Trade Remedies Authority

Statement of Essential Facts

Case TD0011

Transition review of an anti-dumping measure applying to certain cold rolled flat steel products originating in the People's Republic of China and the Russian Federation

Contents

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 recommendation. It should be read in conjunction with other 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 established as an executive non-departmental government body sponsored by the Department for International Trade. The SEF will refer to 'the TRA' to cover all of 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. The assessments set out in this SEF were completed prior to the imposition of the most recent sanctions against Russia, using the data available at that time. Our findings do not include consideration of how the Russian invasion of Ukraine and associated sanctions could affect future imports as the situation is still unfolding and the overall impact upon this product is unclear. Interested parties and contributors are invited to make contributions in response to this SEF, within the time period set out below, including in relation to the Russian invasion of Ukraine and associated sanctions.

6. Interested parties, contributors and any other person who has supplied information are invited to make submissions in response to the SEF within 32 calendar days of this SEF, i.e. before 3 April 2022. The TRA may consider submissions made after this date, but please note that we are not obliged to do so if we believe this would cause an unnecessary delay in preparing the final recommendation. Where we reject information for any reason, we will publish our reasons for rejection in our final recommendation. 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'[1]. Those not registered on the TRS may send submissions by email to TD0011@traderemedies.gov.uk.

7. For further guidance and information regarding transition reviews, please see our public guidance.

[1] A 'statement of reasons' means a statement setting out reasons of a person supplying information to the TRA, explain 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

8. 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

9. This is a transition review of a UK trade remedies measure, under regulation 97 of the Regulations. This UK measure gives effect to the European Union (EU) Commission Implementing Regulation (EU) 2016/1328 of 29 July 2016[2].

10. This review concerns the anti-dumping measure applying to certain cold rolled flat steel (CRFS) products originating in the People's Republic of China (China) and the Russian Federation (Russia). The notice of initiation (NOI) was published on 29 April 2021. The scope of the measure transitioned by this review, as detailed within the NOI, is defined in section B2.

11. The Period of Investigation (POI) for the review was 1 April 2020 to 31 March 2021. To assess injury, we examined the period 1 April 2017 to 31 March 2021 as the injury period.

[2] Commission Implementing Regulation (EU) 2016/1328 of 29 July 2016 imposing a definitive anti-dumping duty and collecting definitively the provisional duty imposed on imports of certain cold rolled flat steel products originating in the People's Republic of China and the Russian Federation

SECTION B: Summary and findings

B1. Interested parties and contributors

12. The following interested parties and contributors registered to the transition review:

Name	Abbreviation	Country	Category
Tata Steel UK Limited	TSUK	UK	Producer of the like goods in the UK
EEF Limited	UK Steel	UK	Trade or business association of UK producers of the like goods
The Confederation of British Metalforming	CBM	UK	Trade or business association of UK producers of the like goods
Stemcor Distribution Limited	Stemcor	UK	Importer
The Ministry of Commerce, People's Republic of China	MOFCOM	China	Government ministry
China Iron & Steel Association	CISA	China	Trade or business association of producers or overseas exporters
China Chamber of International Commerce	CCOIC	China	Trade or business association of producers or overseas exporters
PAO Severstal	Severstal	Russia	Overseas exporter
PJSC "Magnitogorsk Iron and Steel Works"	MMK	Russia	Overseas exporter
NLMK International B.V.	NLMK	Russia	Overseas exporter

The Ministry of Economic Development of the Russian Federation	Russian MoED	Russia	Government ministry
Hartree Partners, LP	Hartree	USA	Contributor

13. The submissions made to this transition review are available on the public file, and are listed at Annex 3. We did not receive any submissions from unregistered parties. Severstal were the only exporter to fully cooperate with this transition review.

B2. Scope

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

Flat-rolled products of iron or non-alloy steel, or other alloy steel but excluding of stainless steel, of all widths, cold-rolled (cold-reduced), not clad, plated or coated and not further worked than cold-rolled (cold-reduced);

excluding:

- flat-rolled products of iron or non-alloy steel, of all widths, cold-rolled (cold-reduced), not clad, plated or coated, not further worked than cold-rolled, whether or not in coils, of all thickness, electrical;
- flat-rolled products of iron or non-alloy steel, of all widths, cold-rolled (cold-reduced), not clad, plated or coated, in coils, of a thickness of less than 0.35 mm, annealed, also known as ‘black plates’;
- flat-rolled products of other alloy steel, of all widths, of silicon-electrical steel; and
- flat-rolled products of alloy steel, not further worked than cold-rolled (cold-reduced), of high-speed steel.

The commodity codes included in this measure are:

72 09 15 00 90	72 09 27 90 00	72 11 23 80 99
72 09 16 90 00	72 09 28 90 00	72 11 29 00 19
72 09 17 90 00	72 11 23 30 10	72 11 29 00 99
72 09 18 91 00	72 11 23 30 91	72 25 50 80 00
72 09 18 99 90	72 11 23 30 99	72 26 92 00 10
72 09 25 00 90	72 11 23 80 19	72 26 92 00 90
72 09 26 90 00	72 11 23 80 95	

15. We have not received any application for a review of the description of the goods or the scope of the measure. We therefore decided not to vary the description of the goods subject to review or the scope of this transition review.

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

16. 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.

17. During the POI, there were low levels of UK imports of the goods subject to review from China and no UK imports of the goods subject to review from Russia. Owing to the low levels of imports from China and the lack of imports from Russia, we are unable to determine definitively whether the measure is necessary or sufficient to offset the dumping of the goods subject to review.

18. Additionally, without data from the import of the dumped goods, we do not consider it appropriate to recalculate the anti-dumping amount under regulation 99A(2)(a)(i) of the Regulations.

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

20. 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 measure were no longer applied.

B4. Likelihood of dumping assessment

21. In accordance with regulations 99A(2)(a)(iii) and 70(6) of the Regulations we assessed the likelihood that dumping would occur if the measure were no longer applied (the likelihood of dumping assessment). We determined that:

- it is likely, on the balance of probabilities, that dumping of the goods subject to review from China would occur if the measure were no longer applied;
- it is likely, on the balance of probabilities, that dumping of the goods subject to review from Russia would occur if the measure were no longer applied; and
- it is likely, on the balance of probabilities, that dumping of the goods subject to review by Severstal would occur if the measure were no longer applied.

B5. Likelihood of injury assessment

22. In accordance with regulations 99A(1)(b) of the Regulations, we considered whether injury to the UK industry of the relevant goods would occur if the measure 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 measure were no longer applied to China;
- it is likely, on the balance of probabilities, that injury would occur if the measure were no longer applied to Russia; and
- it is likely, on the balance of probabilities, that injury would occur if the measure were no longer applied to Severstal.

B6. Economic interest test

23. Having considered all the evidence gathered, including that presented by the interested parties and contributors, and all of the factors listed in the legislation, we have concluded that the economic interest test (EIT) is met for the proposed measure.

B7. Intended recommendation

24. 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 to the relevant goods.

25. Our intended recommendation is to vary the application of the anti-dumping amount under regulation 100A of the Regulations so that it applies to the goods subject to review imported to the UK until 5 August 2026 – that is, five years subsequent to the date when the measure would have expired (5 August 2021) had no transition review been initiated. As it has not been possible to recalculate the anti-dumping amount, we intend to recommend that the rates of the measure remain unchanged, under regulation 100A(4)(b) of the Regulations.

26. The description of the goods to which the measure applies is set out in section B2. We have not varied the description of goods to which the measure applies. We intend to recommend that the duties specified in Annex 1 shall be maintained and applied to the goods described or imported under the UK tariff codes listed.

27. We intend to make this recommendation on the grounds that we have assessed that it is likely that dumping would occur if the measure were no longer applied; we have determined that injury would occur to UK industry if the measure were no longer applied; and that the application of the varied measure meets the EIT.

28. In reaching this intended recommendation, we considered the current and prospective impact of the measure.

SECTION C: Background

C1. Initiation of the transition review

29. The UK chose to maintain 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.

30. 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 remedies measure, and a Taxation Notice, on replacement of the EU trade duty. The TRA conducts transition reviews to determine if these measures should be varied or revoked in the UK.

31. On 31 December 2020, the Secretary of State published a Notice of Determination[3] and Taxation Notice[4] regarding the anti-dumping duty on certain cold rolled flat steel products originating in the People's Republic of China and the Russian Federation. In accordance with the Regulations and this determination Notice, the TRA was required to conduct a transition review of the measure imposing the anti-dumping duty initially determined in Article 11(2) of Council Regulation (EC) No 1225/2009[5].

32. On 29 April 2021, the Secretary of State published a Notice to initiate the transition review of the transitioned measure relating to certain cold rolled flat steel products from the People's Republic of China and the Russian Federation[6].

C2. Previous measure in place

33. The European Commission (the Commission) imposed anti-dumping duties on imports of cold rolled flat steel originating in the People's Republic of China and the Russian Federation by Commission Implementing Regulation (EU) 2016/1328 of 29 July 2016[7]. Annex 2 lists the duty rates that were applied.

C2.1 EU reviews conducted since the original measure

34. Since the original investigation, the Commission:

[3] Notice of determination 2020/10: anti-dumping duty on certain cold rolled flat steel products originating in the People's Republic of China and the Russian Federation - GOV.UK (www.gov.uk)

[4] Taxation Notice 2020/10: anti-dumping duty on certain cold rolled flat steel products originating in the People's Republic of China and the Russian Federation - GOV.UK (www.gov.uk)

[5] Article 11(2) of Council Regulation (EC) No 1225/2009

[6] Trade remedies (trade-remedies.service.gov.uk)

[7] Commission Implementing Regulation (EU) 2016/1328 of 29 July 2016 imposing a definitive anti-dumping duty and collecting definitively the provisional duty imposed on imports of certain cold rolled flat steel products originating in the People's Republic of China and the Russian Federation

- made an amendment[8] to anti-dumping measures on certain steel products subject to safeguards, which allowed for the impact of the safeguard measure on goods that were already subject to anti-dumping duties; and

- initiated an expiry review[9] of the anti-dumping measure applicable to imports of certain cold-rolled flat steel products originating in the People's Republic of China and the Russian Federation – a review which is ongoing.

C3. Our transition review process

C3.1 The transitioned measure

35. The EU measure transitioned into UK law and set out in the Taxation Notice[10] took effect as a UK measure on replacement of EU trade duties. Under regulation 97C of the Regulations[11], this measure will continue until the Secretary of State publishes a notice accepting or rejecting a recommendation following a transition review.

36. The transitioned measure applies to certain cold rolled flat steel products from China and Russia. The rate of anti-dumping duty which applies to the goods produced by the relevant companies is summarised in Annex 2.

C3.2 Information from participants in the review

C3.2.1 UK producers

37. We received submissions from one UK producer:

- TSUK[12].

38. It was not necessary to use the sampling provision as contained in the Regulations. The information submitted by TSUK is listed in Annex 3.

C3.2.2 Russian exporters

39. We received submissions from the following Russian exporters:

- Severstal[13]; and

[8] https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019R1382&from=EN Commission Implementing Regulation (EU) 2019/1382 of 2 September 2019

[9] https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52021XC0803(02)&from=EN Commission notice (2021/C 311/06)

[10] Taxation Notice 2020/10: anti-dumping duty on certain cold rolled flat steel products originating in the People's Republic of China and the Russian Federation - GOV.UK (www.gov.uk)

[11] The Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019 (legislation.gov.uk)

[12] Trade remedies (trade-remedies.service.gov.uk) TSUK registration of interest

[13] Trade remedies (trade-remedies.service.gov.uk) Severstal registration of interest

- NLMK[14].

40. NLMK submitted a response to the contributor questionnaire but declined to submit a response to the full exporter questionnaire. As the information was not provided and NLMK provided no reason for us to consider it would be overly burdensome to complete the questionnaire, we found them to be non-co-operative. NLMK made additional submissions to this transition review after the finding of non-cooperation, which we were able to consider. One further exporting producer in Russia registered their interest in the transition review but did not participate further, and we subsequently found them to be non-cooperative.

41. It was not necessary to use the sampling provision as contained in the Regulations. The information submitted by Russian exporters is listed in Annex 3.

C3.2.3 Foreign governments

42. We received submissions from the following foreign governments:

- the Russian MoED (Russia); and
- MOFCOM (China).

43. The information submitted by foreign governments is listed in Annex 3.

C3.2.4 Contributors and further interested parties

44. We received submissions from the following contributors and further interested parties:

- UK Steel;
- Community TU;
- CISA;
- CCOIC;
- the CBM;
- Hartree; and
- Stemcor.

45. The information submitted by contributors and further interested parties is listed in Annex 3.

[14] Trade remedies (trade-remedies.service.gov.uk) NLMK registration of interest

C4. Verification of data

46. We checked TSUK's submissions for consistency and completeness. During these checks, we identified deficiencies relating to inadequate responses and non-confidential submissions. All deficiencies were resolved where necessary before verification work commenced.

47. We conducted a verification visit to TSUK's manufacturing facility in Port Talbot from 11 to 12 October 2021. Further verification activity took place around this visit via email and video conferencing. Details of the verification work completed can be found in TSUK's verification report on the public file[15]. As a result, we have obtained sufficient assurance to conclude that the information provided by TSUK is verifiable and that it is reasonable for us to treat the information as complete, relevant and accurate for the purpose of this review.

48. We checked submissions by the overseas exporter, Severstal, for consistency and completeness. During these checks, we identified deficiencies relating to inadequate responses and non-confidential submissions. All deficiencies were resolved where necessary before verification work commenced.

49. On-site verification could not be conducted with overseas exporters during this review due to travel restrictions caused by the COVID-19 pandemic. All overseas verification activity took place remotely via email and video conferencing. We conducted remote verification with Severstal on 19, 20 and 22 October 2021. Further verification activity took place via email and video conferencing. Details of the verification work completed can be found in Severstal's verification report on the public file[16]. As a result, we have obtained sufficient assurance to conclude that the information provided by Severstal is verifiable and that it is reasonable for us to treat the information as complete, relevant and accurate for the purpose of this review.

50. In addition to information provided by these parties, 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 been able to highlight the areas and draw conclusions where possible.

[15] Trade remedies (trade-remedies.service.gov.uk) Verification report TSUK

[16] Trade remedies (trade-remedies.service.gov.uk) Verification report Severstal

SECTION D: The goods

D1. Goods subject to review

51. "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".

52. The goods subject to review in this transition review are set out in section B2, above.

D2. Like goods

53. Like goods, as manufactured by Chinese, Russian and UK industry, can either be identical goods, or goods which, though not alike in all respects, have characteristics closely resembling those of the goods subject to review.

54. To assess whether, in this transition review, the goods manufactured in the UK have sufficiently similar characteristics to constitute like goods, we considered:

- physical likeness, such as physical characteristics; and
- commercial likeness, including competition and distribution channels.

D3. Assessment of the goods

55. We have assessed that the goods manufactured in China, Russia and the UK share physical and commercial likeness, and therefore are like the definition of the goods subject to review.

56. We did not receive any submissions that the goods manufactured in the UK were not like the goods subject to review. Further, our own analysis of questionnaire responses and sales data demonstrated that the like goods have characteristics closely resembling or identical to the goods subject to review.

57. Having considered the goods manufactured in the UK compared to the goods subject to review, we are satisfied that the goods manufactured in the UK are like goods for the purposes of this transition review.

SECTION E: The current UK industry and market

E1. Overview

58. TSUK is the only known UK producer of CRFS for the UK market. We are also aware of one other producer that only services the export market.

E2. Market size and structure

59. TSUK are the UK's largest integrated iron and steel manufacturer with a workforce of around 8,000 in 2020, the majority of whom are based at sites in South Wales and the Midlands. TSUK had a revenue of £2,407m in 2019 and £2,143m in 2020, with like goods comprising £75-120m[17] of their total sales in the POI. TSUK estimate a UK market share for CRFS of 40-50%[18]. This is consistent with other data available to us.

E3. Competition in the market

60. We used Her Majesty's Revenue and Customs (HMRC) Trader Search[19] to identify 59 importing companies during 2020 across the 14 broad HS eight-digit CRFS codes, and 17 importing companies across multiple HS eight-digit CRFS codes. According to UK Trade Info, UK imports of the same 14 HS codes in 2020 totalled £147 million[20]. We note that these figures are likely to be overestimates, because some of the eight-digit HS codes include ten-digit codes that are out of the scope of this transition review.

E4. Conclusion

61. We have concluded that the UK industry is comprised of TSUK, with one other producer only servicing the export market. The UK market consists of 40-50% domestic production[21], with the remainder of demand being met by imports.

[17] Trade remedies (trade-remedies.service.gov.uk) TSUK registration of interest

[18] Trade remedies (trade-remedies.service.gov.uk) TSUK questionnaire response, section G1, question 5, page 50

[19] HRMC UK Trader Search

[20] https://www.uktradeinfo.com/trade-data/ots-custom-table/?id=5e1fac28-c37d-4fb6-a41a-7bb67cf42757 (All imports of the 14 relevant CRFS CN codes from 2020)

[21] Trade remedies (trade-remedies.service.gov.uk) TSUK questionnaire response, section G1, question 5, page 50

SECTION F: Necessary or sufficient assessment

F1. Introduction

62. 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. China

63. HMRC records low levels of imports from China of the goods subject to review during the POI and injury period. Import data from HMRC shows that, during the POI, UK imports of the CN codes covering the goods subject to review from China[22] were negligible.

64. Due to low levels of imports, we are unable to determine definitively whether the measure is necessary or sufficient to offset the dumping of the goods subject to review.

65. Therefore, we do not consider it appropriate to recalculate the anti-dumping amount under regulation 99A(2)(a)(i) of the Regulations.

F2.1 China conclusion

66. In light of the low levels of imports of the goods subject to review from China, we are unable to determine definitively whether the application of the anti-dumping amount is necessary or sufficient to offset the dumping of the goods subject to review to the UK.

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

68. In accordance with our discretion under 99A(2)(a)(iii), and in accordance with 70(6) of the Regulations, we have also considered the likelihood that dumping of the goods subject to review would occur from China if the measure were no longer applied.

F3. Russia and Severstal

69. HMRC records no imports from Russia of the goods subject to review during the POI and injury period[23].

---

[22] https://www.uktradeinfo.com/trade-data/ots-custom-table/?id=af47bfad-ab55-432d-8f34-1142bf4c790f (imports from China during the POI) and https://www.uktradeinfo.com/trade-data/ots-custom-table/?id=0833a6c0-cd1a-45b2-a8fc-cae3f6e47b4b (imports from all countries during the POI)

[23] https://www.uktradeinfo.com/trade-data/ots-custom-table/?id=b07521bc-f01b-4b2f-91c9-32c60df10a18 (imports from Russia)

70. Due to the lack of imports, we are unable to determine definitively whether the measure is necessary or sufficient to offset the dumping of the goods subject to review.

