



## Verification report – UK Producer

### Case TD0010: HFP Rebar exported from the People's Republic of China

Period of Investigation (POI):	1 April 2020 – 31 March 2021
Injury Period:	1 April 2017 – 31 March 2021
Date of report:	18 January 2022

Case team contact details:	TD0010@traderemedies.gov.uk
Company verified:	Celsa Steel (UK) Limited ('Celsa')

For further details, please see the [Notice of initiation](#) on the public file.



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## Executive Summary

The Trade Remedies Authority (TRA) is conducting a transition review to determine whether the UK should vary or revoke anti-dumping measures on High Fatigue Performance (HFP) Rebar (Rebar) from the People's Republic of China (PRC), pursuant to Part 12 of The Trade Remedies (Dumping & Subsidies) (EU Exit) Regulations 2019 ('the D&S Regs.' or 'the Regulations') - Statutory Instrument 450/2019.

As part of the review, the TRA sought to assess the completeness, relevance, and accuracy of the information the domestic producer (Celsa) provided in its questionnaire response. This covered its company structure and operations, the goods it produces, sales, costs and production, injury, and the economic impact of varying or revoking the measures.

During the verification process, the TRA has compared Celsa's questionnaire responses, including the data annexed to the questionnaire (annex data) and other accompanying evidence to information from open sources, such as Companies House, HM Revenue & Customs (HMRC) and Celsa's website. We checked information for internal consistency and reconciled financial data to the audited financial statements.

On 3 November 2021 we also obtained consent from Celsa to use some of the information recently provided in respect of our separate transition review into Wire Rod from the PRC (TD0007), based on its relevance to the Rebar transition review. This takes into consideration both Wire Rod and Rebar share the same production processes and are both produced at Celsa's Rod and Bar Mill (RBM). In addition, Celsa uses the same accounting systems and policies for the two goods and there is a cross over in the injury period between the two reviews. We have therefore been able to rely on the outcome of a previous walkthrough of Celsa's accounting system (SAP) undertaking recently for the Wire Rod transition review and take this into account in our verification planning in this current review.

Due to the COVID-19 pandemic we conducted our verification remotely. However, where necessary or appropriate, we gave Celsa the opportunity to provide further detail or clarify outstanding questions during remote verification and via written correspondence.

The TRA does not have any concerns to report in respect of Celsa. We were able to verify the information provided by Celsa in its:

- Questionnaire response,
- Annex data; and
- Throughout the verification process.

We have concluded that the information is sufficiently accurate for us to be able to rely on for this transition review.

We have also adjusted Celsa's data and will rely on this adjusted data for the purpose of its use in the likelihood of injury and/or EIT assessments in the following areas:

- Profitability: We were able to do a reasonable calculation of profitability covering the injury period, using requested sales and costs data specific to Rebar which was submitted during verification.



- Cash flow: We recalculated the cash flow specific to Rebar based on adjustments to profitability (as above) and the cash flow adjustment for the amortisation of restructuring costs.
- Market share: Celsa provided an approximation of market share for the injury period. We will therefore rely on our own estimates of market share based on facts available (See reg. 47(5) of the D&S Regs.) which we assess as more accurate and accordingly, provide a higher level of assurance.

## Purpose of verification

The purpose of the TRA's verification activity is to provide the assurance considered necessary to make a decision as to whether the information (data) provided by Celsa is verifiable and can be used for the purposes of our investigation. We will draw various levels of assurance on the completeness, accuracy and relevance of information deemed verifiable. Such data may then be considered in the assessments and analysis carried out as part of the transition review

We may carry out verification activity using desk and remote analysis or undertake work on-site. The activity undertaken will not seek to verify all information provided but to undertake the work considered appropriate and possible within the time constraints of the investigation to obtain assurance on which to base a decision.

This verification report documents the work we have completed, the checks the case team has carried out and conclusions we have reached about the reliability of information provided by Celsa.

## Confidential information

Celsa must indicate whether any information contained in the confidential version of the verification report is considered confidential. It must specify such information, provide reasons as to why the TRA should treat the particular information as confidential, and create a non-confidential version of it (see also [public guidance](#)). The non-confidential version of the verification report will be placed on the public file.



## A. Company structure and associations

### What information was verified

- General set-up, ownership, and management.
- Facility locations.
- Associations.
- Accounting practices and policies.
- Accounting system used.

*Please indicate the confidentiality status of the information summarised above:*

☒ non-confidential

☐ confidential

*If applicable, please specify what particular areas you consider to be confidential:*

### How the information was verified

The TRA cross-checked the information provided on Celsa's general set-up, ownership, and management by examining official documents published on Companies House. This included the Certificate of Incorporation and Celsa's audited financial reports.

We also compared the information provided by Celsa against its own website, confirming the details of its product range and location of its facilities.

We found the information from the open sources to be consistent with the information provided by Celsa in its questionnaire response.

We also reviewed the audited financial reports of the associated companies, after checking the existence of the disclosed associated companies at Companies House. These reports confirmed that the information provided by Celsa was consistent with publicly available information and that all relevant companies had been referenced.

To assess the reliability of the financial statements, we considered the auditor's reports, which consistently stated that the financial statements give a "true and fair view" of the company's affairs and have been, "*properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice*" for the POI.

We also used information in the financial reports to verify Celsa's accounting practices and policies. This included the basis for the preparation of the financial statements, the financial year convention, the method for stock valuation and revenue recognition policy.

The TRA was able to rely on the outcome of the SAP walkthrough from the previous TD0007 case, which found the design of Celsa's sales and costs SAP controls to be effective, when assessing risk at the transaction selection stage.



Please indicate the confidentiality status of the information summarised above:

☒ non-confidential

☐ confidential

If applicable, please specify what particular areas you consider to be confidential:

### Exceptions/Findings/Adjustments

The TRA has no exceptions, findings, or adjustments to report with regards to the Celsa's company structure and associations.

Please indicate the confidentiality status of the information summarised above:

☒ non-confidential

☐ confidential

If applicable, please specify what particular areas you consider to be confidential:

### Conclusions

The data relating to company structure and associations that we have been provided with by the interested party is verifiable. Based on the work we have done, we have a reasonable level of assurance that the data can be treated as complete, relevant, and accurate and can therefore be used by the TRA for this review.

Please indicate the confidentiality status of the information summarised above:

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## B. Goods

### What information was verified

- Celsa's claim that there are no differences between the Rebar it produces and the like goods.
- A transactional listing for both Celsa's domestic and exports sales of Rebar for the POI, including Product Control Number (PCN)'s it has assigned for each sale with reference to its own material codes.
- A copy of Celsa's internal guide documents on the construction of its material codes.
- Sample sales documents.

