



Trade Remedies  
Authority

## **Statement of Essential Facts**

**Case TD0008**

**Transition review of anti-dumping duties on imports of certain continuous filament glass fibre products originating in the People's Republic of China**

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## SECTION A: Introduction

1. This section summarises the legal framework for this Statement of Essential Facts (SEF) and the Trade Remedies Authority (TRA)'s findings. The background to the review and further detail on all aspects are set out in the body of the report.
2. This statement sets out the essential facts on which the TRA has relied when providing its intended final recommendation. It should be read in conjunction with other public documents available for this case on the [public file](#).
3. Until June 2021, the UK's trade remedies investigations functions were carried out by the Trade Remedies Investigations Directorate (TRID) as part of the UK Department for International Trade (DIT). On 1 June 2021, the TRA was formally and legally established as an independent arm's-length body of the DIT. The SEF will refer to 'the TRA' to cover all our activities associated with this transition review, both before and after our establishment as the TRA.
4. The purpose of this SEF is to inform interested parties of the essential facts established during this review and allow them to make submissions in response.
5. Interested parties are invited to make submissions in response to the SEF within 30 calendar days of this SEF, i.e. before midnight on **20<sup>th</sup> May 2022**. The TRA may consider submissions made after this date, but please note that it is not obliged to do so if we believe this would cause an unnecessary delay in preparing the Final Recommendation (FR). Where we reject information for any reason, we will publish our reasons for rejection in our FR. Registered interested parties to the case can make submissions on the Trade Remedies Service online platform (TRS). These submissions must be accompanied by a non-confidential version of the summary for the public file. In exceptional circumstances it may not be possible to summarise confidential information. If this is the case, you must provide a 'statement of reasons'.<sup>1</sup> Those not registered on the TRS may send submissions by email to [TD0008@traderemedies.gov.uk](mailto:TD0008@traderemedies.gov.uk).
6. For further guidance and information regarding transition reviews, please see our [public guidance](#).

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<sup>1</sup> A 'statement of reasons' means a statement setting out the reasons of a person supplying information to the TRA, explaining why summarisation of confidential information is not possible, as defined under Regulation 45(6)(b) of the Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019

## A1. Legal framework

7. This SEF is made pursuant to regulation 62 of the Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019 (as amended) (the Regulations). It includes:
- the recommendation that the TRA intends to make;
  - a summary of the facts considered during the transition review; and
  - details of the analysis forming the basis of the intended recommendation.

## A2. About this review

8. This is a transition review of a UK trade remedy measure under regulation 97 of the Regulations. This UK measure gives effect to the European Union (EU) Commission Implementing Regulation (EU) 2017/724 of 24 April 2017.<sup>2</sup>
9. This review concerns anti-dumping duties on imports of certain continuous filament glass fibre products (GFR) originating in the People's Republic of China, as set out in Taxation Notice 2020/14<sup>3</sup>. The Notice of Initiation (NOI) was published on 29 January 2021. The scope of the measure transitioned by this review, as detailed within the NOI, is defined in [Section B2. Scope](#).
10. The Period of Investigation (POI) for the review was 1 January 2020 to 31 December 2020. To assess injury, we examined the period 1 January 2017 to 31 December 2020, the Injury Period (IP).

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<sup>2</sup> European Union (EU) Commission Implementing Regulation (EU) 2017/724 of 24 April 2017: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017R0724&from=EN>

<sup>3</sup> [Taxation notice 2020/14: anti-dumping duty on certain continuous filament glass fibre products originating in the People's Republic of China - GOV.UK \(www.gov.uk\)](#)

## SECTION B: Summary and Findings

### B1. Interested parties and Contributors

11. The following interested parties provided a questionnaire response:
  - Electric Glass Fiber UK Ltd., (EGF UK), a domestic producer
  - Brett Martin Daylight Systems Ltd, (BMDS), an importer
  - Jiangsu Changhai Composite Materials Holding Co., (Jiangsu), a PRC producer
  - Changzhou New Changhai, (New Changhai), a subsidiary PRC producer
  - Changzhou Tianma, (Tianma), a subsidiary PRC producer
  - Filon Products Limited, (Filon), a downstream user of the like good
12. The following parties registered as contributors to the case, and provided questionnaire responses:
  - Filon Products Limited, (Filon), a downstream user of the like good
  - British Glass, a Trade Association
  - Composites UK, a Trade Association

### B2. Scope

13. As set out in the NOI, the scope of the transitioned measure is:

*“Chopped glass fibre strands, of a length of not more than 50 mm.*

*Glass fibre rovings, excluding glass fibre rovings which are impregnated and coated and have a loss on ignition of more than 3 % (as determined by the ISO Standard 1887).*

*Mats made of glass fibre filaments excluding mats of glass wool.”*

14. The TRA received a submission on scope from BMDS requesting that multi-end rovings be removed from the measure. An additional request for information on scope was published and the following interested parties responded:

- BMDS

- EGF UK
  - Jiangsu
  - Filon
15. Following receipt of these submissions, the TRA has assessed the scope of the transition review under regulations 99A(2)(a)(iii) and 74 of the Regulations. This assessment included a comparison of multi-end and single-end rovings across a range of factors as part of an assessment of how alike these goods are. [The impact of a change in scope on the intended effects of the dumping duty and whether it would cause prejudice to the interests of any interested parties or contributors was also assessed.](#) This assessment is set out in [Section D: The Goods.](#)
  16. The TRA received a number of submissions on the inclusion of multi-end rovings in the final measure. We have concluded that multi-end and single-end rovings are sufficiently similar to remain in scope for the purposes of the transition review, despite differences in potential end uses, as we are satisfied there is potential for multi-end rovings to replace single-end in some areas of the UK market. On this basis, the scope of the transition review has not been amended to remove multi-end rovings from the measures.
  17. The TRA has determined that the description of the goods to which the measure applies should be varied to exclude mats. Mats are not produced in the UK, and no submissions have been received in relation to keeping mats within the scope of the measure. [The potential impacts of this removal have been considered, and in considering how alike the goods are, no areas of interchangeability between mats and the goods produced in the UK have been found. The TRA has therefore concluded that mats are not able to replace any of the goods made by the UK industry in any area of the market.](#) This determination is set out in [Section D: The Goods.](#)

### **B3. Consideration of whether the anti-dumping amount is necessary or sufficient to offset the dumping**

18. Under regulation 99A(1)(a) of the Regulations, we are required to consider whether the application of the anti-dumping amount is necessary or sufficient to offset the dumping of the goods subject to review.
19. During the POI, there were imports of the goods subject to review into the UK. However, we did not receive sufficiently detailed data in relation to these imports to determine definitively whether the measure is necessary or sufficient to offset the importation of the subsidised goods subject to review.

20. Additionally, without data regarding the dumping of the relevant goods, we do not consider it possible to recalculate the anti-dumping amount under regulation 99A(2)(a)(i) of the Regulations.
21. Therefore, to determine whether the measures should be varied or revoked, we have considered the likelihood that injury would occur if the measures were no longer applied, in accordance with regulation 99A(1)(b) of the Regulations.
22. Under regulations 99A(2)(a)(iii) and 70(6) of the Regulations, we have also considered the likelihood that dumping of the goods subject to review would occur if the measures were no longer applied.

#### **B4. Likelihood of dumping assessment**

23. In accordance with regulations 99A(2)(a)(iii) and 70(6) of the Regulations we assessed the likelihood that dumping would occur if the measures were no longer applied (the likelihood of dumping assessment). We determined that it is likely, on the balance of probabilities, that dumping of GFR would occur if the measures were no longer applied.

#### **B5. Likelihood of injury assessment**

24. In accordance with regulation 99A(1)(b) of the Regulations, we considered whether injury to the UK industry of the relevant goods would occur if the anti-dumping amount were no longer applied (the likelihood of injury assessment). We determined that it is likely, on the balance of probabilities, that injury would occur if the anti-dumping amount on GFR were no longer applied.

#### **B6. Economic Interest Test**

25. Having considered all the evidence gathered, including that presented by the interested parties and contributors, and all the factors listed in the legislation, we have concluded that the Economic Interest Test (EIT) is met for the proposed duty.

#### **B7. Intended recommendation**

26. In accordance with regulation 100(1) of the Regulations, the TRA must make a recommendation following a transition review to vary or revoke the application of the anti-dumping amount of the relevant goods.
27. Our intended recommendation is to vary the application of the anti-dumping amount under regulation 100A of the Regulations. As it has not been possible to recalculate the anti-dumping amount, we recommend maintaining the measure under regulation 100A(4)(b) of the Regulations and varying the

description of the goods to which the measure applies under regulation 99A(2)(a)(ii) of the Regulations.

28. The World Customs Organisation (WCO) amended the Harmonised System (HS) for commodity codes, this took effect on 1 January 2022 affecting mats made of glass fibre filaments. The code 7019 31 00 00 was replaced with four codes 7019 13 00 other yarn, slivers, 7019 14 00 mechanically bonded mats, 7019 15 00 chemically bonded mats and 7019 19 00 other. The transitioned UK trade remedy therefore applied only to codes 7019 14 00 00 and 7019 15 00 00 from 1 January 2022.

29. The description of the goods to which the measure applies will be varied to exclude “mats made of glass fibre filaments” from the application of the measure. The goods to be excluded are classified under the following commodity codes:

7019 31 00 00, now listed as 7019 14 00 00 and 7019 15 00 00.

30. The varied description of the goods to which the measure applies is as follows:

*“Chopped glass fibre strands, of a length of not more than 50 mm.*

*Glass fibre rovings, excluding glass fibre rovings which are impregnated and coated and have a loss on ignition of more than 3 % (as determined by the ISO Standard 1887).”*

31. Commodity codes to which the measures will be maintained and will continue to apply will be as follows:

7019 11 00 00  
7019 12 00 22  
7019 12 00 25  
7019 12 00 26  
7019 12 00 39

32. The duties specified in [Annex 1](#) shall be maintained and applied to the goods described or imported under the above commodity codes.

33. We intend to make this recommendation on the grounds that:

- It is likely, on the balance of probabilities, that dumping of GFR from the PRC would occur if the anti-dumping amount were no longer applied.
- It is likely, on the balance of probabilities, that injury to the UK industry would occur from importation of GFR from the PRC if the anti-dumping amount were no longer applied.

- The application of the anti-dumping amount on GFR meets the EIT.
34. In reaching this intended final recommendation we considered the current and prospective impact of the anti-dumping amount in accordance with regulation 100A(2)(b) of the Regulations.

## SECTION C: Background

### C1. Initiation of the transition review

35. The UK chose to transition some trade remedy measures once it was outside EU's common external tariff. DIT identified which measures were of interest to the UK following a call for evidence.
36. For each of these measures, the Secretary of State for International Trade (the Secretary of State) published a Notice of Determination under regulation 96(1) of the Regulations, setting out the decision to transition the corresponding EU trade remedy measure, and a Taxation Notice under regulation 96A(1) of the Regulations on replacement of the EU trade duty. We conduct transition reviews to determine if these measures should be varied or revoked in the UK.
37. On 31 December 2020, the Secretary of State published a [Notice of Determination](#) and [Taxation Notice](#) regarding the anti-dumping duty on certain continuous filament glass fibre products originating in the PRC. In accordance with the Regulations and this Notice, the TRA was required to conduct a transition review of the original EU measure imposing this anti-dumping duty, pursuant to Article 11(2) of [Council Regulation \(EC\) No 1225/2009](#).
38. On 29 January 2021 the Secretary of State published a Notice to initiate the transition review of the transitioned UK trade remedy measure relating to certain continuous filament glass fibre products originating in the PRC.

### C2. Previous measures in place

39. The European Commission (the Commission) imposed anti-dumping duties on imports of certain continuous filament glass fibre products originating in the PRC by implementing [Council Regulation \(EC\) No.248/2011](#) on 9 March 2011. [Annex 2](#) lists the duty rates that were applied following EU anti-dumping investigation AD549.

#### C2.1 EU reviews conducted since the original measure

40. Since the original investigation, the Commission has undertaken the following reviews.
41. A [partial interim review](#) (EU interim review R593) was initiated on 18 December 2013, following a request by the European Glass Fibre Producers Association (APFE) on behalf of Union producers. The request was made in respect of the injury assessment, specifically that the basis on which the existing measures were imposed had changed and that these changes were of a lasting nature.. On 23 December 2014, the Commission implemented [Regulation \(EU\)](#)

[1379/2014](#) imposing definitive countervailing duties and amending the anti-dumping duties. The duties imposed are listed in [Annex 3](#).

42. On 15 March 2016, an [expiry review](#) was initiated (EU expiry review R641). On 25 April 2017 the anti-dumping duties applicable to certain continuous filament glass fibre products originating in the PRC were renewed by the Commission. The duties imposed in the partial interim review were maintained following the expiry review and are listed in [Annex 4](#).

### **C3. Our transition review process**

#### **C3.1 The transitioned measure**

43. The EU measure transitioned into UK law and as set out in the Taxation Notice took effect as a UK measure on replacement of EU trade duties. Under regulation 97C of the Regulations, this measure will continue until the Secretary of State publishes a notice accepting or rejecting a recommendation following a transition review to vary or revoke the application of the anti-dumping amount.
44. The transitioned measure applies to certain continuous filament glass fibre products originating in the PRC. The rate of anti-dumping duty which applies to the goods produced by the relevant companies is summarised in [Annex 1](#).

#### **C3.2 Information from participants in the review**

##### **C3.2.1 UK Producers**

45. Pre-sampling questionnaire responses were received from the producer of GFR in the UK:
  - EGF UK
46. There was no requirement for sampling as EGF UK are the sole producer of GFR in the UK. The information received from them is detailed in [Annex 5](#).

##### **C3.2.2 PRC Exporters**

47. Pre-sampling questionnaires were received from the following PRC exporters:
  - Jiangsu
48. Jiangsu's subsidiary companies, Tianma and New Changhai also completed questionnaires. The information received from them is detailed in [Annex 6](#).

##### **C3.2.3 Importers**

49. Two importers registered their interest to the transition review,
  - Buefa Composites UK Ltd (BUEFA)
  - BMDS
50. BMDS was the only party to participate in the review as an importer. [Annex 7](#) details the information received.

#### **C3.2.4 Foreign Governments**

51. The government of the PRC registered to participate in this transition review. The information received from them is detailed in [Annex 8](#).

#### **C3.2.5 Other participants**

52. One trade body registered their interest in the review. The British Glass Manufacturers Confederation (British Glass) submitted a Pre-sampling Questionnaire, a questionnaire and a response to the request for information on scope. The information received is detailed in [Annex 9](#).
53. Contributor registration forms were issued which permitted additional information to be provided by members of the upstream and downstream industries. The information received is detailed in [Annex 10](#).

#### **C3.3 Verification of data**

54. Submissions by the UK producer, EGF UK, were checked for consistency and completeness. During these checks, deficiencies were identified relating to incomplete responses and non-confidential summaries. All deficiencies were resolved before verification work commenced.
55. Verification meetings were held with EGF UK between 12 and 13 October 2021. During the meetings, EGF UK provided information on their accounting systems, sales data, processes, and transactions. Further information and source documentation relating to injury factors and the Economic Interest Test were also provided.
56. Additional information was also requested regarding individual sales transactions and costs. The requested information was submitted by EGF UK and verified. Any data that we have assessed as not being verifiable is listed in the verification report which can be found on the public file.
57. In addition to information provided by EGF UK, secondary source information was used in accordance with the Regulations. This secondary information was treated with special circumspection and, where practicable, verified using

independent sources. This included, but was not limited to, official import statistics and data pertaining to relevant markets. Where data has not been verified, the TRA has highlighted these areas and considered this when drawing conclusions.

58. Following verification activity undertaken on the data provided by EGF UK, we are satisfied that we can treat the data relied on as complete, relevant, and accurate for the purposes of this review.

## SECTION D: The Goods

### D1. Introduction

59. 'Goods subject to review' are defined in regulation 2 of the Regulations as *"the goods described in the notice of initiation of a review under Schedule 3, Paragraph 1."*

60. The goods subject to review in this transition review are defined in the NOI as:

*"Chopped glass fibre strands, of a length of not more than 50 mm.*

*Glass fibre rovings, excluding glass fibre rovings which are impregnated and coated and have a loss on ignition of more than 3 % (as determined by the ISO Standard 1887).*

*Mats made of glass fibre filaments excluding mats of glass wool."*

### D2. Assessment of the goods

61. The scope of this transition review, as set out in the NOI and detailed above, consists of chopped strands, rovings (both single-end and multi-end) and mats. All products are produced in the PRC. There is evidence that the UK GFR industry produces single-end rovings and wet-chopped strands, the TRA has not established any evidence of domestic production of multi-end rovings, dry-chopped strands or mats within the UK during the POI.

