Trade Remedies Authority

Statement of Essential Facts

Case TD0013

Transition review of anti-dumping duties on certain aluminium road wheels originating in the People's Republic of China

Contents

SECTION A: Introduction

1. This section (A) 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. Pursuant to regulation 62(1)(a) of The Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019 ('the Regulations') this SEF sets out the essential facts upon which we will base our intended recommendation to the Secretary of State for Business and Trade (the Secretary of State). This SEF also informs interested parties who have supplied information that has been considered by the TRA, how the TRA has used the information supplied by them.

3. This SEF should therefore be read in conjunction with other documents available for this case on the public file, where submissions from interested parties, contributors and any other person who has supplied information to the TRA in respect of this transition review can be found.

4. Interested parties, contributors and any other person who has supplied information are invited to make submissions in response to the SEF within 14 calendar days of the publication of this SEF, i.e. on or before 28 February 2023.The TRA may consider submissions made after this date, provided that doing so would not significantly impede the progress of this transition review and/or where we consider it appropriate to accept the information. Where the TRA rejects information for any reason, we will publish our reasons for rejection in our final recommendation.

5. 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 for the public file. In exceptional circumstances it may not be possible to summarise confidential information. If this is the case, parties must provide a 'statement of reasons' to explain why summarisation of confidential information is not possible.

6. Those not registered on the TRS may send submissions by email to TD0013@traderemedies.gov.uk.

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

A1 Legal framework

8. This SEF is made pursuant to regulation 62(1)(a) of the Regulations. It includes:

    - the recommendation that the TRA intends to make;
    - a summary of the facts considered during the transition review; and
    - those facts referred to in the summary which formed the basis of the intended final recommendation.

A2 About this review

9. This is a transition review under regulation 97(2)(b) of the Regulations of the UK trade remedies measure set out in Taxation Notice 2020/11. This UK measure gives effect to the European Union (EU) Commission Implementing Regulation (EU) 2016/109 of 23 January 2017.

10. This review concerns the anti-dumping measure applying to certain aluminium road wheels (ARW) originating in the People's Republic of China (PRC). The Notice of Initiation (NOI) was published on 7 October 2021.

11. The goods subject to review in this transition review are defined in the NOI as: Aluminium road wheels of motor vehicles per commodity code headings 87 01 to 87 05, whether or not with accessories and whether or not fitted with tyres, imported under commodity codes: 8708701015, 8708701050, 8708705015 and 8708705050.

12. The Period of Investigation (POI) for the review is 1 July 2020 to 30 June 2021. To assess injury, we examined the period 1 July 2017 to 30 June 2021 (the injury period (IP)).

SECTION B: Summary and Findings

B1 Interested parties and contributors

13. The following interested parties provided a response to the questionnaires issued by the TRA to gather detailed information on which to base our assessments:

    - Rimstock Limited, (Rimstock), a domestic producer
    - M-Sport Wheels Limited, (M-Sport Wheels), an importer

14. Further relevant submissions were made by other producers, foreign government departments, and contributors.

B2 Scope

15. During the course of the investigation, we received a request from an interested party (M-Sport Wheels) that ARW manufactured using the cast production method, should be excluded from the scope of the review as they were substantially different to ARW manufactured using the alternative forging production method.

16. Having considered this request, we determined that cast wheels should remain within the scope of this review as there is evidence of a UK cast wheel manufacturing industry.

17. However, we determined that owing to the technical, aesthetic and price differences between them, ARW produced by a casting method and ARW produced by a forging method, can be considered as separate subtypes of the goods subject to the review. During our review we also identified another sub-categorisation of ARW as both forged and cast ARW can be produced as one whole and complete aluminium road wheel (a one-piece wheel) or made from an assembly of multiple pieces that could be a mixture of forged and cast parts (a multi-piece wheel). We therefore also considered these subtypes in our review.

B3 Recalculation and assessment of dumping and injury

18. We did not have access to sufficient data to recalculate dumping and injury margins. We are therefore basing our intended recommendation of this transition review on likelihood of dumping and injury assessments in accordance with regulation 99A(1) of the Regulations.

B4 Likelihood of dumping assessment

19. In accordance with regulation 99A(1)(a) of the Regulations we assessed whether dumping of the goods subject to review would be likely to continue or recur if an anti-dumping amount was no longer applied (the likelihood of dumping assessment)

20. We determined that, on the balance of probabilities, it is likely that dumping of ARW would recur if the measures were no longer applied.

B5 Likelihood of injury assessment

21. In accordance with regulation 99A(1)(b) of the Regulations we considered whether injury to the UK industry of the relevant goods would continue or recur if the antidumping amount were no longer applied (the likelihood of injury assessment).

22. We determined that, on the balance of probabilities, it is likely that injury:

- would recur if the anti-dumping amount on one-piece forged ARW was no longer applied; and
- would not recur if the anti-dumping amount on all other ARW was no longer applied.

B6 Economic Interest Test

23. Having considered all the evidence and secondary information gathered, including that presented by the interested parties and contributors, and all of the factors listed in paragraph 25 of Schedule 4 to the Taxation Cross-Border Trade Act 2018 (the Act), we have concluded that the Economic Interest Test (EIT) is met for the proposed measure.

B7 Recommendation

24. Our recommendation is to vary the application of the anti-dumping amount under regulation 100A of the Regulations in relation to one-piece ARW, produced by forging, whether finished or unfinished, and revoke the application of the anti-dumping amount in relation to wheels of aluminium, whether or not with their accessories and whether or not fitted with tyres; parts and accessories of wheels, of aluminium, under regulation 100B of the Regulations.

25. The anti-dumping amount in relation to wheels of aluminium, whether or not with their accessories and whether or not fitted with tyres; parts and accessories of wheels, of aluminium, will be revoked from 30 January 2021 in accordance with regulations 100B(2), 94(1)(b)(ii) and 97C(1)(a) and (2) of the Regulations.

26. As it has not been possible to recalculate the anti-dumping amount, we recommend maintaining the anti-dumping amount in relation to one-piece aluminium road wheels, produced by forging, whether finished or unfinished, under regulation 100A(4)(b) of the Regulations for a period ending on 30 January 2026.

27. The application of the measure will be varied under regulation 100A of the Regulations in relation to ARW and parts and accessories thereof, which fall under the following UK commodity codes:

    a. 8708 70 10 15

    b. 8708 70 10 50

    c. 8708 70 50 15

    d. 8708 70 50 50

28. The description of goods falling under the above commodity codes to which the measure will be maintained, are; one-piece aluminium road wheels, produced by forging, whether finished or unfinished.

29. The description of goods falling under the above commodity codes, to which the measure will be revoked, are; all other goods imported under the commodity codes.

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

    - It is likely, on the balance of probabilities, that dumping of ARW from the PRC would recur if the anti-dumping amount were no longer applied.