71. Additionally, without 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.

F3.1 Russia and Severstal conclusion

72. In light of the lack of imports of the goods subject to review from Russia, we are unable to determine definitively whether the application of the anti-dumping amount is necessary or sufficient to offset the dumping of the goods subject to review to the UK.

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

74. In accordance with our discretion under 99A(2)(a)(iii), and in accordance with 70(6) of the Regulations, we have also considered the likelihood that dumping of the goods subject to review would occur from Russia, and from Severstal individually, if the measure were no longer applied.

SECTION G: Dumping likelihood assessment

G1. Introduction

75. Section F, above, details that there were no UK imports of the goods subject to review from Russia during the POI, and low levels from China. As such, there has been no dumping, capable of meaningful assessment, of the goods subject to review during the POI. In the absence of sufficient data to establish export prices to the UK, we did not consider it appropriate to recalculate the anti-dumping amount

76. As set out at Section A, our assessments that relate to Russia, and Severstal, also do not include consideration of the invasion of Ukraine and resulting sanctions.

77. In accordance with regulations 99A(2)(a)(iii) and 70(6) of the Regulations we assessed the likelihood that dumping of the goods subject to review would occur if the measure were no longer applied. In doing so, and in conjunction with our consideration of the economic interest test, we also had regard to the current and prospective impact of the dumping amount, as required under regulation 100A(2) of the Regulations.

78. For China, we assessed the likelihood of dumping on a countrywide basis only, rather than an exporter-by-exporter basis. This is due to the non-cooperation of Chinese exporters, which resulted in no suitable data being available to the TRA on individual companies.

79. For Russia, we assessed the likelihood of dumping both on a countrywide basis, and individually for the exporter Severstal, who were the only fully cooperating Russian exporter.

80. We used information obtained from secondary sources in accordance with the Regulations where primary data was not available.

81. The assessment considered:

- whether a particular market situation (PMS) exists in China and/or Russia;
- whether dumped imports to the UK have continued whilst the measure has been in place;
- exporters' levels of production capacity (current or potential);
- exporters' inventories;
- exporters' levels of production;
- exporters' ability to switch production to the goods subject to review;
- price comparisons between the goods produced in the UK and those produced by exporters;

- exports to third markets;
- conditions in the domestic market of China and Russia;
- the attractiveness of the UK market;
- whether exporters have previously or habitually circumvented or absorbed trade remedy measures; and
- any other relevant factors.

82. We conducted this assessment to inform our determination as to whether the measure should be varied or revoked. The assessment of the likelihood of dumping of the goods subject to review occurring was concluded on the balance of probabilities.

G2. China

G2.1 PMS

83. We received multiple submissions relating to allegations of a PMS in China:

- TSUK registration of interest[24];
- TSUK questionnaire response[25];
- TSUK costs of exporters submission[26];
- UK Steel questionnaire response (and appendix)[27];
- UK Steel response to public file submission[28];
- MOFCOM comments on TD0011 submission[29];
- MOFCOM PMS reply submission[30];
- CCOIC questionnaire response[31]; and

[24] Trade remedies (trade-remedies.service.gov.uk) TSUK registration of interest
[25] Trade remedies (trade-remedies.service.gov.uk) TSUK questionnaire response
[26] Trade remedies (trade-remedies.service.gov.uk) TSUK costs of exporters submission
[27] Trade remedies (trade-remedies.service.gov.uk) UK Steel questionnaire response
[28] Trade remedies (trade-remedies.service.gov.uk) UK Steel response to public file
[29] Trade remedies (trade-remedies.service.gov.uk) MOFCOM comments on TD0011 submission
[30] Trade remedies (trade-remedies.service.gov.uk) MOFCOM PMS reply submission
[31] Trade remedies (trade-remedies.service.gov.uk) CCOIC questionnaire response

- CCOIC comments submission[32].

84. Whilst we were not able to recalculate dumping or injury, we nevertheless considered these submissions in the context of the dumping and injury likelihood assessments we performed.

85. The PMS allegations submitted to this transition review in relation to China are general in their nature and refer to "all prices and costs". The allegations do not explain how the alleged PMS affects the CRFS industry in China, nor do they demonstrate that CRFS costs are distorted.

86. We also did not have access to detailed costs of production for the goods subject to review in China, and no Chinese exporters cooperated with this transition review.

87. We reviewed several sources to assess the PMS allegations made. These included:

- The Constitution of the People's Republic of China[33];
- The Constitution of the Communist Party of China[34];
- The 13th Five-Year Plan for Economic and Social Development of the People's Republic of China[35];
- Transformation and Upgrade Plan for the Iron and Steel Industry (2016-2020)[36];
- Guidance on the promotion of high-quality development of the steel industry[37];
- Proposal of the Central Committee of the Chinese Communist Party on Drawing Up the 14th Five-Year Plan for National Economic and Social Development and Long-Range Objectives for 2030[38];
- Decision number 40 of the State Council on Promulgating and Implementing the "Temporary Provisions on Promoting Industrial Structure Adjustment"[39]; and
- Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China for the Purposes of Trade Defence Investigations[40].

---

[32] Trade remedies (trade-remedies.service.gov.uk) CCOIC comments submission

[33] http://www.npc.gov.cn/zgrdw/englishnpc/Constitution/node_2825.htm

[34] http://www.xinhuanet.com//english/download/Constitution_of_the_Communist_Party_of_China.pdf

[35] https://en.ndrc.gov.cn/policies/202105/P020210527785800103339.pdf

[36] https://www.industry.gov.au/sites/default/files/adc/public-record/466-011.01_-_qatt_-_att_1_-_13th_five_year_plan_for_the_steel_industry_en_-_non-conf.pdf

[37] https://www.trade-remedies.service.gov.uk/public/case/TD0011/submission/306ac9ac-5d6a-4315-8f4d-89afac14f9b1/document/001386b6-cbe7-4abb-93e0-be70a82cf5e6/

[38] https://cset.georgetown.edu/wp-content/uploads/t0237_5th_Plenum_Proposal_EN-1.pdf

[39] http://www.asianlii.org/cn/legis/cen/laws/tpopisa783/

[40] https://trade.ec.europa.eu/doclib/docs/2017/december/tradoc_156474.pdf

88. In addition to these documents, we also reviewed the findings of other competent authorities into the same, or related, goods from China.

89. The result of our assessment was that we were not able to determine whether or not there is a PMS in China that affects the goods subject to review and/or like goods.

G2.2 China dumping likelihood assessment

G2.2.1 Continued dumping

90. HMRC have recorded that, since the imposition of the anti-dumping measure in 2016, imports of the goods subject to review from China have been at low levels[41]. Although dumping has not continued, we assess that the limited imports of CRFS from China while an anti-dumping measure applies is not strong evidence of likely behaviour if the measure were no longer applied.

91. The European Commission, in 2016, calculated dumping margins of 52.7-59.2% for Chinese exports to the EU, when the UK was a member of the EU. There is evidence that dumping of CRFS from China did occur prior to the application of the current measure. The European Commission's dumping calculation included goods sold into the UK market and is therefore relevant evidence of historic dumping to the UK. HMRC records also indicate that CRFS was being directly exported from China to the UK prior to the introduction of the measure[42].

G2.2.2 Production capacity

92. Significant spare capacity in the Chinese CRFS industry was reported in the questionnaire responses from TSUK[43], UK Steel[44] and Community TU[45]. In a response to comments submitted by UK Steel, CCOIC reported that the Government of China is presently working to reduce production in the Chinese steel industry[46]. Neither the UK parties nor CCOIC cited specific evidence in support of their general assertions.

[41] https://www.uktradeinfo.com/trade-data/ots-custom-table/?id=aa38186e-48a5-43bb-8c7c-cda8150a04bb (imports from China)

[42] https://www.uktradeinfo.com/trade-data/ots-custom-table/?id=aa38186e-48a5-43bb-8c7c-cda8150a04bb (imports from China)

[43] Trade remedies (trade-remedies.service.gov.uk) TSUK questionnaire response, section E, question 7, page 38

[44] Trade remedies (trade-remedies.service.gov.uk) UK Steel appendix to questionnaire response, section 2.3, pages 5-6

[45] Trade remedies (trade-remedies.service.gov.uk) Community TU questionnaire response, section A2, question 2, page 9

[46] Trade remedies (trade-remedies.service.gov.uk) CCOIC comments submission, section 1, page 3

93. We identified an OECD report[47] detailing total crude steelmaking capacity figures and an industry news report[48] providing information on capacity utilisation rates. We have concluded that there is significant spare capacity in the Chinese steel industry that could give CRFS producers in China the opportunity to engage in dumping.

G2.2.3 Inventories

94. In the submissions we received, no specific claims were made in relation to CRFS inventories in China. Consequently, we relied on secondary data to assess if CRFS inventories could affect the likelihood of dumping.

95. We used CEIC Data to identify inventory levels for cold-rolled steel products for major cities in China (not specified)[49]. As these figures may include out-of-scope products, we treated them with caution. The data indicated that inventory increased from around 1,100 thousand tonnes at the start of the injury period (and around 1,250 thousand tonnes at the start of the POI) to around 2,200 thousand tonnes in February 2022. This included a sharp increase in April 2021 of approximately 40%, and an increase of approximately 20% since January 2022.

96. We have concluded that there has been a large increase in inventory since the beginning of the injury period.

G2.2.4 Production levels

97. We received comments and responses to comments from UK Steel[50] and CCOIC[51] in relation to CRFS production volumes in China and anticipated future trends. Neither party provided specific figures regarding CRFS production volumes.

98. In addition to the submissions we received, we reviewed secondary sources. We examined monthly production data for cold-rolled sheet (not specified further) in China from CEIC Data[52]. A trend of increasing CRFS monthly production volumes from approximately 2,500 thousand tonnes to 4,500 thousand tonnes between July 2018 and December 2021 was apparent.

99. Based on the submissions received and the data we identified, we determined that production volumes of CRFS in China have increased.

---

[47] OECD. Latest Developments in Steelmaking Capacity 2021 https://www.oecd.org/industry/ind/latest-developments-in-steelmaking-capacity-2021.pdf

[48] SteelOrbis. Chinese steel sector's industrial capacity usage declines in Q4 https://www.steelorbis.com/steel-news/latest-news/chinese-steel-sectors-industrial-capacity-usage-declines-in-q4-1230212.htm

[49] CEIC Data China Steel: Inventory: Major Cities: Steel Product: Cold Rolled https://www.ceicdata.com/en/china/steel-inventory-major-cities-weekly/cn-steel-inventory-major-cities-steel-product-cold-rolled

[50] Trade remedies (trade-remedies.service.gov.uk) UK Steel appendix to questionnaire response, section 2.3, page 5

[51] Trade remedies (trade-remedies.service.gov.uk) CCOIC comments submission, section 1, page 3

[52] CEIC Data China Steel: Production: SP: Cold Rolled Sheet https://www.ceicdata.com/en/china/steel-production/cn-steel-production-sp-cold-rolled-sheet

G2.2.5 Ability to switch production to the goods subject to review

100. We did not find, and no parties submitted, any relevant information regarding the ability of Chinese producers to switch production to the goods subject to review.

G2.2.6 Price comparison between Chinese-produced goods and UK-produced goods

101. We did not calculate a normal value for China. This was due to a lack of exporter co-operation and limited information available from secondary sources that would enable us to calculate a normal value for CRFS in China.

102. We considered whether an alleged PMS in China would affect price comparison between China and the UK. However, as discussed above (in section G2.1), we were not able to determine whether or not there is a PMS in China that affects the goods subject to review and/or like goods.

103. We received comments from MOFCOM[53] and CCOIC[54] relating to domestic CRFS prices in China. MOFCOM also submitted a comparison of CRFS imported into the UK from China and CRFS imported from the rest of the world as evidence of imports from China not being dumped[55]. We considered that the prices of any current imports were not an appropriate indicator of potential future prices owing to the large difference in the present volume of imports compared with the most recent period when the measure did not apply.

104. CCOIC cited the removal of a VAT export rebate from CRFS exported from China as evidence that export prices would increase, reducing the likelihood of dumping occurring[56]. However, we consider that the size of dumping margins found in the EU investigation[57] relative to the size of the rebate being removed does introduce uncertainty regarding whether this change could result in smaller dumping rates without eliminating dumping itself.

105. CCOIC also submitted annual average domestic prices for the like goods in China during the injury period and the POI[58], which we considered alongside Chinese domestic prices retrieved from an independent source. We then compared the Chinese domestic prices against the average UK-produced domestic sales price.

---

[53] Trade remedies (trade-remedies.service.gov.uk) MOFCOM comments on TD0011 submission

[54] Trade remedies (trade-remedies.service.gov.uk) CCOIC questionnaire response

[55] Trade remedies (trade-remedies.service.gov.uk) MOFCOM comments on TD0011 submission, section 4.2, page 7

[56] Trade remedies (trade-remedies.service.gov.uk) CCOIC questionnaire response, section A2, question 1, page 10

[57] Commission Implementing Regulation (EU) 2016/1328 of 29 July 2016 imposing a definitive anti-dumping duty and collecting definitively the provisional duty imposed on imports of certain cold rolled flat steel products originating in the People's Republic of China and the Russian Federation

[58] Trade remedies (trade-remedies.service.gov.uk) CCOIC questionnaire response, section A2, question 2, page 11

106. To assess whether Chinese producers would have an incentive to export the goods subject to review to the UK at dumped prices, we estimated a UK landed (CIF[59]) price for Chinese producers and compared it with the average UK sales price of domestically produced like goods and of imported like goods. Such an estimate is a reasonable indicator of whether export prices would be competitive with UK prices, and therefore whether dumping would be likely.

107. We calculated a low and a high estimate of an indicative UK landed (CIF) price in the following way:

1. We identified three figures for an average annual export price for Chinese CRFS in the POI to establish a range of export prices. We identified one of these figures using data submitted by CCOIC[60] and two figures from secondary sources. We converted these prices to GBP[61].

2. We added on estimated sea-freight costs from China to the UK[62], converted from USD to GBP. We identified a low-end price to add onto the low end of the export-price range, and a high-end price to add to the high end of the range.

3. Since the effect on prices of removing the VAT export rebate is not clear, we increased the high end of the price range by 13%[63] but did not increase the low end of the price range.

4. We then increased both estimates by 20% to account for VAT and excise on UK imports of the goods subject to review[64].

108. This gave a UK landed (CIF) price range for China where both ends of the range were significantly above UK sales prices for domestically produced like goods, suggesting that Chinese producers may need to sell into the UK at dumped prices to compete.

G2.2.7 Exports to third countries

109. We received submissions from TSUK[65], UK Steel[66] and Community TU[67], all of which made reference to a number of existing anti-dumping measures against cold-rolled steel products originating in China (put in place by the USA, India, Vietnam, Malaysia,

[59] CIF stands for the Incoterm "Cost, Insurance Freight"

[60] Trade remedies (trade-remedies.service.gov.uk) CCOIC Appendix 1, "Domestic price" sheet

[61] The Bank of England's "XUDLBK89 data series | Bank of England | Database" gives an average annual exchange rate of 8.8524 CNY/GBP for the POI. "XUDLUSS data series | Bank of England | Database" gives an average annual exchange rate of 1.3083 USD/GBP for the POI.

[62] https://www.dfsworldwide.com/Shipping-to-China.html

[63] Trade remedies (trade-remedies.service.gov.uk) CCOIC questionnaire response, section A2, question 1, page 10

[64] Trade Tariff: look up commodity codes, duty and VAT rates - GOV.UK (www.gov.uk)

[65] Trade remedies (trade-remedies.service.gov.uk) TSUK questionnaire response, section F2, question 3, page 48

[66] Trade remedies (trade-remedies.service.gov.uk) UK Steel questionnaire response, section 2.2, page 5

[67] Trade remedies (trade-remedies.service.gov.uk) Community TU questionnaire response, section A2, question 2, page 9

Canada and the EU). TSUK, UK Steel and Community TU all reported that the findings of these overseas authorities were strongly indicative of dumping being likely if the measure were no longer applied.

110. MOFCOM objected to the inclusion of the findings of other investigating authorities as evidence of likelihood of dumping[68]. We noted MOFCOM's statements and determined that, although such findings cannot be viewed as definitive evidence of an increased likelihood of dumping (as submitted by MOFCOM), they can be seen as indicative and, in context, considered within the overall holistic assessment of dumping likelihood.

111. In their questionnaire response, CCOIC compared the price of CRFS produced in China that was sold on the domestic market with CRFS exported worldwide from China, noting that the export price was higher than the domestic price for the final 2 years of the injury period[69]. We considered that the inclusion of all exports worldwide limits the indicative strength of this information because the inclusion of profitable exports could mask the presence of CRFS being exported from China at dumped prices.

112. The existence of anti-dumping measures in third countries indicates that CRFS has been exported from China to third countries at dumped prices. Owing to the limitations of the data available to us, which was the result of no CRFS producers from China cooperating with the investigation, our assessment of dumping likelihood in relation to exports to third countries was largely reliant on the use of facts available and our conclusions in this area were made bearing this limitation in mind.

G2.2.8 Conditions in the exporters' domestic market

113. We considered whether an alleged PMS in China would affect conditions in the Chinese domestic market. However, as discussed above (in section G2.1), we were not able to determine whether or not there is a PMS in China that affects the goods subject to review and/or like goods.

114. We received submissions from both UK and Chinese parties regarding demand in China for CRFS and steel more widely. UK parties claimed that demand in China was not anticipated to increase in the near future and Chinese parties claimed that demand in China was anticipated to increase. However, we did not receive detailed data in support of these claims.

115. In addition to comments on domestic demand, CCOIC cited a removal of import duty on a number of upstream raw materials in the production of CRFS[70], suggesting that this would lead to an increase in export prices and a decrease in the volume of

[68] Trade remedies (trade-remedies.service.gov.uk) MOFCOM comments on TD0011 submission, section 5.6, page 9 and Trade remedies (trade-remedies.service.gov.uk) MOFCOM PMS reply submission, section 3.2.1, page 6

[69] Trade remedies (trade-remedies.service.gov.uk) CCOIC questionnaire response, section A2, question 2, page 11

[70] Trade remedies (trade-remedies.service.gov.uk) CCOIC questionnaire response, section A2, question 1, page 11

exports of steel products. UK Steel[71] challenged this interpretation, contending that reductions in upstream input costs could result in increased production and lower export prices. We considered that it was not possible to conclude what affect adjusting the import duty on upstream inputs of CRFS would have on production and export volumes.

116. After considering the assertions advanced by parties in relation to conditions in Chinese exporters' domestic market, we cannot draw any sufficiently reliable conclusions relating to the effects of the conditions in the exporters home market on CRFS producers in China.

G2.2.9 Attractiveness of the UK market

117. We received comments from TSUK[72] and UK Steel[73] that the UK market would become attractive to Chinese CRFS producers if the measure were no longer applied. Trade remedies in third countries (referred to above, in section G2.2.7) and previous import volumes were cited as evidence.