62. EGF UK have confirmed that they have previously produced dry chopped strands, and still have the facilities to produce them. However there has not been a demand for them in the POI. EGF UK have stated that should orders for dry chopped strands come in they are able to resume production. There are multiple production processes where dry or wet chopped strands are interchangeable. The TRA considers it likely that varying the description of the goods of the measure to remove dry chopped strands would cause injury to the UK industry via the reduction of wet chopped strand sales and exclusion from the dry chopped strand market.

63. EGF UK have confirmed that they do not produce mats and no requests to maintain the measure on mats have been received. Mats produced in the PRC are purchased by multiple UK importers including Filon, there is no evidence of UK production in the POI, and the TRA has received no evidence suggesting that mats are a suitable substitute for chopped strands or rovings. Additionally, we have considered the impact and potential impact of varying the description of the goods to which the measure applies to remove mats, and whether this would cause prejudice to any of the parties. In the absence of submissions or evidence to the contrary, we have therefore determined to vary the description of the goods to which the measure applies to remove mats.

64. We received submissions regarding scope from BMDS requesting that multi-end rovings be removed from the scope of the transition review on the basis that they are not produced in the UK. Accordingly, we sought additional information on scope from parties registered in the transition review. In order to respond to these submissions, we have assessed a number of factors to establish the similarities (or likeness) of multi-end and single-end rovings. These included physical, chemical, technical, and commercial similarities and differences between the goods concerned and other potential like goods as well as the impact and potential impact of varying the description of the goods to which the measure applies and whether this would cause prejudice to any of the parties.
65. The following observations have been made regarding physical, chemical, and functional likenesses of multi-end and single-end rovings.
66. Rovings consist of a collection of parallel filaments (multi-end) or parallel continuous filaments (single-end) assembled without an intentional twist (ISO/DIS 13922).
  - a. **Multi-end roving:** A collection of parallel strands assembled without intentional twist (according to ISO/DIS 13922).
  - b. **Single-end roving:** A large and predetermined number of filaments obtained by winding directly from a bushing (according to ISO/DIS 13922).

## D2.1 Production process

67. Rovings are produced using a five-step production method of batching, melting, fibreisation, sizing and drying/packaging. The raw materials are blended, batched and then melted in a furnace. GFR formation, or fibreisation, involves a combination of extrusion and attenuation. In extrusion, the molten glass passes out of the forehearth through a bushing made of an erosion-resistant platinum/rhodium alloy with very fine orifices, from 200 to as many as 8,000. Water jets cool the filaments as they exit the bushing where they are attenuated by being mechanically drawn under tension into fibrous elements called filaments. The filaments are sprayed with a chemical coating, or sizing, which may include lubricants, binders or coupling agents. The filaments are collected into a bundle, wound onto a drum and dried in an oven before being packaged.
68. The difference in the production process between the two types of rovings is that single-end rovings are produced by pulling individual fibres directly from the bushing and winding them into a roving package. Multi-end rovings are made from multiple strands wound together into a multi-end roving package and require additional handling and processing steps.

69. EGF UK does not produce multi-end rovings as they have transitioned their customers to single-end rovings. EGF UK could restart production of multi-end rovings with minimal investment requirements.

## **D2.2 Quality and chemical characteristics**

70. The difference in quality and chemical characteristics is not disputed by the parties. There is no known difference in the quality or chemical composition of multi-end and single end rovings and the raw materials used to manufacture both are the same.

## **D2.3 Functional characteristics**

71. Both multi-end and single-end rovings are used to improve the strength, stiffness and thermal deformation temperature of the end products they are used in.
72. When cut during manufacturing of the end products, multi-end rovings split apart and are therefore used when transparency is required, for example when manufacturing roof lights. BMDS stated that multi-end rovings give a better “wet out” when the fibres are fully encapsulated by the resin which is needed to make translucent products.
73. In contrast single-end rovings are firmed and do not break apart when cut. They can be used in a variety of manufacturing processes such as weaving and winding to fabricate a range of products such as wind turbines blades, pipes and frames. BMDS has stated that single-end rovings cannot be used in manufacture of the products they produce due to the lack of transparency.

## **D2.4 Commodity codes**

74. The TRA has considered the commodity codes and is satisfied that these reflect the similarities and differences of the goods.

## **D2.5 Commercial likeness**

75. This refers to how the market treats the potential like goods compared to the goods concerned. As part of this review, the TRA considered:
- end use and interchangeability; and
  - direct competition between multi-end rovings and single-end rovings.

### **D2.5.1 End use and interchangeability**

76. End use requires consideration of the extent to which multi-end and single-end rovings are capable of performing the same, or similar, function.
77. Interchangeability requires consideration as to whether consumers are willing to choose one product instead of another to perform those end uses.
78. BMDS has stated that single-end rovings cannot be used in manufacture of the products they produce due to the lack of transparency. This indicates that any products that require transparent materials such as lighting systems or scientific equipment are unable to substitute single-end rovings for multi-end rovings in their manufacture.
79. EGF UK has provided examples where multi-end and single-end rovings can be used interchangeably in an end product. Examples of this are tiles for pavements in airports and car parts such as rear shelves. In addition, EGF UK has provided sales data showing a customer transitioning from use of multi-end to single-end rovings.
80. The TRA has considered submissions in relation to various uses of multi-end and single-end rovings and has concluded that there is some interchangeability in some end uses and hence that there is competition between the two products.
81. The TRA has considered the impact of a change in scope on the intended effects of the anti-dumping amount and whether it would cause prejudice to the interests of any interested parties or contributors was assessed. The TRA has concluded that the impact of a change in scope could cause prejudice to the UK producer because the change would remove a like good.

#### **D2.5.2 Direct competition between multi-end and single-end rovings**

82. The TRA has received insufficient data to assess the extent to which multi-end and single-end rovings directly compete on price .

#### **D2.6 Conclusion**

83. The TRA has determined that the relevant goods produced in PRC and the UK are comparable and fall within the description of the goods subject to review.
84. We have concluded that multi-end and single-end rovings are sufficiently similar to remain in scope for the purposes of the transition review. We have also concluded that this will not impact or cause prejudice to any parties to this transition review. On this basis, the description of the goods to which the measure applies has not been amended.

85. We have also concluded that mats are not produced in the UK, and we have received no representations regarding whether mats should continue to be included in the description of the goods to which the measure applies. Having considered whether removing mats from the description of the goods would impact or prejudice parties to this transition review, we have determined that the description of the goods to which the measure applies will be varied to exclude mats.

## **SECTION E: The Current UK Industry and Market**

### **E1. Overview**

86. UK industry consist of one manufacturer: EGF UK.
87. The most recent annual report and financial statements on Companies House show that the average monthly number of employees (including directors) employed by the company during 2020 was 251. All their production is GFR.

### **E2.1 Market size and structure**

88. Gross Value Added (GVA) from the production of GFR was circa £10.7m during 2020.
89. In addition to the one UK producer of GFR, we identified 61 importers of GFR: some of these are wholesalers and some of these use GFR to create other products.
90. GFR have numerous applications in various downstream industries, including automotive, building materials, composites, marine and wind energy industries.
91. GFR are an intermediate product rather than a consumer product, so are used as input to build final products consumed by downstream industries and the public.

### **E2.2 Market trends**

92. There has been a decrease in UK production over the IP. This could be attributed to the domestic sales decreasing during the IP. Production capacity has remained fairly constant throughout the IP. Production capacity utilisation followed a similar trend to production.
93. Over the IP, the volume of export sales remained constant, increasing between 2017 and 2019, and decreasing in 2020. The 2020 figures are likely to be

affected by the impact of COVID-19 on the UK and world economy. However, there has been a decrease in the value of export sales of 14% over the IP, which can be explained by the price of the exported goods also decreasing over the IP.

### **E2.3 Competition in the market**

94. UK production competes with GFR imported into the UK market.
95. Imported GFR are predominantly from Belgium, France and Slovakia. Imports of GFR from the PRC accounted for 8.44% of total UK import volume of GFR in 2020, making the PRC the fifth largest source of imports of GFR.

### **E2.4 Conclusion**

96. We have determined the UK industry is comprised of one manufacturer – EGF UK – for the purposes of this transition review. The GFR produced by this manufacturer is considered to be like the GFR produced by the PRC industry and thus provides a meaningful comparison for our analyses.

## SECTION F: Necessary or Sufficient Assessment

### F1. Introduction

97. Under regulation 99A(1)(a) of the Regulations, we are required to consider whether the application of the anti-dumping amount is necessary or sufficient to offset the dumping of the relevant goods to the UK (the necessary or sufficient assessment).

### F2. Assessment

98. With one exception, we do not have data from exporters found previously to be importing goods at dumped prices as to the number of imports of the goods subject to review in the UK.

99. We have therefore obtained data from Her Majesty's Revenue and Customs (HMRC), which indicates that there continued to be imports of the goods subject to review into the UK from the PRC during the POI.

100. The HMRC data shows that in 2020 the PRC was a major source of glass-fibre rovings imported to the UK. The PRC was also ranked 12<sup>th</sup> as source of imported glass-fibre chopped strands.

**Table F.1: UK imports of the goods subject to review from the People's Republic of China in 2020.**

Product description	Commodity code	Total UK import volume (mT)	Share of total UK import volume (%)
Glass-fibre chopped strands	70191100	76	0.3%
Glass-fibre rovings	70191200	3,236	20.0%

Source: HMRC, Overseas Trade Statistics, 2022.

101. The data therefore indicates that the relevant goods have continued to be imported into the UK during the POI, despite measures being in place. However, the data obtained during the transition review does not provide sufficient detail in relation to these imports to allow us to make an assessment regarding whether the application of the measure is necessary or sufficient to offset the dumping of the relevant goods.

102. Additionally, without sufficient data regarding imports of the goods subject to review, we do not consider it appropriate to recalculate the anti-dumping amount under regulation 99A(2)(a)(i) of the Regulations.

### **F3. Conclusion**

103. In light of paragraph 101, the TRA is unable to determine definitively whether the application of the anti-dumping duty is necessary or sufficient to offset the dumping of the relevant goods into the UK.

104. Therefore, to determine whether the measures should be varied or revoked, we have considered the likelihood that injury would occur if the measures were no longer applied, in accordance with regulation 99A(1)(b) of the Regulations.

105. Under regulations 99A(2)(a)(iii) and 70(6) of the Regulations, we have also considered the likelihood that importation of the dumped goods subject to review would occur if the measure were no longer applied.

## SECTION G: Likelihood of Dumping Assessment

### G1. Introduction

106. In accordance with regulations 99A(2)(a)(iii) and 70(6) of the Regulations we have assessed the likelihood that the dumping of relevant goods would occur if the measures were no longer applied. In doing so, and in conjunction with our consideration of the Economic Interest Test, we have also had regard to the current and prospective impact of the dumping amount, as required under regulation 100A(2) of the Regulations.
107. We have considered the likelihood of dumping on a countrywide basis, rather than an exporter-by-exporter basis. This is due to the non-cooperation of PRC exporters, which resulted in insufficient information being available to the TRA on the individual companies. One exporter, Jiangsu Changhai exported only mats to the UK during the POI. As mats will no longer have measures applied to them, the measure has been varied to exclude mats, we have considered their data to be unrepresentative of countrywide exports.
108. Information obtained from secondary sources was used in accordance with the Regulations where primary data was not available.
109. The assessment considered:
- the price comparison between PRC produced goods and UK produced goods;
  - whether dumped imports to the UK have continued whilst the measure has been in place;
  - whether exporters have significant levels of production capacity (current or potential), which would give them the ability to dump if the measure was removed;
  - whether exporters have significant levels of production which would give them the ability to dump if the measure was removed;
  - whether exporters have significant inventories, which give them the ability to dump if the measure was removed;
  - whether exporters are dumping in third countries and/or subject to anti-dumping measures elsewhere;
  - whether the conditions in the PRC domestic market are favourable for the goods concerned;

- whether exporters would be likely to choose to export to the UK over other markets based on the attractiveness of the UK market; and
- whether exporters have previously or habitually circumvented the effects of trade remedy measures.

## G2. Price comparison between PRC and UK GFR

### G2.1 UK price

110. The UK price of domestically produced GFR has been calculated using an average of the price data provided by the UK producer, EGF UK. This calculation has been made on the basis of confidential data provided by EGF UK.

111. Most GFR sold in the UK is imported, so the UK market price of GFR has been calculated as a weighted average price of all GFR domestically produced and sold to the UK market and imported from foreign suppliers.

**Table G.2.1: Estimated average UK market price for GFR chopped strands based on submitted sales volume and value data – indexed to 2017.**

Time period (January - December)	2017	2018	2019	POI
Volume of GFR sales in the UK market	100	124	100	99
Value of GFR sales in the UK market	100	122	94	97
Average unit price of GFR	100	102	107	102

Source: Questionnaire responses submitted by interested parties to TRA, HMRC Overseas Trade in Goods Statistics, 2022.

**Table G.3.2: Estimated average UK market price for GFR rovings based on submitted sales volume and value data – indexed to 2017.**

Time period (January - December)	2017	2018	2019	POI
UK market volume	100	93	102	70
Total UK market value	100	90	104	71

<b>Average UK market price per unit</b>	100	103	98	98
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Source: Questionnaire responses submitted by interested parties to TRA, HMRC Overseas Trade in Goods Statistics, 2022.

## **G2.2 PRC price**

112. Non-cooperation of major PRC exporters and the absence of publicly available granular price data for PRC GFR has meant we have not been able to determine an average domestic price of GFR in the PRC during the POI.
113. We have received no indication that the PRC domestic price of GFR has changed significantly since the Commission's expiry review (expiry review R641) of the measure, which concluded in 2017.

## **G2.3 Conclusion**

114. The estimated average UK market price for chopped strands was 2% higher and rovings was 2% lower than the 2017 prices during the POI. The average price for both GFR products likely remained stable from 2017 to 2020, with both product average price estimates changing less than a 5% annually.
115. We have insufficient evidence to calculate a PRC market price of GFR. We therefore cannot calculate the difference between the price of GFR exported from the PRC to the UK and the domestic price of GFR in the PRC.
116. The TRA are therefore unable to determine whether UK imports of PRC GFR have been sold at dumped prices. We have instead relied upon indicators of dumping in our analysis due to this lack of evidence.

## **G3. Continued dumping**

117. There have been low level imports of PRC chopped strands to the UK and a significant level of PRC roving imports to the UK during the POI. HMRC data shows that 0.4% of UK import value of chopped strands were from the PRC during the POI, and that 15.2% of UK import value of rovings were from the PRC during the POI.

### **G3.1 Continued dumping – GFR chopped strands**

118. The TRA has identified the volume and value of UK imports of chopped strands using HMRC data. HMRC import values are at Cost, Insurance, and Freight (CIF) delivery terms, so the anti-dumping measure's effect on price of between 0-19.9% is not reflected in [Table G.3.1](#).

**Table G.4.1: UK imports of GFR chopped strands.**

		2017	2018	2019	2020
UK Imports from the PRC	Value (million £s)	0.2	0.2	0.1	0.1
	(% of total imports value)	0.9%	0.7%	0.5%	0.4%
	Volume (000 mT)	0.2	0.2	0.1	0.1
	(% of total imports volume)	1.0%	0.7%	0.5%	0.3%
	Price (£/mT)	959	988	1,040	1,163
	(% of average price based on all imports)	95.4%	96.6%	97.1%	113.2%
Total UK imports	Value (million £s)	24.3	30.3	24.3	24.1
	Volume (000 mT)	24.2	29.6	22.7	23.5
	Price (£/mT)	1,006	1,022	1,071	1,027

Source: HMRC Overseas Trade in Goods Statistics, 2022.

119. [Table G.3.1](#) shows that UK imports of PRC chopped strands is less than 1% of total UK imports of chopped strands during the IP. The CIF import price for PRC chopped strands is within 5% of the international 2017-2019 average price and if we consider the additional cost of the anti-dumping measure to UK importers it is likely that PRC chopped strands have been more expensive than the average international import price in the IP.

### **G3.2 Continued dumping – GFR rovings**

120. The TRA has identified the volume and value of UK imports of rovings using HMRC data. HMRC import values are at CIF delivery terms. The effect of the anti-dumping measure on the price of between 0% to 19.9% is therefore not reflected in [Table G.3.2](#).

**Table G.5.2: UK imports of GFR rovings.**

		2017	2018	2019	2020
UK Imports	Value (million £s)	3.8	3.1	6.8	2.4

<b>from the PRC</b>	<b>(% of total imports value)</b>	17.0%	14.8%	27.7%	15.2%
	<b>Volume (000 mT)</b>	4.8	4.2	8.6	3.2
	<b>(% of total imports volume)</b>	21.8%	21.1%	34.4%	20.0%
	<b>Price (£/mT)</b>	782.8	731.3	793.7	754.4
	<b>(% of average price based on all imports)</b>	78.2%	70.4%	80.5%	75.7%
<b>Total UK imports</b>	<b>Value (million £s)</b>	22.2	20.8	24.7	16.1
	<b>Volume (000 mT)</b>	22.2	20.0	25.1	16.2
	<b>Price (£/mT)</b>	1,001	1,039	986	997

Source: HMRC Overseas Trade in Goods Statistics, 2022.