    - It is likely, on the balance of probabilities, that injury to the UK industry would recur from importation of dumped one-piece forged ARW from the PRC if the anti-dumping amount were no longer applied.

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

    - The application of the anti-dumping amount on the specified one-piece forged ARW, meets the Economic Interest Test.

SECTION C: Background

C1 Initiation of the transition review

31. The UK chose to maintain some trade remedy measures once it was outside the EU's common external tariff. The Department for International Trade (DIT) identified which EU measures were of interest to the UK following a call for evidence.

32. For each of these EU measures, the Secretary of State for International Trade 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.

33. On 31 December 2020, the Secretary of State published a Notice of Determination regarding the anti-dumping duty on certain ARW originating in the PRC. Taxation Notice 2020/11 gave effect to the transition of the EU anti-dumping duty on ARW originating in the PRC to become an additional amount of UK import duty. In accordance with regulation 97(2)(b) of the Regulations, the TRA is required to conduct a transition review of the UK trade remedies measure specified in a determination notice.

34. On 7 October 2021, the TRA published a Notice of Initiation to initiate a transition review into certain ARW originating in the PRC.

C2 EU measure

35. On 10 May 2010, The European Commission (EC) imposed definitive anti-dumping duties of 22.3% on imports of certain ARW originating in the PRC in Commission Implementing Regulation (EU) No. 964/2010.

C2.1 EU reviews conducted since the original measure

36. Since the original investigation, the Commission initiated two expiry reviews – R628 and R759 – of the anti-dumping measure applicable to imports of certain ARW originating in the PRC to consider whether to maintain the EU measure. The recommendation of both the R628 and the R759 reviews was to maintain the existing measure.

C3 Our transition review process

C3.1 The transitioned measure

37. The EU measure transitioned into UK law and as set out in Taxation Notice 2020/11, took effect as a UK measure on replacement of EU trade duties. The UK measure was due to expire on 25 January 2022 but, given this review, under regulation 97C of the Regulations this measure will continue until the Secretary of State publishes a notice accepting or rejecting the TRA's recommendation following a transition review to vary or revoke the application of the anti-dumping amount.

C3.2 Information from participants in the review

38. We received submissions from one interested party UK producer, Rimstock.

39. We received submissions from one interested party importer, M-Sport Wheels.

40. We received a registration submission from the Ministry of Commerce, PRC (MOFCOM) together with further comments regarding a particular market situation (PMS).

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

- China Chamber of Commerce for Import and Export of Machinery and Electronic Products (CCCME);
- Zhejiang Autom Aluminum Wheel Co., Ltd. (Zhejiang Autom);
- Dymag Group Limited (Dymag Limited);
- 360 Wheels Limited (360 Wheels); and
- A UK manufacturer of ARW.

42. The information submitted by all interested parties and contributors is listed in Annex 4.

C3.3 Verification of data

43. We checked Rimstock's and M-Sport Wheels' submissions for consistency and completeness. During these checks we identified deficiencies in responses to TRA requests for information and compliance with confidentiality requirements. These deficiencies were adequately addressed prior to undertaking the verification work.

44. We conducted an on-site verification visit to Rimstock's manufacturing facility in West Bromwich in April 2022. Further verification activity took place via email and video conferencing. Details of the verification work completed can be found in our verification report of Rimstock's data. Based on the work undertaken, we have a reasonable level of assurance regarding the relevance, completeness, and accuracy of the information used in this review.

45. We conducted a verification visit to M-Sport Wheels' facility in Tilbury in March 2022. Further verification activity took place around this visit via email and video conferencing. Details of the verification work completed can be found in our verification report of M-Sport Wheels' data. Based on the work undertaken we have a reasonable level of assurance regarding the relevance, completeness, and accuracy of the information used in this review.

46. In addition to information provided by these parties we used HMRC overseas trade data, pertaining to relevant markets as secondary source information in accordance with regulation 47(5) of the Regulations. This secondary information was treated with special circumspection and, where practicable, verified using independent sources. Where data has not been verified by the TRA we have been able to highlight those areas and draw conclusions where appropriate.

C3.4 How we have used submitted information

47. Throughout this transition review we have used data submitted by parties who have registered an interest in the transition review as part of the evidence base that we have assessed to form our conclusions. We have compared submitted evidence against evidence submitted by other interested parties, information taken from TRA data subscriptions and/or publicly available data from government, industry, and other sources.

SECTION D: The Goods

D1 Introduction

48. The goods subject to review in this transition review are defined in the NOI as: Aluminium road wheels of motor vehicles per commodity code headings 87 01 to 87 05, whether or not with accessories and whether or not fitted with tyres, that are imported from the PRC under commodity codes 8708701015, 8708701050, 8708705015, and 8708705050.

D2 Assessment of the goods

49. The scope of this transition review, as set out in the NOI and detailed above, consists of ARW imported from the PRC and therefore includes all ARW and any subcategories.

50. We identified various subcategories of ARW. We established that there are two production methods for ARW – casting and forging, and we identified that ARW can be produced using these production methods as either a single-piece complete ARW, or from two to three parts of an ARW (multi-piece) that are assembled to create the finished complete ARW.

51. In its original review (Council Implementing Regulation (EU) No 964/2010), the (EC) did not distinguish between subcategories of ARW. The EC's provisional determination stated there are both cast and forged ARW produced in the PRC. It found that one-piece cast ARW made up the majority of the total imports from the PRC. It considered the ARW industry as a whole and recommended a measure be imposed on all ARW imported from the PRC.

52. We received a submission from an interested party that imports ARW from the PRC. In its submission, it claimed that ARW produced by casting are different products and have different characteristics and prices compared to ARW produced by forging, and they should therefore be treated separately – and that ARW produced by casting should be excluded from the measure.

53. The TRA has been provided evidence that the UK domestic industry produces ARW by forging. The TRA found secondary sources that indicated the presence of cast ARW manufacture in the UK and so we did not accept that cast ARW should be excluded from the scope of the review. In response to the submission, we did consider whether the goods to which the anti-dumping amount applies should be varied under regulation 99A(2)(a)(ii) of the Regulations. We assessed a number of factors to establish the similarities (or likeness) of forged ARW and cast ARW, including a subcategory of cast ARW that is cast flow-formed ARW, and we made several observations.

54. Both production methods of casting and forging, can be applied to all ARW, whether one-piece or multi-piece. We established that multi-piece ARW make up a very small minority of ARW in the market. We therefore compared both

production methods based on one-piece ARW and made a separate analysis of how multi-piece ARW compare.

D2.1 Production processes

55. Cast ARW are produced by inserting liquid aluminium alloy into a mould, where it cools and solidifies, to produce the ARW. Cast ARW may be further processed by ‘flow forming’ to marginally reduce the weight of the ARW.

56. Forged ARW are manufactured from a solid cylindrical block of aluminium alloy that is pressed into a barrel shape and then machined into the final design.