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☐ confidential



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#### How the information was verified

The TRA has reviewed the domestically produced goods to determine if they are indeed 'like goods', defined in paragraph 7(1) of Schedule 4 to the Taxation (Cross-border Trade) Act 2018 ('TCBTA' or 'the Act') as: 'a) goods which are like those goods in all respects, or b) if there are no such goods, goods which, although not alike in all respects, have characteristics closely resembling those of the goods in question'.

The TRA reviewed a copy of Celsa's internal guide documents setting out how its material codes are constructed, as well as a listing of grading codes it uses. We were then able to reconstruct the quoted PCNs on the transactional listings using the applicable sample sales documents obtained in the verification activities in Section D below.

We were also able to cross reference Celsa's commentary around the products it produces against its own website, as well as the websites of downstream companies it sold to during the POI.

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*If applicable, please specify what particular areas you consider to be confidential:*

#### Exceptions/Findings/Adjustments

The TRA has no exceptions, findings, or adjustments to report with regards to the like goods.

*Please indicate the confidentiality status of the information summarised above:*

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☐ confidential

*If applicable, please specify what particular areas you consider to be confidential:*

#### Conclusions

The data relating to Celsa's goods that it has provided to the TRA is verifiable. Based on the work we have done, we have a reasonable level of assurance that the data can be treated as complete, relevant, and accurate.

We are satisfied the Rebar produced by Celsa are like goods (as defined). The TRA does not consider any adjustments are necessary regarding the assignment of the PCNs. There is also no evidence to suggest Celsa has omitted any relevant products.

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<i>If applicable, please specify what particular areas you consider to be confidential:</i>	

## C Costs

### What information was verified

#### Upwards verification

- Celsa's total cost figure for the like goods and all goods for the POI.
- Celsa's management accounts covering 1 January 2020 to 31 December 2020 and the first quarter of 2021 and the audited accounts for 2020.
- Celsa reconciliation of its management accounts to its audited financial statements
- Celsa's methodology for allocating costs for the like goods

#### Downwards verification

The TRA selected a sample of transactions on a risk basis to test accuracy and controls relating to the following costs:

- Raw materials
- Ferroalloys
- Other materials
- Manufacturing overheads
- Direct labour
- Depreciation
- Administrative, selling, and general (AS&G) costs

*Please indicate the confidentiality status of the information summarised above:*

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<i>If applicable, please specify what particular areas you consider to be confidential:</i>	

### How the information was verified

#### Upwards verification

The TRA performed upwards verification to confirm the completeness and relevance of the total cost data set.

As Celsa's financial year to 31 December 2020 is different to the TRA's POI period, the TRA was unable to reconcile the reported total cost data to Celsa's financial statements. We therefore relied on Celsa's management accounts, which are prepared on a quarterly basis.





Celsa provided the TRA with a reconciliation of its management accounts for the financial year to 31 December 2020 to the statutory accounts of the same period. In order to be able to place reliance on Celsa's management accounts, the TRA reviewed Celsa's reconciliation; we did not identify any unreconciled variances and therefore were able to place reliance on the management accounts, for the purposes of our upwards verification of total costs.

The TRA was subsequently able to reconcile Celsa's submitted data in respect of total costs to the management accounts for the POI, using Celsa's managements accounts submitted to the TRA in respect of the period April 20 to March 2021.

We are satisfied that the cost data provided by Celsa has been appropriately reconciled to Celsa's financial statements and can be considered as complete and relevant.

#### *Cost allocation methodology*

The TRA verified the number of tonnes produced by reconciling production figures as reported in SAP to Celsa's total production figure provided in the questionnaire annex.

Celsa has calculated its production costs for Rebar in the questionnaire annex by taking the actual £/tonne costs for all products at the RBM and allocating based on the proportion of units produced of Rebar, with the costs for the period taken from SAP. Celsa has allocated its AS&G costs in the questionnaire annex based on the proportion of units sold of Rebar.

Based on our understanding of the Rebar production process gained at the walkthrough stage, we are satisfied that the basis of allocation of costs for Rebar is reasonable.

#### Downwards verification

The TRA performed downwards verification to confirm the accuracy of the total cost data set. This consisted of performing transactional and controls tests for a sample of transactions and assessing the reasonableness of the allocation of costs to Rebar.

#### *Raw materials*

The TRA:

- Observed a walkthrough of the purchase and payment approval processes for raw material purchases.
- Confirmed the usage of scrap in the production of Rebar
- Recalculated Celsa's reported total raw material costs in respect of each PCN and for all PCNs, applying Celsa's allocation methodology, based on the proportion of units produced.
- Tested Celsa's controls based on the following tests on each of the sampled transactions:
- Traced raw materials purchase to goods received into stock.



- Checked order had been made and appropriately authorised.
- Purchase traced to the supporting supplier invoice.
- Invoice reconciled to the goods received notes.

We are satisfied that the transactional tests have been met, the controls tested are operating effectively, and the raw material costs have been reasonably allocated to Rebar. The raw material costs reported by Celsa can be considered as reasonably accurate.

#### *Ferroalloys*

The TRA:

- Observed a walkthrough of the purchase and payment approval processes for ferroalloy purchases.
- Confirmed the usage of ferroalloys in the production of Rebar
- Recalculated Celsa's reported total ferroalloys costs in respect of each PCN and for all PCNs, applying Celsa's allocation methodology, based on the proportion of units produced.
- Tested Celsa's controls based on the following tests on each of the sampled transactions:
  - Payment has been authorised.
  - Purchase has been approved.
  - Agreed transaction back to original invoice.

We are satisfied that the tests have been met, the controls tested are operating effectively, and the ferroalloy costs have been reasonably allocated to Rebar. The ferroalloy costs reported by Celsa can be considered as reasonably accurate.

#### *Other materials*

The TRA:

- Recalculated Celsa's reported total direct costs of other materials in respect of each PCN and for all PCNs, applying Celsa's allocation methodology, based on the proportion of units produced.
- Observed a walkthrough of the purchase and payment approval processes for other material costs.
- Tested Celsa's controls based on the following tests on each of the sampled transactions:
  - Purchase matched to the relevant invoice.
  - Purchase has been authorised.
  - Payment has been authorised.

We are satisfied that the transactional tests have been met, the controls tested are operating effectively, and the direct costs of other materials have been reasonably allocated to Rebar. The other material costs reported by Celsa can be considered as reasonably accurate.



### *Manufacturing overheads*

The TRA:

- Recalculated Celsa's reported total manufacturing overheads costs in respect of each PCN and for all PCNs, applying Celsa's allocation methodology, based on the proportion of units produced.
- Observed a walkthrough of the overheads purchase and payment approval processes for manufacturing overheads.
- Tested Celsa's controls based on the following tests on each of the sampled transactions:
  - Purchase matched the invoice.
  - Payment has been authorised.