121. Table G.3 shows that for all years during the IP at least 20% of the UK imports of rovings were sourced from the PRC. The average import price of PRC rovings was 24-41% lower than the average import price during the injury period.

122. This average price difference can be partially explained by the absence of the anti-dumping duty in the PRC import value provided by HMRC. This anti-dumping duty was between 0-19.9% during IP, depending on PRC exporter. Average PRC roving import prices with a mark-up of 19.9% remains lower than the international average UK import price during IP.

123. It is therefore likely that the UK import price of PRC rovings including the anti-dumping measure was lower than the international average price for rovings. This increases the likelihood that PRC rovings were dumped but does not definitively show whether PRC roving were dumped into the UK during the POI.

### **G3.3 Conclusion**

124. There have been low levels of chopped strand imports and high volumes of roving imports from the PRC during the IP. The UK import price of PRC rovings were likely lower than the UK average import price of rovings during the injury period.

125. The TRA has concluded that it is likely that PRC chopped strands were not dumped into the UK during the IP due to similar or higher than international average import pricing and low import volume.

126. The TRA has concluded that it remains unclear whether PRC rovings were dumped into the UK during the IP. This is due to large import volumes and prices that were likely lower than the UK average import price of rovings which indicates dumping, but due to the lack of submitted information detailing PRC domestic prices of GFR we have not been able to determine whether rovings were dumped into the UK during the POI.

#### **G4. Production capacity**

127. The TRA received one submission that specified countrywide production capacity for the PRC. EGF UK have stated that there is between a 0.7-1.7m mT difference between PRC production capacity and consumption for GFR during the POI. This exceeds the annual UK consumption of GFR based on confidential submissions and HMRC data.

128. The expiry review numbered R708 conducted by the European Commission found that in 2018 there was a 0.7m mT difference between PRC production capacity and consumption of GFR.<sup>4</sup> The TRA received no submissions that dispute this figure or indicate that this figure has changed between 2018 and the POI.

129. We therefore consider it likely that during the POI at least 0.7m mT of production capacity for GFR in the PRC remained unused for domestic consumption of GFR.

#### **G4.3 Conclusion**

130. It is likely that production capacity for GFR likely exceeded domestic consumption of GFR in the PRC during the POI. This excess capacity increases the likelihood that PRC exporters will dump GFR into the UK if the measure was revoked.

#### **G5. Current production**

131. The TRA has not received submissions stating that PRC production of GFR has changed since the Commission's review (EU expiry review R641), which had its final determination published in 2017. We were also not able to obtain secondary data to indicate changes in PRC production level of GFR. The TRA has not been able to comment on changes in PRC production levels of GFR during the POI. The TRA has insufficient information to comment on whether production has affected the likelihood that GFR would be dumped into the UK if the measure was revoked.

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<sup>4</sup> Commission Implementing Regulation (EU) 2021/328, available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021R0328&from=EN> (accessed 24 March 2022).

## G6. Inventory levels

132. The TRA has not received submissions stating that inventories of GFR held by PRC exporters has changed since the Commission's expiry review R641 published in 2017. We were also not able to obtain secondary data to indicate changes in PRC exporter inventories of GFR. The TRA has not been able to comment on changes in PRC exporter inventories of GFR during the POI, and so we have not been able to comment on the effect of inventories changing the likelihood PRC exporters would dump into the UK.

## G7. PRC exports to third markets

133. The TRA received insufficient information to analyse PRC exports to third countries based on submitted data. The TRA have instead relied upon secondary source information from the UN Comtrade to analyse PRC exports during the POI.

134. The PRC export data is valued using Free on Board (FOB) delivery terms, i.e., the value of the goods at the PRC port of export, based on the transaction price including inland freight, insurance and other charges incurred in placing those goods alongside the carrier at the PRC port of export, and the buyer is at risk once the seller ships the product.<sup>5</sup>

135. The table below compares the average price of GFR exports from the PRC to the UK and other major destination countries to which the PRC exports.

**Table G.7.1: Major destinations of PRC exports of GFR chopped strands during the POI.**

Country	Volume of PRC exports (000 mT)	Market share (% of total PRC exports, volume)	Rank (volume of PRC exports)	Value of PRC exports (million USD)	FOB unit price (USD/mT)	Rank (unit price)
Rep. of Korea	33.1	23.7%	1	25.7	776	24
USA	20.1	14.4%	2	19.4	959	49
Japan	18.5	13.2%	3	17.0	920	44
India	13.9	9.9%	4	11.3	812	31
Iran	8.6	6.1%	5	5.4	631	14
UK	0.015	0.01%	58	19.2	1,302	72

<sup>5</sup> UN Comtrade, available at: <https://comtrade.un.org/db/help/uReadMeFirst.aspx> (accessed 24 March 2022).

<b>World</b>	140.1	100%	:	121.9	870	:
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Source: UN Comtrade, 2022.

**Table G.7.2: Major destinations of PRC exports of GFR rovings during the POI.**

<b>Country</b>	<b>Volume of PRC exports (000 mT)</b>	<b>Market share (% of total PRC exports, volume)</b>	<b>Rank (volume PRC of exports)</b>	<b>Value of PRC exports (million USD)</b>	<b>FOB unit price (USD/mT)</b>	<b>Rank (unit price)</b>
<b>USA</b>	58.6	11.6%	1	44.3	756	61
<b>Rep. of Korea</b>	49.7	9.9%	2	35.8	720	49
<b>Thailand</b>	20.0	5.5%	3	17.1	616	18
<b>United Arab Emirates</b>	23.4	4.9%	4	16.8	680	32
<b>Saudi Arabia</b>	27.7	4.8%	5	16.0	671	30
<b>UK</b>	3.2	0.6%	34	3.3	1,021	83
<b>World</b>	504.0	100%	:	381.5	757	:

Source: UN Comtrade, 2022.

136. The TRA has calculated an average PRC export price to the UK of \$1,302 per mT for chopped strands and \$1,021 per mT for rovings. This is a higher export price than GFR sold to the PRC's five largest export destinations. The UK was a small market for PRC GFR exports as only 0.01% of chopped stands and 0.6% of rovings exported by the PRC during the POI were exported to the UK.

137. No explanation for this trend was provided in submissions from Jiangsu, New Changhai, or Tianma. The data available to the TRA is insufficient to independently analyse possible explanations for the high price and low volume behaviour displayed in the data. Due to the non-cooperation of all other PRC exporters of GFR and the government of the PRC, we have not been able to attribute this trend to specific market factors or business strategies.

## **G7.1 Conclusion**

138. The TRA have evidence that PRC based exporters were able to sell GFR in the UK at FOB prices above their international average FOB export price during the POI. The TRA has not been provided with an explanation or sufficient evidence to attribute this export behaviour to specific factors, so we have not been able to comment on whether PRC export trends will affect the likelihood that PRC GFR would be dumped into the UK if the measure were revoked.

## G8. Anti-dumping measures in other countries

139. The TRA has identified that Turkish and Indian trade remedies authorities have put in place anti-dumping duties on imports of GFR from the PRC during the POI.
140. The Government of Turkey published definitive measures of case numbered NGS.210.02.2015 on 31<sup>st</sup> December 2010. This was followed by interim review published 17<sup>th</sup> April 2015 published in Communiqué No: 2015/5 and an expiry review on 3<sup>rd</sup> November 2016 published in Communiqué No: 2016/48 in which the measure was extended until 3<sup>rd</sup> November 2021<sup>6</sup>. An ongoing investigation into the measure was initiated on the 30<sup>th</sup> October 2021 in Communiqué No: 2021/49<sup>7</sup>.
141. The 2015 interim review states that the original 2010 measure had caused “no significant decrease in the import of GFR originating from China; prices were well below world prices”. The 2015 interim review increased the duty on PRC GFR from 23.75% to 35.75% for all PRC producers of GFR except Chongqing Polycomp International Corporation (CPIC).<sup>8</sup>
142. This indicates that PRC exporters of GFR had continued to dump into a third country despite the presence of an anti-dumping duty. The measure remains in place at the same rate of 35.75% in Turkey with the reduced rate for CPIC.
143. The Government of India imposed an anti-dumping measure following case No:14/28/2009-DGAD on 6<sup>th</sup> January 2011. This case was then followed by five reviews<sup>9</sup>. On 10<sup>th</sup> February 2014 India published final findings for mid-term review No:14/21/2013-DGAD, then on 6<sup>th</sup> July 2016 final findings for a sunset review No:15/10/2015-DGAD. This was followed on 30<sup>th</sup> July 2018 with final findings for anti-circumvention review No:7/25/2017-DGAD, then on 3<sup>rd</sup> October 2020 final findings for midterm review No:7/17/2019-DGTR, and on 24<sup>th</sup> August 2021 final findings for sunset review No:7/34/2020-DGTR.
144. These investigations and reviews all concluded that PRC “glass fibre and articles there of”, which scope captures all GFR within the scope of this review, had been dumped into the Indian market during the POI. As in Turkey, the findings in these investigations and reviews also indicates that PRC GFR producers and exporters continued to dump goods into a third country despite the presence of anti-dumping duties. This measure was not extended after

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<sup>6</sup> Existing measures spreadsheet, row 104, Turkish case number NGS.210.02.2015, <https://www.trade.gov.tr/data/5c35f44913b8761de0954305/Y%C3%BCr%C3%BCr%C3%BCkteki%20%C3%96nlemier.xlsx>

<sup>7</sup> COMMUNIQUE NO: 2021/49, <https://www.resmigazete.gov.tr/eskiler/2021/10/20211030-19.htm>

<sup>8</sup> CPIC website <https://en.cpicfiber.com/a/44.html>

<sup>9</sup> Case timeline, Indian case number 14/28/2009-DGAD, <https://www.dgtr.gov.in/anti-dumping-cases/glass-fibre-and-articles-thereof-originating-or-exported-china-pr>

December 2021<sup>10</sup> after the recommendation to extend the measure was rejected by the Indian Ministry of Finance Tax Research Unit<sup>10BJ</sup>.

145. Anti-dumping duties have been in place in the EU since 2011. The Commission conducted the interim review numbered R593 in 2014 and an expiry review numbered R641 in 2017<sup>11</sup>. These reviews found that PRC exporters of GFR had continued to dump their product into the EU despite the anti-dumping measure. The Commission responded in the interim review R593 by increasing anti-dumping duty rates for all PRC exporters of GFR except Jiangsu and its subsidiaries New Changhai and Tianma, and these modified measures were maintained in the expiry review R641. This provides further evidence of PRC GFR being dumped into third country markets.
146. Turkey, India and the EU have all imposed anti-dumping measures on GFR from the PRC during the POI and have consistently found evidence of continued dumping despite their anti-dumping measures. Turkish and EU anti-dumping measures continue to apply in 2022.

## **G8.1 Conclusion**

147. The anti-dumping duties in other countries demonstrate that PRC exporters have engaged in dumping in third country markets and shows a history of dumping behaviour by PRC exporters.

## **G9. Conditions in exporters' home market**

148. The TRA has not received any submissions in relation to conditions in the exporters' home market. Additionally, we have not been able to obtain secondary source data which demonstrates that the condition of the PRC domestic market for GFR has changed since the Commission's expiry review (expiry review R641), the findings in which were published in 2017.

## **G9.1 Conclusion**

149. The TRA cannot make a determination on changes in the PRC domestic market for GFR during the POI, whether it has changed the likelihood that GFR would be dumped into the UK if the measure was removed.

## **G10. The attractiveness of the UK market**

### **G10.1.1 Current UK market size and growth**

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<sup>10</sup> Office memorandum, Indian case number 14/28/2009-DGAD, <https://www.dgtr.gov.in/sites/default/files/OM%20to%20DGTR.pdf>

<sup>11</sup> Further details of the EU anti-dumping investigations are found in section "C2. Previous measures in place".

150. The TRA calculated the UK consumption of GFR over the IP using data obtained from HMRC (data on imports and exports) and the confidential sales data submitted by EGF UK.

**Table G.10.1: Volume and value of UK consumption, 2017-2020 – indexed to 2017.**

	2017	2018	2019	2020
<b>Volume of UK consumption of GFR</b>	100	106	99	84
<b>Value of UK consumption of GFR</b>	100	108	101	84

Source: Questionnaire responses submitted by interested parties to TRA, HMRC Overseas Trade in Goods Statistics, 2022.

151. Table G.10.1 shows that the consumption of GFR declined significantly during 2020. The smaller size of the UK market decreases the cost of capturing the market with dumped imports, as it requires a smaller proportion of total PRC GFR production to fully saturate the UK market’s demand for GFR. This is because market capture through dumping incurs a smaller opportunity cost for PRC exporters than if the market was larger, which increases the attractiveness of the UK market to dumped goods.
152. As stated in [Section G4](#), it is likely that there is at least a 0.7 million mT difference between PRC production capacity and PRC consumption of GFR. This excess capacity exceeds the size of total UK consumption of GFR in the POI. It is likely that PRC exporters of GFR could dump large quantities of product into the UK in order to exert significant control over the UK GFR market in the short-term. This capability increases the likelihood that PRC exporters would dump GFR into the UK if the measure was removed.
153. The domestic producer EGF UK has stated that the Covid-19 pandemic is partially responsible for the reduced UK market size in 2020. EGF UK has stated that “during the first half of 2021, the company has returned to full capacity after the reduced production output experienced during the Covid-19 pandemic in 2020. Customer operations had returned to pre-covid levels and strong demand for the Company’s products outstripped capacity [...]. Indications are that this will continue for the remainder of 2021”.<sup>12</sup> We have received no submissions indicating that demand for GFR post-2020 has stagnated or declined.

<sup>12</sup> Companies House, Electric Glass Fiber UK, Limited, Annual Report and Financial Statements for the Year Ended 31 December 2020, available at: <https://find-and-update.company-information.service.gov.uk/company/10269432/filing-history/MzMxNTg4NDIzNWFKaXF6a2N4/document?format=pdf&download=0> (accessed 24 March 2022).

154. The UK GFR industry has short-term potential for growth due to post-Covid-19 pandemic downstream industry recovery. This potential for market growth increases the attractiveness of the UK to PRC exporters and increases the likelihood that PRC exporters would dump GFR into the UK if the measure was removed.

### **G10.1.2 Conclusion**

155. Consumption of GFR in the UK has likely fallen in the UK during the POI. This has increased the likelihood that PRC GFR exporters will dump into the UK as a reduced quantity of dumped goods is needed to saturate the UK market's demand for GFR and capture market share in the short term.

156. Domestic industry has stated that the UK GFR market has grown post-2020 following its decline in the POI. This growth in the UK market for GFR increases the attractiveness of the UK industry to PRC exporters.

## **G10.2 Production**

### **G10.2.1 Production**

157. Less than 5% of UK GFR market consumption is supplied through UK production from 2017 to 2020, with imports supplying the remaining 90-96%. This dependency on imports increases the attractiveness of the UK market to importers as PRC exporters are primarily competing with companies based in 3<sup>rd</sup> countries who will also incur import and export costs and are less likely to attract direct UK government support.

158. EGF UK have stated that the low proportion of UK consumption of GFR being supplied by EGF UK is due to "fierce unfair competition from Chinese GFR producers". EGF UK have alleged that if their competitors sold at a fair market price, they would be able to sell a larger proportion of their product to the UK market, but from 2017 to 2020 they have been "forced" to focus on other markets to sell their GFR. The TRA have not received information detailing EGF UK plans to implement this change in focus, so the TRA considers it likely that the UK market will continue to be supplied predominantly by imports for the foreseeable future.

### **G10.2.2 Conclusion**

159. Domestic supply of GFR fulfils only a small proportion of UK consumption for GFR. EGF UK have stated that their aim is to increase the proportion of the UK market supplied by them, though the timeline and the intended market share

shift is uncertain. The likely continued dependency on imports increases the attractiveness of the UK market to foreign exporters of GFR.

### **G10.3 Opportunity to differentiate products and services**

#### **G10.3.1 Chopped strands**

160. Chopped strands can be categorised as either wet-chopped or dry-chopped strands. Strands that are wet-chopped have slightly different product attributes and standard uses than dry-chopped strands, however we have received submissions from multiple parties indicating that there are multiple instances where the two types of strands can be used interchangeably. EGF UK have stated that UK produced wet-chopped strands capture a slight premium due to their short shelf life that deteriorates partially when internationally transported but are otherwise similarly priced.

161. The TRA has not received submissions stating that chopped strands entering the UK market can be significantly differentiated. We have received no submissions from downstream users of chopped strands to indicate their product preferences that differentiate their product selection.