57. Both cast and forged ARW are finished using similar processes such as coating, deburring and painting.

58. We found that while cast ARW and forged ARW share some production process elements, the processes are generally different and producing ARW by forging is more expensive than by casting.

D2.2 Physical, technical, and chemical characteristics

59. Both cast and forged ARW are produced from the same or similar grades of aluminium alloy and are therefore chemically identical.

60. The different manufacturing processes result in the finished products having different properties. Forging results in a more aligned metal grain structure which improves the strength of the finished product. Casting results in a less aligned and more porous grain structure, which is inherently weaker and therefore requires more material to achieve a given strength.

61. Consequently, forged ARW have a better strength-to-weight ratio and can be lighter and less bulky to achieve a given performance. Forged ARW can also be machined more precisely, meaning that some designs of ARW are only achievable through forging.

62. The TRA considered cast flow-formed ARW and whether these could compete with forged ARW on technical characteristics. We identified that cast flow-formed ARW are a version of cast ARW, where the barrel area of an ARW is cast to be shorter and thicker than the final required dimensions and is then rolled (flow-formed) to form the final shape. We concluded that while cast flow-formed ARW do provide some weight saving compared to standard cast ARW, they are essentially still cast ARW and do not achieve the same level of strength, durability, weight saving, and machinability as forged ARW. We verified information from M-Sport Wheels that flow formed ARW are more expensive to produce than standard cast ARW but have been sold by them at the same price as they have not been able to command a premium in the

market. M-Sport Wheels have subsequently stopped its flow-formed ARW product lines.

63. From visual inspections conducted by the TRA on samples of ARW, we conclude it is possible to physically distinguish between cast and forged ARW.

D2.3 Interchangeability and typical end use

64. Both cast and forged ARW share the typical end use as an ARW for motor vehicles.

65. Though forged ARW are not limited to specialist uses, there are some uses for which only forged ARW would be suitable.

66. Interested parties have consistently differentiated between cast and forged ARW, describing forged ARW as premium products with technical and aesthetic differences, used on high value and high-performance vehicles that are manufactured in lower volumes. They described cast ARW being the preferred choice for high volume production of lower value vehicles. There is some evidence of interchangeability where vehicle producers offer forged ARW as an option to upgrade vehicles normally fitted with cast ARW.

67. We found that all ARW are to a certain extent technically interchangeable as they are both ARW that can be manufactured to share geometrical 'fitment' characteristics such as diameter, offset, number and pitch circle diameter of bolt holes, and centre bore.

68. We do not have information regarding the general distribution and use of forged ARW in the market, i.e. whether or not their typical end-use is in circumstances where a cast wheel could not perform the same role and therefore different to the typical end-use of a cast ARW.

D2.4 The relationship between types of ARW in the domestic ARW market

69. The market is split into three segments: (a) Original Equipment Manufacturers (OEM), which uses ARW on cars that they manufacture; (b) after market (AM), which sells ARW directly to the public; and (c) motorsport, which uses ARW for motorsport cars.

70. From information provided to the TRA by interested parties, in terms of value, during the POI, 100% of verifiable import sales were one-piece cast ARW, distributed as; 91% to the AM, 6% to OEM and 3% to motorsport. 100% of verifiable domestic sales of domestically produced ARW were one-piece forged ARW, distributed as; <1% to AM, 96% to OEM and 4% to Motorsport.

71. On 18 March 2022, we published to the public file, a request for more detailed information relating to cast and forged ARW in the domestic market.

72. We received formal submissions in response to this request from two ARW producers and one importer. These submissions are available on the public file.

73. Submissions from the two domestic producers of ARW state their forged products do not compete with imported cast ARW. We note that one of these producers does import cast ARW from the PRC.

74. The submission from Rimstock published to the public file, states that cast ARW imported at dumped prices from the PRC would compete with its forged products. We note that Rimstock import cast ARW from countries other than the PRC.

75. Based on verified data from two interested parties, forged ARW are on average five times the price of cast ARW. Using verified data, considering the cheapest forged to the most expensive cast ARW and the cheapest cast to the most expensive forged ARW, forged ARW are a minimum three times and maximum nine times the price of cast ARW.

76. This price difference is principally a consequence of the different production processes involved.

77. This price difference suggests that in purchasing decisions to buy forged ARW rather than cast ARW, factors other than price outweigh this price difference in the mind of the customer.

D2.5 Distribution channels and customers

78. From the sales data we verified, we found that cast and forged ARW are sold through the same distribution channels and, to some degree, to the same customers.

D2.6 Multi-piece ARW

79. To fully understand the ARW goods and industry, we considered how multi-piece ARW compare to one-piece ARW.

80. As multi-piece ARW are produced by either casting, forging, or a combination of the two where some parts are cast and others are forged, multi-piece ARW are chemically the same as one-piece ARW. The technical characteristics are different in that the overall weight is increased with the addition of material required to assemble the multiple pieces. Multi-piece ARW are identifiable from one-piece, due to their assembled form.

81. The production method varies as the parts of the ARW are produced individually, albeit through the same casting and/or forging process. Multi-piece ARW have an additional step of assembly using fixings such as bolts.

82. Multi-piece ARW are interchangeable with, and share the typical end use as, one-piece ARW.

83. Compared to one-piece ARW, multi-piece ARW are not generally available in the OEM market. Multi-piece ARW appear in low volumes in the AM and Motorsport market, and at an increased cost compared to an equivalent one-piece ARW. They appear to be offered as a customisable option for car enthusiasts and for bespoke vehicles.

84. Parts of multi-piece ARW are imported and used for the production of carbon-fibre and aluminium hybrid road wheels, which again, operate in a very niche sector of the market and in small quantities.

85. A manufacturer of multi-piece ARW has stated on the public file that they do not compete with imported ARW.

D2.7 Conclusion on assessment of the goods

86. Forged and cast ARW are produced differently, using the same grades of aluminium alloy to produce physically and technically different products.

87. Using verified data from two interested parties, we established that UK produced forged ARW cost on average five times more than cast ARW.

88. This difference suggests that price is not a determining factor in purchasing decisions to buy forged ARW rather than cast ARW.

89. We established that cast and forged ARW are interchangeable where a matching ARW is available. The typical end-use for both types of ARW is as a road wheel, though we did not establish whether the typical specific end-use of forged ARW within that application as a road wheel is different to that of a cast ARW given the technical and price differences.

90. Both forged and cast ARW are sold into the OEM, AM and motorsport markets, through the same distribution channels and, to some degree, to the same customers.

91. We did not accept that cast ARW should be removed from scope of the investigation as we have found information from secondary sources suggesting cast ARW production in the UK within the POI.

92. Based on technical and price differences and their different treatment in the market as considered above, we consider that cast and forged ARW are different sub-types of ARW for the purposes of this trade remedies measure.

