

# Anti-Dumping Questionnaire for Interested parties and Contributors

## Case TD0007: Wire Rod exported from the People's Republic of China

Period of Investigation (POI):	1 April 2019 to 31 March 2020
Injury period:	1 April 2016 to 31 March 2020
Deadline for response:	13 January 2021
Contact details:	James Iddiols or Chris Reid TD0007@traderemedies.gov.uk
Completed on behalf of:	UK Steel

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

X Non-Confidential

Please note that you should provide **two copies of your response** – a **Confidential** and a **Non-confidential version**. Both copies should be returned to TRID using the Trade Remedies Service ([www.trade-remedies.service.gov.uk](http://www.trade-remedies.service.gov.uk)) by **13 January 2021**.

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## Introduction

### About us, this case and this questionnaire

The Trade Remedies Investigations Directorate (TRID) of the UK's Department for International Trade will carry out a transition review of each trade remedy measure active under the EU system that the UK has decided to maintain after EU exit. This transition review will consider whether the anti-dumping amount is necessary or sufficient to offset dumping of wire rod from People's Republic of China and whether there would be injury to the UK industry if the measure was removed.

TRID is seeking your cooperation as an interested party/a contributor to inform our investigation into whether the current anti-dumping amount should be maintained, varied or discontinued. The information you provide will help us to determine a fair and appropriate response.

For further information please refer to our guidance on [How we carry out transition reviews into EU measures](#).

Please refer to our online guidance on the differences between interested parties and contributors: [www.gov.uk/government/publications/the-uk-trade-remedies-investigations-process/an-introduction-to-our-investigations-process#interested-parties](http://www.gov.uk/government/publications/the-uk-trade-remedies-investigations-process/an-introduction-to-our-investigations-process#interested-parties)

### How do I respond?

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

Please provide all the information requested by **13 January 2021**. We may send a notice asking for clarification or supplementary information where necessary. Make sure you provide the sources for any information or data you don't own and clearly state any restrictions on sharing it.

### Where can I find more information?

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

If you have any specific questions relating to the case, now or while you're completing the questionnaire, please contact the Case Team at [TD0007@traderemedies.gov.uk](mailto:TD0007@traderemedies.gov.uk). For general information about trade remedies processes, please see our [online guidance](#).

TRID investigates cases under the provisions of *Trade Remedies (Dumping and*

*Subsidisation) (EU Exit) Regulations 2019 as Amended by the Trade Remedies (Amendment) (EU Exit) Regulations 2019 and under the Taxation (Cross-border Trade) Act 2018.*

## Instructions on completing this questionnaire

### Preparing your response

This section sets out guidance on how to complete this questionnaire

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

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

### Preparing confidential and non-confidential copies

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

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

In preparing your response, please note the following:

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

All information provided to TRID in confidence will be treated accordingly and only used for this investigation (except in limited circumstance as permitted by regulation 46 of the *Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019*)

and will be stored in protected systems. The non-confidential version of your submission will be placed on the public file, which is available on [www.trade-remedies.service.gov.uk/public/cases](http://www.trade-remedies.service.gov.uk/public/cases).

## How to complete this questionnaire

All statements should be substantiated with relevant data, information and the sources of these. You may be asked to attach supporting documents in appendices to supplement your responses. To help us verify your information, please retain all your supporting documents, including any calculations made when developing your responses.

Please also note the following points:

- Do not leave any questions blank. If the question is not relevant to your organisation, please explain why.
- If the answer to a question is “zero”, “no” or “none”, please write this rather than leaving the answer blank.
- Please complete the spreadsheet annexes as requested. Annexes are named to correspond to the relevant sections of this questionnaire and must be completed with reference to the instructions provided. If you feel you cannot present the information as requested, please contact your Case Team as soon as possible.
- Please provide all formulas and calculations used within your questionnaire response.
- If there is insufficient space in any part of the questionnaire to provide the details requested, or we ask for copies of additional information, please submit this information as appendices. Please ensure that any attachments are given a corresponding appendix reference in the title of the document and that these are referenced in the boxes provided.
- Any documents not in English should be accompanied by an English translation.
- Please provide all dates in the format DD/MM/YYYY (e.g. 23/05/2019).
- Unless otherwise stated, ‘year’ or ‘calendar year’ refers to the period 1 January – 31 December and ‘quarter’ refers to the associated three-month periods e.g. 1 January – 31 March, 1 April – 30 June, etc.
- Identify all units of measurement and currencies used in tables, calculations and lists, if not provided by the corresponding instructions, and use units of measurement consistently (e.g. do not use kg and metric tonnes interchangeably).
- For all numerical figures, where appropriate please express every third number with a comma (e.g. ‘1,300’ for one-thousand three hundred, ‘1,300,000’ for one million and three-hundred thousand). Please ensure that all numbers which represent costs are reported as positive figures (e.g. for costs of £1,300.00 please enter £1,300.00 and not - £1,300.00).
- Please limit all sales/currency/income figures to two decimal places, apply a full point as a decimal separator and use the appropriate currency symbol or abbreviation (e.g. £1,300.00).