#### **G10.3.2 Rovings**

162. The TRA has received submissions from EGF UK and BMDS, which state that rovings can be differentiated through the quality, textile attributes, and supply services. This differentiation comes from effective product research and development, through cooperation with customer specifications, and reliability of service and supply.

163. BMDS have stated that they require assembled rovings (also called multi-end rovings) due to its “better ‘wet out’ [...] which is essential for producing translucent sheeting”.<sup>13</sup> BMDS have stated that other types of rovings are not suitable replacements, which indicates that rovings of different types are significantly differentiated for some customers.

164. EGF UK have provided evidence that some UK customers have previously substituted assembled rovings for direct rovings, which indicates that the substitutability between different types of rovings varies depending on the product’s end use.

#### **G10.3.3 Conclusion**

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<sup>13</sup> BMDS Questionnaire section A8.1 [“BMDS CFGF Importer Questionnaire non confidential.odt”](#)

165. The TRA has not received evidence on opportunity to differentiate the product or sales service for PRC chopped strands entering the UK market.
166. There is some evidence that indicates there is some differentiation between different types of rovings, as well as the quality and textile attributes of different suppliers' rovings. The amount of value from differentiation downstream users of rovings gain, depends on the end use properties they require, so suppliers of the UK market can more effectively target customers using R&D and building strong customer relations.

#### G10.4 Intensity of UK competition

167. As stated in [Section G10.2.1 Production](#), UK consumption of GFR is 90-96% sourced from UK imports. Therefore, the nature and intensity of UK competition is primarily determined by imports of GFR. The sole UK domestic producer, EGF UK, have indicated that their pricing of GFR is based upon multiple factors, of which one is the UK import price of GFR.
168. Suppliers of the UK market during 2017 to 2020 were primarily from the EU, the PRC and Egypt.

**Table G.10.4.1 Source of UK imports of GFR.**

Source country		2017	2018	2019	2020
EU	Volume (000 mT)	33.4	30.8	25.8	27.3
	Share in total imports %	72.1%	62.2%	54.1%	68.8%
PRC	Volume (000 mT)	5.1	4.4	8.7	3.3
	Share in total imports %	10.9%	8.9%	18.3%	8.4%
Egypt	Volume (000 mT)	3.6	9.1	7.6	3.8
	Share in total imports %	7.7%	18.4%	15.9%	9.7%
All other countries	Volume (000 mT)	4.3	5.2	5.6	5.2
	Share in total imports %	9.3%	10.6%	11.7%	13.2%
<b>Total imports</b>	<b>Volume (000 mT)</b>	<b>46.4</b>	<b>49.6</b>	<b>47.8</b>	<b>39.6</b>

Source: HMRC Overseas Trade in Goods Statistics, 2022.

169. PRC and Egyptian GFR exports to the UK are majority sourced from the Jushi Group and CPIC. The TRA has found that the UK GFR market is understood to be competitive due to numerous buyers and suppliers being active market participants, although this competitiveness is caused primarily due to the presence of EU firms supplying the UK market.
170. The average EU import price was at least 15% higher than the average PRC or Egyptian import price between 2017 to 2020. UK imports of GFR from the PRC and Egypt have anti-dumping or countervailing duties of between 4.9-19.9% or 8.7% respectively that are not included in the import price reported by HMRC. It is likely that UK import prices from the PRC and Egypt remain lower than the international average when anti-dumping or countervailing measures are added to their import prices and if PRC anti-dumping measure (0-19.9%) was revoked then PRC sourced imports would have a significant competitive price advantage. We would expect that UK market share held by PRC exporters would increase.

#### **G10.4.2 Conclusion**

171. The UK has had the majority of its GFR supplied by foreign exporters in the EU during 2017 to 2020, and the multiple EU suppliers ensure that the market for GFR in the UK is competitive. If the measure was removed, it is likely that PRC exporters would be able to increase their market share within the UK market and exclude UK and EU suppliers from the UK market, thereby reducing the intensity of competition within the UK market.

#### **G10.5 UK consumer protection**

172. The TRA has not received evidence on consumer protection implications of PRC GFR entering the UK market.

#### **G11 Have exporters previously circumvented or absorbed measures?**

173. Following the imposition of the anti-dumping measure on GFR imported from the PRC by the EU in 2011, it was observed that PRC exporters were absorbing these measures as they continued to export large quantities of chopped strands, rovings and mats into the EU at lower-than-average market price.
174. The Commission undertook interim review R593<sup>14</sup> in 2014, which led to anti-dumping duty rates being increased for all parties except Jiangsu, New Changhai and Tianma. The individual rates can be found in [Annex 3](#).

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<sup>14</sup> Commission Implementing Regulation (EU) No 1379/2014, available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R1379&from=EN> (accessed 24 March 2022).

175. This suggests that all investigated PRC GFR exporters except Jiangsu Changhai, New Changhai, and Tianma had absorbed the initial measure and continued to dump into the EU. The measures were not further adjusted in the expiry review R641 in 2017.

**Table G.11.2 Turkish measures prior to and after the 2015 interim review.<sup>15</sup>**

Company	2010 measure duty (%)	2015 measure duty (%)
<b>CPIC</b>	20.20	24.50
<b>All other companies</b>	23.75	35.75

Source: Republic of Turkey, Ministry of Trade, trade defence investigation case number NGS.210.02.2015.

**Table G.113 Indian measures prior to and after the 2016 sunset review.<sup>16</sup>**

Company	2011 measure duty (%)	2016 measure duty (%)
<b>Taishan Fiberglass Inc.</b>	20.89	33.11
<b>Jushi Group Jiujiang Co. Ltd and Jushi Group Co. Ltd., Tongxiang</b>	18.67	24.59
<b>CPIC</b>	7.46	20.46
<b>All other PRC companies</b>	40.91	47.15
<b>All other companies in 3rd countries exporting PRC GFR</b>	40.91	47.15
<b>All other companies in the PRC exporting 3rd country produced GFR</b>	40.91	47.15

Source: Government of India, Directorate General of Trade Remedies, investigation case number 14/28/2009-DGAD.

176. In 2018, India undertook an anti-circumvention investigation that resulted in measures being extended to Thailand. All chopped strand mats produced by Asia Composite Materials (Thailand) Co., Ltd and exported to India were then subject to a 47.15% anti-dumping duty. Although mats have been removed from the scope of our investigation, this behaviour remains evidence of circumvention of anti-dumping measures by a PRC GFR exporter.

<sup>15</sup> Turkish reports [Definitive measures communique 2011/1- RG:31/12/2010- 27802 \(5. Mükerrer\)](#) and [Communique 2015/5 - RG: 17/04/2015 - 29329](#).

<sup>16</sup> Indian reports [Notification of final findings 14/28/2009-DGAD](#) and [Notification of final findings F. No. 15/10/2015-DGAD](#).

**Table G.11.4 Indian anti-circumvention measures implemented in 2018.<sup>17</sup>**

<b>Company</b>	<b>2018 measure (%)</b>
<b>Asia Composite Materials (Thailand) Co., Ltd</b>	47.15
<b>All other companies exporting Asia Composite Materials (Thailand) Co., Ltd product</b>	47.15

Source: Government of India, Directorate General of Trade Remedies, investigation case number 14/28/2009-DGAD.

### **G11.1 Conclusion**

177. These examples of PRC exporters of GFR absorbing or circumventing anti-dumping measures implemented by third countries indicate an increased likelihood that PRC exporters would attempt to absorb or circumvent existing UK anti-dumping measures to dump GFR into the UK market. These conclusions that PRC exporters have continued to dump into third country markets after anti-dumping measures have been implemented indicates a higher likelihood that if the measure was removed, they would attempt to engage in dumping behaviour in the UK.

178. Based on this historical behaviour of absorbing and circumventing GFR anti-dumping measures in third countries, the TRA has concluded it is likely that PRC exporters would dump into the UK if measure was removed.

### **G12 Conclusion – likelihood of dumping**

179. The TRA has not been able to determine a PRC domestic price for GFR, so we analysed the price of GFR imported from the PRC relative to the average price of all GFR imported to the UK. This analysis indicated it is unclear whether PRC imports of rovings have continued to be dumped into the UK during the POI, and it is unlikely that chopped strands have continued to be dumped into the UK during the POI. It is unclear whether the anti-dumping measure is preventing dumping of chopped strands, and if so the TRA considers it likely dumping would resume if the measure were removed.

180. The current levels of production capacity in the PRC likely exceeds domestic demand for GFR in the PRC. The TRA considers it likely that PRC exporters would utilise their excess capacity to export to the UK if the measure was removed based on the current consumption trends of GFR in the UK.

<sup>17</sup> Indian report [Notification of final findings Case No AC-02/2017](#).

181. There is a history of third country investigations finding that PRC exporters have absorbed anti-dumping measures imposed by the EU, Turkey and India, as well as circumventing measures imposed by India. This behaviour of PRC producers of GFR continuing to dump into third countries despite the presence of anti-dumping measures increases the likelihood that they would engage in dumping behaviour in the UK. On the balance of probabilities, this increases the likelihood of PRC exporters dumping into the UK market in higher volumes.
182. The UK market is likely to remain an attractive market for foreign exporters, as domestic supply of GFR fulfilled a small proportion UK consumption of GFR during the POI. PRC exporters have been able to sell GFR into the UK at a higher average price than the majority of their export destinations during the POI, which increases the attractiveness of the UK market to PRC exporters. UK consumption for GFR has likely contracted significantly in 2019 and 2020 but has shown signs of recovery since 2020. The TRA considers it likely that the UK will continue to be reliant on foreign exports of GFR. These factors likely increase the attractiveness of the UK market to PRC exporters of GFR, which consequently increases the likelihood that PRC exporters would dump into the UK if the measure was removed.

## SECTION H: Likelihood of Injury Assessment

### H1. Introduction

183. We are required under regulation 99A(1)(b) of the Regulations to consider whether injury to the UK industry in the relevant goods would occur if the anti-dumping duty was no longer applied (the likelihood of injury assessment).

184. In order to conduct the Likelihood of Injury Assessment, we considered:

- the current state of the UK industry;
- undercutting and/or underselling of the UK industry; and
- whether PRC producers could export quickly and at scale to the UK.

### H2. The current state of the UK industry

#### H2.1 Output

185. Output of the UK producer has decreased over the IP, as shown in table H.1 below.

**Table H.1: Volume of UK production, 2017-2020 – indexed to 2017.**

	2017	2018	2019	2020
<b>Volume of UK production of GFR</b>	100	96	85	85

Source: Questionnaire responses submitted by interested parties to TRA.

#### H2.2 Production capacity and production capacity utilisation

186. Capacity of the UK producer has decreased over the IP, as shown in table H.2 below.

**Table H.2: UK production capacity and production capacity utilisation, 2017-2020 – indexed to 2017.**

	2017	2018	2019	2020
<b>UK production capacity for GFR</b>	100	97	96	96
<b>UK production capacity utilisation for GFR</b>	100	99	89	89

Source: Questionnaire responses submitted by interested parties to TRA.

187. Production capacity was calculated based on a run time of 24 hours, 365 days a year multiplied by a specified yield rate (which is impacted by a specified waste ratio). Whereas capacity utilisation was expressed as a percentage of the ratio between actual production and the calculated production capacity.
188. Capacity has decreased by 4% over the IP, whereas capacity utilisation has decreased by 11% over the same period.
189. During the verification visit, EGF UK clarified that the variation in output and therefore capacity utilisation year-on-year is related to the product mix and the number of bushings in use at any one time which in turn is dependent on the demand for particular grade of products.
190. EGF UK stated that if they cannot run the furnaces at a set minimum capacity, it is not economically feasible to continue the operations or invest in another rebuild which requires significant capital expenditure.

## H2.3 Sales

**Table H.3: EGF UK sales of GFR, 2017-2020 – indexed to 2017.**

	2017	2018	2019	2020
<b>Domestic sales</b>				
<b>Volume of domestic sales</b>	100	90	44	61
<b>Value of domestic sales</b>	100	88	42	54
<b>Domestic sales as % of total value of sales</b>	100	91	47	64
<b>Export sales</b>				
<b>Volume of export sales</b>	100	102	102	96
<b>Value of export sales</b>	100	97	94	86
<b>Export sales as % of total value of sales</b>	100	101	104	102
<b>Total sales</b>				
<b>Total volume of sales</b>	100	101	98	93
<b>Total value of sales</b>	100	97	90	84
<b>Geographic distribution of sales (value)</b>				
<b>UK</b>	100	100	50	67
<b>Rest of World (indexed to 2018)</b>	N/A*	100*	184*	170*
<b>Europe</b>	100	97	96	95

Notes: \* EGF UK made no sales to 'Rest of World' in 2017 so 2018 was used as the base year (2018 = 100).

Source: Questionnaire responses submitted by interested parties to TRA, EGF UK financial statements (2018, 2019, 2020).

191. The value of sales has decreased by a larger proportion than the volume of sales. This can be attributed to the fact that EGF UK reduced their price per unit by 12% over the IP as shown in [Section H3. Undercutting of UK industry](#). Domestic sales volume and value decreased by 39% and 46% respectively over the IP.

## H2.4 Profits

**Table H.4: EGF UK profits, 2017-2020 – indexed to 2017.**

	2017	2018	2019	2020
<b>Total profit before tax (EBIT) for whole company</b>	100	-72	-1,439	-43
<b>Profit margin of GFR (EBIT as a % of revenue)</b>	100	-74	-1,592	-51

Source: EGF UK financial statements (2018, 2019, 2020).

192. EGF UK only produce goods within the scope of the investigation, so there has been no differentiation between the profit of the goods subject to review and the overall company profit.

193. The TRA has found that profits decreased by 143% over the IP. The reason provided as to why the profit figure in 2019 is so low is due to the impairment review of £43,230,000.<sup>18</sup> EGF UK submitted a document to the TRA justifying this impairment. Here, they concluded that some of its assets may be impaired due to losses in the previous two trading years, reduced market demand in its major markets and inability to repay loans in the short term.

194. As stated in the previous section, the fall in profit rate during the IP can also be attributed to the fact that EGF UK reduced their price per unit by 12% over the IP.

195. EGF UK stated that because GFR production is highly capital intensive, producers need to obtain a certain level of profit (10-15%) to be able to finance recurring investment requirements and stay operational.

## H2.5 Consumption

<sup>18</sup> Details in notes 3(c) and 6 in the 2019 financial statements.

196. [Table G.10.1](#) shows UK consumption data for the IP by volume and value. Consumption data was collated by adding the import data and the domestic sales data from EGF UK.
197. Although consumption of GFR increased between 2017 and 2018, it decreased in 2019 and again in 2020. Both the volume and value of consumption of GFR in 2020 was 16% lower than it was in 2017. This decline in consumption in 2020 could have been partly the consequence of Covid-19 pandemic as discussed in [Section H2.14.2 Covid-19 pandemic](#).

## H2.6 Market share

**Table H.5: Market share by volume, 2017-2020 – indexed to 2017.**

	2017	2018	2019	2020
<b>UK producer</b>	100	86	45	73
<b>Imports from EU countries</b>	100	87	78	97
<b>Imports from non-EU countries (excluding PRC)</b>	100	172	169	137
<b>Imports from PRC</b>	100	82	174	78
<b>All imports</b>	100	101	104	102

Source: Questionnaire responses submitted by interested parties to TRA; HMRC Overseas Trade in Goods Statistics, 2022.

**Table H.6: Market share by value, 2017-2020 – indexed to 2017.**

	2017	2018	2019	2020
<b>UK producer</b>	100	81	42	64
<b>Imports from EU countries</b>	100	91	82	97
<b>Imports from non-EU countries (excluding PRC)</b>	100	156	161	136
<b>Imports from PRC</b>	100	76	172	75
<b>All imports</b>	100	101	104	103

Source: Questionnaire responses submitted by interested parties to TRA; HMRC Overseas Trade in Goods Statistics, 2022.

198. The nature of the UK market's competition is that a small proportion of the UK market is supplied by UK industry and most of the market is supplied by foreign exporters.
199. The market share of EGF UK decreased by volume and value (27% and 36% respectively) over the IP, although total consumption only decreased by 16% (by both volume and value).

200. Although imports from non-EU countries (excluding the PRC) increased market share by volume and value (37% and 36% respectively) over the IP and imports from the PRC decreased by volume and value (22% and 25% respectively) over the IP, imports from the PRC in 2019 increased by volume and value (74% and 72% respectively) compared to 2017. An explanation of the decreased market share of imports from the PRC in 2020 may be due to the effects of Covid-19 pandemic, as discussed in [Section H2.14.2 Covid-19 pandemic](#). Therefore, this does not necessarily suggest that the decrease in the UK producer's market share is due to increased imports from non-EU countries (excluding PRC).