We are satisfied that the transactional tests have been met, the controls tested are operating effectively, and the manufacturing overheads costs have been reasonably allocated to Rebar. The manufacturing overheads costs reported by Celsa can be considered as reasonably accurate.

### *Direct Labour*

The TRA:

- Recalculated Celsa's reported total direct labour costs in respect of each PCN and for all PCNs, applying Celsa's allocation methodology, based on the proportion of units produced.
- Completed a risk and materiality assessment to identify an appropriate sample for testing of direct labour costs from the July 2020 transactional data requested and received from Celsa.
- Agreed a sample of production employee salaries to underlying employment and contract/personnel records.
- Reconciled a sample of payroll costs to the original payroll reports
- Observed a walkthrough of the payroll approval process.

We are satisfied with the completeness of labour costs and existence of employees for the sample selected. Whilst we were unable to observe payroll authorisation specifically for the sample payments requested, we are satisfied that the payroll authorisation control was operating effectively based on the walkthrough undertaken. We therefore consider the risk to be reduced to a reasonable level.

We are satisfied that the transactional tests have been met, the controls tested are operating effectively, and the direct labour costs have been reasonably allocated to Rebar. The direct labour costs reported by Celsa can be considered as reasonably accurate.



#### AS&G Costs

The TRA:

- Recalculated Celsa's reported total AS&G costs in respect of each PCN and for all PCNs, applying Celsa's allocation methodology, based on the proportion of units sold.
- Completed a risk and materiality assessment to identify an appropriate sample for testing of AS&G costs from the July 2020 transactional data requested and received from Celsa.
- Identified staff costs as the highest proportion of AS&G costs and selected a sample on this basis.
- Agreed a sample of support staff salaries to underlying employment and contract/personnel records.

We are satisfied with the completeness of labour costs and existence of employees for the sample selected. See above, in the *Direct Labour* section, with regards to the observation of the payroll approval process.

We are satisfied that the transactional tests have been met, the controls tested are operating effectively, and the AS&G costs have been reasonably allocated to Rebar. The AS&G costs reported by Celsa can be considered as reasonably accurate.

#### Depreciation

The TRA:

- Completed a risk and materiality assessment to identify an appropriate sample for testing of depreciation from the July 2020 transactional data requested and received from Celsa.
- Identified Celsa's depreciation and amortisation policies for Rebar from the financial statements.
- Requested copy invoice for highest asset cost and evidence of appropriate authorisation.
- Established that a breakdown of the depreciation charge was only available at the cost centre level rather than by individual asset.
- Undertook depreciation proof-in-total testing to assess the reasonableness of the depreciation actually charged to each cost centre, using the original asset costs and calculations of the total expected useful economic life for each cost centre.
- Confirmed that the fixed asset register is maintained in SAP with the depreciation calculations being automated.

We found no variances between expected and actual depreciation charged. We found that there is a strong automated control in place.

See above, in the *Manufacturing overheads* section, for our assessment of the reasonableness of the depreciation expense allocation (depreciation is included in, and has been allocated to Rebar as part of, the total manufacturing overheads cost).



We are satisfied that the transactional tests have been met and the controls tested are operating effectively. The depreciation costs reported by Celsa can be considered as reasonably accurate.

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☐ confidential

*If applicable, please specify what particular areas you consider to be confidential:*

### Exceptions/Findings/Adjustments

#### *Raw materials*

The delivery notes reviewed in the original sample were unsigned, with no clear evidence of authorisation. This applied across all transactions. We enquired further about this: Celsa explained that there is a process in place whereby the company confirms the grade and volume of the scrap purchased. We have observed sufficient and appropriate evidence that, for the sample selected, all goods ordered have been received and invoiced. The TRA is therefore satisfied that there is not a weakness in the delivery authorisation control.

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☐ confidential

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### Conclusions

The data relating to cost that we have been provided with by Celsa is verifiable. Based on the work we have done, we therefore have a reasonable level of assurance that the data can be treated as complete, relevant, and accurate and can therefore be used by the TRA for this review.

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## D Sales

### What information was verified

#### Upwards verification

The TRA reviewed:

- Celsa's transaction listing figures for domestic and exports sales.
- Celsa's total sales reconciliation figures for the POI.
- Celsa's management accounts covering 1 January 2020 to 31 December 2020 and the first quarter of 2021 and the audited accounts for 2020.
- Celsa reconciliation of its management accounts to its audited financial statements

#### Downwards verification

The TRA reviewed:

- Celsa's sales documents for a risk-based sample of domestic and export sales, including sales transactions with and without price reductions applied.
- Celsa's sales revenue recognition policy: Turnover, which is stated net of value added tax, represents amounts invoiced to third parties and group companies and is attributable to the manufacture and re-rolling of steel products. Turnover is recognised upon shipment.

*Please indicate the confidentiality status of the information summarised above:*

☒ non-confidential

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### How the information was verified

#### Upwards verification

The TRA performed upwards verification to confirm the completeness of the total sales data set.

As Celsa's financial year to 31 December 2020 is different to the TRA's POI period, the TRA was unable to reconcile the reported total sales data to Celsa's financial statements. We therefore relied on Celsa's management accounts, which are prepared on a quarterly basis.

Celsa provided the TRA with a reconciliation of its management accounts for the financial year to 31 December 2020 to the statutory accounts of the same period. In order to be able to place reliance on Celsa's management accounts, the TRA reviewed Celsa's reconciliation; we did not identify any unreconciled variances and therefore were able to place reliance on the management accounts, for the purposes of our upwards verification of total sales.



The TRA was subsequently able to reconcile Celsa's submitted data in respect of total sales goods to the management accounts for the POI, using Celsa's managements accounts submitted to the TRA in respect of the period April 20 to March 2021.

We are satisfied that the sales data provided by Celsa has been appropriately reconciled to Celsa's financial statements and can be considered as complete and relevant.

#### Downwards verification

The TRA reconciled the domestic and export sales listings, as reported in Celsa's completed questionnaire and annex, against a sample of transactions and their source documentation (from the point of order through to the payment of the sale). This was in order to verify the accuracy of the data.

The TRA asked Celsa to provide a complete set of sales documents for each transaction sample, consisting of:

- Copy purchase orders.
- Copy invoices.
- Proof of dispatch.
- Transportation documents.
- Proof of payment receipt.

The accuracy of the domestic and export sales data was then assessed by verifying the information submitted against the source documents Celsa provided.

Based on the testing undertaken as described above, no issues were noted.

Also see below, in the *Sales controls* section, for the controls tests the TRA performed.

#### *Price reductions*

The TRA completed analysis of available rebate data, by calculating rebate percentages for top customers and comparing data at PCN levels across associated and independent companies.