118. MOFCOM reported that Chinese producers of CRFS have limited interest in exporting to the UK owing to its geographic location and transport costs, and the relatively small demand of the UK domestic market[74]. However, significant volumes of CRFS were imported to the UK from China prior to the imposition of the present measure; consequently, we did not consider the geographic distance between China and the UK indicative of the UK market being unattractive to exporters in China.

119. CISA[75] and CCOIC[76] asserted that the cancellation of VAT export rebates (discussed above, in section G2.2.6) reduced the attractiveness of all export markets, including the UK.

120. We conclude that, despite the removal of the VAT rebates, and given the limitations of access to third country export markets, the UK market would be attractive to Chinese producers of CRFS if measures were removed.

G2.2.10 Previous circumvention or absorption of measures

121. HMRC import data showed that there were low levels of exports of the goods subject to review from China to the UK after the introduction of the anti-dumping measure.

---

[71] Trade remedies (trade-remedies.service.gov.uk) UK Steel response to public file submission, section 1, page 1

[72] Trade remedies (trade-remedies.service.gov.uk) TSUK questionnaire response, section F2, question 3, page 45

[73] Trade remedies (trade-remedies.service.gov.uk) UK Steel questionnaire response, section 2.2, page 5

[74] Trade remedies (trade-remedies.service.gov.uk) MOFCOM PMS reply submission, section 4, page 7

[75] Trade remedies (trade-remedies.service.gov.uk) CISA questionnaire response, section A2, question 1, page 9, and Trade remedies (trade-remedies.service.gov.uk) CISA TD0011 comments submission, section C, page 3

[76] Trade remedies (trade-remedies.service.gov.uk) CCOIC questionnaire response, section A2, question 1, page 10, and Trade remedies (trade-remedies.service.gov.uk) CCOIC comments submission, section 1, page 3

There is no evidence that Chinese CRFS producers have been absorbing the UK anti-dumping measure. We did not find evidence that Chinese producers of CRFS have absorbed or circumvented anti-dumping measures set by other countries.

G2.2.11 Conclusion

122. Based on our assessment of the factors described above, we concluded that dumping of CRFS imports from China into the UK would be likely to occur if the measure were no longer applied. The outcome of the assessments under the factors "Production levels", "Production capacity", "Price comparison between Chinese produced goods and UK produced goods" and "Inventories" were pertinent in indicating an increased likelihood of dumping.

123. No CRFS producers from China cooperated with the present transition review (and the resulting lack of available data); consequently, it was not possible to perform in-depth calculations that might have been conducted if more detailed data had been available to us. However, our assessments considered the assertions raised by the participants fully and we supplemented the information submitted with secondary source research where we considered that there was sufficiently reliable data available.

124. The dumping likelihood assessment is a holistic assessment to be decided on the balance of probabilities. The outcome of the assessment that we have performed is that dumping would be likely if the measure were no longer applied.

G3. Russia

G3.1 PMS

125. We received PMS allegations regarding the Russian CRFS industry. These allegations related to natural gas[77], rail freight[78], export VAT[79], preferential procurement policies[80] and labour[81]. Whilst we were not able to recalculate dumping or injury, we nevertheless assessed these PMS allegations individually in the context of the dumping and injury likelihood assessments. We contacted the Russian government to inform them of the allegations and invite them to respond.

126. We note that the Russian MoED "strongly disagree with […] an approach" whereby the accounting records of Russian producers are adjusted. They claimed that Russian

[77] Trade remedies (trade-remedies.service.gov.uk) TSUK appendix to questionnaire response, section 5.1, page 21, and Trade remedies (trade-remedies.service.gov.uk) TSUK questionnaire response, section F4, question 1, page 46, and Trade remedies (trade-remedies.service.gov.uk) TSUK costs of exporters submission, section IV, page 5, and Trade remedies (trade-remedies.service.gov.uk) TSUK dumping submission, section III, page 4, and Trade remedies (trade-remedies.service.gov.uk) UK Steel response to public file submission, section 6, pages 4-5

[78] Trade remedies (trade-remedies.service.gov.uk) TSUK costs of exporters submission, section IV, page 5

[79] Trade remedies (trade-remedies.service.gov.uk) TSUK dumping submission, section IV (F), page 7

[80] Trade remedies (trade-remedies.service.gov.uk) TSUK dumping submission, section IV (F), page 7

[81] Trade remedies (trade-remedies.service.gov.uk) TSUK costs of exporters submission, section IV, page 5

producers are vertically integrated and highly efficient, and urged the TRA to "disregard the requests to deviate from using the exporters' records, which in the present case would run afoul to the WTO norms"[82]. Severstal also stated in their questionnaire response that none of their input costs are subject to distortions[83].

127. When assessing the PMS, we took account of the facts available to us, including the content of the initial allegation, any responses we had received from other interested parties or contributors (including governments)[84], and publicly available information.

G3.1.1 Natural gas

128. We determined that Russian natural gas prices are distorted because of a PMS, and that this distortion was likely to be present in the production costs of CRFS in Russia. This is due to Russian legislation[85], which is also referred to in Gazprom's 2020 annual report[86] and on Gazprom's website[87]. These sources indicate that prices are largely set by the state, and so not subject to market forces. We determined that the most appropriate benchmark price to base adjustments on was a price from the USA's Energy and Information Administration for the costs of natural gas to industrial users[88]. This is because it is from a source that is independent and reliable, and the price is for industrial users within a free market that is comparable in size and scale to the Russian market. This benchmark price was compared to prices from Gazprom's sales

[82] Trade remedies (trade-remedies.service.gov.uk) Russian MoED PMS comments submission, page 1

[83] Trade remedies (trade-remedies.service.gov.uk) Severstal questionnaire response, section D15, page 68

[84] Trade remedies (trade-remedies.service.gov.uk) NLMK PMS comments submission and Trade remedies (trade-remedies.service.gov.uk) Severstal questionnaire response and Trade remedies (trade-remedies.service.gov.uk) Russian MoED PMS comments submission and Trade remedies (trade-remedies.service.gov.uk) Severstal commentaries to Tata submission

[85] Including, but not limited to: Russian Government Directive No. 239 (as amended and supplemented) dated March 7, 1995, on Measures to Streamline State Regulations for Prices (Tariffs); Russian Federal Law No. 147-FZ dated August 17, 1995, on Natural Monopolies ; Russian Government Directive No. 162 dated February 5, 1998, on Approval of Rules for Gas Supplies in the Russian Federation ; Russian Government Directive No. 305 dated March 19, 2020, on Amending Certain Acts of the Russian Government and Revoking Certain Provisions in the Acts of the Russian Government; and Russian Government Directive No. 425 dated March 20, 2021, on Amending Item 2 of Basic Terms of Formation and State Regulation of Gas Prices, Gas Transmission Tariffs, and Payments for Technological Connections of Gas-Using Equipment to Gas Distribution Networks in the Russian Federation.

[86] Gazprom's 2020 annual report, page 65: "Gas on the Russian domestic market is sold at regulated or nonregulated prices in accordance with the applicable laws. Gazprom Group remains the dominant gas supplier at regulated prices. A number of regional gas companies also sell gas at regulated prices outside the UGSS. Gas produced by PJSC Gazprom's subsidiaries is sold mostly at prices fixed by the Government […] As per the Forecast of Russia's Socio-Economic Development drafted by the Russian Ministry of Economic Development and approved by the Government in September 2020, a 3% annual increase in regulated domestic wholesale gas prices is expected in 2021–2023 for all consumer categories, with prices indexed annually on 1 July."

[87] Gazprom's website states: "In accordance with Russia's current legislation, gas prices for end consumers are subject to state regulations and differentiated by consumer groups (population and industries) and price zones depending on the distance of transmission from producing regions to consumers." (accessed January 2022)

[88] MER_S9 (eia.gov)

figures[89], and Severstal's cost data[90]. We applied an upwards adjustment of up to 2.1% on ex-works sales prices to reflect market conditions based on non-distorted benchmark prices when considering our price comparison between Russian-produced goods and UK-produced goods (in section G3.2.6, below). We also included the outcome of this assessment in our consideration of the conditions in the exporters' domestic market (in section G3.2.8, below).

G3.1.2 Rail freight

129. We determined that Russian rail freight prices are distorted because of a PMS. This is due to the presence of prices lists that are set by the state[91]. State control of prices is also referred to on the website of the state-run rail company, Russian Railways (RZD)[92]. We assessed that this distortion was likely to be present in the costs of CRFS in Russia. We determined that the most appropriate benchmark price to base adjustments on was a price from the USA Association of American Railroads for the costs of rail freight[93]. This is because it is from a source that is independent and reliable, and the price within a free market that is comparable in geographical size and scale to the Russian market. We compared this benchmark price to prices from RZD[94] and Severstal's sales data[95]. We applied an upwards adjustment of up to 11.6% on ex-works sales prices to reflect market conditions based on non-distorted benchmark prices when considering our price comparison between Russian-produced goods and UK-produced goods (in section G3.2.6, below). We also included the outcome of this assessment in our consideration of the conditions in the exporters' domestic market (in section G3.2.8, below).

G3.1.3 Export VAT

130. We were unable to determine whether Russian export VAT on CRFS inputs caused distortions to Russian exports' costs. This is because, whilst we assess that Russian export VAT does exist[96] and may impact production of CRFS in Russia, we could not determine the impact or disaggregate it from other economic impacts.

---

[89] https://www.gazprom.com/f/posts/45/961659/gazprom-in-figures-2016-2020-en.pdf and https://www.gazprom.com/f/posts/13/041777/gazprom-annual-report-2020-en.pdf

[90] Trade remedies (trade-remedies.service.gov.uk) Severstal questionnaire annex D12.1-14 and Trade remedies (trade-remedies.service.gov.uk) Severstal ad-hoc request for information submission

[91] In particular price list 10-01, which provides "calculated tables of charges for transportation in Russia railways of goods in direct rail traffic, in direct mixed message, in indirect mixed message and export and import cargos, following Russian railways in indirect international traffic via Russian ports, as well as for the infrastructure services performed by Russian railways for the specified transportation"

[92] Russian Railways' "Tariff Policy" (accessed January 2022).

[93] Economic and Fiscal Impact Analysis of Class I Railroads in 2017 and Average U.S. Freight Rail Rates.

[94] https://www.gazprom.com/f/posts/45/961659/gazprom-in-figures-2016-2020-en.pdf and https://www.gazprom.com/f/posts/13/041777/gazprom-annual-report-2020-en.pdf

[95] Trade remedies (trade-remedies.service.gov.uk) Severstal ad-hoc request for information submission

[96] As evidenced by various Russian state sources, including Decree 2364, effective from January 1, 2021 until the end of July 2021 and *Decree 988*, effective from July 26, 2021 until January 1, 2022

G3.1.4 Preferential procurement

131. We were unable to determine whether Russian policies relating to preferential domestic procurement caused distortions to Russian exports' costs. This is because, whilst we assess that Russian preferential procurement policies do exist[97] and may impact the goods subject to review, we could not determine the impact or disaggregate it from other economic impacts.

G3.1.5 Labour

132. We did not find that a lack of enforcement of employment labour law in Russia has led to a PMS in labour costs for producers of CRFS in Russia. This is because the Russian state does not control or artificially lower the cost of labour for CRFS producers in Russia, which we have assessed is subject to market forces.

G3.2 Russia dumping likelihood assessment

G3.2.1 Continued dumping

133. Since the imposition of the anti-dumping measure in 2016, HMRC has recorded no imports of the goods subject to review from Russia[98]. Although dumping has not continued, we assess that the lack of imports of CRFS from Russia while an anti-dumping measure applies is not strong evidence of likely behaviour if the measure were no longer applied.

134. The European Commission investigation, in 2016, calculated dumping margins of 18.7-38.9% for Russian exports to the EU, at a time when the UK was a member of the EU. There is evidence that dumping of CRFS from Russia did occur prior to the application of the current measure. The European Commission's dumping calculation included goods sold into the UK market and are therefore relevant evidence of historic dumping to the UK. HMRC records also indicate that CRFS was being directly exported from Russia to the UK prior to the introduction of the measure[99].

135. We did not rely on the dumping calculation submitted by TSUK in this assessment. We determined it was not sufficiently accurate for use in this review because:

- it was based on Russian export prices to the UK from 2012 to 2014 that do not take account of the changes to the world steel market since 2014; and
- it established normal value by replacing Russian costs with Turkish costs, without adequate justification for the complete replacement of Russian costs.

---

[97] As evidenced by various Russian state sources, including Order of the Ministry of Industry and Trade of the Russian Federation dated May 5, 2014 No. 839 and Decree of the Government of the Russian Federation of September 16, 2016 N 925 Moscow

[98] https://www.uktradeinfo.com/trade-data/ots-custom-table/?id=b07521bc-f01b-4b2f-91c9-32c60df10a18 (imports from Russia)

[99] https://www.uktradeinfo.com/trade-data/ots-custom-table/?id=b07521bc-f01b-4b2f-91c9-32c60df10a18 (imports from Russia)

G3.2.2 Production capacity

136. We considered evidence that the capacity utilisation of Russian CRFS producers has been high in recent years. Severstal submitted figures for the POI indicating a capacity utilisation of at least 80%[100], with utilisation being higher in the first two years of the injury period (as shown in table 1). For 2020, MMK reported a capacity utilisation of 90% for cold-rolled products[101]. NLMK reported a rolling capacity utilisation of 83%[102] in their 2020 annual report, and 91% for the POI in their (unverified) submission[103] to this review. The difference between the NLMK's annual report and their submission to this review could be due to different definitions of "rolling capacity" or differences in calculation of capacity and capacity utilisation. NLMK also submitted that Russian exporters are currently working at full capacity[104].

Table 1: Severstal's production and capacity for the goods subject to review and/or like goods (indexed 2017/18 = 100).

	2017/18	2018/19	2019/20	POI
Production capacity	100	99	104	109
Actual production	100	102	87	98
Capacity utilisation	100	103	84	89

***Source**: Severstal questionnaire response, Annex D5 Capacity*[105]

137. However, spare capacity is significant in absolute terms. In the POI, Severstal produced 2.4-2.8 million tonnes of like goods from a capacity of 2.6-3.0 million tonnes[106], indicating a spare capacity of up to 0.6 million tonnes. TSUK stated that Russian cold-strip mills had substantial spare capacity during the POI and submitted data from Metal Expert to demonstrate this[107].

138. We estimated that UK consumption is between 399,000 and 470,000 tonnes, using non-confidential figures submitted by TSUK[108] and HMRC import data for relevant CN codes at the eight-digit level[109]. Since Severstal's spare capacity for the POI was up to 600,000 tonnes, the evidence indicates that Severstal alone could meet all of UK demand. Severstal are not the largest steel producer in Russia[110], so the total spare capacity across all Russian producers is likely to be significantly higher. We assessed that Russian spare capacity for the goods subject to review is significant.

---

[100] Trade remedies (trade-remedies.service.gov.uk) Severstal registration of interest, section B1, page 10

[101] MMK Integrated Annual Report 2020, page 44, under "Key capacity utilisation rates 2020, %"

[102] NLMK - Annual Report 2020

[103] Trade remedies (trade-remedies.service.gov.uk) NLMK registration of interest, section B, question B1, page 9

[104] Trade remedies (trade-remedies.service.gov.uk) NLMK PMS comments submission

[105] Trade remedies (trade-remedies.service.gov.uk) Severstal questionnaire response

[106] Trade remedies (trade-remedies.service.gov.uk) Severstal registration of interest, section B1, page 10

[107] Trade remedies (trade-remedies.service.gov.uk) TSUK dumping submission, section IV (A), page 5

[108] Trade remedies (trade-remedies.service.gov.uk) TSUK registration of interest, section B, question B2, page 10

[109] https://www.uktradeinfo.com/trade-data/ots-custom-table/?id=0833a6c0-cd1a-45b2-a8fc-cae3f6e47b4b (imports from all countries during the POI)

[110] 2020 Top Steel Producers and tonnage of worldsteel members

139. We concluded that Russian producers could use spare capacity to export significant volumes to the UK market. They might be incentivised to do so, because using spare capacity would likely increase their revenue while maintaining similar costs, even if exporting at dumped prices.

G3.2.3 Inventories

140. Secondary research showed that both NLMK and Severstal had large values of cold rolled inventory at the end of 2020 (1,373 million USD[111] and 888 million USD[112], respectively). However, these figures are likely to include out-of-scope goods, so we treated them with caution.

141. TSUK claimed that there has been a "build-up of inventories in the Russian cold rolled steel market"[113] and submitted industry data and news reporting to support this. We did not have access to sufficient data to determine whether the build-up of stocks was a long-term trend or determine whether it was persisting.

142. Severstal's indexed stocks annex shows that levels have fluctuated over time.

Table 2: Severstal's stocks for the goods subject to review and/or like goods (indexed 2017/18 = 100).

	2017/18	2018/19	2019/20	POI
Opening stock	100	101	111	85
Closing stock	100	110	85	78

***Source**: Severstal questionnaire response, Annex D6 Stocks*[114]

143. Having assessed the information submitted to this review, we have determined that the evidence in relation to this factor is not conclusive.

G3.2.4 Production levels

144. UK Steel submitted comments that Russian production levels of like goods and related inputs are "significant"[115]. TSUK also commented on "high production levels" in Russia and provided data in support of their submission[116].

145. The figures submitted by TSUK do not align with submissions made by overseas parties such as Severstal. In the POI, Severstal produced 2.4-2.8 million tonnes of like goods[117]. Secondary research relating to overseas parties showed MMK's production for cold-rolled flat products as 899,000 tonnes in 2020[118] and NLMK's cold-rolled steel

[111] NLMK - Annual Report 2020
[112] Severstal - Annual Report 2020
[113] Trade remedies (trade-remedies.service.gov.uk) TSUK dumping submission, section IV (E), page 7
[114] Trade remedies (trade-remedies.service.gov.uk) Severstal questionnaire response
[115] Trade remedies (trade-remedies.service.gov.uk) UK Steel appendix to questionnaire response, section 2.3, page 5
[116] Trade remedies (trade-remedies.service.gov.uk) TSUK dumping submission, section IV (B), page 5
[117] Trade remedies (trade-remedies.service.gov.uk) Severstal registration of interest, section B1, page 10
[118] MMK - Integrated Annual Report 2020

sales of 1.9 million tonnes in 2020[119]. This compares with estimated UK consumption of 399,000 to 470,000 tonnes[120].

146. Regardless of discrepancies in the submissions made, we conclude that production levels in Russia are high.

G3.2.5 Ability to switch production to the goods subject to review

147. There was limited relevant information submitted in relation to this factor, other than statements made by Severstal. These statements relate specifically to Severstal and are assessed as part of the Severstal dumping likelihood assessment (in section G4.2.5, below).

148. We did not find relevant information regarding the ability of other Russian producers to switch production to the goods subject to review.

G3.2.6 Price comparison between Russian-produced goods and UK-produced goods

149. We did not calculate a normal value for Russia because we are not recalculating a dumping margin in this review (see the necessary or sufficient assessment in section F3, above).