## H2.7 Employment

**Table H.7: EGF UK employment, 2017-2020 – indexed to 2017.**

	2017	2018	2019	2020
<b>Total number of full-time equivalent (FTE) employees</b>	100	105	115	109

Source: Questionnaire responses submitted by interested parties to TRA.

201. EGF UK increased employment during the IP, with a decrease in the POI compared to 2019. However, this is not in line with production, which decreased during the IP.

**Table H.8: EGF UK employment, 2017-2020 – indexed to 2017.**

	2017	2018	2019	2020
<b>Production</b>	100	107	117	109
<b>Sales and distributions</b>	100	100	100	100
<b>Administrative and management</b>	100	98	109	111
<b>Total</b>	100	105	115	109
<b>Agency workers</b>	100	80	28	50

Source: Questionnaire responses submitted by interested parties to TRA, EGF UK financial statements (2018, 2019, 2020).

202. All GFR production takes place at EGF UK's plant in Wigan, and all manufacturing employees are involved in manufacturing the like goods.

203. As shown in Table H.7, the POI saw a decrease in employees attributed to production compared to 2019, although there was an increase in agency workers over the same period. EGF UK did not comment on these changes.

204. EGF UK stated that making staff redundancies would be a last resort. Although, if the existing measure was revoked, EGF UK foresee that they will have to make redundancies and ultimately cease UK production.

## H2.8 Wages

**Table H.9: EGF UK wages, 2017-2020 – indexed to 2017.**

	2017	2018	2019	2020
<b>Mean wage for FTEs (including pension and national insurance costs)</b>	100	107	102	105

Source: Questionnaire responses submitted by interested parties to TRA.

**Table H.10: EGF UK mean wages, 2017-2020 – indexed to 2017.**

	2017	2018	2019	2020
<b>Wages and salaries</b>	100	87	91	98
<b>Mean wage for FTEs</b>	100	83	79	90

Source: EGF UK financial statements (2018, 2019, 2020).

205. Wages and salaries which include pension and national insurance costs increased by 5% over the IP. However, the mean wage for FTEs decreased by 10% over the IP.

## H2.9 Productivity

**Table H.11: EGF UK productivity, 2017-2020 – indexed to 2017.**

	2017	2018	2019	2020
<b>Average output in volume per employee for GFR (FTE)</b>	100	91	74	78

Source: Questionnaire responses submitted by interested parties to TRA.

206. As a result of output decreasing and employment increasing, productivity decreased over the IP.

207. The TRA verified productivity with EGF UK and established that a small change in the number of employees did not have a significant effect on the average productivity data. This is because the furnaces run constantly in an operating cycle. The TRA did not therefore consider productivity per employee to be a good measure for injury.

## H2.10 Inventory

**Table H.12: EGF UK inventory, 2017-2020 – indexed to 2017.**

	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Volume of inventory at year end</b>	100	140	103	81
<b>Value of inventory at year end</b>	100	133	122	102

Source: Questionnaire responses submitted by interested parties to TRA.

208. The increase in inventory in 2018 was explained by EGF UK as stockpiling in preparation for a furnace rebuild in that year. This explanation was reasonable since furnace rebuild costs were included as additional fixed asset costs during this period.
209. While the value of inventory changes due to market conditions, the volume held by EGF UK reduced by 19% over the IP.

## H2.11 Ability to raise capital or investments

**Table H.13: EGF UK investments, 2017-2020 – indexed to 2017.**

	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Total investments</b>	100	1,036	82	104

Source: Questionnaire responses submitted by interested parties to TRA.

210. Furnaces typically have a 10-year life and require major investment to rebuild them. EGF UK provided the TRA with their fixed asset register which verified information regarding the cost of furnace rebuilds. £13-20 million was spent on the rebuild of the smaller furnace. Whereas the larger furnace (which is due to be rebuilt within the next five years) is expected to cost £24-32 million.
211. EGF UK finance investments through a combination of group loans and commercial bank loans which applies to the furnace rebuild in 2018. EGF UK's plan to rebuild one of their furnaces in 2023 is dependent on the repayment of outstanding loans.
212. EGF UK stated that they need to obtain a certain level of profit (10-12%) to be able to finance recurring investment requirements and stay in the UK market. Without the furnace investment, production of GFR would fall, unit costs would increase, and this would lead to decreased sales. As a result, it may not be economically feasible for EGF UK to continue its UK operations.

213. EGF UK provided no additional data for the TRA to consider on their ability to raise capital, or how their ability to raise capital may be impacted if the measure is revoked.

## H2.12 Cash flow

**Table H.14: EGF UK cash flow, 2017-2020 – indexed to 2017.**

	2017	2018	2019	2020
<b>Cash at bank and in hand</b>	100	57	56	54

Source: Questionnaire responses submitted by interested parties to TRA, EGF UK financial statements (2018, 2019, 2020).

214. Cash flow from operations has been in decline through the POI. EGF UK carried out an impairment adjustment during 2019 however it is understood that this may be reversed in the period after the POI which is not under review. This is therefore considered not representative of actual cash flow from operations and has not been considered further.

215. Cash at bank and in hand has decreased significantly by 46% over the IP. EGF UK have not made any statements about why this was the case. This may be due to decreasing sales and increasing costs, as well as maintaining wages regardless of this loss of profitability.

## H2.13 Factors affecting domestic price

216. GFR are produced in high volumes and largely according to short-term contracts (of two years maximum) or ad-hoc orders.

217. EGF UK's production costs have changed due to Covid-19 pandemic related government restrictions (as discussed in [Section H2.14.2 Covid-19 pandemic](#)) which led to prices of rhodium rising globally by approximately 6-8 times over the POI. The price of rhodium drives the cost of new and replacement platinum-rhodium bushings, which are a key component and major cost of GFR manufacture.

## H2.14 Other causes of injury

218. EGF UK did not identify any other potential causes of injury. We have, however, considered the impact of recent events on injury, Eu exit and Covid-19.

### H2.14.1 EU exit

219. The UK left the European Union (EU) on 31 January 2020 at 23:00 GMT but the UK remained part of the EU Customs Union and the EU Single Market until 31 December 2020 (end of the POI). The TRA published the Notice of Initiation on 29 January 2021.
220. New trading arrangements between the UK and EU for 2021 onwards were uncertain for a large proportion of 2020. Therefore, given the proximity of the questionnaire submission and EU exit, it is unlikely that EGF UK would be in a position to see the impact on the market following the UK's withdrawal from the EU.
221. EGF UK did not provide data on the effect of the UK's withdrawal from the EU on their business.
222. EGF UK's export sales represent approximately 96% by value of the company's total sales during the POI and their financial statements show that 89% of total sales is attributed to 'Europe'. The proportion of EGF UK's total sales attributed to Europe decreased by 5% over the IP so does not suggest that the EU exit has caused injury.

#### **H2.14.2 Covid-19 pandemic**

223. The Covid-19 pandemic occurred during the POI however the TRA has been unable to quantify the effect of the pandemic.
224. EGF UK stated that Covid-19 contributed to a decrease in budgeted sales volume by 20%, increased production costs (mainly due to the price of rhodium increasing by 6-8 times over the POI) and increased health and safety costs to adhere to government guidelines and labour costs to cover the expenses relating to isolating employees.
225. During the verification visit, EGF UK also advised that in the first half of 2020, the UK and EU downstream industries temporarily reduced capacities. One of their main customers (the automotive industry) was subject to strict Covid-19 lockdown measures and stopped all input purchases. After the strict lockdown measures were lifted in 2020 Q4, demand for GFR increased significantly as users needed to re-fill stocks. This and the low availability and high cost of shipping container space led to a temporary supply shortage.

#### **H2.14.3 State of the economy**

**Table H.15: UK Gross Domestic Product, 2017-2020 – indexed to 2017.**

	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>UK GDP</b>	100	102	103	94

Source: ONS, 2022.<sup>19</sup>

226. Although the UK economy grew from 2017-2019, there was a decrease of 6% of nominal GDP over the IP. However, domestic sales of EGF UK decreased by 46% over the IP.
227. EGF UK have not stated anything explicitly about the UK economy in their questionnaire response, although they mentioned the Covid-19 pandemic several times which led to a contraction in economic activity.

**Table H.16: UK inflation measured by the Bank of England, 2017-2020.**

	2017	2018	2019	2020
<b>What would £100 in 2017 cost in other years?</b>	£100	£103.34	£105.99	£107.58

Source: Bank of England, 2022.<sup>20</sup>

228. As stated in [Section H2.8 Wages](#), the mean wage for FTEs did not keep up with inflation but decreased by 10% over the IP.

#### **H2.14.4 General drop in demand for vehicles from 2017-2020**

229. We also know that the manufacturing of cars and construction slowed significantly as seen in the tables below.

**Table H.17: Number of cars produced in UK annually, 2017-2020.**

	2017	2018	2019	2020
<b>Yearly number of cars produced in UK</b>	1,671,166	1,519,440	1,303,135	920,928
<b>Indexed figures</b>	100	91	78	55

Source: The Society of Motor Manufacturers and Traders (SMMT), 2022.<sup>21</sup>

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<sup>19</sup> Source: Office for National Statistics, Gross Domestic Product: chained volume measures: seasonally adjusted £m, available at: <https://www.ons.gov.uk/economy/grossdomesticproductgdp/timeseries/abmi/qnaj> (accessed 30 March 2022).

<sup>20</sup> Source: Bank of England, Inflation Calculator, available at: <https://www.bankofengland.co.uk/monetary-policy/inflation/inflation-calculator> (accessed 30 March 2022).

<sup>21</sup> Data is from the annual summary factsheets of The Society of Motor Manufacturers and Traders (SMMT): a) SMMT Motor Industry Facts 2018, available at: <https://www.smmt.co.uk/wp-content/uploads/sites/2/SMMT-Motor-Industry-Facts-June-2018.pdf> (accessed 30 March 2022); b) SMMT Motor Industry Facts 2019, available at: <https://www.smmt.co.uk/wp-content/uploads/sites/2/SMMT-Motor-Industry-Facts-May-2019-V2.pdf> (accessed 30 March 2022); c)

**Table H.18: Total new work construction output in UK, 2017-2020.**

	2017	2018	2019	2020
<b>Total new work construction output in UK (£ million)</b>	109,056	112,353	119,087	99,650
<b>Indexed figures</b>	100	103	109	91

Source: ONS, 2022.<sup>22</sup>

## H2.15 Conclusion

230. Even with the protection provided from the current measure in place, EGF UK (and therefore the UK industry) is not in a growth stage but is retracting as most of the factors the TRA have considered above have worsened over the IP.
231. Although UK consumption of GFR decreased by 16%, EGF UK's share of the UK market decreased by 39% over the IP. Also, even though EGF UK have the capacity to supply the UK market, an increase in consumption will largely be met through increased imports to compensate for UK producers' inability to meet demand within the UK market due to dumped imports (as discussed in the next section).

## H3. Undercutting of UK industry

232. Price undercutting is where dumped goods are consistently priced lower than those of the like goods in the UK.

### H3.1 Analysis of the UK market

**Table H.19: Average price of GFR per unit, 2017-2020 – indexed to 2017.**

	2017	2018	2019	2020
<b>Domestic sales</b>				
<b>UK sales of UK producer</b>	100	97	95	88
<b>Imports</b>				
<b>Imports from EU countries</b>	100	106	107	101
<b>Imports from non-EU countries (excluding PRC)</b>	100	93	97	100
<b>Imports from PRC</b>	100	94	101	97
<b>All imports</b>	100	103	102	101

SMMT Motor Industry Facts 2020, available at: <https://www.smmmt.co.uk/wp-content/uploads/sites/2/SMMT-Motor-Industry-Facts-Oct-2020.pdf> (accessed 30 March 2022); and d) SMMT Motor Industry Facts 2021, available at: <https://www.smmmt.co.uk/wp-content/uploads/sites/2/SMMT-Motor-Industry-Facts-August-2021.pdf> (accessed 30 March 2022).

<sup>22</sup> Source: Office for National Statistics, Construction statistics, Great Britain: 2020, available at: <https://www.ons.gov.uk/businessindustryandtrade/constructionindustry/articles/constructionstatistics/2020> (accessed 30 March 2022).

Domestic sales and imports				
All UK sales	100	102	102	101

Source: Questionnaire responses submitted by interested parties to TRA, HMRC Overseas Trade in Goods Statistics, 2022.

233. PRC import prices have decreased by 3% over the IP, but UK domestic prices have decreased by 12% over the IP to try and maintain market share.
234. Over the IP, imports of GFR from the PRC undercut GFR from EGF UK by 20.0-29.9% before applying any customs duties, and 10.0-19.9% after applying the 7% MFN tariff.
235. Insufficient cooperation from PRC exporters of GFR and the Government of the PRC means we do not have data submissions on the PRC domestic price of GFR. We have been able to use import data from HMRC as a proxy for UK import price of GFR from the PRC, but we need transaction-by-transaction data sets to calculate an injury margin (including calculation of landed price and underselling amount for the injury margin).
236. The TRA was unable to find a reliable secondary data source of countrywide GFR prices in the PRC during the POI or IP.
237. We have received price lists from EGF UK, but these are export prices and so cannot be used in this transition review. We have also not been able to verify the accuracy of this data and have not been assured that the price lists are representative of countrywide PRC domestic prices during the POI or IP. We have therefore not been able to use these data submissions as indicators of PRC domestic prices of GFR.
238. Due to insufficient evidence, we cannot factor the historical comparison of PRC domestic prices to the UK import price of GFR from the PRC into this likelihood assessment.
239. The TRA has been made aware that if GFR from the PRC were to be exported to the UK at dumped prices, buyers would shift their purchases to buy those rather than GFR sold by EGF UK. This is because they either have in the past and do now, and/or they have told us that they would. This would likely cause injury to EGF UK.

### H3.2 Conclusion

240. The TRA considers it likely that PRC exporters would sell GFR in the UK market at a dumped price, undercutting UK producers.

#### **H4. Are PRC exporters able to export to the UK market quickly and at volume?**

241. Our analysis of PRC production capacity (as shown in [Section G4. Production capacity](#)) shows that PRC exporters have the ability and may have the incentive to sell significant volumes of GFR into the UK market.
242. The TRA has not been able to determine whether there have been any changes to production levels or inventories of GFR during the POI due to a lack of cooperation from PRC exporters. However, the TRA considers it likely that importation of GFR from the PRC would be at dumped prices if the measure was revoked.
243. The TRA is satisfied that, on the balance of probabilities, it is likely that if the measure was revoked, PRC exporters would be able to and would have an incentive to quickly export to the UK, and in increasing volumes were there an economic advantage for them to do so.

#### **H5. Conclusions and findings – likelihood of injury assessment**

244. Even with the protection provided from the current measure in place, EGF UK (and therefore the UK industry) is not in a growth stage but is retracting as most of the factors considered in [Section H2. The current state of the UK industry](#) have worsened over the IP. Although UK consumption could be met by the capacity of domestic production, domestic market share has fallen due to subsidised imports.
245. [Section H3. Undercutting of UK industry](#) shows that the TRA considers it likely that PRC producers would sell GFR in the UK market at a price which undercuts UK producers.
246. The undercutting analysis using HMRC Overseas Trade in Goods Statistics data indicates that PRC exporters and producers have the ability to enter the UK market at UK market prices. [Section G7. PRC exports to third markets](#) shows that exports to third countries have been sold at prices below PRC market price on a consistent basis (dumped prices) and therefore it is likely that in order to compete and obtain market share, PRC exporters would have an incentive to export to the UK market and undercut the UK price.
247. The undercutting and underselling of the UK industry would cause price suppression or price depression in the UK market as a consequence. The injury is likely to manifest through further reduction in market share and/or margin, resulting in reduced profit margins as EGF UK attempt to compete.
248. Existing PRC imports of GFR have contributed to vulnerability. The TRA is confident that the removal of the measures would worsen the position.

249. Considering these factors, on the balance of probabilities, we consider there to be a likelihood of injury to the UK industry by dumped imports of GFR originating from the PRC if the current measure was revoked.