93. Multi-piece wheels operate in a niche area of the market and are not generally direct competitors with one-piece ARW.

SECTION E: The current UK industry and market

E1 Overview

94. Where we refer to the UK Industry, we are referring to a group of producers whose collective output of the like goods, which are like those goods (i.e., the goods subject to review) in all respects or, if not alike in all respects, having characteristics closely resembling those of the goods in question, constitutes a major proportion of the total production of those goods in the UK.

95. We have assessed the UK industry as consisting of one high volume UK producer of ARW, Rimstock, producing one-piece forged ARW, and three lower volume, non-participating producers of one-piece and multi-piece forged and cast ARW, based on engagement with this review and our own research from secondary sources.

96. The main focus of our investigation is on one-piece ARW as based on submissions from the ARW industry to the case file of our review, we estimate these make up approximately 99% of the ARW market.

97. We were unable to firmly establish the percentage of the overall market supplied by domestic producers. Based on the value of verified domestic sales of the domestic producer fully participating in this transition review we estimate this to be less than 5% during the POI. Market share is considered in detail in section G2.4 Market share.

E1.1 Participating domestic industry

98. Rimstock is recognised in the market as the only UK based business producing ARW in higher volumes. It is also the only domestic producer that participated fully with this review.

99. We are therefore only able to conduct the assessment in section G2 The current state of the participating UK industry based on verifiable data provided by Rimstock, who only produce one-piece forged ARW since it closed its one-piece cast ARW foundry during the IP in early 2020.

100. We have also conducted an assessment based on facts available from other interested parties in section G3 The current state of the non-participating UK industry, to identify if the non-participating industry is suffering injury or would suffer injury if the measure were no longer applied.

E1.2 Non-participating domestic industry

101. The non-participating UK industry consists of three other known producers of ARW; 360 Wheels, Minilite / Tech-Del Limited (Tech-Del), Dymag Limited and a confidential producer.

102. 360 Wheels produce one-piece forged ARW and import one-piece cast ARW from various countries including the PRC, whilst operating in the OEM and AM markets.

103. Secondary sources indicate that Tech-Del produce a bespoke, one-piece cast ARW.

104. Dymag Limited produce aluminium and carbon fibre hybrid wheels, importing the relevant forged aluminium ARW parts.

105. The confidential producer is a smaller producer of bespoke multi-piece ARW, parts of which can be forged or cast.

106. We recognise other non-participating domestic producers may exist of which we are not aware.

E2 Market size and structure

107. Rimstock supplied ARW production data in units of completed ARW and HMRC trade data is provided in kilograms, so we were unable to establish the size of the UK market in units (number of ARW).

108. We did not attempt to estimate UK imports in units using an average ARW weight, owing to variation in the sizes of ARW produced; weight differences between cast and forged ARW; and the trade data including other items such as parts and accessories of ARW that may be imported under the same commodity codes.

109. Using UK vehicle production figures from the Society of Motor Manufacturers and Traders (SMMT), we estimated the OEM consumption to be approximately 4.2 million individual ARW for the POI.

110. Due to the fragmented and disparate nature of the AM and Motorsport sectors, and lack of participation in this transition review from these sectors, we were unable to identify a reliable source of data to accurately quantify the overall volume or value of these two markets.

111. From the verification work we have undertaken on production data supplied to us by Rimstock and our analysis of available HMRC trade data, we estimate the value of the UK ARW industry, which is UK manufactured ARW and UK imports of ARW, to be in excess of £300 million during the POI. In arriving at this estimate we recognise and take into consideration the exclusion of UK production data that we were unable to verify.

112. The TRA did not receive any requests to treat the three market segments separately. However, we did seek to establish whether there was a material difference between the OEM, AM and Motorsport market segments that should be reflected in our review.

113. We established that across all markets ARW are made to fit and perform to the same standard, and that domestic producers supply all markets.

114. Based on the information available, we found no grounds to consider the OEM, AM and Motorsport markets as separate markets in undertaking this review.

E2.1 Competition in the market

115. The UK ARW market is predominantly supplied with one-piece cast ARW, almost all of which are imported as the only UK producer of cast ARW that we identified from secondary sources, appear to only produce one ARW design for a niche sector of the AM. That UK producer did not participate in this transition review.

116. 96% of domestically produced ARW sold in the UK, are one-piece forged ARW sold to OEMs, in direct competition with imports of one-piece forged ARW.

117. From the information supplied to us and our own research, we did not find any evidence of direct competition between domestically produced one-piece forged ARW and imported cast ARW or any multi-piece ARW.

118. The domestic producers of one-piece forged ARW identified in this transition review are also importers of one-piece cast ARW.

E2.2 Conclusion on market size and structure

119. Most UK ARW production is of one-piece forged ARW.

120. Domestic production of ARW supplies less than 5% of the domestic market, with the remainder being met by imports.

121. Domestically produced ARW compete directly with imports of one-piece forged ARW. We did not receive any conclusive evidence to establish competition between ARW produced in the UK and imports of any other subtype of ARW.

122. Rimstock stated that one-piece cast ARW could compete with the one-piece forged ARW it produces. Given that we have seen no reasoning or evidence of such competition, and the difference in price, we do not consider such competition likely. We note that Rimstock import one-piece cast ARW from countries other than the PRC.

123. 360 Wheels have stated on the public file that revocation of the measure on cast ARW would benefit its business and that the only imports that compete with its domestically produced one-piece forged ARW, are imported one-piece forged ARW.

124. A confidential domestic producer of multi-piece ARW has stated on the public file that imports do not affect its business.

SECTION F: Likelihood of Dumping Assessment

F1 Introduction

125. We assessed whether the dumping of the goods subject to review would be likely to continue or recur if the duties were no longer applied to those goods, pursuant to regulation 99A(1)(a) of the Regulations. In undertaking this assessment, we have considered the current and prospective impact of the anti-dumping amount, as required under regulation 100A(2)(b) of the Regulations.

126. In order to conduct the Likelihood of Dumping Assessment, we considered:

- the price comparison between the PRC produced goods and UK produced goods (F2);
- whether dumped imports to the UK have continued whilst the measure has been in place (F3);
- whether exporters from the PRC have significant levels of production capacity (current or potential), which would give them the ability to dump if measures were removed (F4);
- whether exporters from the PRC have significant inventories, which give them the ability to dump if measures were removed (F5);
- whether exporters from the PRC have significant levels of production which would give them the ability to dump if measures were removed (F6);
- whether exporters from the PRC are dumping in third countries (F7);
- whether exporters from the PRC are subject to anti-dumping measures elsewhere (F8);
- whether the conditions in the PRC domestic market are favourable for the goods subject to review (F9);
- whether exporters from the PRC would be likely to choose to export to the UK over other markets based on the attractiveness of the UK market (F10); and
- whether exporters from the PRC have previously or habitually circumvented the effects of trade remedy measures (F11).