150. We considered whether price comparisons could be affected by market segmentation or product mix. Based on our evaluation of sales data, we determined that it was appropriate to perform price comparisons between the UK and Russia.

151. Further, to consider the degree of competition between UK-produced CRFS and potential imports from Russia, we considered submissions made to this transition review. In their questionnaire response, TSUK reported that, “There is heavy competition between the goods subject to review and the like goods” and that, “Prices are very sensitive due to high competition, especially in large commodity steel applications”[121]. Additionally, in both their pre-sampling questionnaire and questionnaire responses, the Russian MoED reported that the removal of the existing measure would benefit UK consumers of CRFS because it would lead to the reversal of CRFS price increases[122]. In support of this, they cited several news reports, including one regarding TSUK and increases in prices[123]. The Russian MoED reported that, “The Russian side supposes that elimination of the measure will give a free breath to industries affected by such a price increase”[124]. These responses from

[119] NLMK - Annual Report 2020

[120] Trade remedies (trade-remedies.service.gov.uk) TSUK registration of interest, section B2, page 10

[121] Trade remedies (trade-remedies.service.gov.uk) TSUK questionnaire response, section B2, question 2, page 23

[122] Trade remedies (trade-remedies.service.gov.uk) Russian MoED registration of interest, section B, page 9, and Trade remedies (trade-remedies.service.gov.uk) Russian MoED questionnaire response, section A2, question 4, page 6

[123] Argus Media, “Tata Steel hikes UK coil offer by £50/t,” [Online]. Available: https://www.argusmedia.com/en/news/2122865-tata-steel-hikes-uk-coil-offer-by-50t

[124] Trade remedies (trade-remedies.service.gov.uk) Russian MoED questionnaire response, section A2, question 4, page 5

parties support the conclusion that CRFS imported from Russia would be in competition with CRFS produced domestically.

152. To assess whether Russian producers would have an incentive to export the goods subject to review to the UK at dumped prices, we estimated a UK landed (CIF) price for Russian producers and compared it with the average UK sales price of domestically produced like goods and of imported like goods. Such an estimate is a reasonable indicator of whether non-dumped export prices would be competitive with UK prices, and therefore whether dumping would be likely.

153. In our calculations, we decided not to include the effect of any UK safeguard measure affecting the goods subject to review, because:

- safeguard measure is intended to address surges in imports rather than dumping;
- safeguard measure does not apply to imports within the tariff rate quota, with these quotas liberalising year-on-year; and
- the safeguard measure currently in place on CRFS are set to expire on 30 July 2024, which is before the end of the five-year term of the measure included in our intended recommendation[125].

154. We did include adjustments for natural-gas and rail-freight costs because we had identified PMS affecting those costs for Russia on a countrywide basis, and we had been able to realistically estimate the distortions. For all other PMS assessments relating to Russia, we either did not find a PMS, or we were not able to realistically estimate a distortion. We therefore did not apply any other adjustments based upon our PMS findings.

155. We calculated a low and a high estimate of an indicative UK landed (CIF) price in the following way:

1. We identified three figures for the average (EXW) price of CRFS in Russia from secondary sources. These were Metal Expert prices as reported by MMK[126], MMK average sales prices[127], and sales prices from the Federal Bureau of Statistics[128]. We also calculated a weighted-average domestic-sales price (minus transport costs) for Severstal in the POI, using verified data from their domestic-sales listing[129]. We used these figures to establish a range for Russian domestic prices.

2. We applied adjustments for the natural-gas PMS. Since we did not know how much additional cost Russian producers might absorb, we increased the price

[125] We note that the current UK safeguard measures on steel products (including CRFS) could be extended to a maximum term of eight years, but at the time of this assessment, it is not clear whether or how long they will be extended.

[126] MMK integrated annual report 2020, page 26 (source: Metal Expert, company data)

[127] https://www.fedstat.ru/indicator/57608

[128] MMK 2020 trading update, page 5

[129] Trade remedies (trade-remedies.service.gov.uk) Severstal questionnaire response, Annex B4

by 2.1% for the high-end estimate (to allow for no absorption) and applied no increase to the low-end estimate (to allow for complete absorption).

3. We applied adjustments for the rail-freight PMS. We established distances by rail from the facilities of Severstal, MMK and NLMK to the Port of St Petersburg[130]. To account for the range of rail-freight distances that would be required to export to the UK, we adjusted the low end by +4.1% of the lowest starting price and the high end by +11.6% of the highest starting price to account for the difference between actual rail-freight costs in Russia and a US market price benchmark.

4. We added Russian export VAT of 133 USD/tonne (converted to RUB[131]) onto the high-end estimate[132]. This export VAT is due to expire but may be extended; we applied an adjustment to the high end of the price range to take account of the export VAT being extended, and no adjustment to the low end to take account of the possibility that the export VAT could lapse.

5. We added on an estimate of the cost of sea freight from St Petersburg to the UK[133].

6. We increased both estimates by 20% to account for VAT and excise on UK imports of the goods subject to review[134].

7. We converted the prices from RUB to GBP[135].

156. This resulted in a UK landed (CIF) price range of 568 to 863 GBP/tonne. This range is significantly above UK sales prices for domestically produced like goods, suggesting that Russian producers may need to sell into the UK at dumped prices to compete.

157. We note that prices can change over time. Nevertheless, the data from 2020 and the POI are the most up-to-date information available to this review, and these data

[130] Using the website tutu.ru to access routes and distances. These companies were selected because they are amongst the largest Russian producers of like goods (2020 Top Steel Producers and tonnage of worldsteel members)

[131] Using Bank of Russia average exchange rates for 2020 https://www.cbr.ru/eng/currency_base/dynamics/?UniDbQuery.Posted=True&UniDbQuery.so=1&UniDbQuery.mode=1&UniDbQuery.date_req1=&UniDbQuery.date_req2=&UniDbQuery.VAL_NM_RQ=R01235&UniDbQuery.From=01.01.2020&UniDbQuery.To=01.01.2021

[132] *Decree 988*, effective from July 26, 2021 until January 1, 2022, amends the rates of export customs duties via increases to export VAT duties, and the scope of products covered by the decree (under which CRFS falls). *Decree 988* has a specific duty by weight (varying according to the product), or a 15% percentage levy, whichever is greater. The specific duty relevant to CRFS is 133 US$ per 1,000 kg, and covers CN codes: 7209, 7211, 7225 and 7226, among others.

[133] In 2021, "MoverDB" quoted a price of 768 USD per 40-foot container (with a maximum weight of 29 tonnes). Using data from the Bank of Russia (accessed 19/01/2022), we calculated an average annual RUB/USD exchange rate of 72.3230 RUB/USD in 2020, giving a cost of 1,915.31 RUB/tonne for shipping from St Petersburg to the UK.

[134] Trade Tariff: look up commodity codes, duty and VAT rates - GOV.UK (www.gov.uk)

[135] The Bank of England's "Daily spot exchange rates against Sterling" (accessed 20/01/2022) gives an average annual exchange rate of 92.8433 RUB/GBP for 2020.

suggest that Russian producers are unlikely to be able to compete with UK sales prices without dumping.

G3.2.7 Exports to third countries

158. Using verified sales data, we calculated indicative dumping margins to third countries for Severstal, the only Russian exporter cooperating in this review (see section G4.2.7, below). These calculations indicated high levels of dumping to countries not in the Commonwealth of Independent States (CIS).

159. TSUK submitted that the EU, the USA, and Pakistan currently have trade-remedy measures in place on CRFS from Russia[136]. They claimed that Russian producers already export to third countries at dumped prices, and that the threat of these exports being diverted to the UK if the measure were no longer applied is "both clearly foreseen and imminent"[137]. We assessed that measures imposed by third countries would limit Russian producers' access to those markets.

160. We conclude that the information available suggests that Russian producers have both the ability and incentive to export at dumped prices to third countries.

G3.2.8 Conditions in the exporters' domestic market

161. During 2020, a surge in demand and prices created favourable conditions for Russian CRFS producers in their domestic market. MMK's 2020 annual report cited Metal Expert's data on cold-rolled steel to comment that "in late 2020, […] the market experienced another surge in demand and prices"[138], led by a "construction boom" in Russia[139]. Imports of cold-rolled steel in Russia increased by 17.4% in 2020 when compared to 2019, and prices for cold-rolled sheet increased by approximately 6,000 RUB/tonne. In a submission made in October 2021, NLMK stated that "there is obviously [no] sense for Russian producers to sell the steel product for the dumped prices as the prices [are] already extremely high on both [the] international and domestic market"[140].

162. However, secondary sources report that demand and prices for CRFS in Russia have fluctuated, rather than staying consistently high. In March 2021, Fitch Ratings predicted that "over the medium term, [Russian] steel demand [would] be constrained by lacklustre GDP and industrial production growth"[141]; SteelOrbis reported that "overall sheet demand in Russia contracted in the third quarter [of 2021]"[142]; and

---

[136] Trade remedies (trade-remedies.service.gov.uk) TSUK dumping submission, section IV (D), page 6

[137] Trade remedies (trade-remedies.service.gov.uk) TSUK questionnaire response, section E, question 15, page 41

[138] MMK - Integrated Annual Report 2020, page 26

[139] MMK - Integrated Annual Report 2020, page 26

[140] Trade remedies (trade-remedies.service.gov.uk) NLMK PMS comments submission

[141] Fitch Ratings, "Fitch Affirms Severstal at 'BBB'; Outlook Stable" (published 31/03/2021, accessed 18/02/2022)

[142] SteelOrbis, "George Pearson: Hot rolled steel usage in Russia expected to grow by 2.5% in 2022" (published 02/12/2021, accessed 18/02/2022)

Fastmarkets MB stated that CRFS "prices [fell] further on weak demand" in August 2021[143].

163. We note that high domestic and international prices do not preclude dumping, because in some circumstances, high domestic prices may increase any difference between normal value and export price.

164. Additionally, we considered the impact that our PMS assessments for Russia (in section G3.1) could have on normal value, were we calculating it. The distortions we identified increase the likelihood of dumping because, were we able to adjust for these distortions when calculating normal value, they would likely increase it.

165. We concluded that demand and prices may not be sustained in the long term, and that multiple PMS affect the conditions in the exporter's home market.

G3.2.9 Attractiveness of the UK market

166. We considered Severstal's claim that the UK is not an attractive market, because Russian producers cannot export CRFS competitively to the UK compared to other exporting regions that are geographically closer[144]. However, significant volumes of CRFS were imported to the UK from Russia prior to the imposition of the present measure; consequently, we did not consider the geographic distance between Russia and the UK indicative of the UK market being unattractive to exporters in Russia. Severstal's 2020 annual report stated that their geographical ease of access to export markets provides them with "the flexibility to shift [their] sales focus between the Russian domestic market and the export market in a cost-effective manner, depending on relative domestic and global demand for steel"[145].

167. NLMK submitted that dumped sales are "not economically interesting for Russian manufacturers", citing high levels demand and capacity utilisation in Russia. They also stated that dumping would be "impossible" for Russian producers owing to "strict monitoring" by the Russian Government[146]. However, our indicative dumping-margin calculations indicated that Severstal dumped to third countries in the POI (see section G4.2.7, below), suggesting either that such monitoring has not occurred or that it has not prevented all dumping.

168. TSUK claimed that Russian producers have been losing their market share domestically and are therefore seeking export opportunities[147]. We have not been able to assess how this claim relates to Russian producers on a countrywide basis. We note that, as submitted by TSUK, the EU, the USA and Pakistan have trade-remedy

[143] Fastmarkets MB, "RUSSIA FLAT STEEL: Prices fall further on weak demand" (published 18/08/2021, accessed 18/02/2022)

[144] Trade remedies (trade-remedies.service.gov.uk) Severstal questionnaire response, section B1, question 1, page 31

[145] Severstal's 2020 Annual Report, page 13 (numbered as page 14)

[146] Trade remedies (trade-remedies.service.gov.uk) NLMK registration of interest, section D, page 12

[147] Trade remedies (trade-remedies.service.gov.uk) TSUK questionnaire response, section F2, question 3, page 48

measures on CRFS goods from Russia[148]. TSUK state that this increases the attractiveness of the UK market by comparison[149].

169. We assess that the claims that geographic distance and domestic demand would discourage exports to the UK are not supported by evidence, and we note that there are some limitations relating to Russian producer's access to third country markets. We have concluded that the UK would be an attractive market to Russian producers if the measure were no longer applied.

G3.2.10 Previous circumvention or absorption of measures

170. HMRC import data showed that there were no exports of the goods subject to review from Russia to the UK after the introduction of the anti-dumping measure. Therefore, Russian producers have not been absorbing the UK anti-dumping measure. We did not receive information that Russian producers have absorbed or circumvented anti-dumping measures set by other countries.

G3.2.11 Conclusion

171. We have assessed the relevant dumping likelihood factors and determined that it is likely that dumping would occur if the measure were no longer applied. Whilst some of the factors did not indicate a likelihood of dumping, a holistic review of the overall facts as we have established them in the above assessments indicate a likelihood of dumping.

172. Though dumping has not continued, there is historical data showing that dumping of CRFS had occurred in large volumes from Russia prior to the imposition of the anti-dumping measure. We calculated significant dumping margins for Severstal's exports to non-CIS countries during the POI. The available information therefore suggests that Russian producers have both the ability and incentive to export at dumped prices, despite NLMK submitting otherwise. We determined that our PMS findings for Russia would be likely to increase normal value, were we able to calculate it, thereby increasing the likelihood of dumping.

173. Our calculation of an indicative UK landed (CIF) price suggests that Russian producers would need to dump to compete with domestic UK sales prices, and we determined that the UK would be an attractive market if the measure were no longer applied. The evidence regarding production levels and capacity also increased dumping likelihood.

[148] Trade remedies (trade-remedies.service.gov.uk) TSUK dumping submission, section IV (D), page 6

[149] Trade remedies (trade-remedies.service.gov.uk) TSUK non-cooperation submission, section IV, page 8

G4. Severstal

G4.1 PMS

174. We received PMS allegations regarding the Russian CRFS industry and, by extension, Severstal. These allegations, and the submissions made in response to them, are detailed in section G3.1, above.

G4.1.1 Natural gas

175. We determined that Severstal's natural gas costs are distorted because of a PMS, and that this distortion was likely to be present in the production costs of the goods subject to review. The details of this assessment, the evidence relied upon, and the benchmark prices used, are set out in section G3.1.1. We compared the benchmark price to Severstal's cost data[150]. We applied an upwards adjustment of up to 2.1% on ex-works sales prices to reflect market conditions based on non-distorted benchmark prices when considering our price comparison between Severstal-produced goods and UK-produced goods (in section G4.2.6, below). We also included the outcome of this assessment in our consideration of the conditions in Severstal's domestic market (in section G4.2.8, below).

G4.1.2 Rail freight

176. We determined that Severstal's rail-freight costs are distorted because of a PMS, and that this distortion was likely to be present in the costs of the goods subject to review. The details of this assessment, the evidence relied upon, and the benchmark prices used, are set out in the section G3.1.2. We compared the benchmark price to Severstal's sales data[151]. We applied an upwards adjustment of up to 4% on sales prices (minus transport costs) to reflect market conditions based on non-distorted benchmark prices when considering our price comparison between Severstal-produced goods and UK-produced goods (in section G4.2.6, below). We also included the outcome of this assessment in our consideration of the conditions in Severstal's domestic market (in section G4.2.8, below).

G4.1.3 Export VAT

177. We were unable to determine whether Russian export VAT on CRFS inputs caused distortions to Severstal's costs because of a PMS. The reasons for this are set out in section G3.1.3.

[150] Trade remedies (trade-remedies.service.gov.uk) Severstal questionnaire, Annex D12.1-14, and Trade remedies (trade-remedies.service.gov.uk) Severstal ad-hoc request for information submission

[151] Trade remedies (trade-remedies.service.gov.uk) Severstal ad-hoc request for information submission

G4.1.4 Preferential procurement

178. We were unable to determine whether Russian policies relating to preferential domestic procurement caused distortions to Severstal because of a PMS. The reasons for this are set out in section G3.1.4.

G4.1.5 Labour

179. We did not find that a lack of enforcement of employment labour law in Russia has led to a PMS in labour costs for Severstal. The reasons for this are set out in section G3.1.5.

G4.2 Severstal dumping likelihood assessment

G4.2.1 Continued dumping

180. We assessed this factor above (in section G3.2.1) as part of the Russia dumping likelihood assessment, and we did not identify any additional individual circumstances to consider when assessing this factor for Severstal. Therefore, the outcome of the above assessment also applies individually to Severstal.

G4.2.2 Production capacity

181. Severstal's total production capacity for the goods subject to review and/or like goods gradually increased over the injury period and was higher in the POI than in the preceding years (see table 1 above).

182. Severstal's total investments rose from an index of 100 in 2017/2018 to an index of 3,250 in the POI[152]. TSUK claimed that this would "presumably increase Severstal's capacity in the future as the new capital equipment is brought into production"[153]. In 2021, Severstal started a pickling shop upgrade (expected to reach full capacity in 2023) to increase production of cold-rolled sheet by an estimated 0.23 million tonnes per annum[154] (between 8-10% of POI production of like goods[155]). Severstal also restored a blast furnace[156] and launched a second block for a coke battery to increase steelmaking by up to 700,000 tonnes[157].

183. We could not establish the full extent to which these investments could increase capacity for the goods subject to review. Although Severstal have made significant

[152] Trade remedies (trade-remedies.service.gov.uk) Severstal questionnaire response, Annex D9
[153] Trade remedies (trade-remedies.service.gov.uk) TSUK non-cooperation submission, section IV, page 9
[154] Severstal corporate presentation November 2021
[155] Trade remedies (trade-remedies.service.gov.uk) Severstal registration of interest, section B1, page 10
[156] FEATURE: Russian steel mills resist giving up blast furnaces | S&P Global Commodity Insights (spglobal.com)
[157] https://www.severstal.com/files/5006/document63515.pdf and https://www.severstal.com/eng/media/news/document51823.phtml

investments leading up to and during the POI[158], we identified multiple uses for Severstal's total investments in their 2020 annual report[159] that would not increase capacity. However, the nature of the specific investments identified indicates that Severstal's total capacity for the goods is likely to increase in the near future. This increases the likelihood of dumping, because Severstal could have an incentive to use their capacity, even if some sales are unprofitable.

184. In their "Non-Cooperation Submission", TSUK stated that the capacity figures submitted by Severstal "differ from those in the respected industry journal Metal Expert"[160], suggesting Severstal's capacity-utilisation figures for the POI were inaccurate and should be lower. However, we noted that TSUK were mistaken in claiming Severstal had reported a capacity utilisation of 89% for the POI, because in fact, this was an indexed figure used for the non-confidential version (and not the actual percentage – see table 1). We compared the figures from Metal Expert with the figures we had previously verified and determined that the figures that we verified could still be treated as complete, relevant and accurate for the purposes of the transition review.