## **SECTION I: Economic Interest Test**

### **I1. Introduction**

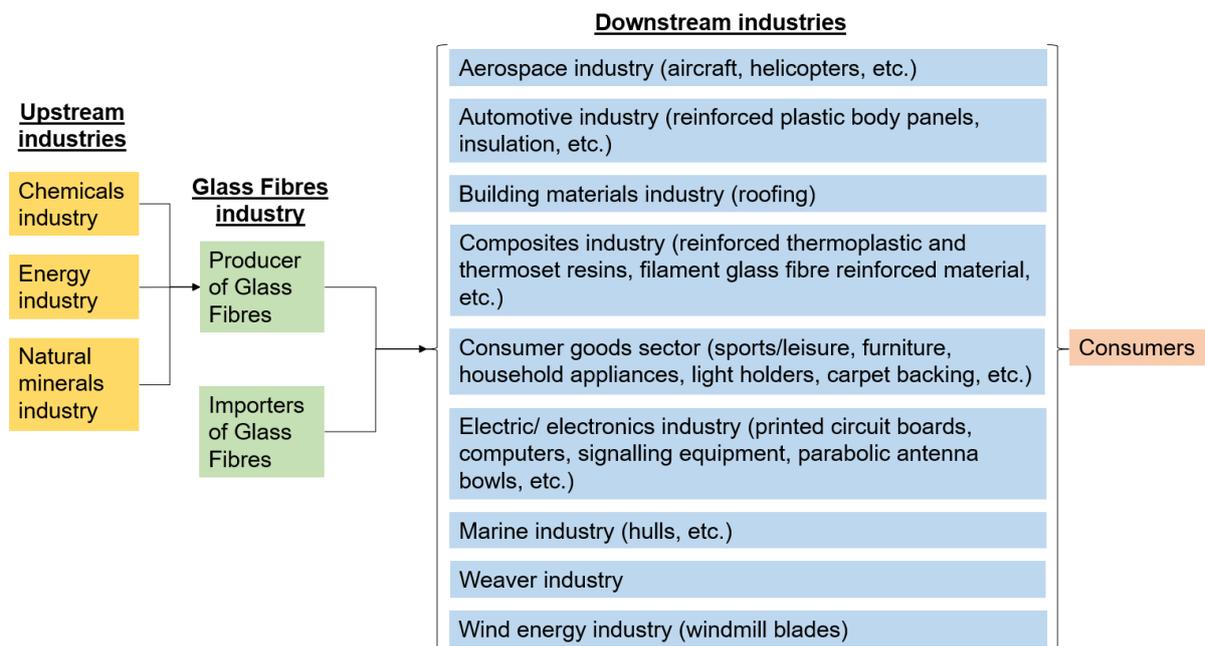
250. The aim of the Economic Interest Test (EIT) is to determine whether our intended recommendation to vary the measure and apply an anti-dumping amount on the goods subject to review imported from the People's Republic of China (PRC) is in the wider economic interest of the UK. This test is presumed to be met unless we are satisfied that the application of the remedy is not in the economic interest of the UK.
251. In accordance with paragraph 25 of Schedule 4 to the Taxation (Cross-Border Trade) Act 2018, the EIT is met in relation to the application of an anti-dumping remedy if the application of the remedy is in the economic interest of the United Kingdom.
252. In order to recommend maintaining the measure under regulation 100A(4)(b) and amending the description of the goods to which the measure applies under regulation 99A(2)(a)(ii), we must be satisfied that the application of the anti-dumping amount meets the EIT in accordance with regulation 100A(2)(a) of the Regulations.
253. In line with paragraph 25 of Schedule 4 to the Act, the TRA has taken account of the following in conducting the EIT:
- the injury caused by the dumping of the goods to the UK industry, 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 goods, in the UK; and
  - such other matters as the TRA considers relevant.

### **I2. UK supply chain overview**

254. This review concerns GFR chopped strands and GFR rovings. GFR mats were excluded from the description of the goods to which the measure applies and are therefore not considered in the EIT.

255. UK market demand for GFR is met by the sole domestic producer, EGF UK, and importers.
256. In 2020 EGF UK fulfilled less than 5% of UK consumption of GFR by value, imports from the PRC fulfilled between 5% and 10% of UK consumption, and imports from other countries fulfilled between 85% and 90% of UK consumption. These market shares were calculated using data from the Companies House and the HMRC.
257. In 2020 the PRC was ranked the 12th largest source country of imported GFR chopped strands and the largest source country of imported GFR rovings. Other large source countries for imported GFR chopped strands included Belgium, France and Slovakia (ranked first, second and third respectively in terms of volume of imported GFR chopped strands). Imported GFR rovings were sourced from Egypt and Slovakia (after the PRC, ranked second and third respectively in terms of volume of imported GFR rovings).
258. Figure I.1 provides a simplified supply chain for GFR sold in the UK.

**Figure I.1: Supply chain for GFR.**



259. Manufacturing of GFR requires the use of natural minerals (for the batch) and chemicals (for the binder) as the main inputs. Manufacturing of GFR is also energy intensive.
260. Manufacturing of GFR is the first step in the glass-based lightweight materials value chain, with applications in a variety of downstream industries. Specific GFR characteristics and properties make them suitable for and used as reinforcement of plastics. Downstream industries include, among others,

composites industry, transportation (automotive, marine, aerospace), building and construction, electric/electronics, wind energy, as well as wider manufacturing of various consumer goods.

### **13. Evidence base**

261. We received questionnaire responses from:

- the sole UK producer, EGF UK;
- one importer, BMDS, who is also a downstream user of GFR. BMDS use them for manufacturing of glass reinforced plastic rooflights;
- one downstream user, Filon, who produces glass reinforced polyester products for building and construction, primarily rooflights;
- one trade association supporting glass manufacturing in the UK, British Glass Manufacturers' Confederation; and
- one trade association for the downstream composites industry representing the whole supply chain from material supplier through manufacturers to end-users, Composites UK.

262. In addition, we received pre-sampling questionnaire responses from:

- one importer, Buefa; and
- one downstream, HSD, who produces glass reinforced polyester roofing products.

263. We have supplemented these submissions with background research and collated additional data and information from sources such as Companies House, ONS (Nomis) and HMRC (Overseas Trade in Goods Statistics and Find UK Traders tool).

### **14. Injury caused by dumped imports and benefits to the UK industry in removing injury**

264. Sections F and H discuss the results of the necessary or sufficient consideration and injury likelihood assessment.

265. The injury likelihood assessment concluded that injury to UK industry would be likely to occur were the measure to no longer apply. It established that UK industry was already in an economically vulnerable position in the PoI: EGF UK have seen loss of market share, fall in domestic sales price, fall in domestic sales volume, and decreased profits over the IP.

266. The measure will prevent further injury to EGF UK, who may be able to stay operational and finance the investment in periodic rebuild of furnaces which they told us is a precondition for their continued UK market operations.

## **15. Economic significance of affected industries and consumers in the UK**

267. This section sets out the relative size and economic significance of the relevant industries and consumers within the GFR supply chain.

268. The following groups have been identified as potentially being affected by the measure:

- upstream industries;
- UK producer of GFR;
- importers of GFR;
- downstream industries; and
- consumers.

### **15.1. Upstream industries**

269. The main upstream industries in the supply chain for GFR include chemicals, energy, and natural minerals industries. We selected these three industries because GFR were identified to be potentially significant to these industries based on sales to EGF UK as a percentage of turnover.<sup>23</sup>

270. We selected seven firms, named by EGF UK as their upstream suppliers, for whom sales to EGF UK were greater than 1% of turnover, and for whom data was available from the Companies House. Gross Value Added (GVA)<sup>24</sup> of the sampled upstream suppliers of EGF UK was circa £147.8m in 2020, with circa £7.4m of the GVA related to GFR supply chain.

271. Data from EGF UK on purchases of raw materials and data from these selected suppliers on turnover show the following:

- Purchases of chemicals by EGF UK accounted for less than 1% of the supplier's turnover.

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<sup>23</sup> For example, we concluded that upstream industries such as the packaging and cleaning industries were more generic and not dependent on the supply chain for GFR.

<sup>24</sup> Gross Value Added (GVA) measures the value of the goods and services produced by a business or industry in a period. GVA is estimated by adding operating profits, employment costs, depreciation and amortisation.

- Purchases of energy by EGF UK accounted for between 20 to 30% of the supplier's turnover.
- Purchases of oxygen by EGF UK accounted for less than 5% of the supplier's turnover.
- Purchases of natural minerals by EGF UK were on average less than 5% of turnover of the suppliers.

272. Purchases and turnover data indicate that the effect of the measure on certain upstream suppliers (for example, energy supplier) may be significant. Considering, however, that the selected upstream industries consist of a number of businesses (for example, energy industry consists of numerous energy suppliers and EGF's energy supplier accounted for less than 1% of the UK energy industries GVA of £40.8bn<sup>25</sup>) suggests that upstream industries are not highly dependent on the supply chain for GFR.

### **I5.2. UK producer of GFR**

273. The sole UK producer, EGF UK, employed 251 people in 2020 and their total GVA was circa £10.7m during 2020.<sup>26</sup> All their production is related to manufacturing of GFR. EGF UK does not produce or sell other products.

### **I5.3. Importers of GFR**

274. Due to limited participation from importers, we used the HMRC data to identify traders that imported GFR. We identified 38 companies, which had imported GFR under the two 8-digit commodity codes in 2020.<sup>27</sup> We analysed the top five importers of chopped strands and the top five importers of rovings in 2020, for whom financial data was available from the Companies House.

275. The selected importers collectively employed around 600 staff, had a turnover of circa £217.9m, GVA of circa £28.0m in 2020, and GVA related to the GFR supply chain of circa £12.1m.

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<sup>25</sup> Department for Business, Energy and Industrial Strategy, and National Statistics, UK Energy In Brief 2021, available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1032260/UK\\_Energy\\_in\\_Brief\\_2021.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1032260/UK_Energy_in_Brief_2021.pdf) (accessed 8 April 2022). Gross Value Added (GVA) estimate from ONS, available at: <https://www.ons.gov.uk/economy/grossvalueaddedgva/timeseries/abml/qna> (accessed 8 April 2022).

<sup>26</sup> Figures are calculated using data from Companies House, 'EGF UK: Annual Report and Financial Statements for the Year Ended 31 December 2020', available at: <https://find-and-update.company-information.service.gov.uk/company/10269432/filing-history/MzMxNTg4NDIzNWFKaXF6a2N4/document?format=pdf&download=0> (accessed 24 March 2022).

<sup>27</sup> Note that the HMRC Find UK Traders tool captures UK importers who trade with non-EU countries only. Data do not report country of origin nor do they report volume or value of transactions. For further information, see: <https://www.uktradeinfo.com/find-uk-traders/help/> (accessed 24 March 2022).

## 15.4. Downstream industries

276. A qualitative industry-wide analysis of economic significance was undertaken for the known downstream industries. This was due to limited participation from downstream users and consequently limited data and evidence.
277. The automotive industry uses GFR in reinforced plastic body panels and for insulation. The automotive industry added circa £15.3bn in GVA and employed circa 200,000 workers in 2019.<sup>28</sup> Although the automotive industry makes a significant contribution to the UK economy, EGF UK note that GFR make up only a small proportion (0.5% or less) of the cost of a car. This suggests that the GVA of the automotive industry that is related to the GFR supply chain is likely to be much lower than the total GVA of the industry.
278. EGF UK note that GFR are predominantly used as inputs to reinforce composites. Almost 90% of the reinforcements used in composites are GFR.<sup>29</sup> The major cost associated with composite materials is typically the reinforcement element, which is usually GFR.<sup>30</sup>
279. Composites UK have over 360 members. The extent of each individual members' involvement in the GFR supply chain is unknown to us. In addition, Composites UK state that around 1,400 firms are involved in the composites supply chain.
280. GFR are the primary material used in the construction of GFR hulls for the recreational boat and yachts. Approximately 550 businesses operated in this industry in 2020, which employed over 10,500 staff and had a combined market size of £957m.<sup>31</sup>
281. Most wind turbine blades are made of GFR. Wind turbines constitute the largest share of the cost of energy production (29.0%).<sup>32</sup> The UK has the largest

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<sup>28</sup> The Society of Motor Manufacturers and Traders, 'SMMT Motor Industry Facts 2021', available at: <https://www.smmt.co.uk/wp-content/uploads/sites/2/SMMT-Motor-Industry-Facts-JULY-2021.pdf> (accessed 24 March 2022).

<sup>29</sup> PharmiWeb.com, 'Glass Fiber Reinforced Plastic (GFRP) Composites Market 2021 Outlook, Current and Future Industry Landscape Analysis 2027', available at: <https://www.pharmiweb.com/press-release/2021-11-18/glass-fiber-reinforced-plastic-gfrp-composites-market-2021-outlook-current-and-future-industry-la> (accessed 24 March 2022).

<sup>30</sup> Composites UK, 'How Much Do Composites Cost Compared To Other Materials?', available at: <https://compositesuk.co.uk/composite-materials/properties/costs> (accessed 24 March 2022).

<sup>31</sup> IBISWorld, 'Recreational Boat & Yacht Building in the UK – Market Research Report', available at: <https://www.ibisworld.com/united-kingdom/market-research-reports/recreational-boat-yacht-building-industry/> (accessed 24 March 2022).

<sup>32</sup> Low Carbon Innovation Coordination Group, 'Technology Innovation Needs Assessment (TINA), Offshore Wind Power Summary Report', available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/593464/Refreshed\\_OSW\\_TINA\\_Summary\\_Report\\_March2016.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/593464/Refreshed_OSW_TINA_Summary_Report_March2016.pdf) (accessed 24 March 2022).

offshore wind farm in the world, which employed 7,200 FTE workers in 2019.<sup>33</sup>  
The turnover of the wind energy industry was £6bn in 2019.<sup>34</sup>

282. We also identified other downstream industries that use GFR as inputs in production. Due to limited evidence we are unable to determine the extent to which GFR are used in these industries. These downstream industries include: aerospace, building materials, consumer goods, electric/electronics and glass fibre weaver industries.

### **I5.5. Summary table**

283. Table I.6 presents evidence in relation to the economic significance of the potentially affected industries. Based on the available evidence, it appears that upstream as well as downstream industries are larger – in terms of number of employees, GVA and turnover – than UK producer and UK importers of GFR taken together. This is not surprising considering both the range of raw materials that are used in manufacturing of GFR, and the numerous applications of GFR in downstream industries as explained earlier.

284. The estimates of the economic significance of different industry groups are only indicative but they are not directly comparable. For example, UK producer data are specific to GFR while estimates for other industry groups are based on available data that may capture broader activities (i.e. activities related and unrelated to the GFR supply chain).

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<sup>33</sup> ONS, 'Wind Energy in the UK', available at: <https://www.ons.gov.uk/economy/environmentalaccounts/articles/windenergyintheuk/june2021#wind-energy-data> (accessed 24 March 2022).

<sup>34</sup> ONS, 'Wind Energy in the UK', available at: <https://www.ons.gov.uk/economy/environmentalaccounts/articles/windenergyintheuk/june2021#wind-energy-data> (accessed 24 March 2022).

**Table I.6: Significance metrics for the UK stakeholders potentially affected by the proposed measure.**

	Producer	Importers	Upstream suppliers	Downstream users
Total known businesses, of which:	1	38	24	46
Registered interest in investigation	1	2	0	2
Submitted full questionnaire response	1	1	0	1
<b>Figures based on selected businesses</b>				
Number of selected businesses	1	6	7	6
Total GVA (£m), 2020	10.7	28.0	147.8	224.0
Total GVA related to GFR supply chain (£m), 2020	10.7	12.1	7.4	Unknown
Number of employees, 2020	251	608	1,619	6,156
Turnover (£m), 2020	44 of which 1.8 from UK sales	217.9	429.5	573.0

**Notes:** There can be an overlap between different industry groups. For example, some downstream users import GFR directly. We assigned all selected firms to a single industry group based on their primary activities to avoid double counting. Due to limited data, we were unable to estimate what share of total GVA was related to the GFR supply chain for the selected downstream users.

**Source:** Questionnaire responses submitted by interested parties to TRA; HMRC, 2022; Companies House, 2022.

## **I5.6. Consumers**

285. Due to consumers being several steps removed from the manufacturing of GFR it was not possible for us to identify any particular consumer groups and assess their economic significance.

## **I6. Impacts on affected industries and consumers**

286. This section assesses how prices and quantities along the GFR supply chain may change under two scenarios: a) one where the measure is varied as proposed, and b) one where it is revoked. The possible impacts for affected industries and consumers are then considered and compared across the two scenarios.

### 16.1. Price and quantity changes if the measure was varied as proposed

287. If the measure was varied as proposed, imports of GFR chopped strands and GFR rovings from the PRC would continue to face a tariff at the same level, and imports of GFR mats would face no anti-dumping tariff. Where the existing duty rates on GFR remain unchanged, the UK market prices of GFR are unlikely to change – both prices of domestically produced and imported GFR. We also do not expect any significant impact on quantities of GFR produced in the UK, exported from the UK or imported into the UK. Prices of GFR mats could decrease and quantities of GFR mats imported could increase, where these changes will also depend on changes in the UK demand for GFR mats.

288. EGF UK maintain that if the measure was varied as proposed, this will enable them to remain in the UK market and finance the upcoming rebuild of their existing furnace and subsequently to help them increase their share of the UK market in the future. With a broad range of uses and applications of GFR in downstream industries, which EGF UK claim are fast growing, there is a potential for domestic production of GFR to increase to meet this expected growth in demand for GFR in the medium- to long-term.