- Provide all costing figures as actual amounts. Where actual amounts cannot be provided and you have reported standard costing instead, please indicate this in the relevant answer, and explain the variance from actual costs, if any.
- All figures should be reported net of tax unless otherwise stated.
- Please refer to the case number, TD0007, in any correspondence with TRID.
- For any exchange rate you may list in the annex(es), please submit an appendix proving the date and source for this rate.

## What happens next

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

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

## The scope of this review

### Goods subject to review

This review covers wire rod exported from People's Republic of China, described as:

Bars and rods, hot-rolled, in irregularly wound coils, of iron, non-alloy steel or alloy steel other than of stainless steel.

These goods subject to review are currently classifiable within the following commodity code(s):

7213 10 00  
7213 20 00  
7213 91 10  
7213 91 20  
7213 91 41  
7213 91 49  
7213 91 70  
7213 91 90  
7213 99 10  
7213 99 90  
7227 10 00  
7227 20 00  
7227 90 10  
7227 90 50  
7227 90 95

These commodity codes are only given for information.

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

## SECTION A: About the case

### A1 General information

1. Please complete the table below. Make sure the point of contact you name has the authority to provide this information.

Name (point of contact):	
Address:	UK Steel, Broadway House, Tothill Street, London SW1H 9NQ
Telephone No:	
Email:	
Website:	<a href="https://www.makeuk.org/about/uk-steel">https://www.makeuk.org/about/uk-steel</a>

If you are representing a company, please also fill in the information below:

Company registration number:	05950172
Place of registration:	N/A
Legal name of organisation:	
Legal structure (e.g. limited company, sole trader, partnership etc):	Limited Company
Position in the organisation:	
Year of establishment:	1896
Other operating names:	Make UK and UK Steel

2. Please explain your interest in this review.

UK Steel, a division of Make UK (legal name EEF Limited) is the trade association for the UK's steel industry representing the interests of the UK's steel producing companies, including those of the product forming the subject of this transition review: wire rod.
Appendix reference:N/A

## A2 Information about this review

For each question, please give any information you feel is relevant to the case. If you have no information, please say so in your answer. This transition review will consider whether the current anti-dumping amount is necessary or sufficient to offset dumping and whether there would be injury to the UK industry if the measure was removed.

1. Please provide any information about the goods subject to review that you consider relevant.

The product definition and PCN system proposed by TRID have been used in the EU wire rod cases. This product scope is tried and tested and it makes sense that the UK uses the same definition for this UK transition review.

Appendix reference:

2. Provide any information which you think could help us assess the likelihood of dumping occurring if the existing anti-dumping measure for the goods subject to review no longer applied.

Evidence of the likelihood of dumping is provided in section 1 of the appendix.

Section 1.1 sets out key points in relation to relevant UK law and principles for establishing normal value. It sets out why it is not appropriate to use domestic Chinese prices or costs due to the existence of a particular market situation. Prices and costs are artificially low and reflect non-commercial factors. Accordingly, Chinese prices and costs cannot be considered to be substantially determined by market forces. Other trade remedy authorities (e.g. Australia, Canada, US, European Union) have also made similar findings that Chinese steel markets are affected by significant distortions. UK Steel claims that Regulation 14(1)(b) should be the basis on which Chinese data is rejected. In the alternative, UK Steel claims that distortions are so widespread that no Chinese price or cost data can be used. Information from third countries should therefore be used in accordance with Regulation 13.

Sections 4 and 5 provide comprehensive evidence on how the distortions affecting the Chinese wire rod market create a particular market situation.

Sections 1.2-1.4 describe the calculation of likely dumping. Two normal values are constructed based on 1) billets as the input for wire rod 2) the principal raw materials that go into the manufacture of billets. In the case of the former, likely dumping margins of 38 to 56% are calculated. In the case of the latter, the likely dumping margins are 13 to 30%

UK Steel has been rigorous in exploring several sources of data and different approaches in terms of cost breakdown. All indications are that significant dumping is likely to recur should the current measures be terminated.

Appendix reference:

3. Do you think there would be injury to the UK industry if the existing anti-dumping measure for the goods subject to review no longer applied? Provide any information supporting your conclusions including what the cause of this injury would be. You can refer to our [guidance on how we assess injury](#) for a definition of injury.

Analysis on the likelihood of injury to the UK industry is provided in section 2 of the appendix.