185. The verified data in Severstal's submission suggested that their capacity utilisation is generally high, having been over 80% during the POI[161]. This reduces the likelihood of dumping because it suggests that, under usual circumstances, Severstal's capacity is well-matched to levels of demand, and so Severstal would not have a strong incentive to dump goods to increase utilisation. Capacity utilisation did drop sharply in 2019/20, but Severstal's 2020 annual report[162] attributed this to demand for steel being "considerably disrupted by the impact of COVID-19", which we deemed a reasonable explanation.

186. In addition, the available evidence did not suggest that Severstal would use all of their spare capacity to create products to export to the UK. Their sales data indicated that less than 11% of the like goods (by volume) was exported to multiple third countries during the POI[163], suggesting that Severstal's primary focus is the domestic market.

187. We have assessed that Severstal's capacity utilisation is high under normal circumstances, and that it is unlikely Severstal would utilise all their spare capacity for exporting to the UK. However, capacity utilisation has recently been lower, and spare capacity is significant in absolute terms when compared to UK market demand.

---

[158] Trade remedies (trade-remedies.service.gov.uk) Severstal questionnaire response, Annex D9

[159] Severstal's 2020 Annual Report, pages 12, 27 and 100

[160] Trade remedies (trade-remedies.service.gov.uk) TSUK non-cooperation submission, section IV, page 7

[161] Trade remedies (trade-remedies.service.gov.uk) Severstal registration of interest, section B1, page 10

[162] Severstal's 2020 Annual Report, page 19 (numbered as page 20)

[163] Trade remedies (trade-remedies.service.gov.uk) Severstal questionnaire response, Annex B1 Upwards sales (upper bound in cell D28 ÷ lower bound in cell D25 = 90,024,995 kg ÷ 850,870,061 kg = 10.6%)

G4.2.3 Inventories

188. Severstal's indexed stocks annex shows that levels have fluctuated over time (see table 2, above).

189. We do not agree with TSUK's claim that there has been "a tendency for [Severstal's] stock to rise"[164], because Severstal's closing stock fell for two years in a row (2019/20 and the POI) and closing stock for the POI was 22% lower than for 2017/18[165].

190. We conclude that the evidence does not suggest that Severstal's stock levels are unusually high or significant in proportion to production.

G4.2.4 Production levels

191. In general, high production levels suggest a greater likelihood of dumping, because if domestic demand decreases or access to other markets becomes restricted, producers could likely have an incentive to increase exports, even at dumped prices.

192. In the POI, Severstal produced 2.4-2.8 million tonnes of like goods[166]. This compares with estimated UK consumption of 399,000 to 470,000 tonnes[167]. Although production volumes are significant, Severstal's data demonstrate that they have been able to sell this production without selling to the UK market (with stocks lower in the POI than in 2017/18). This suggests that Severstal can sustain their high production volumes without selling to the UK market.

G4.2.5 Ability to switch production to the goods subject to review

193. Severstal are one of the largest steel producers in Russia[168], with a high degree of vertical integration, producing both upstream and downstream products for sale[169]. In their questionnaire response, Severstal stated that they produce "non-subject products in the same production facilities" as the goods subject to review and/or like goods, providing the example that "the facilities of Formed section shop are used for cutting various types of products such as hot rolled products, cold rolled products and tubes by slitting machines" [170]. Some CRFS products are out-of-scope simply due to the coatings applied, and so the product mix between in-scope and out-of-scope products may vary.

194. However, cold rolling steel mills are specialist manufacturing facilities that do not have alternative uses. CRFS goods are intermediary products, and they are integral to the

[164] Trade remedies (trade-remedies.service.gov.uk) TSUK non-cooperation submission, section IV, page 9
[165] Trade remedies (trade-remedies.service.gov.uk) Severstal questionnaire response, Annex D6
[166] Trade remedies (trade-remedies.service.gov.uk) Severstal registration of interest, section B1, page 10
[167] Trade remedies (trade-remedies.service.gov.uk) TSUK registration of interest, section B2, page 10
[168] 2020 Top Steel Producers and tonnage of worldsteel members
[169] Trade remedies (trade-remedies.service.gov.uk) Severstal questionnaire response, section A2, question 4, page 13
[170] Trade remedies (trade-remedies.service.gov.uk) Severstal questionnaire response, section D3, question 4, page 59

production of a wide range of downstream products. In their questionnaire response, Severstal stated that "the Cold Rolled Strip/sheet Plant is used only for the production of the goods subject to review"[171]. Increases in production of goods subject to review would likely reduce Severstal's ability to meet existing demand for other products because of the interconnectedness of the production process. As Russia is Severstal's largest market for CRFS goods[172], it is less likely that they would switch production specifically to take advantage of export opportunities to the UK. In addition, the production process is very capital-intensive.

195. We assess that Severstal would have limited ability to easily adapt their steelmaking facilities to switch their production of goods subject to review.

G4.2.6 Price comparison between Severstal-produced goods and UK-produced goods

196. We did not calculate a normal value for Severstal because we are not recalculating a dumping margin in this review (see the necessary or sufficient assessment in section F3, above).

197. We considered whether price comparisons could be affected by market segmentation or product mix. Based on our evaluation of sales data, we determined that it was appropriate to perform price comparisons between the UK and Severstal.

198. Furthermore, to consider the degree of competition between UK-produced CRFS and potential imports from Severstal, we considered submissions made to this transition review (as explained in section G3.2.6, above). These responses from parties support the conclusion that CRFS imported from Severstal would be in competition with CRFS produced domestically.

199. To assess whether Severstal would have an incentive to export the goods subject to review to the UK at dumped prices, we estimated a UK landed (CIF) price for Severstal and compared it with the average UK sales price of domestically produced like goods and of imported like goods. Such an estimate is a reasonable indicator of whether export prices would be competitive with UK prices, and therefore whether dumping would be likely.

200. As explained in section G3.2.6, we decided not to include the effect of the UK safeguard measure affecting the goods subject to review in these calculations.

201. We did include adjustments for natural-gas and rail-freight costs because we had identified PMS affecting those costs for Severstal, and we had been able to realistically estimate the distortions. For all other PMS assessments relating to Severstal we either did not find a PMS, or we were not able to realistically estimate a distortion. We therefore did not apply any other adjustments to Severstal based upon our PMS findings.

[171] Trade remedies (trade-remedies.service.gov.uk) Severstal questionnaire response, section D3, question 4, page 59

[172] Trade remedies (trade-remedies.service.gov.uk) Severstal questionnaire response, Annex B1

202. We calculated a low and a high estimate of an indicative UK landed (CIF) price in the following way:

1. We calculated a weighted-average domestic-sales price (minus transport costs) for Severstal in the POI, using verified data from their domestic-sales listing[173].

2. We applied adjustments for the natural-gas PMS. Since we did not know how much additional cost Severstal might absorb, we increased the price by 2.1% for the high-end estimate (to allow for no absorption) and applied no increase to the low-end estimate (to allow for complete absorption).

3. We applied adjustments for the rail-freight PMS. We established distances by rail from the facilities of Severstal to the Port of St Petersburg[174]. We adjusted both the low end and the high end by +3.9% of the starting price to account for the difference between Severstal's actual rail-freight costs and a US market price benchmark.

4. We added Russian export VAT of 133 USD/tonne onto the high-end estimate[175]. This export VAT is due to expire within the next year but may be extended; we applied an adjustment to the high end of the price range to take account of the export VAT being extended, and no adjustment to the low end to take account of the possibility that the export VAT could lapse.

5. We added on the cost of sea freight from St Petersburg to the UK[176].

6. We increased both estimates by 20% to account for VAT and excise on UK imports of the goods subject to review[177].

7. We converted the prices from RUB to GBP[178].

203. This gave a UK landed (CIF) price range for Severstal where both ends of the range were significantly above UK sales prices for domestically produced like goods, suggesting that Severstal may need to sell into the UK at dumped prices to compete.

204. We note that prices can change over time, and that steel prices are subject to a wide range of market forces. Nevertheless, the data from 2020 and the POI are the most

---

[173] Trade remedies (trade-remedies.service.gov.uk) Severstal questionnaire response, Annex B4

[174] Using the website tutu.ru to access routes and distances.

[175] *Decree 988*, effective from July 26, 2021 until January 1, 2022, amends the rates of export customs duties via increases to export VAT duties, and the scope of products covered by the decree (under which CRFS falls). *Decree 988* has a specific duty by weight (varying according to the product), or a 15% percentage levy, whichever is greater. The specific duty relevant to CRFS is 133 US$ per 1,000 kg, and covers CN codes: 7209, 7211, 7225 and 7226, among others.

[176] In 2021, "MoverDB" quoted a price of 768 USD per 40-foot container (with a maximum weight of 29 tonnes). Using data from the Bank of Russia (accessed 19/01/2022), we calculated an average annual RUB/USD exchange rate of 72.3230 RUB/USD in 2020, giving a cost of 1,915.31 RUB/tonne for shipping from St Petersburg to the UK.

[177] Trade Tariff: look up commodity codes, duty and VAT rates - GOV.UK (www.gov.uk)

[178] The Bank of England's "Daily spot exchange rates against Sterling" (accessed 20/01/2022) gives an average annual exchange rate of 92.8433 RUB/GBP for 2020

up-to-date information available to this review, and these data suggest that Severstal are unlikely to be able to compete with UK sales prices without dumping.

G4.2.7 Exports to third countries

205. We calculated indicative dumping margins for five of Severstal's non-CIS export destinations in the POI. Four out of five of the dumping margins we calculated for non-CIS countries are positive, and the four positive margins are larger than the one negative dumping margin.

G4.2.8 Conditions in Severstal's domestic market

206. We considered the impacts of the individual PMS assessments for Severstal (see section G4.1) in relation to this factor. We determined that our countrywide assessment of the conditions in the Russian domestic market (see section G3.2.8) also applies to Severstal.

G4.2.9 Attractiveness of the UK market

207. We considered Severstal's claim that the UK market is not an attractive market to them, and we determined that our countrywide assessment of the attractiveness of the UK market to Russian producers (in section G3.2.9) also applies to Severstal.

G4.2.10 Previous circumvention or absorption of measures

208. We determined that our findings for this factor on a countrywide basis (in section G3.2.10) also apply to Severstal individually.

G4.2.11 Conclusion

209. We determined that Severstal would be likely to dump the goods subject to review into the UK if the measure were no longer applied.

210. We acknowledge a number of factors that did not increase the likelihood of dumping. We found no evidence of continued dumping, circumvention, or absorption while the measure has been in place. The information about Severstal's production capacity, production levels and ability to switch production did not conclusively increase or decrease dumping likelihood. High prices both domestically and internationally could reduce incentives to dump, but it is unclear how long these conditions might last.

211. However, these factors were outweighed by the evidence that dumping would be likely. Our indicative dumping margins for Severstal's non-CIS export destinations during the POI indicated that they have both the ability and incentive to engage in dumping. Our calculation of an indicative UK landed (CIF) price suggested that Severstal would need to export at dumped prices to compete with prices of the domestic industry. We also considered the UK to be a potentially attractive market because Severstal is capable of flexibly shifting between markets and exporting to geographically distant countries; and were they to start exporting to the UK, the need to gain market share could create an additional incentive to undercut UK prices.

212. Overall, based on our holistic assessment of all the dumping likelihood factors, we have concluded, on the balance of probabilities, that dumping from Severstal would be likely if the measure were no longer applied.

SECTION H: Injury likelihood assessment

H1. Introduction

213. 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 measure were no longer applied (the injury likelihood assessment).

214. To conduct the injury likelihood assessment, we considered:

- the current state of the UK industry;
- potential other causes of injury;
- undercutting and/or underselling of the UK industry;
- domestic and international market conditions; and
- historic injury.

H2. The current state of the UK industry

215. We received several submissions relating to the current state of the UK industry and its impact on the likelihood of injury occurring if the measure were no longer applied. The assessment outlined below applies to China, Russia and Severstal. This is because no factors that differentiated the effect of potential dumped imports from China, Russia or Severstal were identified.

216. One company that imported the goods subject to review prior to the implementation of the original EU measure, claimed in their registration / PSQ that the current measure had limited the CRFS available to UK industry, which was not readily available from the UK or third-party countries. However, the company did not respond to the TRA's request that they fill out a full questionnaire or provide any further information supporting this assertion.

217. We received submissions from TSUK[179], UK Steel[180] and Community TU[181], reporting that the UK industry is currently in a vulnerable state and that any dumped imports would be likely to cause further significant injury. We considered that specific claims made regarding evidence of injury (total turnover, sales of CRFS, production output, capacity utilisation and UK CRFS demand) were reflected accurately in the injury annex data submitted by TSUK[182]. We observed that, from 2018/19 to the POI,

[179] Trade remedies (trade-remedies.service.gov.uk) TSUK questionnaire response, section E, question 1, page 35

[180] Trade remedies (trade-remedies.service.gov.uk) UK Steel questionnaire response, section 2.4, page 6 and 7

[181] Trade remedies (trade-remedies.service.gov.uk) Community TU questionnaire response, section A2, question 3, page 10

[182] Trade remedies (trade-remedies.service.gov.uk) TSUK questionnaire response, Annex 12

TSUK's domestic sales value for the like goods fell by 36% and capacity utilisation for the like goods fell by 22%[183]. Production and turnover for the like goods are also particularly vulnerable to injury[184]. CCOIC[185] cited a House of Commons report[186] as evidence of current injury in the absence of significant imports of the goods subject to review.

218. Based on the evidence received in submissions from parties, we concluded that the UK domestic industry is currently vulnerable to injury.

H3. Historic injury data

219. Comments on historic injury data were only received from a limited number of parties and were common across imports of CRFS from Russia, Severstal and China.

220. The original EU investigation established that injury was occurring to EU (including the UK) CRFS producers as a result of dumped imports of CRFS from China and Russia. HMRC records show that these imports were also present on the UK market at the time of the EU investigation. Both TSUK[187] and Community TU[188] commented that injurious effects of dumped imports occurred between 2012 and 2016, prior to the existing measure being implemented.

221. We reviewed TSUK's audited financial statements starting in the year ending 31 March 2011 until the year ending 31 March 2021 and considered that the data recorded in the audited financial statements, which were submitted to Companies House before the injury period to this review, were consistent with the claims made by TSUK and Community TU that TSUK are in a vulnerable financial position.

222. Based on the submissions received and the trends identified in HMRC and Companies House data, we considered that historic injury did occur and that this increases the likelihood of injury occurring from dumping of CRFS imports if the measure were no longer applied.

H4. Other causes of injury (non-attribution)

223. With no current imports of the goods subject to review to the UK from Russia and only limited quantities from China, no contributing parties asserted that dumping was currently the cause of injury to UK industry. Several other causes of existing injury were suggested by interested parties and contributors.

---

[183] Trade remedies (trade-remedies.service.gov.uk) Note to public file regarding TSUK questionnaire annex

[184] Trade remedies (trade-remedies.service.gov.uk) TSUK questionnaire response, Annex 12

[185] Trade remedies (trade-remedies.service.gov.uk) CCOIC questionnaire response, section A2, question 5, page 14

[186] UK steel industry: statistics and policy - House of Commons Library (parliament.uk)

[187] Trade remedies (trade-remedies.service.gov.uk) TSUK questionnaire response, section E, question 1, page 34

[188] Trade remedies (trade-remedies.service.gov.uk) Community TU questionnaire response, section A2, question 3, page 10

224. We received comments on the causes of existing injury from TSUK[189], UK Steel[190], Community TU[191], Severstal[192], CCOIC[193] and MOFCOM[194]. The injurious factors suggested included raw material prices, the COVID-19 pandemic, management decisions by UK industry, long-term economic trends and energy costs. No evidence of the direct effects of these factors on UK industry was submitted.

225. Some UK participants claimed that the presence of these other causes has resulted in injury to the UK industry to an extent that, as a result of these other causes of injury, the UK industry is currently vulnerable, and the resumption of the dumping of CRFS from Russia and China would be likely to cause further injury if the measure were no longer applied. Conversely, overseas parties suggested that the presence of these other causes of injury, which were not disputed by UK parties, would mean that the relative impact of dumped imports as a cause of further injury would be negligible. We concluded that injury has occurred to the UK CRFS industry in the absence of significant imports of the goods subject to review and that the UK industry is currently vulnerable (described above in section H2).

H5. Domestic and international market conditions

226. We received comments from Severstal[195], CCOIC[196] and CISA[197] reporting that the presence of a UK steel safeguard measure decreases the likelihood of injury by reducing the attractiveness of the UK market to exporters, protecting UK CRFS producers from potentially injurious effects of imports, and limiting the volume of CRFS imported into the UK.

227. UK Steel responded to this[198], highlighting that safeguard measures and anti-dumping duties are different measures with different aims, that anti-dumping measures are adjusted so that the maximum duty applied to goods is the higher of the safeguard and anti-dumping duty, that there are some differences in the CRFS goods covered by the anti-dumping measures and safeguards, and that the UK safeguard measure

[189] Trade remedies (trade-remedies.service.gov.uk) TSUK questionnaire response, section E, question 1, page 35
[190] Trade remedies (trade-remedies.service.gov.uk) UK Steel questionnaire response, section 2.4, page 6 and 7
[191] Trade remedies (trade-remedies.service.gov.uk) Community TU registration of interest, section A
[192] Trade remedies (trade-remedies.service.gov.uk) Severstal questionnaire response, section E, question 1, page 70
[193] Trade remedies (trade-remedies.service.gov.uk) CCOIC questionnaire response, section A2, question 5, page 14
[194] Trade remedies (trade-remedies.service.gov.uk) MOFCOM PMS reply submission, section 4, page 7
[195] Trade remedies (trade-remedies.service.gov.uk) Severstal questionnaire response, section E, question 2, page 71
[196] Trade remedies (trade-remedies.service.gov.uk) CCOIC questionnaire response, section A2, question 5, page 17
[197] Trade remedies (trade-remedies.service.gov.uk) CISA questionnaire response, section A2, question 4, pages 9 and 10
[198] Trade remedies (trade-remedies.service.gov.uk) UK Steel response to public file submission, section 3, page 2

would expire earlier than an hypothetical extension of the present anti-dumping measure would.

228. We considered that the presence of safeguards for the UK domestic steel industry does not decrease the likelihood of injury arising from domestic and international market conditions. Safeguard measures cover a different timespan to the present anti-dumping measure, anti-dumping rates are adjusted to avoid over-protection, and safeguard measures are designed to protect UK industry from surges in import volumes, whereas anti-dumping measures protect the UK industry from dumped imports.

229. Owing to the low level of imports from Russia, CRFS from Russia is currently included in the residual category for the UK's steel safeguard measure.

230. In relation to China, the safeguard tariff-rate quota for CRFS does not apply as China is considered a developing country[199]. However, this exemption ceases to apply if imports from China constitute at least 3% of the total volume of imports for this category of goods to the UK, or if the volume of goods from developing countries constitutes at least 9%.