**Table I.7: Expected impacts on prices and quantities of affected products if the measure was varied.**

<b>Products</b>	<b>Prices</b>	<b>Quantities</b>
<b>Upstream products</b>	No change	No change
<b>Domestically produced GFR</b>	No change	No change. Possible increase in quantity produced in the UK dependent on a) investment, and b) growth in demand for GFR from downstream industries in the medium- to long-term.
<b>Imported GFR</b>	No change for GFR chopped strands and GFR rovings. Possible decrease in prices of GFR mats.	No change for GFR chopped strands and GFR rovings. Possible increase in quantities of imported GFR mats. In addition, possible increase in quantity imported to the UK dependent on growth in

		demand for GFR from downstream industries in the medium- to long-term.
<b>Downstream products</b>	No change	No change

## 16.2. Price and quantity changes if the measure was revoked

289. In principle, removal of tariffs normally leads to lower prices of imported goods, and overall lower UK average market prices. Currently, imports of GFR from the PRC are subject to ad valorem anti-dumping duty rate ranging from 0% to 19.9%.<sup>35</sup>
290. EGF UK expect that if the measure on GFR from the PRC was revoked, this would lead to an initial decrease in the UK market price of GFR. However, EGF UK state that if the measure was revoked, foreign exporters from the PRC will have sufficient market power to set higher prices in the future. We consider that the existence of third country suppliers would curtail the market power of PRC suppliers.
291. BMDS also expect that revocation of the measure would lead to lower UK market price of GFR. In contrast to EGF UK, BMDS do not comment on whether following an initial decrease UK market price of GFR may increase in the medium- to long-term.
292. Revocation of the measure is unlikely to directly reduce prices of GFR imported from other third countries because this measure does not apply to third country imports. However, third country suppliers may respond to price changes of PRC exports by reducing their own prices.
293. Concerning quantities, EGF UK state that the revocation of the measure, and resulting price competition from PRC exporters, would make UK production of GFR economically unfeasible. This would result in reduced UK manufacturing of GFR initially (while existing furnaces continue to operate during their remaining lifetime) but would eventually lead to cessation of UK manufacturing of GFR in the medium- to long-term. If UK manufacturing of GFR stopped, the UK would be completely reliant on imports without any domestic sources of supply.
294. It must be noted that only a small proportion of sales of EGF UK are in the UK, and most sales are destined for exports. In principle, export sales of EGF UK will not be affected if the measure was revoked.
295. BMDS do not provide any evidence on how UK production of GFR is likely to be affected if the measure was revoked. BMDS state that the revocation of the measure would enable them to increase production of downstream products,

<sup>35</sup> List of anti-dumping duty rates is in the [Annex 1](#).

thus signalling possible increase in UK imports of GFR from the PRC. BMDS, however, do not quantify any of these changes.

296. Revocation of the measure is expected to benefit downstream industries that use GFR – and in particular, GFR imported from the PRC – in production. Lower costs of inputs could lead to lower prices of downstream products, albeit prices are often characterised by downward rigidity. Any changes in quantities of downstream products supplied are uncertain.

**Table I.8: Expected impacts on prices and quantities of affected products if the measure was revoked.**

<b>Products</b>	<b>Prices</b>	<b>Quantities</b>
<b>Upstream products</b>	No changes are expected.	No changes are expected.
<b>Domestically produced GFR</b>	Decrease in prices of domestic supply because of downward pressure on prices.	Decrease in quantity of domestic supply in the short-term. Possible cessation of domestic supply in the medium- to long-term.
<b>Imported GFR</b>	Decrease in prices of foreign supply from the PRC in the short-term as duties are removed. Possibility of higher prices in longer term if PRC exporters gain market power, but will be curtailed by third country suppliers.	Increase in quantity of foreign supply from the PRC as it becomes more price-competitive.
<b>Downstream products</b>	Possible decrease in prices because of lower costs of inputs, but depends on share of GFR in costs of production (COP). However, prices are often characterised by downward rigidity.	Any changes in quantity of supply of downstream products are uncertain and speculative.

### **I6.3. Likely impacts on affected industries and consumers**

297. Building on our assessment of the possible impacts of either varying or revoking the measure, we consider the possible impacts on affected industries and consumers below.

#### **I6.3.1. Upstream industries**

298. We did not capture direct industry views on possible impacts of measure on upstream industries because no upstream suppliers participated in this investigation.
299. We expect that the impact on upstream industries of the measure being varied as proposed or of the measure being revoked would be minimal, and unlikely to have any negative impact. This is because upstream industries do not appear to be highly dependent on the supply chain for GFR: raw materials and inputs such as chemicals and natural minerals have a range of downstream applications and uses.

### **16.3.2. UK producer of GFR**

300. If the measure was varied as proposed, this could help EGF UK to maintain or, as argued by EGF UK, increase their market share. EGF UK consider investment in the upcoming rebuild of their existing furnace, but also improvement in product quality and performance, cost reduction and new product development as factors that will enable a steady sustainable improvement in market share. They argue that any increase in market share will in turn enable them to continue their R&D and innovation efforts to develop new applications and markets.
301. It is not clear if an increase in EGF UK's market share would translate into increased employment or higher wages. R&D and innovation efforts can have wider positive impacts in general, but we do not have any specific evidence on this for the GFR supply chain.
302. If the measure was revoked, UK prices of GFR would fall and EGF UK's profit would fall as a result. EGF UK claim that any decrease in UK prices of GFR and in their profits would make it more difficult for them to cover their operating costs. Without a profit level that allowed EGF UK to cover their operating costs, EGF UK would not be able to finance recurring investment requirements and stay operational. This is because they do not derive revenue from any other manufacturing and production activities. As a result, the revocation of the measure could lead to cessation of UK manufacturing of GFR in the medium- to long-term.
303. EGF UK make it clear that they see redundancies as a last resort but that they may be unavoidable, especially if the revocation of the measure leads to price undercutting by PRC exporters and the loss of market share. This could put 251 jobs at their plant in Wigan at risk: circa 200 production jobs and circa 50 jobs in administration and management, and sales and distribution.
304. We believe that closing the UK production plant and exiting the UK market is a commercial decision for EGF UK, which will be influenced by a range of different factors including the business environment and the state of the UK

economy. However, with the fixed production costs there is a risk that if the measure was revoked and this caused injury to EGF UK it would not be feasible for EGF UK to continue running the UK production plant.

305. The UK sales of EGF UK, however, constitute a small proportion of their overall sales, which we expect would limit any negative impact on the overall profitability of EGF UK. This is because we expect that export sales of EGF UK will not be affected if the measure was revoked.

### **16.3.3. Importers of GFR**

306. If the measure was varied as proposed, this would represent a status quo for domestic importers of GFR chopped strands and GFR rovings, and is unlikely to have a disproportionately negative impact on domestic importers. In addition, domestic importers of GFR mats would actually benefit if the measure was varied as proposed as we propose to exclude GFR mats from scope of the transition review.
307. Importers of GFR from the PRC could directly benefit from the revocation of the measure. This is because the revocation of the measure would enable them to increase profits due to lower costs associated with importation.
308. Importers of GFR from other third countries could arguably also benefit from the revocation of the measure if third country imports of GFR could meet some of the UK market demand.
309. BMDS maintain that their business will be more competitive if the measure was revoked. BMDS specifically mention current competitive pressures from foreign exporters of downstream products in the PRC and Turkey. BMDS maintain that if the measure was revoked, this could lead to an increase in sales and production volumes, and in employment levels. However, BMDS admit that any estimate of an increase in sales would be speculative.

### **16.3.4. Downstream industries**

310. Where downstream industries use GFR from the PRC in manufacturing of downstream products, they stand to directly benefit from the revocation of the measure due to lower prices of their inputs. Dependence on GFR as inputs in production – and therefore the possible gains from the revocation of the measure – is larger for those downstream industries where GFR accounts for a larger share of the total cost of production.
311. BMDS say that any industry that uses GFR would benefit if the measure was revoked. BMDS specifically mention boat building (ranging from manufacturers of small kayaks to manufacturers of super yachts and minesweepers), other construction products and glass reinforced thermoplastics (widely used in other

industries including automotive) as examples of downstream industries that would benefit from revocation of the measure.

312. Filon state that if the measure was revoked, this would enable them to become more competitive against imported finished products. Filon do not give clear indication of the possible impact of the revocation of the measure on their employment, wages, market share and investment or expansion plans.
313. EGF UK admit that there are likely to be short-term gains from lower UK prices of GFR if the measure was revoked, but they argue that loss of R&D and innovation would harm the interests of domestic downstream users.
314. Furthermore, EGF UK argue that cost gains from lower UK prices of GFR to downstream users are likely to be small because the manufacturing of GFR is only the first step in the glass-based lightweight value chain, where subsequent steps in the value chain add value to manufacture final goods.
315. As illustration, EGF UK estimate that GFR make up only a small proportion (0.5% or less) of the cost of a car. We are unable to determine how precise this estimate is but we agree that cost of GFR as inputs in manufacturing of certain downstream products may be small. We would require evidence that quantifies the importance of GFR in costs of production, total costs, and in prices of various downstream products to more accurately assess the possible impact of the measure on various downstream industries.

#### **I6.3.5. Consumers**

316. The impact on final consumers of the measure being varied as proposed or the measure being revoked could be small. This is because GFR are used as intermediate inputs rather than final goods, and they are the first step in the glass-based lightweight materials value chain. Any price increase of GFR is less likely to lead to any significant increase in price of consumer goods the further along the GFR value chain these consumer goods are – and the greater the value added at intermediate production steps, including costs of other inputs and materials.
317. There are certain consumer goods that use GFR as inputs in production, including sports and leisure equipment (for example, skis) and household appliances (for example, heat and freeze appliances). For these downstream products and assuming that manufacturing of these downstream products takes place in the UK, there are potential benefits from the revocation of the measure to consumers. However, we have no information about the UK-based manufacturers of consumer goods that use GFR as inputs in production. In addition, prices are often characterised by downward rigidity: decrease in prices of GFR may not necessarily translate to lower prices of downstream products that could benefit consumers.

318. Any negative impacts of the measure on final consumers could be minimised by incomplete cost-to-price pass-through. It is, however, likely that the measure could impose additional costs on final consumers in aggregate terms, even if the impact is very small at an individual level.

**Table I.9: Expected impacts on affected groups if the measure was varied as proposed rather than revoked.**

<b>Group</b>	<b>Expected impacts</b>
<b>Upstream industries</b>	No or minimal impacts on upstream industries, as little dependency of upstream industries on the supply chain for GFR.
<b>Domestic producer</b>	Possible positive impacts including future investment or expansion of economic activities, improvement in market share and R&D and innovation efforts.
<b>Domestic importers</b>	No or minimal impacts on domestic importers of GFR chopped strands and GFR rovings, as no or little change in circumstances. Positive impacts on domestic importers of GFR mats.
<b>Downstream industries</b>	Additional costs imposed on downstream industries, especially those that use GFR imported from the PRC.
<b>Consumers</b>	Additional costs imposed on final consumers in aggregate terms, but very small impact on individual consumers.

## **17. Likely impact on particular geographic areas, or particular groups in the UK**

319. This section explores how impacts of the proposed measure are likely to be geographically distributed and whether any particular areas or groups might be disproportionately impacted.

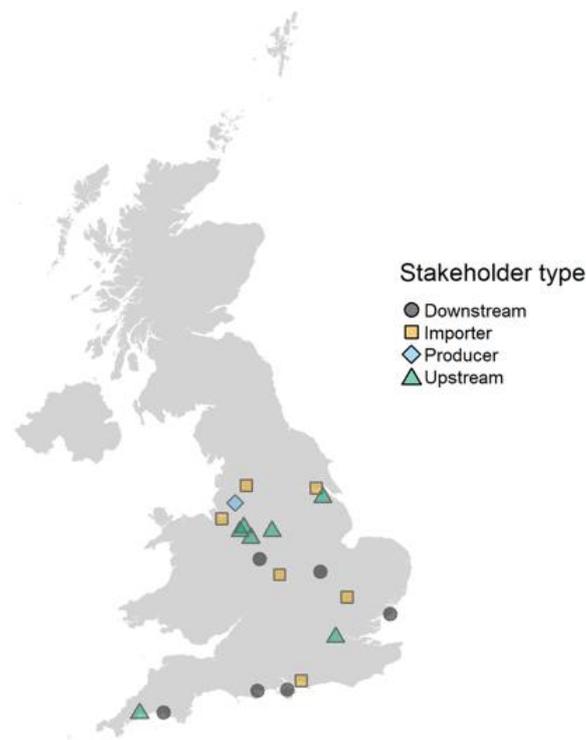
### **17.1. Distribution of stakeholders**

320. Figure I.2 shows the geographic distribution of selected businesses involved in GFR supply chain across the UK. There is a cluster of businesses in the North West of England and around London.<sup>36</sup> The cluster in the North West of England includes the domestic producer, its upstream suppliers and certain downstream users.

321. In contrast to upstream suppliers, most downstream users as well as domestic importers are geographically spread across the UK.

<sup>36</sup> Map shows individual companies' registered office address, which may be different from locations of physical production plants. This may explain why there is a cluster in London (i.e. headquarters).

**Figure I.2: Locations of UK businesses that are part of UK GFR supply chain.**



Notes: Map shows on the location of selected businesses from the economic significance section.

Source: Questionnaire responses submitted by interested parties to TRA; HMRC, 2021; Companies House, 2021. Contains National Statistics data © Crown copyright and database right 2021 and OS data © Crown copyright and database right 2021.

## **17.2. Likely impact on particular areas**

322. The following particular areas were identified to be of interest as potentially affected by the measure:

- Wigan – location of GFR production plant of EGF UK and cluster of upstream suppliers and certain downstream users;
- Coventry – location of participating importer, BMDS; and
- Lichfield – location of participating downstream user, Filon.

### **17.2.1. Upstream industries**

323. We previously concluded that upstream industries are not highly dependent on the supply chain for GFR. Therefore, we do not expect any disproportionately negative effects on any of the local authority districts of the selected upstream

suppliers from either the measure being varied as proposed or the measure being revoked.

### 17.2.2. UK producer of GFR

324. EGF UK state that there is likely to be negative economic impact on Wigan and the surrounding areas if the measure was revoked. This is because revocation of the measure – if it leads to further undercutting of prices by foreign exporters in the PRC and if it makes it more difficult for domestic producer to cover their operating costs – could lead to closure of the existing production plant in Wigan.
325. This, according to EGF UK, could lead to a loss of approximately 4,000 jobs that directly and indirectly depend on this production plant. However, our analysis found that only few individual upstream suppliers were dependent on the GFR supply chain and therefore, likely to be significantly affected by the revocation of the measure. Given limited evidence provided to us, we are not able determine whether and how many jobs could be lost in addition to the 251 workers employment by EGF UK if the measure is revoked.<sup>37</sup>
326. The UK sales of EGF UK constitute a small proportion of their overall sales, which we expect would limit any negative impact of the revocation of the measure on the overall economic viability of EGF UK's production plant in Wigan.
327. In addition to employment, there is also likely to be negative impact on wages in the local area. This is because the average salary paid by domestic producer in 2020 – which stood at £35,000<sup>38</sup> – was approximately 40% higher than the Wigan average salary of £25,000.<sup>39</sup> In addition, in 2020 Wigan was in the second decile in terms of average salary when compared against other local authority districts across the UK.<sup>40</sup>

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<sup>37</sup> In 2020, the Wigan production plant employed 251 staff, most of them in production, with smaller number of staff in sales and distribution, and administrative and management. Source: Companies House, 'EGF UK: Annual Report and Financial Statements for the Year Ended 31 December 2020', available at: <https://find-and-update.company-information.service.gov.uk/company/10269432/filing-history/MzMxNTg4NDIzNWFKaXF6a2N4/document?format=pdf&download=0> (accessed 24 March 2022).

<sup>38</sup> Total wages and salaries bill of £8,689,000 (excluding social security costs and other pension costs) and number of employees of 251 FTE. Source: Companies House, 'EGF UK: Annual Report and Financial Statements for the Year Ended 31 December 2020', available at: <https://find-and-update.company-information.service.gov.uk/company/10269432/filing-history/MzMxNTg4NDIzNWFKaXF6a2N4/document?format=pdf&download=0> (accessed 24 March 2022).

<sup>39</sup> ONS, Earnings and hours worked, place of work by local authority: ASHE Table 7, 2021, available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/dataset/s/placeofworkbylocalauthorityashtable7> (accessed 24 March 2022).

<sup>40</sup> First decile implies lowest average salary and tenth decile implies highest average salary.

328. Overall, potential job losses as well as production plant closure could have some negative effects on Wigan and the surrounding areas.

### **17.2.3. Importers of GFR**

329. Due to limited participation of domestic importers we are unable to quantify any impacts on particular geographic areas where they are located.

330. BMDS state that they are not aware of any regional impacts of the measure. We do not expect any disproportionately negative effects on Coventry because the number of workers at the production plant of BMDS represents less than 1% of the total working-age population in the local authority district.

