary decision**

### **Injury likelihood assessment**

As part of the analysis, we are required under 99A(1)(b) of the D&S Regulations to consider whether injury to the UK industry in the relevant goods would occur if the antidumping amount were no longer applied (injury likelihood assessment). As part of the injury likelihood assessment, the following essential facts formed the basis of our intended preliminary decision:

1. The UK industry's withdrawal of their interest in maintaining the measure.
2. The fact that information provided to us by UK industry was not verifiable.
3. The lack of publicly available information on the UK domestic market for the relevant goods.

Once the UK industry withdrew its interest in maintaining the measure, we could not conduct any verification activities with the UK industry. Furthermore, the lack of publicly available information on the UK domestic market for the relevant goods meant we could not verify the information provided in the questionnaire responses through the use of publicly available facts. As the information in the UK industry questionnaires was not verifiable, under Regulation 47(2)(a), we were not required, nor did we consider it appropriate to have regard to it when making our intended preliminary decision. There was no other evidence presented to us by any other party to show that injury to the UK industry would occur if the measure were no longer applied. As a result of our assessment, we have concluded that there is no evidence that injury would occur to the UK industry in the relevant goods if the antidumping amount were no longer applied to those goods.

### **Necessary or sufficient test**

Under Regulation 99A(1)(a)(i) of the D&S Regulations, in a transition review we must also consider whether the application of the anti-dumping amount is necessary or



sufficient to offset the dumping of the relevant goods to the UK (necessary or sufficient test). We addressed this test in two parts:

1. An assessment of the imports of the relevant goods subject to review.
2. A recalculation of the anti-dumping amount, or if not appropriate, an explanation why this is the case.

We received [submissions](#) from two cooperating Chinese exporters but neither exported the relevant goods to the UK during the POI. The two cooperating exporters have both provided transaction-by-transaction data of sales to third countries.

Subsequent to receiving the submissions from the overseas exporters, the UK industry advised that they were no longer interested in maintaining the measure. We therefore considered any further verification activity of the submissions from the exporters to be disproportionate given UK industry's stated position.

We attempted to make a further assessment of imports to the UK of the relevant goods from other sources available to us. We received some data from HMRC and we also accessed publicly available information from the Office of National Statistics Prodcom database. The HMRC data showed very low levels of imports of the relevant goods from China during the POI and the Prodcom database did not contain data specifically relating to the relevant goods. As a result, these other sources did not provide us with any data that we consider we can use as part of the necessary or sufficient test under Regulation 99A(1)(a).

We consider that the very low level of imports of the relevant goods into the UK indicates that the current measure is sufficient to offset dumping. Given the UK industry's withdrawal of interest in maintaining the measure, our conclusion that injury would not occur if the amount were no longer applied and the very low level of imports of the goods subject to review into the UK, we consider that we do not have



sufficient information or data that allows us to draw a conclusion as to whether the measure is necessary to offset dumping under 99A(1)(a).

### **Other considerations**

We also have discretion under Regulation 99A(2)(a) of the D&S Regulations to consider whether it is appropriate to recalculate the anti-dumping amount and consider whether the goods or description of the goods to which the anti-dumping amount applies should be varied, or any of the matters of a review conducted under Chapter 2 of Part 7. Given the outcome of the tests under Regulations 99A(1)(a) and 99A(1)(b) of the D&S Regulations we did not consider it appropriate to assess any of the tests under Regulation 99A(2).



## **SECTION C: Economic Interest Test**

As TRID intends to recommend a preliminary determination under Regulation 100(1) that the measure should be revoked, no assessment is needed to determine whether the application of the measure meets the requirements of the Economic Interest Test.





## SECTION D: Summary and Recommendation

The transition review of the measure was conducted to assess whether the current measure, as applied to imports of PSC wire and strand originating from the People's Republic of China, is necessary or sufficient to offset dumping of the relevant goods and whether there would be injury to UK industry if it was no longer applied.

The UK industry, after initially registering their interest, withdrew their interest in maintaining the measure. Information received from UK industry was not verifiable, therefore we consider that it is appropriate to have no regard to it when making our intended preliminary decision. The UK industry therefore provided no verifiable evidence that it was suffering any current injury or that there would be injury should the measure be removed. There was also no other information from which we conclude that removing the measure would lead to injury to the UK industry.

We consider that the low level of imports of the goods subject to review during the injury period was an indication that the measure is sufficient to prevent dumping. However, given the outcome of the tests required in 99A(1)(b) and the lack of data concerning imports of the goods under review to the UK, we do not have sufficient information or data that allows us to draw a conclusion as to whether the measure is necessary to offset dumping.

Based on the evidence presented in this case, we intend to make a preliminary determination that the current measure be revoked.

We invite all interested parties, contributors or any other person who has supplied information to us to provide both confidential and non-confidential comments on this intended preliminary determination, within 14 days of publication. This is a shorter response time than previously indicated in the notice of initiation. We believe this is proportionate to the amount of parties that have an interest in this transition review and allows them a reasonable period in which to make comment. It also allows us to



expedite this review given our intended preliminary decision is to revoke the measure.