Key factors include huge excess capacity for wire rod production in China which dwarfs the UK market, meaning that even a marginal increase in Chinese exports could completely flood the UK market. The UK market is an attractive market for Chinese exporters and section 2.3 shows evidence that Chinese export prices to other destinations would be undercutting UK domestic prices for wire rod.

The UK steel sector is in a vulnerable position as it seeks to recover from the economic impacts of COVID-19 and adapt to the extremely challenging new trading conditions delivered by Brexit. Domestic wire rod demand has been declining in recent years and dropped by 10-20% from 2019 to 2020 alone. Demand is expected to be slow to recover and trade barriers with the UK's top two export markets limit prospects for export growth. This limits the ability of the industry to adjust and would amplify the injury suffered from an increase in imports.

To make matter worse, antidumping measures in other markets including the US, the EU, Australia, Indonesia, India and Mexico would see trade diverted to any open market.

The scale of the potential imported volumes combined with the challenging domestic conditions in the UK market would undoubtedly result in major injury to the UK sector.

Appendix reference:

4. Please provide any information about the possible economic effects on the UK if the existing anti-dumping measure on the goods subject to review were no longer applied.

Removal of the measure would put at risk well-paid jobs in less economically advantaged parts of the UK. Section 3 of the appendix shows the significant contribution of steel wire rod jobs in Cardiff, North Lincolnshire and Rotherham, supporting wages up to 40% higher than the local average.

It is not just the direct jobs which benefit from wire rod production, but economic value and employment across the supply chain, including upstream and downstream facilities, which is further highlighted by the interconnected nature of steel products.

The economic and public interest of the measure further extends to the UK's efforts in decarbonising, which is much more effective through retaining a domestic steel industry and maintaining responsibility for the emissions produced and consumed.

Please refer to section 3 of the appendix for UK's Steel's full analysis.

Appendix reference:

5. Do you have knowledge of any market distortions in the domestic market of the People's Republic of China affecting the production of the goods subject to review during the POI? Please describe the nature of the market distortions in detail, including any impacts on the level of production of the goods.

Please provide evidence to support your response.

Please see sections 4 and 5 of the appendix.

Appendix reference:

6. Please describe how any market distortions affected the price of goods subject to review, including any raw material or inputs, in the domestic market of the People's Republic of China during the POI. Provide examples and evidence to support your response, including any evidence concerning the following:
- situations/distortions in the domestic market of the People's Republic of China where prices of the goods subject to review are artificially low; and
  - situations/distortions in the domestic market of the People's Republic of China where prices of the goods subject to review reflect non-commercial factors.

Please provide evidence to support your response.

Please see sections 4 and 5 of the appendix.

Appendix reference:

7. Please describe how any market distortions affected the level of exports of the goods subject to review, during the POI. In your response, you may refer to any international markets, which you may be aware of, that are affected by differential levels of exports of the goods subject to review by the domestic market of the People's Republic of China.

Please provide evidence to support your response.

As demonstrated in sections 4 and 5 of the appendix, there are considerable distortions affecting wire rod production in China, with producers able to benefit from factors such as lower energy prices, labour costs, access to finance and therefore

allowing exporters to undercut other markets. While it is not possible to provide concrete evidence on how market distortions have affected the level of Chinese exports per se, it is logical to assume that by being able to sell at prices below where they would had the production inputs not been distorted, this would allow increasing the level of imports by undercutting international competitors.

Appendix reference:

8. Please provide any additional information which you think could assist the assessment of market distortions in the domestic market of the People's Republic of China; this could include:

- situations/distortions in the domestic market of the People's Republic of China where there is significant barter trade;
- situations/distortions in the domestic market of the People's Republic of China where there are subsidies involved in the production of the goods subject to review;
- any other reason, which could evidence that the comparable price cannot be used to determine the normal value of the goods subject to review.

Please provide evidence to support your response.

Please see sections 4 and 5 of the appendix.

Appendix reference:

9. If you have any other information which may help us with this review, please provide it below.

*Please answer here*

Appendix reference:

## SECTION B: Next steps and declaration

### Next steps

Once you have completed all parts of the questionnaire, the declaration below should be signed.

Please submit this questionnaire through the Trade Remedies Service ([www.trade-remedies.service.gov.uk](http://www.trade-remedies.service.gov.uk)) by **13 January 2021**.

A confidential and non-confidential version of the questionnaire must be submitted. You can find guidance on how to complete confidential and non-confidential versions at [www.gov.uk/government/publications/the-uk-trade-remedies-investigations-process/an-introduction-to-our-investigations-process#handling-confidential-information](http://www.gov.uk/government/publications/the-uk-trade-remedies-investigations-process/an-introduction-to-our-investigations-process#handling-confidential-information).

### Declaration

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

Company name: EEF Ltd (UK Steel)

19.03.2021

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of authorised official

\_\_\_\_\_  
Name and title of authorised official