231. We have taken these specific circumstances into account when considering this line of reasoning in our overall assessment, and how it applies to China, Russia and Severstal.

232. In their questionnaire response, TSUK[200] highlighted that there are anti-dumping duties applicable to CRFS exported from China and Russia in multiple major markets worldwide. They reasoned that, if the present measure were no longer applied, this would make the UK an attractive export destination for any exporters looking to dump goods into international markets for a contribution to their costs base.

233. Based on the information provided by interested parties and contributors, we considered that the existing domestic and international market conditions would increase the likelihood of injury to the UK industry resulting if the measure were no longer applied.

H6. Undercutting/underselling of the UK industry

H6.1 China

234. We considered whether undercutting/underselling comparisons could be affected by market segmentation or product mix. Based on our evaluation of sales data, we

[199] Department for International Trade, "Notice of determination 2020/06: safeguard measures on certain steel products – application of tariff rate quotas,": https://www.gov.uk/government/publications/trade-remedies-notices-tariff-rate-quotas-on-steel-goods/notice-of-determination-202006-safeguard-measures-on-certain-steel-products-application-of-tariff-rate-quotas#annex-2-quarterly-volume-of-country-and-resid.

[200] Trade remedies (trade-remedies.service.gov.uk) TSUK questionnaire response, section F2, question 3, page 45

determined that it was appropriate to perform price comparisons between the UK and China.

235. In their questionnaire response, CCOIC[201] asserted that exports from China would be unlikely to be sold at prices injurious to UK industry. In support of this assertion, CCOIC reported that CRFS export prices from China are higher than Chinese domestic prices, and that domestic prices in China for flat steel products follow international trends closely. CCOIC cited data from CISA for Chinese domestic prices, the International Trade Centre's Trade Map tool for export prices[202], an OECD report[203] from the fourth quarter of 2020 as evidence of similar trends in Chinese domestic flat steel prices and other regions worldwide, and of increasing prices in late 2020 in China, compared with decreasing trends in prices in Europe. On this basis, CCOIC claimed that it is unlikely that CRFS exports from China to the UK would be sold at prices injurious to UK domestic producers[204].

236. We note that, whilst domestic prices in China may have been increasing during the fourth quarter of 2020 while prices in the EU were decreasing, an increase in demand and prices in the UK occurred throughout 2021[205], limiting the predictive value of this trend.

237. We calculated an average UK-produced CRFS domestic sales price from the verified domestic producer data, and a non-dumped indicative UK landed (CIF) price range for China as a country (see section G2.2.6, above). This price range is based on export sales prices as reported by a range of sources, including the CCOIC submissions. We considered the data available to make an estimate of potential dumped prices and whether these would undercut UK domestic sales prices. The most relevant data available to us, with which to indicate the extent of dumping that would be likely to occur, are the dumping margins calculated in the original (European Commission) investigation[206] into dumping of CRFS (Annex 2).

238. These dumping margins are relevant when estimating potential future undercutting. The original investigation included imports into the entire EU and the UK market constituted part of the EU market at this time. Although these dumping margins were calculated using data from a POI of 1 April 2014 to 31 March 2015 and were for CRFS exported to the entire EU market, they are based on goods of the exact same scope as in the present transition review and reflect previous behaviour by the same groups of producers. Consequently, we considered these dumping margins to be suitable for estimating potential dumped prices for CRFS produced in China.

---

[201] Trade remedies (trade-remedies.service.gov.uk) CCOIC questionnaire response, section A2, question 3, page 13

[202] Trade remedies (trade-remedies.service.gov.uk) CCOIC questionnaire response, section A2, question 2, page 11-13

[203] https://www.oecd.org/industry/ind/steel-market-developments-Q4-2020.pdf, page 37

[204] Trade remedies (trade-remedies.service.gov.uk) CCOIC questionnaire response, section A2, question 2, page 11-13

[205] MEPS International, "UK steel market cautiously optimistic for 2022," [Online]. Available: https://mepsinternational.com/gb/en/news/uk-steel-market-cautiously-optimistic-for-2022

[206] https://op.europa.eu/en/publication-detail/-/publication/a3d32cfb-5a09-11e6-89bd-01aa75ed71a1/language-en

239. We applied the smallest and largest dumping margins to both the minimum and maximum indicative UK landed (CIF) prices to establish potential ranges of dumped prices.

240. This calculation suggested that the goods subject to review, if dumped from China, would be likely to undercut UK produced like goods.

241. We have exercised caution when drawing conclusions based upon this analysis, as the price ranges set out above are estimates. However, the dumping margins we applied when making the estimates were calculated using data for CRFS exported by producers in China; this suggests that we can be confident that these dumping margins are a realistic reflection of dumping rates applicable to these exporters at that point in time. In the absence of more recent data with equal specificity regarding CRFS products, exporting producers and importing market, we have determined that these estimates are suitable for use in the analysis described above.

242. Both CCOIC[207] and CISA[208] highlighted the removal or reduction of a 13% VAT export rebate for some of the goods subject to review, suggesting that CRFS producers exporting from China would need to increase export prices in line with the level of rebate removed, decreasing the likelihood of injury. We accounted for this 13% VAT rebate in our non-dumped indicative UK landed (CIF) price range calculation for China, and consequently, in the undercutting analysis set out above.

243. Responding to these claims, UK Steel submitted that the prior rebate level of 13% is below the anti-dumping duties in the existing measure. UK Steel claimed that, consequently, this reduction would be insufficient to ensure that prices increased to a non-injurious level[209].

244. We considered that the lower value of these rebates compared with the value of the existing anti-dumping duties indicated that the potential increase in price arising from the removal of this export VAT rebate would not be sufficient to prevent injury to UK producers. We also note that, as we are not recalculating the dumping margin (see the explanation in section F2, above), we do not further consider the impact the potential removal of the rebate might have on any such calculation.

245. As a result of our analysis, we concluded that dumped CRFS imports from China, if the measure were no longer applied, would be likely to result in undercutting of UK prices and that this increases the likelihood of injury to the domestic industry.

[207] Trade remedies (trade-remedies.service.gov.uk) CCOIC questionnaire response, section A2, question 1, page 10-11

[208] Trade remedies (trade-remedies.service.gov.uk) CISA questionnaire response, section A2, question 1, page 9

[209] Trade remedies (trade-remedies.service.gov.uk) UK Steel response to the public file submission, page 1

H6.2 Russia

246. We considered whether price comparisons could be affected by market segmentation or product mix. Based on our evaluation of sales data, we determined that it was appropriate to perform price comparisons between the UK and Russia.

247. Further, to consider the degree of competition between UK-produced CRFS and potential imports from Russia, we considered submissions made to this transition review. These submissions are set out above, in their questionnaire response, TSUK reported that, "There is heavy competition between the goods subject to review and the like goods" and that, "Prices are very sensitive due to high competition, especially in large commodity steel applications"[210]. Additionally, in both the pre-sampling questionnaire and questionnaire response submitted by the Russian MoED, they reported that the removal of the existing measure would benefit UK consumers of CRFS because it would lead to the reversal of CRFS price increases[211]. In support of this, they cited several news reports, including one regarding TSUK and increases in prices[212]. In fact, the Russian MoED reported that, "The Russian side supposes that elimination of the measures will give a free breath to industries affected by such a price increase"[213]. These responses from parties support the conclusion that CRFS imported from Russia would be in competition with CRFS produced domestically.

248. We calculated an average UK-produced CRFS domestic sales price from the verified domestic producer data, and a non-dumped indicative UK landed (CIF) price range for Russia as a country of 568–739 GBP/tonne (see section G3.2.6, above). This price range is based on domestic sales prices and is therefore not a dumped CIF export price. We considered the data available to make an estimate of potential dumped prices and whether these would undercut UK domestic sales prices. The most relevant data available to us, with which to indicate the extent of dumping that would be likely to occur, are the dumping margins calculated in the original (European Commission) investigation[214] into dumping of CRFS (Annex 2).

249. These dumping margins are relevant when estimating potential future undercutting. The original investigation included imports into the entire EU and the UK market constituted part of the EU market at this time. Although these dumping margins were calculated using data from a POI of 1 April 2014 to 31 March 2015 and were for CRFS exported to the entire EU market, they are based on goods of the exact same scope as in the present transition review and reflect previous behaviour by the same groups of producers. Consequently, we considered these dumping margins to be suitable for estimating potential dumped prices for CRFS produced in Russia.

---

[210] Trade remedies (trade-remedies.service.gov.uk) TSUK questionnaire response, section B2, question 2, page 23

[211] Trade remedies (trade-remedies.service.gov.uk) Russian MoED registration of interest, section B, page 9, and Trade remedies (trade-remedies.service.gov.uk) Russian MoED questionnaire response, section A2, question 4, page 6

[212] Argus Media, "Tata Steel hikes UK coil offer by £50/t," [Online]. Available: https://www.argusmedia.com/en/news/2122865-tata-steel-hikes-uk-coil-offer-by-50t

[213] Trade remedies (trade-remedies.service.gov.uk) Russian MoED questionnaire response, section A2, question 4, page 5

[214] https://op.europa.eu/en/publication-detail/-/publication/a3d32cfb-5a09-11e6-89bd-01aa75ed71a1/language-en

250. We applied the smallest and largest dumping margins to both the minimum and maximum indicative UK landed (CIF) prices to establish potential ranges of dumped prices. Using the lowest estimated non-dumped landed (CIF) price of 568 GBP/tonne, we calculated an estimated dumped price range of 347–462 GBP/tonne; for the highest estimated non-dumped landed (CIF) price of 739 GBP/tonne, we calculated an estimated dumped price range of 452–601 GBP/tonne. This resulted in a total estimated dumped price range of 347–601 GBP/tonne.

251. This calculation suggested that the goods subject to review, if dumped from Russia, would be likely to undercut UK produced like goods.

252. We have exercised caution when drawing conclusions based upon this analysis, as the price ranges set out above are estimates. However, the dumping margins we applied when making the estimates were calculated using data for CRFS exported by producers in Russia; this suggests that we can be confident that these dumping margins are a realistic reflection of dumping rates applicable to these exporters at that point in time. In the absence of more recent data with equal specificity regarding CRFS products, exporting producers and importing market, we have determined that these estimates are suitable for use in the analysis described above.

253. As a result of our analysis, we concluded that dumped CRFS imports from Russia, if the measure were no longer applied, would be likely to result in undercutting of UK prices and that this increases the likelihood of injury to the domestic industry.

H6.3 Severstal

254. We considered whether price comparisons could be affected by market segmentation or product mix. Based on our evaluation of sales data, we determined that it was appropriate to perform price comparisons between the UK and Severstal.

255. We received various submissions relating to the likelihood of undercutting or underselling from Russia, and by extension Severstal. These submissions are set out above, in section H6.2. No parties made any claims specifically in relation to potential undercutting by Severstal that would impact on the likelihood of injury occurring if the measure were no longer applied. Similarly, Severstal did not make any claims relating to the likelihood of undercutting or underselling in response to the existing measure being removed.

256. We calculated an average UK-produced CRFS domestic sales price from the verified domestic producer data, and a non-dumped indicative UK landed (CIF) price range for Severstal (see section G4.2.6, above). This price range is based on domestic sales prices, and it is therefore not a dumped CIF export price. We considered the data available to make an estimate of potential dumped prices and whether these would undercut UK domestic sales prices. The most relevant data available to us, with which to indicate the extent of dumping that would be likely to occur, is the dumping margins calculated in the original (European Commission) investigation[215] into dumping of CRFS (Annex 2).

[215] https://op.europa.eu/en/publication-detail/-/publication/a3d32cfb-5a09-11e6-89bd-01aa75ed71a1/language-en.

257. These dumping margins are relevant when estimating potential future undercutting. The original investigation included imports into the entire EU and the UK market constituted part of the EU market at this time. Although these dumping margins were calculated using data from a POI of 1 April 2014 to 31 March 2015 and were for CRFS exported to the entire EU market, they are based on goods of the exact same scope as in the present transition review and reflect previous behaviour by the same groups of producers. Consequently, we considered these dumping margins to be suitable for estimating potential dumped prices for CRFS produced by Severstal.

258. We applied Severstal's individual dumping margin of 35.9% to their indicative UK landed prices to establish potential ranges of dumped prices. This calculation suggested that the goods subject to review, if dumped by Severstal, would be likely to undercut UK produced like goods.

259. We have exercised caution when drawing conclusions based upon this analysis, as the additional costs to export to the UK are estimates. However, the dumping margin we applied was calculated using data for CRFS exported by Severstal; this suggests that we can be confident that this dumping margin is a realistic reflection of dumping rate applicable to Severstal at that point in time.

260. As a result of our analysis, we concluded that dumped CRFS imports from Severstal, if the measure were no longer applied, would be likely to result in undercutting of UK prices and that this increases the likelihood of injury to the domestic industry.

H7. Conclusion

261. Based on our assessment of the factors described above, we concluded that dumping of CRFS imports from China, Russia and Severstal into the UK market if the measure were no longer applied would be likely to result in injury to UK domestic industry.

262. Detailed conclusions for our assessments of each factor have been presented above. We concluded that our findings related to the current condition of the UK industry, historic injury, domestic and international market conditions, and potential undercutting all indicated an increased likelihood of injury, and this informed our overall finding. The only area where our findings did not suggest an increased likelihood of injury was the presence of other causes of injury to UK industry.

SECTION I: Economic interest test

I1. Introduction

263. Under Regulation 100A(2)(a) of The Regulations, if we make a recommendation to vary the application of the anti-dumping amount, we must be satisfied that this variation meets the EIT.

264. The aim of the EIT is to determine whether our recommendation to vary the measure and apply an anti-dumping amount on the goods subject to review imported from China, and Russia is in the economic interest of the UK.

265. In accordance with Schedule 4, Paragraph 25 of the Taxation (Cross-Border Trade) Act 2018, the EIT is met in relation to the application of an anti-dumping remedy or anti-subsidy remedy if the application of the remedy is in the economic interest of the United Kingdom.

266. In line with paragraph 25(4) of Schedule 4 to the Act, we have taken account of the following in conducting the EIT:

- the injury caused by the dumping of goods to the UK industry of the goods and the benefits to that UK industry in removing that injury;
- the economic significance of affected industries and consumers in the UK;
- the likely impact on affected industries and consumers in the UK;
- the likely impact on particular geographic areas, or particular groups, in the UK;
- the likely consequences for the competitive environment, and for the structure of markets for goods, in the UK; and
- such other matters as TRA considers relevant.

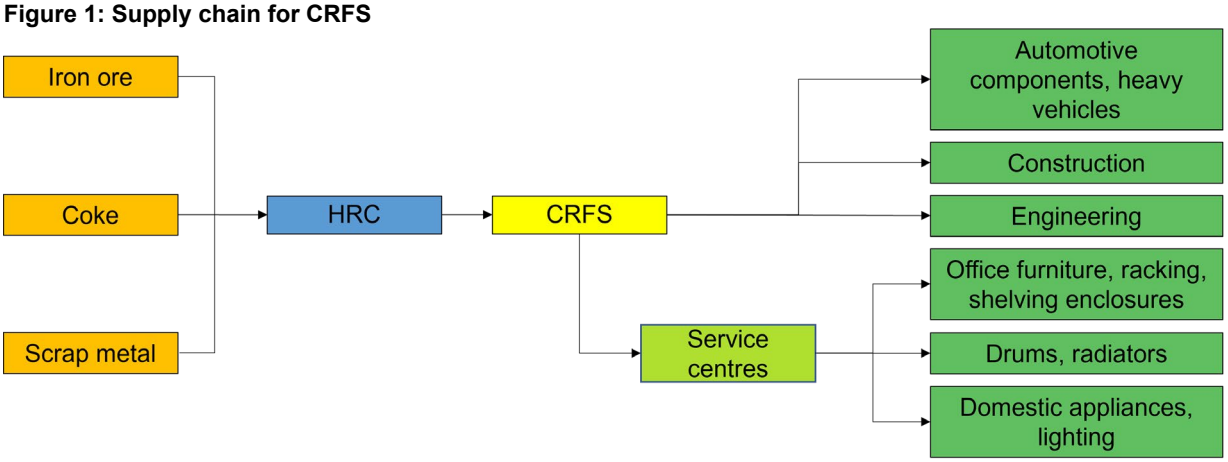
I2. Product affected by the measure and the supply chain

267. The good subject to review is cold-rolled flat steel (CRFS). Section E1 lists TSUK as the only known producer of CRFS for the UK market. Figure 1 shows that CRFS is produced by cooling and cold-rolling hot-rolled coil (HRC), which is produced using basic raw materials, including coal, coke, iron ore and limestone.

268. A large proportion of CRFS sales are through steel service centres (SSCs)[216] that carry out processing to meet customer requirements. The remaining sales are direct to generally large customers in the automotive, construction and engineering sectors, etc. The key products containing CRFS are automotive, radiators, steel drums, domestic appliances, racking, shelving and metal furniture.

[216] Trade remedies (trade-remedies.service.gov.uk) TSUK questionnaire response, section B2, question 1, page 22

Figure 1: Supply chain for CRFS



I3. Evidence base

269. Three UK parties submitted questionnaire responses which are relevant to the EIT:

- TSUK, a UK producer, also a producer of hot-rolled coil (HRC), the main input;
- UK Steel, an industry body representing the UK steel industry; and
- Community TU, a contributor/trade union representing steelworkers in the UK.

270. We also sought information from a range of trade associations representing downstream users but did not receive any responses.

271. Having considered the evidence presented, we used best facts available to supplement questionnaire responses with background research and additional sources including Companies House and HMRC import data.

I4. Injury caused by dumping and benefits to UK industry in removing injury

272. The injury likelihood assessment is presented in section H, and we concluded that injury to UK industry would be likely to occur if the measure were no longer applied. Section H also established that the UK industry was already in a weak position and that increased competition from low priced CRFS imports would be likely to cause further injury to UK industry. The only UK producer of CRFS for the UK market is also the manufacturer of the primary upstream input (HRC), adding to the potential impact of reduced demand for their CRFS.

I5. Economic significance of affected industries and consumers in the UK

273. This section describes the relative significance and size of the affected industry and its contribution to consumers.

274. Five UK groups have been identified as potentially being affected by the measure:

- **upstream businesses** producing HRC, including the UK producer of CRFS;
- **UK producers** of CRFS;
- **importers** of CRFS, including manufacture of various steel products, wholesale of metals and metal ore, engineering activities, and holding companies;
- **downstream businesses**, including steel stockists; automotive; steel drum making; tubes; and radiators;
- **consumers**, who purchase a range of products containing CRFS.

275. We identified known businesses in each of these groups and looked at a selection of them where time constraints within the review meant it was not possible to investigate all known businesses.

276. Where possible, we used audited accounts from Companies House for 2019, as opposed to the most recent year available, due to the likely distortion of the COVID-19 pandemic. We also considered companies' historical trends, to assess their broader financial health. As noted above, some businesses fall into multiple groups. For example, we identified downstream businesses that import CRFS.