We have obtained copy documentation from Celsa to support initial submissions around rebates – these included relevant screenshots from SAP, the breakdown of individual sales transactions, and copy rebate agreements/credit memos. The TRA has been able to identify and verify the rebates reported by Celsa from this information to its transactional listing for domestic (UK) sales and export sales.

See above for the TRA's verification of the sample domestic and export sales data against the relevant source documentation (from the point of order through to the payment of the sale) , which included testing a sample of sales transactions with and without price reductions recorded. We are satisfied that there is no evidence to suggest that price reductions have been made but not reported in the questionnaire.



Based on the work undertaken, we are satisfied that the rebates reported by Celsa can be considered as reasonably complete, relevant, and accurate.

#### *Associated parties*

The TRA:

- Assessed the domestic and export transactional listings to ensure all sales to associated companies, whether disclosed or not, had been appropriately identified.
- Analysed sales prices at PCN level to assess the potential price variance between sales to associated and independent companies.
- Obtained the relevant source sales documents from Celsa, for a selected sample of transactions, to verify transactional data provided.

Based on the work undertaken, we are satisfied that Celsa's sales to associated companies are at arm's length. These sales therefore do not need to be excluded from our investigation.

#### *Sales controls*

The TRA tested Celsa's controls based on the following tests on each of the sampled transactions:

- Matched invoice to purchase order.
- Matched invoice to delivery note.
- Matched customer order to SAP order and despatch note.
- Matched payment to invoice.
- Matched revenue to the POI.
- Checked authorisation of credit notes (where applicable)
- Checked authorisation of goods delivery notes.

The TRA requested a further random sample of sales, in order to obtain a reasonable level of assurance over the operating effectiveness of the control regarding the authorisation of delivery notes. Further to this testing, we are satisfied that the control is effective.

We are satisfied that the transactional tests have been met and the controls tested are operating effectively.

#### *Revenue recognition*

The TRA selected a sample of items to check that revenue was recognised on delivery and that the cut-off of revenue transactions around the year end was appropriate.

We are satisfied that revenue has been recorded in the correct period and in accordance with Celsa's revenue recognition policy.





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☐ confidential

If applicable, please specify what particular areas you consider to be confidential:

### Exceptions/Findings/Adjustments

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☐ confidential

If applicable, please specify what particular areas you consider to be confidential:

### Conclusions

The data relating to sales that we have been provided with by Celsa is verifiable. Based on the work we have done, we have a reasonable level of assurance that the data can be treated as complete, relevant, and accurate and can therefore be used by the TRA for this review.

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## E Injury

### What information was verified

- Domestic and export sales volumes – see Annexes A3.1 and A3.2
- Market share – see Annex A3.3
- Production volumes – see Annex A3.5
- Capacity and capacity utilisation – see Annex A3.6
- Inventory – see Annex A3.7
- Domestic and export sales value – see Annexes A3.8 and A3.9
- Profitability – see Annex A3.10
- Cash flow – see Annex A3.11
- Investments – see Annex A3.12
- Employment and wages – see Annex A3.13



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#### How the information was verified

##### *Domestic sales volumes*

Celsa highlighted that the COVID-19 pandemic and market situation were factors for why there was a decrease in sales volume in the POI. This included a corresponding decrease in export sales volumes.

The TRA completed independent research into the prevailing market conditions across the injury period. This supported Celsa's commentary regarding general trends.

We reconciled the submitted reported total (including domestic) sales volume figures for the POI to the stock report from SAP.

Please also refer to section D for the sales downwards verification activities we have undertaken, which has provided us with a reasonable level of assurance that the information relating to sales data that Celsa provided is complete, relevant, and accurate.

The data relating to domestic sales volumes is verifiable. Based on the work above, we have a reasonable level of assurance that the domestic sales volume data can be treated as complete, relevant, and accurate. Therefore, it can be used by the TRA for this review.

##### *Export sales volumes*

Celsa clarified the initial increases in its exports sales during the injury period was due to preferential sales to the Republic of Ireland previously being made from other Celsa plants in Spain. It referenced Brexit uncertainty in Q1 2021 for the subsequent decrease in sales volumes in the POI.

The TRA reconciled the submitted reported total (including export) sales volume figures for the POI to the stock report from SAP.

Please also refer to section D for the sales downwards verification activities we have undertaken, which has provided it with a reasonable level of assurance that the information relating to sales data that Celsa provided is complete, relevant, and accurate. These activities also confirmed all export sales were made exclusively to companies in the Republic of Ireland in line with Celsa's commentary.

The data relating to export sales volumes is verifiable. Based on the work above, we have a reasonable level of assurance that the domestic sales volume data can be treated as complete, relevant, and accurate. Therefore, it can be used by the TRA for this review.



#### *Market share*

Celsa advised it had estimated its market share figures using statistical information from the International Steel Statistics Bureau (ISSB). This was an approximated figure for each of the four 12-month periods assessed for injury (as defined).

The TRA attempted to verify the figure using data from the various third-party sources available to us including UK Trade data. We also considered relevant information provided from other contributors, taking into account the extent to which the data from the other contributors was verifiable. This includes data being provided not aligning with our injury period.

See *Exceptions/Findings/Adjustments* section below.

#### *Production volumes*

Celsa explained its production levels are dictated by demand, which would mean that production volumes would decrease alongside sale volumes.

The TRA completed independent research into industry trends across the injury period. As well as comparing Celsa production trends against wider industry data provided by other contributors to the investigation. These both supported Celsa's general commentary.

We also reconciled the reported production figures for the POI to the stock report from SAP.

The data relating to production volumes is verifiable. Based on the work above, we have a reasonable level of assurance that the production volume data can be treated as complete, relevant, and accurate. Therefore, it can be used by the TRA for this review.

#### *Capacity and capacity utilisation*

Celsa calculated its capacity level based on the maximum production capacity of its RBM. It considered the number of working hours available multiplied by a theoretical tonnes per hour figure (derived from historical data and operating at 80-90% capacity).

Capacity was calculated by dividing actual production of the like good in the period over the maximum capacity figure.

The TRA reviewed the calculations and considered the explanation on how these were obtained to be in line with industry norms.

The data relating to capacity and capacity utilisation is verifiable. Based on the work above, we have a reasonable level of assurance that the capacity and capacity utilisation data can be treated as complete, relevant, and accurate. Therefore, it can be used by the TRA for this review.



### *Inventory*

Celsa explained its stock levels are maintained at a level to give customer service. It advised the values and volumes of the like good stock fluctuated over the injury period due to a variety of factors. These included scrap price, transformation cost and stock mix. Similarly, Celsa clarified that the reason for the increase in closing stock value was due to market change, which saw a rise in costs and prices.

The TRA completed independent research into the prevailing market conditions across the injury period. This supported Celsa's commentary regarding general trends.

We also reconciled the reported stock figures for the POI to the stock report from SAP.