F1.1 Data limitations

127. We have considered the likelihood of dumping on a PRC countrywide basis, rather than an exporter-by-exporter basis. This is due to the non-cooperation of PRC exporters, which resulted in no suitable data being available to the TRA on any individual exporters.

128. Information obtained from secondary sources including, but not limited to, HMRC and UN Comtrade, was used in accordance with the Regulations where primary data was not available.

129. HMRC uses commodity codes to separate different products. The commodity codes relating specifically to ARW and related goods are not adequately granular to segregate into categories of cast and forged or one-piece and multi-piece ARW. Our determinations on a likelihood of dumping are therefore applicable to all ARW.

130. The EC investigation into ARW completed in 2009 stated that 'high-end technology types of wheels', which are ARW other than one-piece cast ARW, 'constituted only a very small fraction of total exports from the PRC'. Due to the capital-intensive nature of the ARW industry, and the prevalence of one-piece cast ARW in market, we do not expect that ARW production capacity in the PRC, or the distribution of various product categories within that data, has changed significantly enough to materially affect our assessment of HMRC's overseas trade data.

131. We cannot establish the precise mix of products imported within the commodity codes, due to the lack of granularity in the overseas trade statistics that do not identify the types and subtypes of products imported to the UK. We also noted that the average price of imports from different countries ranged from less than £1/kg to over £3,000/kg. Therefore, ARW prices between exporting countries cannot be reliably compared.

132. We did not receive any submissions regarding domestic prices in the PRC from any exporters of ARW or the Government of the PRC. Therefore, we have no primary data on ARW domestic prices in the PRC. We were also unable to identify reliable publicly available records of domestic prices of ARW in the PRC during the POI that we could access. Therefore, we have no primary or secondary data on ARW domestic prices in the PRC.

133. We have consequently been unable to calculate the countrywide average domestic price of ARW in the PRC – the 'Normal Value' required to establish the difference between the Normal Value and the export price of ARW from the PRC being sold into the UK, to determine if the goods subject to review were being imported at dumped prices.

134. The TRA has instead compared the price trend of imports of ARW from the PRC from before the EC's measure implemented in 2010 came into place up to the end of the POI – noting that in its original investigation, the EC found that dumping occurred during the period 1 July 2008 to 30 June 2009. If the import price of ARW from the PRC had stayed the same or reduced relative to the average import price from the rest of the world (RoW) over that same period, this would indicate that dumping had continued. If the price had increased relative to the average import price from the RoW, and by more than the dumping margin, this would indicate dumping had not continued. In both of these cases any indication would not be conclusive in itself.

F2 Volume and price comparison between the PRC and UK produced goods

135. The relevant HMRC data is measured in kilograms and domestic production is measured in units. We did not attempt to establish an average weight of an ARW to make a comparison as we did not find this would be reliable enough given the types of ARW being produced in the UK. We therefore cannot make any direct comparisons between import data and domestic production.

136. As we concluded that import prices between countries are not directly comparable, we did not conduct a price comparison analysis.

F3 Continued dumping

137. As discussed in section F1.1 Data limitations, we were not able to calculate a Normal Value due to the lack of data available, so we were not able to calculate whether any changes to the Normal Value had occurred which would have helped us conclude whether the goods subject to review were being imported at dumped prices.

138. We instead used HMRC data detailing the price of UK imports of ARW from the PRC, to assess the likelihood of dumping continuing or recurring if the measure was removed.

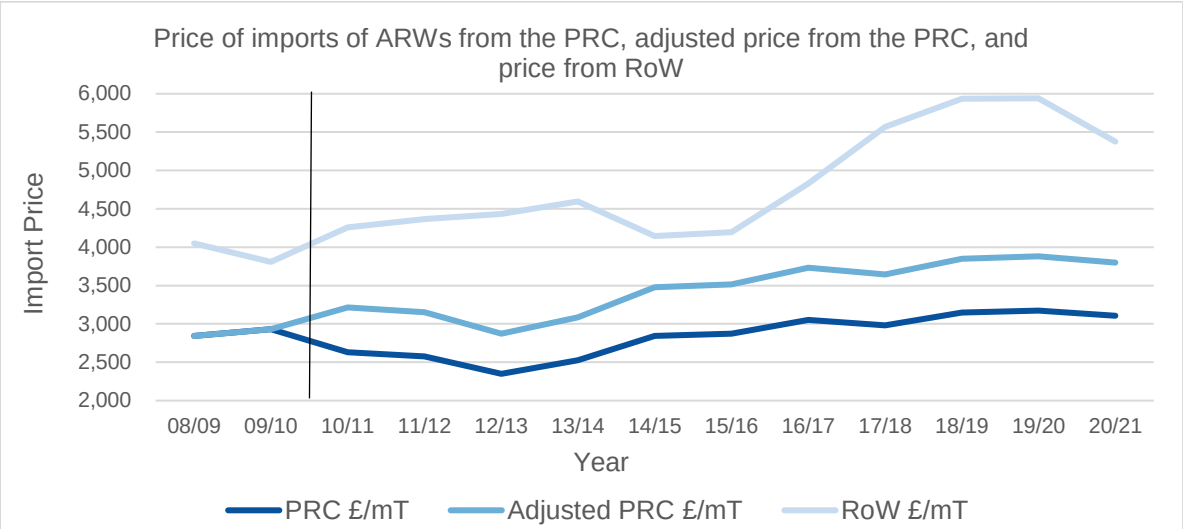
139. ARW imported from the PRC into the UK were subject to anti-dumping measures from 25 October 2010 until the end of the POI. To understand the market trend prior to introduction of the measure, we have analysed import data from 2008 to 2021.

Table 1: UK imports of ARW from the PRC relative to total UK imports of ARW from the RoW

		08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21
UK Imports from the PRC	Volume in metric tonnes (mT)	5,952	6,248	2,555	1,674	1,150	2,167	3,979	3,411	4,183	4,006	3,961	4,006	6,589
	£ per mT	2,843	2,930	2,628	2,577	2,349	2,524	2,843	2,873	3,053	2,980	3,148	3,173	3,108
	Adjusted £ per mT	–*	–*	3,215	3,152	2,873	3,087	3,477	3,513	3,734	3,645	3,849	3,881	3,801
Total UK imports from RoW	Volume in mT	30,078	38,586	42,759	58,769	61,232	56,419	59,636	67,385	68,339	61,341	58,563	48,052	53,833
	£ per mT	4,051	3,808	4,258	4,365	4,433	4,597	4,145	4,196	4,828	5,570	5,934	5,940	5,375

Source: HMRC overseas trade data, 2022.
Note: Adjusted values on PRC import prices based on the inclusion of the 22.3% anti-dumping duty applied that is not included in HMRC price figures.
Note: This (and all subsequent) analysis of HMRC overseas trade data follows the date range for the POI. For example, 08/09 includes imports from 1 July 2008 to 30 June 2009.
* The anti-dumping duty was not applied until October 2010