I5.1 Upstream industry

277. The main input to CRFS is HRC. As the known upstream producer is the same as the UK producer of CRFS[217], no additional questionnaire related to upstream production was received. We are aware of other producers of HRC who have not submitted questionnaires.

278. HRC is also the base input of other steel product supply chains and has wider industrial uses. Similarly, other upstream inputs (electricity, gas, coal) are also used in many other supply chains and are unlikely to be affected by changes to CFRS production. The available evidence does not indicate that CRFS is a significant use of HRC, so we have not considered upstream businesses in detail within the EIT.

[217] Trade remedies (trade-remedies.service.gov.uk) TSUK questionnaire response, section G1, question 11, page 52

I5.2 UK producers of CRFS

279. TSUK is the only known UK producer of CRFS for the UK market. They are the UK's largest integrated iron and steel manufacturer with a total workforce of around 8,000 in 2020[218]. Section E2 noted TSUK's revenues for 2019 and 2020, of which, CRFS comprises a moderately significant proportion of their total sales. In addition, TSUK estimate a UK market share for CRFS of 40 to 50%[219], which we consider consistent with other data available to us.

I5.3 UK importers of CRFS

280. We used HMRC Trader Search, to identify 59 importing companies during 2020 across the 14 broad HS eight-digit CRFS codes. This source does not provide the volumes of CRFS imported by each of the 59 importing businesses, but we used it to identify 268 instances of CRFS imports into the UK from outside the EU by this group during 2020. Of the 59 businesses, 10 of them accounted for around half of the transactions relating to imports of CRFS during 2020. We therefore considered these 10 businesses to provide a reasonable representation of the group as a whole.

281. Companies House data for these 10 importers shows combined turnover of around £693m and approximately 690 employees for these businesses. UK imports of the same 14 HS codes in 2020 totalled £469m, which is likely to be an overestimate, as it includes goods that are excluded from the definition of goods subject to review.

I5.4 Downstream industries

282. TSUK's questionnaire response details the downstream businesses they supply, and states that a large share of downstream sales are through SSCs[220], with certain customers purchasing direct from the manufacturer. From TSUK's questionnaire response we identified a significant number of downstream CRFS customers, across a wide range of businesses. These include automotive, manufacture of radiators, steel drums, domestic appliances, racking, shelving and metal furniture.

283. Where available, we looked at Companies House accounts for downstream businesses accounting for the majority of TSUK's domestic sales of CRFS.

284. Based on Companies House data, we estimate that during 2019, these selected downstream businesses employed at least 1,652 people. They had a combined turnover of £685m, profits (EBITDA) of £20m and an average profit margin of 2.8%. We estimated total indicative Gross Value Added (GVA) to be at least £84m, with net assets of approximately £178m.

285. The amount of CRFS these selected businesses purchased from TSUK represents a moderately significant average of their combined turnover, ranging from approximately

[218] Tata Steel Europe Fact Sheet, 2020, page 4

[219] Trade remedies (trade-remedies.service.gov.uk) TSUK questionnaire response, section G1, question 5, page 50

[220] Trade remedies (tradeassociated-remedies.service.gov.uk) TSUK questionnaire response, section B1, question 1, page 22

1% to more than 25%. So, CRFS appears to be more significant for some downstream businesses, but less significant for others. Nine of these businesses sold almost exclusively to the UK.

286. A non-negligible portion of domestic sales of CRFS by TSUK during the POI are to associated SSCs. These producers are less likely to switch to buy CRFS from other sources if faced with price differences.

I5.5 Consumers

287. From TSUK's questionnaire response, a key sector consuming CRFS is radiator manufacturers[221]. Our analysis suggests the price they pay for CRFS represents less than 3% of the retail price of their radiators, and thus appears not to be a significant cost driver. As CRFS is used as an input alongside a range of other components across a broad range of products, this example suggests a change in the price of CRFS is unlikely to have a significant feed-through to prices charged to consumers.

I5.6 Summary table

288. In the summary table (table 3, below), we conclude the one UK producer of CRFS for the UK market appears to be both more economically significant than the other groups and in greater financial vulnerability; they employ more people and have a higher indicative GVA than the downstream producers. Whilst the stated figures only include selected companies, they account for the majority of known activity related to CRFS for the UK producer and its non-associated downstream customers of CRFS.

[221] Trade remedies (tradeassociated-remedies.service.gov.uk) TSUK questionnaire response, section B1, question 1, page 22

Table 3: Significance metrics for affected industries

	UK producers	Importers*	Downstream businesses**
Total known businesses	1	>59	50-100
Total selected for analysis	1	10	10***
Estimated significance of CRFS to this group	**Somewhat significant** – CRFS sales revenue vs whole business turnover	**Significant** – the value of imports of CRFS vs importers' turnover	**Mixed significance** – UK producer CRFS sales revenue vs downstream businesses' turnover
Selected businesses:			
Total employment	8,000	690	1,652
Total indicative GVA (£ million)	232	>46	84
Total turnover (£ million)	2,407	>693	685
Average EBITDA over turnover (%)	-5	4	3
Vulnerability to negative economic impacts	**High** – poor profitability	**Mixed** – whilst all have positive EBITDA, some have less capacity to absorb negative economic impacts than others	**Low** – CRFS forms a very small percentage of input costs across a wide range of businesses

***Notes**: *Of the ten analysed importers, we were unable to estimate GVA, and renumeration for two companies, due to data limitations.*

***Group representing the majority of known sales of CRFS.*

****Non-associated downstream businesses.*

GVA = operating profit + employment costs + depreciation + amortisation.

Where possible, we estimated profitability by calculating earnings before interest, taxation, deductions, and amortisation (EBITDA) using the formula: EBITDA = operating profit + depreciation + amortisation.

***Sources**: Total known downstream producers: TSUK questionnaire. Total known importers: HMRC Find UK Traders. Total employment of UK producer: Tata Steel in the UK 2020. Importers' employment, downstream producers' employment. GVA, turnover, EBITDA: Companies House.*

I6. Likely impact on affected industries and consumers in the UK

289. This section assesses the possible impact on prices and quantities of products along the supply chain in two scenarios: if the measure were varied as recommended and if the measure were revoked. The likely impact of the measure is assessed by estimating the change between these two scenarios. In the previous section, we concluded that CRFS is not a significant product for upstream businesses so the impacts on this group are not considered here.

I6.1 Impact on prices and quantities if the measure were varied as recommended

290. If the current measure were varied for five years as recommended, imports of CRFS from China and Russia would continue to face a tariff at the same level.

291. TSUK noted in their questionnaire response that, from early 2020, the domestic industry has been seriously affected by the COVID-19 pandemic[222]. UK Steel stated that the COVID-19 pandemic has led to a significant reduction in demand for steel products[223]. Though global steel prices have risen in 2021, so have iron ore prices, and so this has not necessarily translated into improved profitability. UK Steel predicts overall UK steel demand not recovering back to 2019 levels until 2022[224].

292. It is difficult to disaggregate future demand for CRFS from that of steel as a whole. The combination of UK's exit from the EU, and the COVID-19 pandemic resulted in extraordinary economic uncertainty. This has led to volatile demand across a sector that is dependent on balanced continuous production. Worldsteel[225] forecast world demand for finished steel to increase by 2.2% in 2022. Whilst the COVID-19 pandemic has resulted in uncertainty, this would have impacted the steel industry irrespective of whether tariffs are retained or varied.

I6.2 Impact on prices and quantities if the measure was revoked

293. Current tariff duty rates range from 19.7 to 22.1% on CRFS imports from China, and 18.7 to 36.1% of CRFS imports from Russia. If the existing measure were revoked the immediate impact would result in an effective price reduction of up to 16.5 to 18.1% and 15.7 to 26.5%, respectively for CRFS imports from these countries. The impact on end uses will depend on how much of this price reduction is absorbed in increased profit margins through the supply chain.

---

[222] Trade remedies (trade-remedies.service.gov.uk) TSUK questionnaire response, section E, question 1, pages 34-35

[223] Trade remedies (trade-remedies.service.gov.uk) UK Steel appendix to questionnaire response, pages 6-7

[224] Ibid

[225] Worldsteel, Short Range Outlook, April 2021

294. As there are currently no CRFS imports from Russia, the impact on prices and quantities will also depend on whether Russian firms want to enter the UK market for the first time since 2016.

295. As noted above, CRFS is an input to a range of businesses including automotive, domestic appliances, metal drums, and radiators. The demand for these products is considered relatively inelastic (demand not varying significantly in response to modest changes in price) because many are necessities without suitable substitutes.

296. Our analysis on the cost of steel radiators, and the impact of CRFS price changes on those costs (see section I5.5), suggests CRFS forms a low percentage of the cost of finished goods. As such, overall consumption of CRFS by these businesses is likely to remain relatively unaffected if the measure is revoked. Therefore, the demand for CRFS is likely to depend primarily on consumption patterns of the products it is a component of, which in turn depend on wider economic and industry specific factors.

297. Some of TSUK's customers are also importers of CRFS. This suggests they may not want to be dependent on one source of supply. So, with established purchasing channels, it is likely to be easier for them to change supplier in response to relative price movements. Alternatively, there may be a degree of product segmentation with one type of CRFS imported and another sourced domestically.

298. We would expect that overall quantity consumed to remain broadly unchanged in response to revoking the trade remedy measure. However, if CRFS imports from China and Russia are cheaper, it is likely that they will gain market share at the expense of TSUK, or imports from third countries.

299. Throughout the POI, the EU maintained a safeguards measure against imported steel products[226], which includes CRFS. Following the UK leaving the EU, the TRA initiated the steel safeguards transition review[227], and imposed Tariff Rate Quotas (TRQs) which affect CRFS. The impact varies between countries if the current CRFS anti-dumping measure is revoked.

300. China is currently exempt from the safeguards on CRFS as it is considered a developing country. However, this exemption could be revoked via a TRQ review if imports of CRFS from China increased to significant levels. Russia is subject to the safeguard measure, but due to their recent low level of exports to the UK of CRFS, is included within the residual category. The 25% out of quota tariff is towards the middle of the range of the recommended tariffs.

301. More fundamentally, safeguards are addressing a surge in imports compared to anti-dumping. Therefore, the likelihood of injury to CRFS producers from dumped goods exists even with the safeguard measure in place.

[226] Commission Implementing Regulation (EU) 2019/159

[227] https://www.trade-remedies.service.gov.uk/public/case/TF0006/

I6.3 Likely impacts on affected industries and consumers

I6.3.1 UK Producers of CRFS

302. If the measure were varied as proposed, the UK producer of CRFS for the UK market may have higher sales amounts, or obtain higher prices than without the measure. This means that the measure could be significantly beneficial to them.

303. If the measure were revoked, imports of dumped goods could increase the probability that CRFS is no longer viable for TSUK to produce so they may cease production. This may cause significant negative impacts, and due to the integrated nature of their steel making operations, may affect the viability concerns for other areas of their business.

304. TSUK note that they are unlikely to be able to increase exports due to high levels of protectionist measures in place in their main export markets, such as safeguard measures in the EU and anti-dumping tariffs in a range of countries[228].

I6.3.2 UK importers

305. If the measure were varied as proposed, importers of CRFS would be likely to continue their current purchasing patterns, so the impact would be negligible.

306. If the measure were revoked and imports of CRFS increased from China and Russia, it would be likely to have a beneficial impact on some importers. The overall impact could be positive due to an overall increase in the level of imports. The impact on individual importers is likely to depend on where they source the product from. Although imports of CRFS from China and Russia are currently negligible, there could be a positive impact on those importers able to easily switch sourcing to these countries. Importers of CRFS that are also downstream businesses are likely to see a benefit if they can source from China or Russia. However, as noted above, the importing businesses sector is relatively small compared with the manufacturer of CRFS.

I6.3.3 UK upstream industries

307. Section I5.1 noted that TSUK is the only known UK producer of CRFS for the UK market and source the primary upstream product (HRC) internally. Therefore, we have not considered the impact of varying the measure on upstream businesses any further.

I6.3.4 UK downstream industries

308. If the measure were varied as proposed, businesses that buy CRFS are likely to face higher costs compared to it being revoked. It is unclear whether they will pass on these costs to customers. They may choose to raise prices or reduce profitability.

[228] Trade remedies (trade-remedies.service.gov.uk) TSUK questionnaire response, section G1, question 10, pages 51-52

309. In order to consider how significant the impacts of the measure might be, we compared EBITDA margins and costs of CRFS as a percentage of turnover for the downstream businesses previously selected. We found that some businesses might struggle to absorb significant cost increases and so might need to pass on costs to their customers.

310. If the measure were revoked, businesses may benefit from cheaper input costs, giving them the option of increasing EBITDA margins, or passing on cost reductions to customers. Therefore, revoking the measure may have positive impacts on downstream businesses, especially those with a higher purchase of CRFS as a percentage of turnover.

I6.3.5 Consumers

311. As noted above, consumers are not a direct purchaser of CRFS. With CRFS forming a very low percentage of the input costs of consumer products, it is unclear that any cost changes would pass onto consumers. Even if they were, CRFS is likely to represent a small portion of the final cost to consumers, and thus, may be too small to notice on any individual final consumer. Therefore, there could be an impact on consumer costs in aggregate, but individually, the cost of varying the measure are likely to be small to negligible.

Table 4: Summary of expected impacts on affected groups from varying the measure as proposed

Group	Expected impacts
UK CRFS producers	Relatively large benefit
UK CRFS importers	Small negative overall benefit. At a firm level, there will be a positive benefit if they source imports not from China or Russia
UK downstream businesses	Small cost
UK consumers	Small/negligible aggregate costs and for individual consumers

I7. Likely impact on particular geographic areas, or particular groups in the UK

I7.1 Likely impact on particular areas

312. Figure 2 shows TSUK production of CRFS in the UK, is based at two sites in neighbouring Local Authority Districts (LADs) in South Wales:

- Neath Port Talbot; and
- Newport.

Figure 2: Location of TSUK sites engaged in the production of CRFS

***Sources**: Contains National Statistics data © Crown copyright and database right [2020, 2021], and OS data © Crown copyright and database right [2020, 2021].*

313. Using data from TSUK's 2020 Fact Sheet and NOMIS, we calculated the estimated employment by Local Authority District (LAD) as a percentage of the working age population in the district. We found that the UK producer accounted for a moderately significant proportion of local employment in Neath Port Talbot, and a not very significant proportion of employment in Newport. UK producer employment in these LADs was 8.3% and 0.9% of the working age population, respectively[229]. The employment directly attributable to the production of CRFS is unclear.

314. Table 5 shows indicators covering income, employment opportunities and levels of education. Data are presented alongside the deciles in which the local authority is in when compared to all local authorities in the UK. Higher deciles for earnings and jobs indicate that the area compares favourably to the UK as a whole and unfavourably for inactivity and lack of formal qualifications.

315. Both local authorities have similar median earnings that are in line with the national average. Neath Port Talbot has a markedly lower job density, and thus fewer jobs per resident. It is also in the bottom decile of local authorities in terms of the percentage economically inactive and percentage with no formal qualifications. Newport has a significantly higher job density rate than Neath Port Talbot, but a lower economic inactivity rate, and a slightly lower percentage with no formal qualifications than Neath Port Talbot.

316. From the evidence available, it seems possible that varying the measure as proposed could have some positive impacts on Newport and Neath Port Talbot. Deprivation indicators suggest that Neath Port Talbot in particular is a relatively deprived area.

[229] Calculated using Nomis for LA population (2019 figures), and Tata 2020 Fact Sheet page 4

Table 5: Labour market indicators for relevant Local Authority Districts (LADs)

Local authority	Median earnings (£) (2020)	Job density* (2020)	% economic inactivity** (2020)	% with no formal qualifications (2020)
Neath Port Talbot	£23,543	0.63	28.8	11.0
Decile of UK LADs	5	2	1	1
Newport	£23,974	0.88	20.3	9.4
Decile of UK LADs	5	8	6	2

***Notes**: *Job density is the number of jobs per resident aged 16-64. For example, a job density of 1.0 means that there is one job for every resident aged 16-64.*

*** % includes those who have a long-term illness and those looking for work.*
***Sources**: Nomis and the Office for National Statistics.*

I7.2 Downstream businesses

317. TSUK's list of UK customers, provided as part of their confidential questionnaire response, indicates that their geographical distribution is spread across all regions. Looking at the employment of these customers indicates none are significant employers in their LADs. This suggests any change in measures would not adversely affect a particular region.

I7.3 UK importers of CRFS

318. No importers registered or participated in the review. Figure 3 shows the locations of the registered postcodes of importers identified via the HMRC Trader Search.

319. Our analysis of the selected importers indicates none are significant employers to their respective LADs. Therefore, any change in measure is unlikely to have an adverse effect on regions where the selected importers of CRFS are located.

Figure 3: CRFS importers' geographical distribution

***Sources**: Contains National Statistics data © Crown copyright and database right [2020, 2021], and OS data © Crown copyright and database right [2020, 2021], HMRC Find UK Traders.*

I8. Likely impact on particular groups

320. We considered the likely impact on particular groups including those with protected characteristics as defined by the *Equality Act 2010*[230].

321. No party provided any evidence of potential impacts on particular groups, across workers or consumers.

322. Consumers are sold a range of domestic products containing CRFS. However, CRFS is considered to comprise a small component of the total final cost. This makes it unlikely that any particular group will be disproportionately affected.

I9. Likely consequences for the competitive environment and for the structure of markets for goods in the UK

323. The assessment of likely consequences for the competitive environment and structure of the UK market considers four areas:

- the impact on the number or range of suppliers;
- the impact on the ability of suppliers to compete;
- the impact on the incentives to compete vigorously; and

[230] Equality Act 2010 [online]. Available: Legislation.gov.uk

- the impact on the choices and information available to consumers.

I9.1 Impact on the number and range of suppliers

324. As noted above, TSUK, the only known UK producer of CRFS supplying the UK market, has an estimated 40 to 50% market share[231], with the rest imported.

325. If the measure were revoked, it is likely that TSUK will lose market share with more CRFS suppliers from China and Russia entering the UK market. This increased number of participants in the market is likely to increase competition.

326. Since 2016, six countries accounted for over 70% of CRFS imports, and 10 countries, over 85%. Whilst there was a degree of volatility in the composition of the top six and individual country market shares, none of these countries accounted for less than 2.5% of CRFS imports. This indicates there is a range of alternative suppliers to the market from across a number of countries.

I9.2 The impact on the ability of suppliers to compete

327. If the measure were revoked, suppliers from countries covered by the measure would be better able to compete in the UK market. Depending on the relative price of CRFS imports from these countries, it could either increase the ability of suppliers to compete or drive out some current suppliers due to fierce price competition.

328. In addition, there is evidence of significant captive sales. A significant amount of TSUK's UK sales of CRFS are through SSCs. It is not clear how this would be affected if the measure were revoked. Depending on contractual arrangements, end customers would have the option of shifting demand to non-associated SSCs if cheaper sources became available.