### **17.2.4. Downstream industries**

331. Due to limited participation of downstream industries we are unable to quantify any impacts on particular geographic areas where they are located.

332. BMDS state that they are not aware of any regional impacts of the measure. They add that industries using GFR are spread all across the UK as there is a large variety of applications and a mix of small to large businesses.

333. Filon do not identify any particular geographic impacts of the measure. We do not expect any disproportionately negative effects on Lichfield because number of workers at the production plant of Filon represents less than 1% of the total working-age population in the local authority district.

### **17.3. Likely impact on particular groups**

334. We considered the likely impact on particular groups including those with protected characteristics as defined by the Equality Act 2010.

335. No party provided any evidence with respect to potential impacts on any particular groups, either as workers or consumers. GFR have a broad range of applications and they are not sold directly to final consumers who are further down the supply chain, which makes it less likely for them to be negatively affected.

336. Therefore, there are no obvious impacts on groups with protected characteristics or other groups which might result from the variation or revocation of the measure.

## **18. Impacts on the competitive environment**

337. The assessment of likely consequences for the competitive environment and structure of the UK GFR market considers the impact on the:

- number or range of GFR suppliers;
- ability of GFR suppliers to compete;
- incentives to compete vigorously; and
- choices and information available to consumers.

338. UK market demand for GFR is met by EGF UK and domestic importers, with imported GFR being dominant source of supply. In 2020, a small proportion of UK consumption of GFR was fulfilled by EGF UK, whose sales were predominantly export sales. Imports from the PRC fulfilled between 5% and 10% of UK consumption of GFR. In 2020 the PRC was ranked the 12th largest source country of imported GFR chopped strands and the largest source country of imported GFR rovings.

### **18.1. Impact on the number or range of suppliers**

339. If the measure was varied as proposed, this will enable EGF UK to continue their UK operations and serve the UK market. There is not any reason to believe that the measure will in any way impact on the ability of foreign exporters to serve the UK market, especially where EGF UK only fulfils a relatively small proportion of the UK consumption.

340. Revocation of the measure could in the short-term open up the UK market to a greater number and a greater range of suppliers from the PRC, for whom the costs of supplying the UK market are at present too high. Arguably, revocation of the measure could also lead to entry of new suppliers from other third countries. However, revocation – if it leads to further undercutting of prices by PRC exporters and if it makes it more difficult for EGF UK to cover their operating costs – could mean that it is not economically feasible for EGF UK to continue their UK operations over the medium- to long-term.

341. If EGF UK were to exit the UK market, this could make the UK economy completely dependent on imports of GFR from abroad. Revocation of the measure could, therefore, over the longer term mean a loss of domestic supply and hence, a less diverse range of suppliers.

### **18.2. Impact on the ability of suppliers to compete**

342. If the measure was varied as proposed, there would be no impact on the ability of suppliers to compete. EGF UK emphasise that the continued application of the measure is the prerequisite for them to sustain competitive pressure from PRC exporters.

343. If the measure was revoked, this would lower the barriers to imports of GFR from the PRC, making it likely that imports of GFR from the PRC will increase. EGF UK indicate that there is already a fierce competition with the PRC exporters.

### **18.3. Impact on the incentives to compete vigorously**

344. We do not believe that varying the measure as proposed or revoking the measure would have any impact on the incentives of different suppliers to compete vigorously in the UK market.

### **18.4. Impact on the choices and information available to consumers**

345. We do not have any evidence to suggest that there would be a detrimental impact on the information available to downstream industries if the measure was varied as proposed or revoked.

346. It is possible, however, that if the UK producer stopped supplying to the UK market in future, this could impact the choices available to downstream industries (i.e. no source of domestic supply but a greater range of source of foreign supply).

## **19. Other factors**

347. As part of the EIT, we can consider any other factors additional to those set out in the legislation which have implications in concluding whether the proposed trade remedy measure is in the economic interest of the UK.

348. Based on evidence submitted by stakeholders, we considered the factors discussed below.

### **19.1. Scope of the existing measure**

349. BMDS note that the multi-end rovings are not manufactured in the UK and should be excluded from the scope of the measure. Our assessment of the goods and a comparison between multi-end rovings and single-end rovings is set out in [Section D: The Goods](#).

### **19.2. Vulnerability to supply chain disruptions**

350. The COVID-19 pandemic highlighted industry vulnerability to global value chain disruptions. These disruptions can leave downstream industries exposed and vulnerable especially if there is no domestic source of supply.

351. EGF UK argued that revocation of the measure would force them to cease manufacture in the UK market, with downstream users unable to source GFR domestically.

### **I9.3. R&D and innovation**

352. EGF UK also argued that revocation of the existing measure would lead to loss in R&D and innovation in the UK, and would have negative effects on development of new market applications. In particular, EGF UK argue that manufacturing of GFR is the main driver of innovation in the glass-based lightweight materials value chain. EGF UK also argue that Chinese foreign exporters are downstream-integrated and are unlikely to support the fostering of the UK value chain over that of their own.

### **I10. Forms of measure**

353. In the EIT we also consider the most appropriate form of measure to recommend, in particular whether any changes to the length, scope or type of measure would minimise the negative impacts of the measure on some parties while retaining the overall benefits.

354. We have found no evidence suggesting that a form of measure, other than the variation we intend to propose, would be more appropriate.

### **I11. Conclusions**

355. In accordance with paragraph 25 of Schedule 4 to the Act, the EIT is met in relation to the application of an anti-dumping remedy if the application of the remedy is in the economic interest of the UK. This test is presumed to be met unless we are satisfied that the application of the remedy is not in the economic interest of the UK.

356. Following the likelihood assessments, our intended recommendation is to vary the measure on imports of GFR from the PRC. However, since it has not been possible to recalculate the measure, the measure will be maintained at the same level for the reduced scope of goods and extending the duration for five years. In this section we have considered whether this would be in the economic interest of the UK.

357. In [the section setting out factors in relation to injury](#), we concluded that injury to UK industry would be likely to occur were the measure to no longer apply. The injury likelihood assessment established that UK industry was already in an economically vulnerable position. The measure will help to prevent further injury to domestic producer, who will be more likely to meet recurring investment requirements and stay operational.

358. In [the section regarding significance](#), we found that the GFR producer contributes around £10.7m in GVA to the UK economy. GFR also have numerous applications in various downstream industries, including automotive, building materials, composites, marine and wind energy industries. Downstream industries that use GFR also make a significant contribution to the UK economy (at least £224.0m in GVA), but it is not possible to quantify how much of this contribution is directly attributable to GFR.
359. In [the impacts on affected industries and consumers section](#), we concluded that there were not any impacts on prices and quantities of affected products expected if the measure was varied as proposed. Prices of affected products were expected to decrease, quantities of domestic supply to decrease and quantities of foreign supply to increase if the measure was revoked. The domestic producer, EGF UK, argued that it could cease manufacture in the UK market in the medium- to long-term if the measure was revoked and if the resulting price competition and price undercutting from PRC exporters meant it was more difficult to cover operating costs. Domestic importers and domestic users of GFR could benefit from the revocation of the measure because of a decrease in their costs. It is also possible that the measure could impose additional costs on final consumers in aggregate terms, although the impact would be very small at an individual level. There were no particular impacts expected for upstream industries from either varying or revoking the measure.
360. In [the section assessing the likely impacts on particular geographic areas and particular groups](#), we confirmed that there existed a cluster of economic activity linked to the manufacturing of GFR in the North West of England (Wigan and the surrounding areas). We concluded that the revocation of the measure – and the resulting potential job losses as well as GFR production plant closure – could have negative effects on Wigan and the surrounding areas. We found no evidence to indicate that particular groups, including those with protected characteristics as defined within the 2010 Equality Act, would be impacted.
361. In [the impacts on competitive environment section](#), we found that UK market was predominantly supplied by foreign exporters, and to a lesser degree by the sole UK producer, EGF UK. We concluded that the revocation of the measure could in the short-term open up the UK market to a greater number and a greater range of suppliers from the PRC. There could, however, also be a negative impact on competitive environment in the medium- to long-term if the revocation of the measure led to a loss of domestic supply.
362. We have identified the following key positive impacts of varying the measure, as compared to revoking it:
- The sole UK producer of GFR, EGF UK, is likely to continue its UK operations as the measure will help to prevent further injury to domestic producer.

- The continued operation of the UK production plant in Wigan would avoid any potential job losses in the North West.
- Both domestic and foreign sources of supply would remain available to downstream users of GFR, reducing vulnerability to global value chain disruptions.

363. The key negative impacts of varying the measure are:

- Importers and downstream users would not be able to benefit from cheaper GFR from the PRC.
- The measure could impose additional costs on final consumers in aggregate terms, even though the impact would be very small at an individual level.

364. In conclusion, varying the measure on GFR imported from the PRC as proposed will not have disproportionately negative economic impacts on the UK economy, including industries, consumers, particular groups and the wider geographic and competitive environment impacts.

365. Based on the evidence available and having considered all of the factors listed in the legislation, under the default presumption we conclude that the Economic Interest Test is met for the proposed variation of the anti-dumping duties.

## SECTION J: Preliminary Findings and Intended Final Recommendation

### J1. Preliminary findings

- It is likely, on the balance of probabilities, that dumping of GFR from the PRC would occur if the anti-dumping duty were no longer applied.
- It is likely on the balance of probabilities, that injury to the UK industry would occur from importation of GFR from the PRC if the anti-dumping duty were no longer applied.
- The application of the anti-dumping duty meets the EIT.

### J2. Intended Final Recommendation

366. Our intended recommendation is to vary the application of the anti-dumping amount under regulation 100A of the Regulations. As it has not been possible to recalculate the anti-dumping amount, we recommend maintaining the measure under regulation 100A(4)(b) of the Regulations and varying the description of the goods to which the measure applies under regulation 99A(2)(a)(ii) of the Regulations for a period of five years from the **date of expiry**, which is the day following the publication of the Secretary of State's final determination.

367. The description of the goods to which the measure applies will be varied to exclude the goods known as "mats made of glass fibre filaments" from the application of the measure, classified under the following commodity codes:

7019 31 00 00, now listed as 7019 14 00 00 and 7019 15 00 00.

368. These goods will be removed so that the measure will apply to certain continuous filament glass fibre products as follows:

*"Chopped glass fibre strands, of a length of not more than 50 mm.*

*Glass fibre rovings, excluding glass fibre rovings which are impregnated and coated and have a loss on ignition of more than 3 % (as determined by the ISO Standard 1887)."*

369. Commodity codes to which the measures will be maintained and will continue to apply will be as follows:

7019 11 00 00  
7019 12 00 22  
7019 12 00 25  
7019 12 00 26

7019 12 00 39

370. [Annex 1](#) specifies the duties to be maintained and applied to the goods described or imported under the above commodity codes. In the absence of any data, we have maintained the form and levels of the original EU measures that are the subject of this review.

**Annex 1: Anti-dumping duties on goods subject to review**

<b>Country</b>	<b>Company</b>	<b>Anti-dumping duty rate (%)</b>	<b>Taric additional code</b>
<b>The People's Republic of China</b>	Jushi Group Co. Ltd; Jushi Group Chengdu Co. Ltd; Jushi Group Jiujiang Co. Ltd	14.5	B990
<b>The People's Republic of China</b>	Changzhou New Changhai Fiberglass Co. Ltd; Jiangsu Changhai Composite Materials Holding Ltd.; Changzhou Tianma Group Co. Ltd	0	A983
<b>The People's Republic of China</b>	Chongqing Polycomp International Corporation	19.9	B991
<b>The People's Republic of China</b>	Other companies:	15.9	
<b>The People's Republic of China</b>	Taishan Fiberglass Inc.; PPG Sinoma Jinjing Fiber Glass Company Ltd;		B992
<b>The People's Republic of China</b>	Xingtai Jinniu Fiberglass Co., Ltd;		B993
<b>The People's Republic of China</b>	Weiyuan Huayuan Composite Material Co., Ltd;		B994
<b>The People's Republic of China</b>	Changshu Dongyu Insulated Compound Materials Co., Ltd;		B995

<b>The People's Republic of China</b>	Glasstex Fiberglass Materials Corp.		B996
<b>The People's Republic of China</b>	All other companies	19.9	A999

## Annex 2: EU anti-dumping duties imposed by EU Regulation 248/2011

Company	Anti-dumping duty rate (%)	TARIC additional code
Changzhou New Changhai Fiberglass Co. Ltd and Jiangsu Changhai Composite Materials Holding Co. Ltd, Tangqiao, Yaoguan Town, Changzhou City, Jiangsu	7.3	A983
All other companies	13.8	A999

Source: [Council Implementing Regulation \(EU\) No.248/2011](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32011R0248&from=EN), available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32011R0248&from=EN>.

**Annex 3: EU anti-dumping duties imposed by EU Regulation 1379/2014**

Company	Anti-dumping duty rate (%)	Taric additional code
Jushi Group Co. Ltd; Jushi Group Chengdu Co. Ltd; Jushi Group Jiujiang Co. Ltd	14.5	B990
Changzhou New Changhai Fiberglass Co. Ltd; Jiangsu Changhai Composite Materials Holding Ltd.; Changzhou Tianma Group Co. Ltd	0	A983
Chongqing Polycomp International Corporation	19.9	B991
Other cooperating companies:	15.9	
Taishan Fiberglass Inc.; PPG Sinoma Jinjing Fiber Glass Company Ltd;		B992
Xingtai Jinniu Fiberglass Co., Ltd;		B993
Weiyuan Huayuan Composite Material Co., Ltd;		B994
Changshu Dongyu Insulated Compound Materials Co., Ltd;		B995

Company	Anti-dumping duty rate (%)	Taric additional code
Glasstex Fiberglass Materials Corp.		B996
All other companies	19.9	A999

Source: Commission Implementing Regulation (EU) No 1379/2014, available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R1379&from=EN>.

**Annex 4: EU anti-dumping duties imposed by EU Regulation 2017/724**

Company	Anti-dumping duty rate (%)	Taric additional code
Jushi Group Co. Ltd; Jushi Group Chengdu Co. Ltd; Jushi Group Jiujiang Co. Ltd	14.5	B990
Changzhou New Changhai Fiberglass Co. Ltd; Jiangsu Changhai Composite Materials Holding Ltd.; Changzhou Tianma Group Co. Ltd	0	A983
Chongqing Polycomp International Corporation	19.9	B991
Other cooperating companies:	15.9	
Taishan Fiberglass Inc.; PPG Sinoma Jinjing Fiber Glass Company Ltd;		B992
Xingtai Jinniu Fiberglass Co., Ltd;		B993
Weiyuan Huayuan Composite Material Co., Ltd;		B994
Changshu Dongyu Insulated Compound Materials Co., Ltd;		B995

Company	Anti-dumping duty rate (%)	Taric additional code
Glasstex Fiberglass Materials Corp.		B996
All other companies	19.9	A999

Source: Commission Implementing Regulation (EU) 2017/724, available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017R0724&from=EN>.

### Annex 5: Information from participants in the review – UK Producers

Party	Submission(s)
<b>Electric Glass Fiber UK Ltd</b>	Pre-sampling Questionnaire  Questionnaire  Additional submissions: Response to Request for information on scope

**Annex 6: Information from participants in the review – PRC Exporters**

<b>Party</b>	<b>Submission(s)</b>
<b>Jiangsu Changhai Composite Materials Holding Ltd.</b>	Pre-sampling Questionnaire  Questionnaire  Additional submissions: Response to Request for information on scope
<b>Changzhou New Changhai Fiberglass Co. Ltd</b>	Pre-sampling Questionnaire  Questionnaire
<b>Changzhou Tianma Group Co. Ltd</b>	Pre-sampling Questionnaire  Questionnaire

**Annex 7: Information from participants in the review – Importers**

<b>Party</b>	<b>Submission(s)</b>
<b>Brett Martin Daylight Systems Ltd</b>	Pre-sampling Questionnaire  Questionnaire  Additional submissions: Response to Request for information on scope

**Annex 8: Information from participants in the review – Foreign Government**

<b>Party</b>	<b>Submission(s)</b>
<b>The Government of the People's Republic of China</b>	Pre-sampling Questionnaire

### Annex 9: Information from participants in the review – Trade Bodies

Party	Submission(s)
<b>The British Glass Manufacturers Confederation</b>	Pre-sampling Questionnaire Questionnaire Additional Submissions: Response to Request for information on scope

**Annex 10: Information from participants in the review – Contributors**

<b>Party</b>	<b>Submission(s)</b>
<b>Composites UK</b>	Pre-Sampling Questionnaire Questionnaire
<b>Filon Products Limited</b>	Pre-Sampling Questionnaire Questionnaire Additional Submissions: Response to Request for information on scope
<b>Hambleside Danelaw Limited</b>	Pre-Sampling Questionnaire