Graph 1: Price of imports of ARW from the PRC, adjusted price from the PRC, and price from RoW



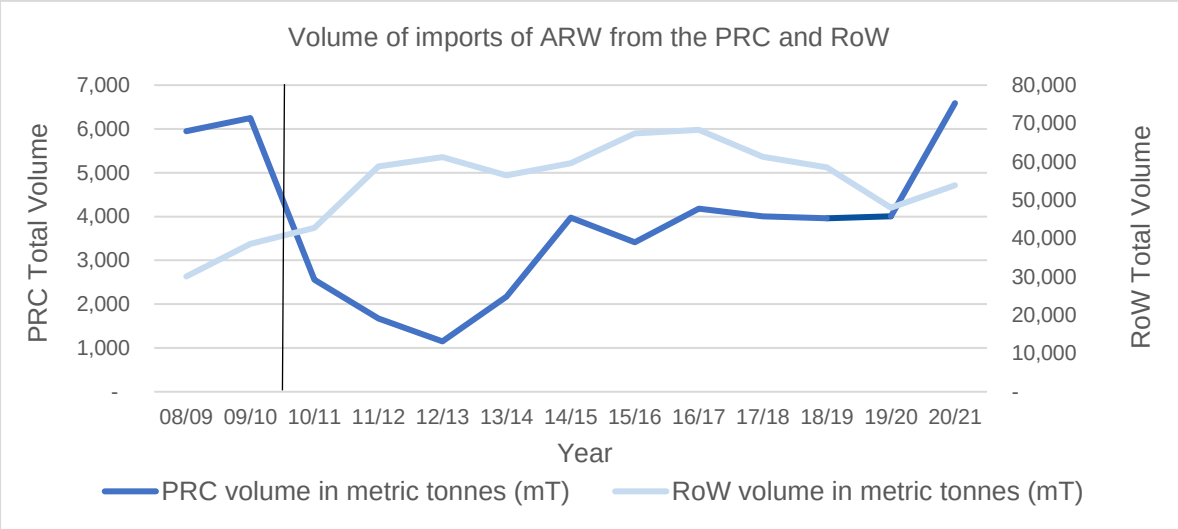
Source: HMRC overseas trade data, 2022.
Note: Adjusted values on PRC import prices based on the inclusion of the 22.3% anti-dumping duty applied that is not included in HMRC price figures.

140. The adjusted price figures in Table 1 show PRC import prices of ARW adjusted to include the anti-dumping duty of 22.3% between 2010 and 2021.

141. Graph 1 shows an increase in disparity between the PRC and average RoW UK import price from the level at which the EC concluded dumping was occurring. This indicates that it is possible ARW continued to be dumped into the UK during the POI. However, as this is not the only reason that PRC prices may have dropped – the PRC exporters' costs may have gone down over this period relative to RoW costs, leading to a lower export price – it is not conclusive in itself that dumping has continued during the POI.

F3.1 Continued dumping – value and volume of imports

Graph 2: Volume of imports of ARW from the PRC and RoW



Source: HMRC overseas trade data, 2022.

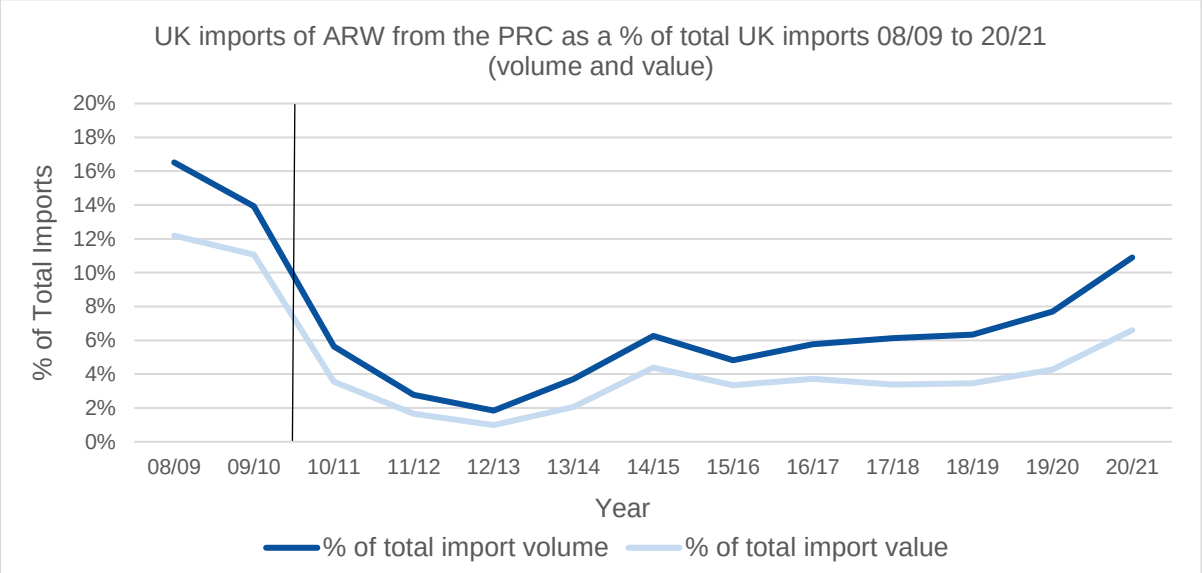
142. Table 1 and Graph 2 show that the volume of UK imports of ARW from the PRC increased by 64% in the POI (1 July 2020 – 30 June 2021) compared to the previous year (1 July 2019 – 30 June 2020) and the volume of UK imports of ARW from the RoW only increased by 16% in the POI compared to the previous year.

143. These years overlapped with the Covid-19 global pandemic, and so import volumes may have been affected by production, shipping, or other economic or logistical challenges created by the pandemic, especially during the 12 months of 1 July 2019 – 30 June 2020. Indeed, the RoW data shows a drop in import volume during this time, with an increase in imports between 1 July 2020 – 30 June 2021. However, there was a slight rise in import volume from the PRC during the 1 July 2019 – 30 June 2020 period followed by an even greater rise in imports during the POI. Therefore, the supply chain disruption that may have impacted the imports from the RoW during the 1 July 2019 – 30 June 2020 period did not appear to impact imports from China indicating another factor may be responsible for the increase in PRC imports.

144. Given that the volume of UK imports of ARW from the PRC have risen over the POI, it is possible this would continue to an even higher volume if the measure were removed.

F3.2 Continued dumping – market share

Graph 3: UK imports of ARW from the PRC as a % of total UK imports 08/09 to 20/21 (volume and value)



Source: HMRC overseas trade data, 2022.

145. Graph 3 shows that the market share of total UK import volume of ARW originating from the PRC had been falling since the initial EC anti-dumping measures were implemented, from 13.9% between 1 July 2009 to 30 June 2010 to 1.8% between 1 July 2012 to 30 June 2013.