I9.3 The impact on the incentives to compete vigorously

329. There is no evidence to suggest that continuing the measure as proposed would directly impact incentives to compete vigorously.

I9.4 The impact on the choices and information available to consumers

330. As noted above, CRFS is supplied to manufacturing businesses to be incorporated into a range of products. It is not sold direct to consumers. A number of TSUK customers also import CRFS, which suggests limited product differentiation between domestic and imported CRFS.

331. We found no evidence to indicate that retained or revoked measures would affect the choices of information available to consumers.

[231] Trade remedies (trade-remedies.service.gov.uk) TSUK questionnaire response, section G1, question 5, page 50

I10. Such other matters as the TRA considers relevant

332. As part of the EIT, we 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. Responses raised two additional areas for consideration.

333. UK Steel[232] highlighted the wider importance of a UK steel industry to the UK economy. This includes providing high-quality material vital to delivering the Government's infrastructure revolution and a low carbon economy, e.g., high-speed rail, energy-efficient buildings, electric vehicles and wind turbines. UK Steel suggest demand will grow 10% this decade.

334. In addition, UK Steel[233] argued that domestic production is essential for supply chain resilience, and a domestic supply chain multiplies the economic value to the UK, supporting additional jobs in logistics, warehousing and processing. It is therefore in the economic interest of end-users and the UK as a whole, to maintain and support domestic production of steel. We have considered the supply chain as much as evidence allows in other parts of the EIT. No additional evidence has been provided to support this point.

335. UK Steel[234] also noted increased reliance on imported steel could lead to higher emissions if imported steel is produced in a more carbon intensive steel plant. It is claimed UK production is less carbon intensive than the global average for both basic oxygen furnace and electric arc furnace production. Additionally, increased imports of finished steel products will increase transport-related emissions through shipping tonnes of finished product. No evidence was submitted on the economic impact of lower carbon production.

I11. Form of measure

336. The current measure is an ad valorem tariff of 19.7 to 22.1% from China, and 18.7 to 36.1% from Russia, covering all products imported under the CN codes listed in section B7. This measure would have expired on 5 August 2021, but it is recommended that it be extended by five years.

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

---

[232] Trade remedies (trade-remedies.service.gov.uk) UK Steel appendix to questionnaire response, page 10

[233] Trade remedies (trade-remedies.service.gov.uk) UK Steel appendix to questionnaire response, page 10

[234] Trade remedies (trade-remedies.service.gov.uk) UK Steel appendix to questionnaire response, page 11

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

I12. Conclusion on Economic Interest Test

339. 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.

340. Following the likelihood assessments, our intended recommendation is to vary the measure in place on imports of CRFS from Russia and China at the same level and for the same scope of goods for a further five years. In this section, we have considered whether this would be in the economic interests of the UK.

341. In section H, we concluded that, while the UK industry is not currently incurring injury due to the low level of CRFS imports from Russia and China, the revocation of the measure on CRFS would likely lead to injury. This was established through analysis of the current state of the UK industry, undercutting/underselling analysis and review of historical imports.

342. In section I5, we identified five groups which could be affected by the proposed measure (upstream businesses, UK producers, importers, downstream businesses, and consumers) but concluded that CRFS was not a significant product for upstream businesses. The only UK producer of CRFS for the UK market appears to be more economically significant than the other groups in terms of employment and GVA.

343. In section I6, we concluded that the UK producer for the UK market is likely to significantly benefit from varying the measure as recommended. We also found that importers are likely to suffer mixed negative impacts, and downstream businesses are likely to suffer significant negative impacts if the measure is varied. The evidence suggested that the impacts on consumers could feed through to higher final prices in aggregate, resulting in small negative impacts, but are likely to be small to negligible on any individual final consumer.

344. In section I7, we found some evidence that TSUK employed significant numbers in two local authorities, one of which was relatively deprived. It is possible that these areas might benefit if the current measure were varied as recommended. Due to being widely dispersed, we found no evidence of significant geographic impacts on downstream businesses or importers. We found no evidence of disproportionate impacts on any particular groups.

345. In section I9, we noted that CRFS production for the UK market is limited to one domestic producer. High barriers to entry make it difficult for businesses to enter the market. Whilst it is unclear whether varying the measure as proposed would result in a significant change in the competitive environment compared to revoking the measure, it is reasonable to expect the competitive environment to improve if the measure were revoked.

346. In section I10, we considered the wider importance of the steel industry to the UK economy in the provision of high-quality vital materials, and the environmental impact. No evidence was provided on the economic impact of lower carbon production. We were also asked to consider the importance of supply chain resilience; however, no evidence was provided.

347. We have identified the following key positive impacts of varying the measure as proposed:

- The UK producer for the UK market is likely to significantly benefit, particularly as it is the producer of the primary upstream input. This is the most economically significant of the affected groups.
- There may be some positive impacts in respect to employment on two Local Authority Districts, one of which is a relatively deprived Local Authority District.

348. The contrasting key negative impacts are:

- Downstream businesses are likely to incur significant negative cost impacts, whilst importers are likely to incur small negative cost impacts. However, the UK producer is more economically significant than both of these groups combined.
- Consumers could face small negative price impacts in aggregate, but individually, the negative price impacts are likely to be small to negligible.
- The CRFS market is likely to be less competitive than it would be without the measure.

349. Based on the evidence provided, we conclude that the EIT is met for the proposed measure.

SECTION J: Preliminary findings and intended final recommendation

J1. Preliminary findings

350. We intend to make a recommendation on the grounds that:

- it is likely, on the balance of probabilities, that dumping of the goods subject to review from the People's Republic of China and the Russian Federation, including Severstal, would occur if the measure were no longer applied;
- it is likely on the balance of probabilities, that injury to the UK industry would occur from importation of the goods subject to review from China and Russia, including Severstal, if the measure were no longer applied; and
- the application of this measure meets the EIT.

J2. Intended recommendation

351. 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 anti-dumping amount under regulation 100A(4)(b) of the Regulations and maintaining 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 5 August 2021.

352. Annex 1 specifies the duties to be maintained and applied to the goods described or imported under the above UK tariff codes. In the absence of any data, we have maintained the form and levels of the original EU measure that are the subject of this review.

Annex 1: Duty amounts

Foreign country	Overseas exporter	Anti-dumping duty	Additional code[235]
China	Angang Steel Company Limited, Anshan	19.70%	C097
China	Tianjin Angang Tiantie Cold Rolled Sheets Co. Ltd., Tianjin	19.70%	C098
China	Hesteel Co., Ltd Tangshan Branch, Tangshan	20.50%	C103
China	Handan Iron & Steel Group Han-Bao Co., Ltd., Handan	20.50%	C104
China	Baoshan Iron & Steel Co., Ltd., Shanghai	20.50%	C105
China	Shanghai Meishan Iron & Steel Co., Ltd., Nanjing	20.50%	C106
China	BX Steel POSCO Cold Rolled Sheet Co., Ltd., Benxi	20.50%	C107
China	Bengang Steel Plates Co., Ltd, Benxi	20.50%	C108
China	WISCO International Economic & Trading Co. Ltd., Wuhan	20.50%	C109
China	Maanshan Iron & Steel Co., Ltd., Maanshan	20.50%	C110
China	Tianjin Rolling-one Steel Co., Ltd., Tianjin	20.50%	C111
China	Zhangjiagang Yangtze River Cold Rolled Sheet Co., Ltd.	20.50%	C112
China	Inner Mongolia Baotou Steel Union Co., Ltd., Baotou City	20.50%	C113

[235] From 1 January 2021, the UK initiated a new tariff regime called the UK Global Tariff (UKGT) to replace EU TARIC codes. The codes listed are the tariffs that applied at the time of the measures.

China	All other Chinese exporters	22.10%	C999
Russia	Magnitogorsk Iron & Steel Works OJSC, Magnitogorsk	18.70%	C099
Russia	PAO Severstal, Cherepovets	34.00%	C100
Russia	All other Russian exporters	36.10%	C999

Annex 2: EU anti-dumping duties

Foreign country	Overseas exporter	Anti-dumping duty	TARIC additional code[236]
China	Angang Steel Company Limited, Anshan	19.70%	C097
China	Tianjin Angang Tiantie Cold Rolled Sheets Co. Ltd., Tianjin	19.70%	C098
China	Hesteel Co., Ltd Tangshan Branch, Tangshan	20.50%	C103
China	Handan Iron & Steel Group Han-Bao Co., Ltd., Handan	20.50%	C104
China	Baoshan Iron & Steel Co., Ltd., Shanghai	20.50%	C105
China	Shanghai Meishan Iron & Steel Co., Ltd., Nanjing	20.50%	C106
China	BX Steel POSCO Cold Rolled Sheet Co., Ltd., Benxi	20.50%	C107
China	Bengang Steel Plates Co., Ltd, Benxi	20.50%	C108
China	WISCO International Economic & Trading Co. Ltd., Wuhan	20.50%	C109
China	Maanshan Iron & Steel Co., Ltd., Maanshan	20.50%	C110
China	Tianjin Rolling-one Steel Co., Ltd., Tianjin	20.50%	C111
China	Zhangjiagang Yangtze River Cold Rolled Sheet Co., Ltd.	20.50%	C112
China	Inner Mongolia Baotou Steel Union Co., Ltd., Baotou City	20.50%	C113

[236] From 1 January 2021, the UK initiated a new tariff regime called the UK Global Tariff (UKGT) to replace EU TARIC codes. The TARIC codes listed are the tariffs that applied at the time of the measures.

China	All other Chinese exporters	22.10%	C999
Russia	Magnitogorsk Iron & Steel Works OJSC, Magnitogorsk	18.70%	C099
Russia	PAO Severstal, Cherepovets	34.00%	C100
Russia	All other Russian exporters	36.10%	C999

Commission Implementing Regulation (EU) no. 2016/1328

Annex 3: Information from participants in the review

Name (abbreviation)	Submission(s)
Tata Steel UK (TSUK)	Registration of interest Questionnaire response Costs of exporters submission Dumping submission Non-cooperation submission
PAO Severstal (Severstal)	Registration of interest Questionnaire response Ad-hoc request for information submission Commentaries to Tata submission
NLMK International B.V. (NLMK)	Registration of interest PMS comments submission
The Ministry of Economic Development of the Russian Federation (Russian MoED)	Registration of interest Questionnaire response PMS comments submission
Ministry of Commerce, P.R.C (MOFCOM)	Registration of interest Comments on TD0011 submission PMS reply submission
EEF Limited (UK Steel)	Registration of interest Questionnaire response Response to public file submission Response to public file submission (2)
The Confederation of British Metalforming (CBM)	Registration of interest

China Chamber of International Commerce (CCOIC)	Registration of interest Questionnaire response Comments submission
China Iron & Steel Association (CISA)	Registration of interest Questionnaire response TD0011 comments submission
Stemcor Distribution Limited (Stemcor)	Registration of interest
Community Trade Union (Community TU)	Registration of interest Questionnaire response
Hartree Partners, LP (Hartree)	Registration of interest

Annex 4: Full commodity-code definitions

TARIC code	HS chapter and heading (digits one to four)	HS subheading (digits five and six)	CN subheading (digits seven and eight)	TARIC subheading (digits nine and ten)
72 09 15 00 90[237]	Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, cold-rolled (cold-reduced), not clad, plated or coated	In coils, not further worked than cold-rolled (cold-reduced)	Of a thickness of 3 mm or more	Other
72 09 16 90 00[238]	Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, cold-rolled (cold-reduced), not clad, plated or coated	In coils, not further worked than cold-rolled (cold-reduced)	Of a thickness exceeding 1 mm but less than 3 mm	Other
72 09 17 90 00[239]	Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, cold-rolled (cold-reduced), not clad, plated or coated	In coils, not further worked than cold-rolled (cold-reduced)	Of a thickness of 0.5 mm or more but not exceeding 1 mm	Other
72 09 18 91 00[240]	Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, cold-rolled (cold-reduced), not clad, plated or coated	In coils, not further worked than cold-rolled (cold-reduced)	Of a thickness of less than 0.5 mm, other	Of a thickness of 0.35 mm or more but less than 0.5 mm
72 09 18 99 90[241]	Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, cold-rolled (cold-reduced), not clad, plated or coated	In coils, not further worked than cold-rolled (cold-reduced)	Of a thickness of less than 0.5 mm, other	Of a thickness of less than 0.35 mm, other
72 09 25 00 90[242]	Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, cold-rolled (cold-reduced), not clad, plated or coated	Not in coils, not further worked than cold-rolled (cold-reduced)	Of a thickness of 3 mm or more	Other
72 09 26 90 00[243]	Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, cold-rolled (cold-reduced), not clad, plated or coated	Not in coils, not further worked than cold-rolled (cold-reduced)	Of a thickness exceeding 1 mm but less than 3 mm	Other

[237] Commodity code 7209150090: Other - UK Integrated Online Tariff - GOV.UK (trade-tariff.service.gov.uk)
[238] Commodity code 7209169000: Other - UK Integrated Online Tariff - GOV.UK (trade-tariff.service.gov.uk)
[239] Commodity code 7209179000: Other - UK Integrated Online Tariff - GOV.UK (trade-tariff.service.gov.uk)
[240] Commodity code 7209189100: Of a thickness of 0,35 mm or more but less than 0,5 mm - UK Integrated Online Tariff - GOV.UK (trade-tariff.service.gov.uk)
[241] Commodity code 7209189990: Other - UK Integrated Online Tariff - GOV.UK (trade-tariff.service.gov.uk)
[242] Commodity code 7209250090: Other - UK Integrated Online Tariff - GOV.UK (trade-tariff.service.gov.uk)
[243] Commodity code 7209269000: Other - UK Integrated Online Tariff - GOV.UK (trade-tariff.service.gov.uk)

72 09 27 90 00[244]	Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, cold-rolled (cold-reduced), not clad, plated or coated	Not in coils, not further worked than cold-rolled (cold-reduced)	Of a thickness of 0.5 mm or more but not exceeding 1 mm	Other
72 09 28 90 00[245]	Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, cold-rolled (cold-reduced), not clad, plated or coated	Not in coils, not further worked than cold-rolled (cold-reduced)	Of a thickness of less than 0.5 mm	Other
72 11 23 30 10[246]	Flat-rolled products of iron or non-alloy steel, of a width of less than 600 mm, not clad, plated or coated	Not further worked than cold-rolled (cold-reduced), containing by weight less than 0.25% of carbon	Other, Of a thickness of 0.35 mm or more	Of a width exceeding 500 mm
72 11 23 30 91[247]	Flat-rolled products of iron or non-alloy steel, of a width of less than 600 mm, not clad, plated or coated	Not further worked than cold-rolled (cold-reduced), containing by weight less than 0.25% of carbon	Of a thickness of 0.35 mm or more, other	Of a width not exceeding 500 mm In coils intended for the manufacture of tinplate
72 11 23 30 99[248]	Flat-rolled products of iron or non-alloy steel, of a width of less than 600 mm, not clad, plated or coated	Not further worked than cold-rolled (cold-reduced) containing by weight less than 0.25% of carbon	Of a thickness of 0.35 mm or more, other	Of a width not exceeding 500 mm, other
72 11 23 80 19[249]	Flat-rolled products of iron or non-alloy steel, of a width of less than 600 mm, not clad, plated or coated	Not further worked than cold-rolled (cold-reduced) containing by weight less than 0.25% of carbon	Other, Of a thickness of less than 0.35 mm	Of a width exceeding 500 mm, other
72 11 23 80 95[250]	Flat-rolled products of iron or non-alloy steel, of a width of less than 600 mm, not clad, plated or coated	Not further worked than cold-rolled (cold-reduced) containing by weight less than 0.25% of carbon	Other, Of a thickness of less than 0.35 mm	Of a width not exceeding 500 mm, In coils intended for the manufacture of tinplate, other

[244] Commodity code 7209279000: Other - UK Integrated Online Tariff - GOV.UK (trade-tariff.service.gov.uk)
[245] Commodity code 7209289000: Other - UK Integrated Online Tariff - GOV.UK (trade-tariff.service.gov.uk)
[246] Commodity code 7211233010: Of a width exceeding 500 mm - UK Integrated Online Tariff - GOV.UK (trade-tariff.service.gov.uk)
[247] Commodity code 7211233091: In coils intended for the manufacture of tinplate - UK Integrated Online Tariff - GOV.UK (trade-tariff.service.gov.uk)
[248] Commodity code 7211233099: Other - UK Integrated Online Tariff - GOV.UK (trade-tariff.service.gov.uk)
[249] Commodity code 7211238019: Other - UK Integrated Online Tariff - GOV.UK (trade-tariff.service.gov.uk)
[250] Commodity code 7211238095: Other - UK Integrated Online Tariff - GOV.UK (trade-tariff.service.gov.uk)

72 11 23 80 99[251]	Flat-rolled products of iron or non-alloy steel, of a width of less than 600 mm, not clad, plated or coated	Not further worked than cold-rolled (cold-reduced) containing by weight less than 0.25% of carbon	Other, Of a thickness of less than 0.35 mm	Of a width not exceeding 500 mm, other, other
72 11 29 00 19[252]	Flat-rolled products of iron or non-alloy steel, of a width of less than 600 mm, not clad, plated or coated	Not further worked than cold-rolled (cold-reduced), other	Of a width exceeding 500 mm	Other
72 11 29 00 99[253]	Flat-rolled products of iron or non-alloy steel, of a width of less than 600 mm, not clad, plated or coated	Not further worked than cold-rolled (cold-reduced), other	Of a width not exceeding 500 mm	Other
72 25 50 80 00[254]	Flat-rolled products of other alloy steel, of a width of 600 mm or more	Other, not further worked than cold-rolled (cold-reduced)	Other	
72 26 92 00 10[255]	Flat-rolled products of other alloy steel, of a width of less than 600 mm	Other, not further worked than cold-rolled (cold-reduced)		Of a width exceeding 500 mm
72 26 92 00 90[256]	Flat-rolled products of other alloy steel, of a width of less than 600 mm	Other, not further worked than cold-rolled (cold-reduced)		Of a width not exceeding 500 mm

[251] Commodity code 7211238099: Other - UK Integrated Online Tariff - GOV.UK (trade-tariff.service.gov.uk)
[252] Commodity code 7211290019: Other - UK Integrated Online Tariff - GOV.UK (trade-tariff.service.gov.uk)
[253] Commodity code 7211290099: Other - UK Integrated Online Tariff - GOV.UK (trade-tariff.service.gov.uk)
[254] Commodity code 7225508000: Other - UK Integrated Online Tariff - GOV.UK (trade-tariff.service.gov.uk)
[255] Commodity code 7226920010: Other - UK Integrated Online Tariff - GOV.UK (trade-tariff.service.gov.uk)
[256] Commodity code 7226920090: Other - UK Integrated Online Tariff - GOV.UK (trade-remedies.service.gov.uk)