The data relating to inventory is verifiable. Based on the work above, we have a reasonable level of assurance that the inventory data can be treated as complete, relevant, and accurate. Therefore, it can be used by the TRA for this review.

### *Domestic and export sales value*

The TRA questioned Celsa about decreases to both the domestic and export sales value prior to the POI despite an increase in the sales volumes. It advised changes in scrap price has a direct impact on its selling price. If the price of scrap decreases, the selling price will also decrease leading to lower revenue with the same volumes sold.

We completed independent research into the prevailing market conditions across the injury period. Celsa also provided full figures of the cost of production during the injury period. This supported Celsa's explanation over the identified trends.

The data relating to domestic and export sales value is verifiable. Based on the work above, we have a reasonable level of assurance that the domestic and export sales value data can be treated as complete, relevant, and accurate. Therefore, it can be used by the TRA for this review.

### *Profitability*

Celsa confirmed the figures provided were at company level for the relevant financial periods rather than just for the like good. It also advised the decline in its profitability can be attributed to the fall in sales due to the COVID-19 pandemic. Celsa similarly advised this fall was accompanied by increasing costs, which in turn was driven by the rising scrap price in the POI.

We completed independent research into the prevailing market conditions across the injury period. Celsa also provided full figures of the cost of production during the injury period. Both supported Celsa's commentary regarding general trends.

We also reviewed Celsa's cost of sales in its financial statements over the injury period (accessed on Companies House). Although this include costs relating to other goods as well as Rebar, the same increasing trend in cost of sales was seen.

See *Exceptions/Findings/Adjustments* section below.



#### *Cash flow*

Celsa submitted cash flow data which covers all goods (including its section mill products) as it cannot calculate just for the like goods.

Celsa advised the decline in this figure was largely driven by Net Profit which is driven by market conditions and the corresponding decrease in sales and increasing costs. Both of which have been separately verified during our investigation, in line with Sections C and D above.

The TRA was able to directly reconcile the inventory information that forms part of this calculation – using the stock report from SAP. We were also able to rely on the depreciation figure within the calculation after reconciling this to Celsa's statutory and management accounts.

See *Exceptions/Findings/Adjustments* section below.

#### *Investments*

Celsa confirmed its investment figures were based on the total investment for the RBM and not at the like good level. It also clarified the increase in investment in the POI was related to the type of capital expenditure being made during the period - with more investment being made in improvement projects rather than maintenance.

We were able to reconcile Celsa's investment figure using a breakdown of the investments from SAP.

The data relating to investments is verifiable. Based on the work above, we have a reasonable level of assurance that the investment data can be treated as complete, relevant, and accurate. Therefore, it can be used by the TRA for this review.

#### *Employment and wages*

Celsa confirmed that the calculation for number of employees for the like good was based on RBM employees only. Likewise, it advised the reported median wage figure was solely based on the average basic salary of all RBM production operators.

We were able to reconcile total number of employees using monthly payroll summary reports. The payroll extracts for the RBM also allowed the TRA to reconcile the like good figure reported, as well the median wage.

We also completed independent research into general employment in the steel industry across the injury period. This supported Celsa's commentary regarding general trends.

The data relating to employment and wages is verifiable. Based on the work above, we have a reasonable level of assurance that the employment and wages data can be treated as complete, relevant, and accurate. Therefore, it can be used by the TRA for this review.



Please indicate the confidentiality status of the information summarised above:

☒ non-confidential

☐ confidential

If applicable, please specify what particular areas you consider to be confidential:

### Exceptions/Findings/Adjustments

#### Market share

The TRA was unable to verify Celsa's approximated market share figures for the injury period against any supporting documentation. This means we will have to make an adjustment and rely on our own estimates of market share based on the facts available – see Annex A3.4.

#### Profitability

The TRA requested additional production & AS&G cost data specific to Rebar, covering the period 2018-2020. Using this and sales and costs data specific to Rebar which had been originally submitted by Celsa, we have been able to do a reasonable calculation of profitability based solely on the like good. Celsa provided company level profitability figures in its original submission.

We will rely on our adjusted profitability figures specific to Rebar for the purposes of their use in this review.

#### Cash flow

The TRA adjusted the reported amortisation of restructuring costs and the net profit to accurately reflect Celsa's position solely based on the like good.

The amortisation of restructuring costs was recalculated following an adjustment to the amortisation yearly charge based on the opening balance in the fixed asset records and the expiration date of the refinancing to which the amortisation related.

Please indicate the confidentiality status of the information summarised above:

☒ non-confidential

☐ confidential

If applicable, please specify what particular areas you consider to be confidential:

### Conclusions

The data relating to injury factors that the TRA has been provided with by Celsa is verifiable except for market share. In terms of market share, we will therefore rely on our own estimates based on the facts available which give us more precise figures than what Celsa provided. Therefore, we have a reasonable level of assurance that the data is complete, relevant, and accurate for the purpose of its use in this review.



Please indicate the confidentiality status of the information summarised above:

☒ non-confidential

☐ confidential

If applicable, please specify what particular areas you consider to be confidential:

## F Economic Interest Test

### What information was verified

- UK producers of Rebar;
- Location of sites;
- Structure of the supply chain;
- Employment/median wage;
- Market share;
- Relative significance of Rebar to Celsa; and
- Value of exports and exports share.

Please indicate the confidentiality status of the information summarised above:

☒ non-confidential

☐ confidential

If applicable, please specify what particular areas you consider to be confidential:

### How the information was verified

#### *UK producers of Rebar*

Celsa identified itself as a producer involved in sale of Rebar. This information has been verified during the course of our investigation.

A second UK producer, Liberty Steel, was identified by UK Steel (the trade association for the UK steel industry). The TRA was able to verify Liberty Steel as a producer of Rebar through reviewing its website, where the details of its product range include Rebar with product dimensions and description consistent with the scope of our investigation.

#### *Location of sites*

The TRA was able to verify the details provided for all named UK producers and their respective locations through web-based research (including the individual companies' own websites) and Companies House.



#### *Structure of supply chain*

The TRA reviewed Celsa's website, as well as completing third party research, to cross reference the information it provided about its production process. This included sourcing and supply of materials.

We also completed independent research into the named raw materials suppliers, reviewing websites to confirm they were suppliers to the steel industry.

Raw material costs, including a sample selection of transactions, were considered as part of the TRA's downward verification of costs as described in Section C.

We identified sales to a total of 38 different companies from the domestic sales transaction listing provided for the POI, with over 50% of sales (based on volume) to Celsa's associated companies. We verified that these sales were on the same basis as sales to independent companies by analysing the relevant sales prices, as part of its downward verification of sales in Section D.

Celsa provided commentary regarding the end use of Rebar. We completed third party research, including a review of identified customers websites, which supported Celsa's explanation of the market.