146. This reduction in market share and total import volume from the period 1 July 2009 – 30 June 2010 to 1 July 2012 – 30 June 2013 suggests that the measure had affected the trade flow of ARW from the PRC.

147. The PRC market share by volume then increased to 6.3% between 1 July 2014 to 30 June 2015 and has steadily increased from the period 1 July 2015 – 30 June 2016 to 1 July 2020 – 30 June 2021, where the market share was 10.9%.

148. This increase in market share is notable and indicates the PRC exporters have the capacity to increase their market share particularly if the measure was removed.

Table 2: Major countries of origin of UK imports of ARW as a percentage of total UK imports by volume during the injury period and the POI

Country	2017-2018	2018-2019	2019-2020	POI
Türkiye	14.3%	18.8%	20.3%	22.7%
Germany	13.7%	14.5%	15.2%	16.7%
The PRC	6.1%	6.3%	7.7%	10.9%
South Korea	22.9%	19.5%	16.1%	10.1%
Italy	4.4%	5.9%	6.2%	8.6%
Poland	4.3%	5.9%	7.0%	6.9%
Taiwan	4.4%	4.1%	4.8%	4.6%
Thailand	5.7%	4.6%	4.1%	4.1%
Czechia	2.9%	2.8%	2.7%	2.3%
Hungary	1.6%	1.8%	1.6%	2.1%
RoW	19.5%	15.8%	14.4%	11.0%

Source: HMRC overseas trade data, 2022.

149. Table 2 shows the country of origin of UK imports of ARW during the injury period by country. The PRC is one of the larger sources of ARW during the POI and was consistently one of the top four importers during the IP.

150. Imports from the PRC have maintained a significant market share from 2017-2021 and have been continuously low in price during this period. The PRC market share by value from 2017-2021 is lower than by volume – which can be accounted for noting that ARW from the PRC are cheaper than ARW from countries with similar volumes.

F3.3 Conclusion on continued dumping

151. HMRC data indicates that the disparity between the lower price of ARW imported to the UK from the PRC and the higher average price of non-PRC imports has increased since the EC found that dumping was occurring, and the initial EU measure came into force. The volume of PRC imports of ARW to the UK has significantly increased in the POI when compared to the year preceding the POI (1 July 2019 – 30 June 2020).

152. These trends indicate that there have been continued imports of ARW from the PRC into the UK from the implementation of the first measure in 2010 and it is possible that these imports have been at dumped prices, though not conclusive on the import volume and value alone.

F4 Production capacity

153. Paragraph (69) of Commission Implementing Regulation (EU) 2017/109 states that the production capacity of ARW producers in the PRC was approximately 190,000,000 units at the lowest estimate. This is approximately 45x total UK consumption.

154. We considered the EC's findings and the sources it used, including an excerpt from the Global and China Automotive Wheel Industry Report 2012/2013 that confirmed excess capacity in the ARW market in the PRC.

155. While these sources are dated outside of our IP, due to the capital intensive nature of the ARW industry, we find it plausible that ARW production capacity in the PRC has not changed to the extent to which PRC exporters could not increase exports to the UK in high proportions relative to UK consumption. Nor have we identified any evidence or information that indicates that production capacities have changed.

F5 Inventories

156. We did not receive any submissions regarding total inventories of ARW exporters from the PRC within the POI. Therefore, we have no primary data on ARW inventories in the PRC.

F6 Production levels

157. The participating domestic producer, Rimstock, stated that it was aware of ongoing investment by three ARW producers in the PRC but did not provide evidence to support its claims. No other interested party submissions comment on countrywide changes in production levels in the PRC during the POI or injury period. We were unable to find any secondary data sources of ARW production levels in the PRC during the POI or injury period.

F7 Exports to third markets

158. We did not receive any submissions regarding export sales from the PRC from any exporters of ARW from the PRC or the Government of the PRC. Therefore, we have no primary data on ARW export sales from the PRC.

159. We reviewed export data from UN Comtrade to analyse exports of ARW from the PRC to third countries during the POI. However, UN Comtrade data also does not segregate between the different types and sub-types of products included within the codes. As we do not know how the mix of products being exported from the PRC under these codes varies from country to country, we cannot draw any conclusions.

F8 Anti-dumping measures in other countries

160. The TRA has found current measures against exports of ARW from the PRC in Argentina (case number 1/2018) with the product scope consisting of the commodity code 870870. The Comisión Nacional de Comercio Exterior (National Foreign Trade Commission) in Argentina found in its 2018 investigation that the exporters from the PRC had been dumping ARW into Argentina with a dumping margin of 36.9%.

161. The TRA has identified current measures against exports of ARW from the PRC imposed by India (case number 16/2018) with the product scope consisting of the commodity code 870870. The Directorate General of Trade Remedies in India (DGTR) found in its 2014 investigation that exporters from the PRC had dumped ARW into India with a dumping margin ranging between 45%-70%. In its 2019 expiry review, the DGTR concluded that exporters from the PRC had continued to dump ARW into India with a dumping margin of between 10%-45%.

162. The TRA has also found historic measures against exports of ARW from the PRC imposed by Australia (case number 464) with the product scope consisting of the commodity codes 870870 and 871690. The Anti-Dumping Commission in Australia (ADC) found in its 2018 revocation review that if the measure was revoked it 'would lead, or be likely to lead to, a continuation of, or a recurrence of, the dumping and subsidisation that the anti-dumping measures are intended to prevent'. The measure was revoked because 'the majority of the Australian industry (namely Starcorp as the largest producer) does not believe that it would suffer material injury if the measures were revoked and is supportive of the measures being revoked.'

163. The fact that other authorities either have anti-dumping measures in place, or had measures in the past, indicates a pattern of dumping by ARW exporters from the PRC.

F9 Conditions in exporters' home market

164. We did not receive any submissions regarding the domestic ARW market in the PRC from any exporters of ARW from the PRC or the Government of the PRC.

165. The Global and China Automotive Wheel Industry Report 2020-2025 states that the PRC's demand for ARW has declined 6.99% year-on-year. The TRA could not verify this statement from other independent sources.

166. We have received an allegation from Rimstock, of a Particular Market Situation (PMS) in the PRC's ARW industry, particularly in respect of export taxes on the raw material of aluminium and in respect of energy prices.

167. The information provided to us indicated a potential for a PMS in the form of VAT rebates and export taxes, artificially lowering the price of primary aluminium (a key input in the T6082 aluminium alloy, which is in turn a key input of ARW) and that Government control of the price of electricity (which is a major cost component in the production of ARW) artificially lowers the price of ARW production in the PRC.

168. We do not have sufficient evidence to reach a determination on the presence or implications of a PMS existing for ARW in the PRC.