#### *Employment/median wages*

Please refer to Section E for direct verification activities for information provided for Celsa employees.

The TRA also considered general employment market information provided by contributors as well as completing its own third-party research. This research supported our findings regarding employment and median wages.

#### *Market share*

Please refer to Section E, for direct verification activities for information provided for Celsa's market share and Annex A3.4 for adjustment made.

#### *Relative significance of Rebar to Celsa*

The TRA was able to complete upwards and downwards verification of Celsa's sales as set in out in Section D.

For the POI, we reviewed the percentage of Rebar sales volume against the sales volume of all goods (volume) - see Annex 4.1.

We concluded that the sales of Rebar do represent a significant portion of total sales volume.

#### *Value of exports and exports share*

The TRA was able to complete upwards and downwards verification of Celsa's costs of production as set in out in Section C.





We also cross-referenced export sales with data retrieved from HMRC.

For the POI, we reviewed the percentage of costs of production (domestic and export) for Rebar against total costs of production of all goods - see Annex 4.2.

For the POI, we also reviewed the sales of Rebar (domestic and export) against total revenue of all goods - see Annex 4.2.

The TRA concluded the like good does represent a significant part of its business based on the portion of its total production costs and sales revenue.

*Please indicate the confidentiality status of the information summarised above:*

☒ non-confidential

☐ confidential

*If applicable, please specify what particular areas you consider to be confidential:*

Percentage of sales to Group companies

#### Exceptions/Findings/Adjustments

Celsa also provided statements relating to the following areas:

- Consumer characteristics;
- Substitute and complementary products;
- Impact of the potential remedy on domestic industry (including complainant, upstream and downstream industries) and consumers;
- Impact on investment projects and/or regional economic development;
- Impact on competitive environment.

No evidence was provided to underpin these statements but the TRA recognise, given Celsa's position in the market, that it is reasonable to assume that Celsa has answered from its understanding/knowledge of the market. It is also important to note the claims made by Celsa reflect its position in favour of the measure being continued. These areas are subjective, so it is not possible to verify that they are correct.

*Please indicate the confidentiality status of the information summarised above:*

☒ non-confidential

☐ confidential

*If applicable, please specify what particular areas you consider to be confidential:*

#### Conclusions

The data provided that relates to the UK's economic interest is verifiable, with the exception of the statements by Celsa relating to the five areas set out in the previous section, which are not verifiable because of the subjective nature of the statements. Based on the work we have done, we have a reasonable level of assurance that the data can be



treated as complete, relevant, and accurate. The data therefore can be used by the TRA in this transition review.

*Please indicate the confidentiality status of the information summarised above:*

☒ non-confidential

☐ confidential

*If applicable, please specify what particular areas you consider to be confidential:*

## Conclusions

We have obtained sufficient and appropriate evidence in order to conclude that the data provided by Celsa under all of the sections above is verifiable, except for market share and the statements provided by Celsa that relate to the UK's economic interest. We will rely on our own estimates of market share based on the facts available which give us more precise figures than what Celsa provided. We have also adjusted Celsa's data in respect of profitability and cash flow specific to Rebar. Therefore, we have a reasonable level of assurance that the data which we have been able to verify is complete, relevant, and accurate for the purpose of this review.



## Annexes

### Annex 1 (A1)

Date and duration	Type of Verification	Company representatives	TRA representatives
Wednesday 13 October 2021 (3pm-3.55pm)	remote	(CFO) (Head of External Affairs) (Commercial Manager)	(Lead Investigator) (Verification Advisor) (Investigator) (Investigator)
Wednesday 26 October 2021 (12pm-1.10pm)	remote	(CFO) (Head of External Affairs) (Commercial Manager)	(Lead Investigator) (Verification Advisor) (Investigator)
Wednesday 1 December 2021 (3.30pm-5.30pm)	remote	(CFO) (Head of External Affairs) (Commercial Manager) (Head of HR)	(Lead Investigator) (Verification Advisor) (Investigator) (Investigator)

### Annex 1.1 (A1.1)

#### **TRANSITION REVIEW No. TD0010**

HPF Rebar from the People's Republic of China

#### **Verification meeting minutes – Celsa Steel UK Limited**

<b>Date, time</b>	Wednesday 13 October 2021 (3pm-3.55pm)
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<b>Place</b>	Microsoft Teams
<b>Attendees</b>	Celsa Steel UK Limited:  (CFO) (Head of External Affairs) (Commercial Manager)  Trade Remedies Authority (TRA):  (Lead Investigator) (Verification Advisor) (Investigator) (Investigator)

## 1. Introduction:

Brief introductions.

General discussion regarding impact of energy prices increasing.

Celsa explained that steel prices have gone up more recently – meaning the increasing energy costs were initially being absorbed out of its margin. But further increases meant it is now coming under pressure.

Celsa noted EU producers do not suffer the cost increases in the same way – it pays higher wholesale costs and are heading into unknown territory with the cost differential it is now experiencing. Why Celsa appreciates there is a more general argument that such issues should be left to market forces – this is conditional on the market being fair and free. As soon as there is intervention in the power sections, like is being seen from EU governments to assist help industry, doing nothing is not a viable option.

Celsa also clarified there is the potential for the increase to have a negative impact on the decarbonisation plans within the steel industry. It was explained that all roads to this leads to electrification of the production process – using hydrogen or an electric arc furnace. But this would require more electricity use, and as UK producers are already at a disadvantage, it would have to questioned why investment would be made into something that would make it more uncompetitive.

## 2. Information request update:

Celsa confirmed is in process of completing the information request and has tried to match what it previously sent through on the wire rod (WR) case. Advised it is on



some of the information to be returned from relevant departments – expects this to be back by Friday 15 October.

Explained that it does not see any problems with ensuring TRA has all the requested sales information by Friday– this includes the export transactional listing. The biggest concern is obtaining all the cost information as requested.

For example it was noted that the plant expenditure report had been requested but Celsa cannot run this report over two financial years (as would be required given the relevant POI). TRA advised it was looking to see where the total tonnes produced figures comes from in the calculations provided, in order to help verify the information at the like good level. But Celsa confirmed this would be a big job to break down and advised it does not in fact download monthly transactional data due to its size. Celsa offered to provide a months data for the production costs - TRA requested a higher level breakdown by month first in order to identify a sample that would represent a higher risk (in terms of the verification process).

Celsa walked through the information request it has completed to date – noting that it had provided a revised calculation for energy costs when compared to what had been provided in the WR case. It has incorporated both melt shop and rod/bar mill in the reconciliation. Also included an internal logistics overhead cost – which it had not previously included. Confirmed this represents actual costs, rather than allocation, for moving stocks around e.g. timber.

Celsa explained had identified a small variance when evidencing sales reconciliation figures against GL codes – but this was less than 1% so not material. Likely explanation that a one off GL code (versus codes for WR case) had been missed off in the relevant search on SAP.

Celsa confirmed had pulled information from WR case and updated the cash flow data. TRA indicated looking to see if can independently verify the listed adjustments based on inability to sight higher level figures. Celsa explained that its reporting is in line with its financial year (and POI covers two separate years) but can provide its management accounts by quarter to reconcile back. Confirmed information goes through SAP (life of asset calculated) – and could potentially provide SAP screenshot. In terms of amortisation advised that one journal is posted each month. But advised unable to provide a supporting agreement and share how much is spent on refinancing as this remains commercially sensitive. Agreed to provide SAP transaction screenshot without detail.

TRA requested that Celsa also provide supporting detail and source data for the injury, investment and fixed asset parts of questionnaire annex (tabs 12-14). It was also requested Celsa supply monthly production data and AS&G figures for the injury



period. Celsa agreed to provide this additional detail and noted that has previously supplied historical production costs for EU monitoring.

### **3. Next steps:**

TRA advised will be looking at trends in the information supplied across tabs 12,13 and 14 of the questionnaire annex – will review underlying movements across the injury period. It was agreed to wait for the additional information from Celsa before looking to further discuss these elements for the verification process.

TRA confirmed would send through its sales transactional selection early next week – incorporating the export sales information that will be sent.

Following receipt of the monthly production for the POI, TRA will then advise what specific month it would need transactional details for. Celsa confirmed that by Friday it would be in a position to send through everything that had been requested including the additional requests from this meeting.

### **4. Next scheduled meeting:**

It was agreed the next scheduled meeting on Friday 15 October would be postponed. TRA advised unlikely to be in a position to turn around any information in the interim to form the basis of a meaningful discussion.

Revised meeting fixed for Tuesday 26 October at 12pm. Advised would discuss in the meeting what information had been obtained before this date. Was noted that given timescales unlikely to have had time for sample of production costs to be selected.

### **5. AOB**

None

## **Annex 1.2 (A1.2)**

### **TRANSITION REVIEW No. TD0010**

HPF Rebar from the People's Republic of China  
**Verification meeting minutes – Celsa Steel UK Limited**



<b>Date, time</b>	Wednesday 26 October 2021 (12pm-1.10pm)
<b>Place</b>	Microsoft Teams
<b>Attendees</b>	Celsa Steel UK Limited:  (CFO) (Head of External Affairs) (Commercial Manager)  Trade Remedies Authority (TRA):  (Lead Investigator) (Verification Advisor) (Investigator)

### 1. Introduction:

Brief overview of how this meeting will run, Celsa confirmed they will provide a run through for what they were able to complete during the last information request, and confirm that they will get the outstanding information by the end of the week.

### 2. Information request update:

Celsa confirmed that the employment figures provided is just for rod bar mill staff only. They explained that this method was the fairest method of calculating the total number of staff, briefly mentioned that taking a proportionate method wouldn't have been as fair.

Celsa provided a walkthrough of how they calculated the headcount figure, explaining that internal headcount figure is the total employed at the end of the month, whereas the payroll is during the month, therefore there may be a slight difference adjusted for starters and leavers. They confirmed that they will provide all the monthly payroll figures by the end of the week, as well as going to HR to calculate the salary.

Celsa provided a walkthrough of how they have calculated capacity. It's a theoretical capacity, based on historical data, they have never exceeded capacity and regularly run at 80-90% capacity. They have confirmed that they will provide some data for how the capacity is formed by the end of the week (29<sup>th</sup> October).

Celsa explained that they had received a Welsh government grant, the grants purpose is to invest in improving energy consumption. This grant is provided in 3 yearly instalments. They also confirmed that the UK government doesn't relate to this mill so is not included.



Celsa provided a walkthrough of how they calculated their net profit figure, the total included a group of companies which weren't accessible to us at the time, they have provided the evidence in the response which they will be sending to us.

Celsa clarified that energy prices were a factor for the increase in cost of production during the POI, they also stressed the price of scrap to be a dominant factor as well as wider industry costs.

Celsa then focused on the injury trend questions from the information request, they stressed that Covid and national lockdown was a major factor for why there decrease in sales volume during March 2020. In regard to export sales volumes they deemed two factors for the decrease during the POI, market demands and Brexit.

Celsa stressed that revenue was not a key performance indicator, they explain CRU prices were a better indicator. They confirmed that they will provide a SAP record of the export/domestic volume inventory records by the end of the week. They highlighted the significant variances to scrap prices to be the biggest influence for the rebar total stock value increase, suggesting it scrap price had increased by 75% during this period.

Celsa explained that they were unable to finish the cost section of our information request, however they provide a brief overview of the questions asked. They confirmed that they are able to provide the July costs to nearly all of are requests. They stressed that depreciation accrual every month, the figures only produced at the end of the year through SAP. The 'other' cost in manufacturing overheads refer to internal logistics.

Celsa provided an update on some outstanding information, they confirmed that sales transaction information is 90% complete and will be with us during the week. They also confirmed that the net sales and taxes formula provided in the questionnaire annex was wrong, they have now amended and will send the correct figures with the sales transaction information this week. They also confirmed that they are unable to separate PCNs in SAP, and it's all revenue to the GL account.

### **3. Next steps:**

We advised that we process Celsa's responses on the June cost breakdown when they are sent in and select the cost transactions. Similarly, we agreed that if we have any further questions from the Celsa's recent responses we will call up and resolve them during the week.





Celsa confirmed that they will hope to give all the outstanding information by the end of the week.

**4. Next scheduled meeting:**

We have scheduled the next and final meeting on Wednesday 10<sup>th</sup> November, which will be a wrap up session resolving any final questions, as well as informing Celsa about the next stage of the process.

**AOB**

-Celsa provided some feedback on the Wire Rod investigation, noting their concerns over the confidential responses, also questioning the relevance of the questionnaire if all the data is included in the annex.



Annex 1.3 (A1.3)

**TRANSITION REVIEW No. TD0010**

HPF Rebar from the People's Republic of China  
**Verification meeting minutes – Celsa Steel UK Limited**

<b>Date, time</b>	Wednesday 1 December 2021 (3.30pm-5.30pm)
<b>Place</b>	Microsoft Teams
<b>Attendees</b>	<p>Celsa Steel UK Limited:</p> <p>(CFO) (Head of External Affairs) (Commercial Manager) (Head of HR)</p> <p>Trade Remedies Authority (TRA):</p> <p>(Lead Investigator) (Verification Advisor) (Investigator) (Investigator)</p>

**1. Introduction:**

Brief overview of how this meeting will run, Celsa confirmed they will provide a run through for what they were able to complete during the last information request, and confirm that they will get the outstanding information.

**2. Information request update:**

Celsa explained that the names on the purchase order were those who raised the order, not who authorised. Celsa explained that the authorisation process happens purchasing and managing director, which produce a double tick stamp with SAP.

Celsa then provided a walkthrough showing the authorisation of purchases for raw materials, other materials, ferroalloys, manufacturing overheads.

Celsa explained how they authorise payments, requiring two staff members to go into the bank, they then record payments in SAP. Celsa agreed that they will provide five samples for other materials in order for us to test their control.

Celsa explained that they will confirm with the warehouse the process of authorising deliveries, we agreed that they can provide the details to us later on.

Celsa agreed to an extra two sales selection for testing, It was agreed to select two external sales they will provide proof of delivery for the extra sales.

Please refer to the copy email below:



A selected sample of six employee salaries (3 direct labour/3 AS&G) was matched to the relevant supporting employment contracts and payslips, with the assistance of the HR manager.

We advised Celsa that we have made a few adjustments, referring to our own calculations using data provided by Celsa through the investigations. The areas we have made the adjustments were in regard to cash flow and net profit. Celsa agreed with the cash flow adjustment, however we agreed that we will send our net profit adjustments for Celsa to look over.

Celsa provided high level examples of elements making up the “other” in its costs reconciliation breakdown. Confirmed these were smaller costs for values ranging £100K - £200K.

### **3. Next steps:**

We thanked Celsa for their patience, time and all the work they have done throughout the investigation. Celsa agreed that they will send in the remaining information.



## Annex 2 (A2)

Market Share derived using total domestic sales over UK Rebar Demand (as calculated by UK Steel – representing total UK production (less exports) and imports).

## Annex 3 (A3)

### A3.1. Domestic sales volume

Celsa presented data for its domestic sales volumes for each of the initial 12-month periods of the injury period (1 April 2017 – 31 March 2020) and the POI (1 April 2020 – 31 March 2021). This can be seen in the following table – indexing based on 2017 figures:

### A3.2. Export sales volume

Celsa presented data for its export sales volumes for each of the initial 12-month periods of the injury period (1 April 2017 – 31 March 2020) and the POI (1 April 2020 – 31 March 2021). This can be seen in the following table – indexing based on 2017 figures:

### A3.3. Market share

Celsa presented data for its share of total sales in the UK market for each of the initial 12-month periods of the injury period (1 April 2017 – 31 March 2020) and the POI (1 April 2020 – 31 March 2021). This can be seen in the table below:

Table 3: Celsa submitted UK market share				
	2017	2018	2019	POI
Market Share	Approx. 50%	Approx. 50%	Approx. 50%	Approx. 50%

### A3.4. Market share calculations

UK Steel, the trade association for the UK steel industry, provided the following information:

The TRA would firstly highlight the referenced 12-month periods do not align with the injury period being used.

We are also not currently able to verify full UK Rebar production figures independently, and therefore cannot properly calculate UK demand for the like good, as we do not have access to any third-party resources for this.

We did however look to verify Celsa's estimated market share by amalgamating UK Steel's data with Celsa's verified sales figures - see Annex A2. This was with an appreciation of the variance in terms of the time scales and the differences in sales/production amounts (i.e. Celsa's sales in the POI is more than what has been



detailed by UK Steel for total UK Rebar production in 2020). It was noted this calculation reasonably supported Celsa's approximation of 50% market share during the injury period.

For comparison, the TRA also reviewed Celsa sales against verified import data, and using Celsa's own exports figures, to calculate a market share during the injury period and the POI.

But it remains the TRA are unable to verify Celsa's market share figures against any supporting documentation. This means we will need to make an adjustment and have to rely on the percentages set out in Annex A2 which represent our own estimates of market share based on the facts available (acknowledging that timescales recorded in the table 4 show figures for calendar years, whereas the injury period and POI is 1 April to 31 March).

### **A3.5. Production volume**

Celsa presented data for its actual production volumes for each of the initial 12-month periods of the injury period (1 April 2017 – 31 March 2020) and the POI (1 April 2020 – 31 March 2021). This can be seen in the following table – indexing based on 2017 figures:

### **A3.6. Capacity and capacity utilisation**

Celsa presented data for its production capacity and capacity utilisation for each of the initial 12-month periods of the injury period (1 April 2017 – 31 March 2020) and the POI (1 April 2020 – 31 March 2021). This can be seen in the following table – indexing based on 2017 figures:

### **A3.7. Inventory**

Celsa presented data for its stock volume at year end for each of the initial 12-month periods of the injury period (1 April 2017 – 31 March 2020) and the POI (1 April 2020 – 31 March 2021). This can be seen in the following table – indexing based on 2017 figures:

### **A3.8. Domestic sales value**



Celsa presented data for the value of its domestic sales for each of the initial 12-month periods of the injury period (1 April 2017 – 31 March 2020) and the POI (1 April 2020 – 31 March 2021). This can be seen in the following table – indexing based on 2017 figures:

### **A3.9. Export sales value**

Celsa presented data for the value of its export sales for each of the initial 12-month periods of the injury period (1 April 2017 – 31 March 2020) and the POI (1 April 2020 – 31 March 2021). This can be seen in the following table – indexing based on 2017 figures:

### **A3.10. Profitability**

Celsa presented data for its total net operating profit after tax for each of the initial 12-month periods of the injury period (1 April 2017 – 31 March 2020) and the POI (1 April 2020 – 31 March 2021). This can be seen in the following table – indexing based on 2017 figures:

### **A3.11. Cash flow**

Celsa presented data for its cash flow for each of the initial 12-month periods of the injury period (1 April 2017 – 31 March 2020) and the POI (1 April 2020 – 31 March 2021). This can be seen in the following table – indexing based on 2017 figures:

### **A3.12. Investments**

Celsa presented data for the value of investments into the company for each of the initial 12-month periods of the injury period (1 April 2017 – 31 March 2020) and the POI (1 April 2020 – 31 March 2021). This can be seen in the following table – indexing based on 2017 figures:

### **A3.13. Employment and wages**

Celsa presented data for its employment figures for the like goods and applicable median annual wage for each of the initial 12-month periods of the injury period (1 April 2017 – 31 March 2020) and the POI (1 April 2020 – 31 March 2021). This can be seen in the following table – indexing based on 2017 figures:

#### **Annex 4 (A4)**

### **A4.1. Relative significance of Rebar to Celsa**

### **A4.2. Value of exports and exports share**

The total costs of all Celsa's sales for the POI is. This figure is derived from its all goods cost of production, consisting of direct and indirect costs.

The table below shows the total costs of production for domestic and export sales of Rebar, as reported by Celsa:

Celsa reported total revenue for the POI. We have considered sales of Rebar against this figure (including sales at domestic level and for export):