F10 The attractiveness of the UK market

169. The attractiveness of the UK market to ARW exporters from the PRC is a major factor in determining the likelihood that exporters from the PRC will dump ARW into the UK. If the UK market is particularly attractive to exporters from the PRC it is likely that dumping would recur if the anti-dumping measure were removed.

170. Using import and verified domestic production data, we have been able to establish that domestically produced ARW supplies a very small percentage of overall UK consumption. There is therefore high demand for imported ARW, making the UK an attractive market for overseas exporters of the same.

F10.1 Market size and growth

Table 3: Total size and growth of the UK ARW market based upon UK industry sales, and UK import and export trade flows over the last three years.

		2018/19	2019/20	2020/21 (POI)
Total domestic producer sales (Rimstock) [Questionnaire annex]	Indexed Volume (Units)	100	52	18
	Indexed Value (£000s)	100	60	46
Total UK imports [HMRC]	Indexed Volume (mT)	100	83	96
	Indexed Value (£000s)	100	83	86
Total UK exports [HMRC]	Indexed Volume (mT)	100	63	79
	Indexed Value (£000s)	100	74	92
Total UK market consumption	Indexed Volume (mT)	N/A	N/A	N/A
	Indexed Value (£000s)	100	85	81

Source: Questionnaire responses and HMRC overseas trade data, 2022.
Note: Total UK market consumption by metric ton cannot be shown as the TRA do not have data for domestic producer sales of ARW by weight.

171. Table 3 shows UK consumption of ARW declined between 2018 and 2021, which may reduce the attractiveness of the market.

172. If the trend of declining consumption of ARW in the UK were to continue, there is lower likelihood that ARW from the PRC would be dumped into the UK if the measure was removed as the UK market would be less attractive.

173. M-Sport Wheels stated that if the measure no longer applied, total imports of the goods subject to review into the UK would initially and temporarily increase while it increased its UK stock holding.

174. The TRA does not find these factors conclusive regarding likelihood of dumping of ARW from the PRC continuing or recurring if the measure were removed.

F10.2 Intensity and nature of UK competition

175. Export volumes of ARW from the PRC to the UK consist of 1.4% of total export volume. Non-price factors, such as geographic proximity, market size and growth for ARW, strategic objectives, and regulatory issues may be disincentivising PRC exporters from focusing on exporting more to the UK rather than other third countries. Without co-operation from exporters from the PRC, we are unable to determine whether such other factors are affecting exports to the UK.

F10.3 Specific business environment and industry trends

176. We have not received any submissions from automotive industry manufacturing trade bodies or indications from domestic producers or importers of ARW that downstream industry trends have changed in a way that would affect the likelihood of dumping.

177. In the absence of additional data, we have not identified any evidence or information that the likelihood of dumping has been affected by changes in downstream industries.

F10.4 Substitutability of domestically produced and imported products

178. Rimstock stated in its questionnaire response that domestically produced ARW products and imported ARW are substitutable.

179. Our assessment of the goods and information from the EC’s original provisional determination is that UK produced ARW are directly substitutable by imports of a matching subtype of ARW.

F10.5 Conclusion on the attractiveness of the UK market

180. In summary, the UK market shrank over the POI, although imports from the PRC increased during that same period.

181. However, the UK market is heavily reliant on imports to satisfy domestic consumption as it cannot be met by domestic production of ARW. UK-produced ARW account for less than 5% of the market, and so imports are vital to meet UK demand.

182. M-Sport Wheels has stated that importers would increase their stock holdings if the measure was removed.

183. The increase in PRC imports, reliance on imports for the UK market and the possibility of increased stock holdings by importers indicates an attractive UK market for imported ARW and therefore it is possible that dumping would recur if the measure no longer applied.

F11 Precedent of habitual circumvention or absorption of measures

184. Rimstock stated that the current measure mitigates the impact of dumping of imports of ARW from the PRC.

185. The EC, the DGTR in India, the Comisión Nacional de Comercio Exterior (National Foreign Trade Commission) in Argentina, and the Australian Anti-Dumping Commission have not initiated any circumvention investigations into ARW from the PRC.

186. The TRA have no evidence that exporters from the PRC have circumvented the UK measure on ARW from the PRC.

187. Graph 1 (Price of imports of ARW from the PRC, adjusted price from the PRC, and price from RoW) indicates the existing measure being absorbed by exporters from the PRC. Import prices diverge from 1 July 2009 – 30 June 2010 to 1 July 2012 – 30 June 2013, with import prices from the RoW increasing and the PRC equivalent prices decreasing.

188. The price of ARW imported from the PRC decreased so that between 1 July 2012 and 30 June 2013 the price with the anti-dumping amount of 22.3% applied (£2,873 per mT) was lower than the price between 1 July 2009 and 30 June 2010 without the anti-dumping measure (£2,930 per mT).

F12 Conclusion on likelihood of dumping assessment

189. The TRA has determined that:

    a. HMRC data does not distinguish between the different subtypes of ARW or related products.

    b. PRC exporters have sold only a small proportion of their total exports of ARW to the UK during the POI.

    c. Based on HMRC data for the period of 2008 to 2021, ARW imports from the PRC have continued and have risen through the injury period and POI. PRC exporters have exported ARW to the UK during the POI at a lower price on average than the average global import price for ARW from the RoW.

    d. The UK's market for ARW has shrunk. Nevertheless, the UK's reliance on imported ARW for domestic consumption makes the UK an attractive market for dumped ARW imports from the PRC.

    e. It is likely that the PRC ARW industry has capacity to substantially increase ARW exports to the UK.

    f. PRC exporters have exported ARW to the UK during the POI at a lower price on average than the average global import price for ARW from the PRC.

    g. Trade remedy measures, investigations, and reviews in third countries, namely the EU, Argentina, Australia, and India, indicate that exporters from the PRC continue to dump ARW into third country markets.

    h. No evidence has been found that ARW exporters from the PRC have engaged in circumvention.

190. Although the PRC-produced ARWs increased their UK market share throughout the injury period and POI, along with an increase in price disparity between PRC imports and RoW imports; without being able to calculate a Normal Value, it is difficult to conclude that dumping has continued from the initial implementation of the measures as there are other potential explanations for this data.

191. However, because of the pattern of low priced PRC imports that have gained market share in a declining but still attractive market and the observed pattern of dumping elsewhere in the world, these factors do indicate that, on a balance of probabilities, dumping of ARW from the PRC would be likely to recur if the anti-dumping measure were no longer applied.

192. Our conclusion on likelihood of dumping applies to all ARW.

SECTION G: Likelihood of Injury Assessment

G1 Introduction

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

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

- the current state of the participating UK industry (G2);
- the current state of the non-participating UK industry (G3);
- other causes of vulnerability (G4);
- undercutting of the UK industry (G5); and
- domestic and international market conditions (G6).

G2 The current state of the participating UK industry

195. As stated in section E1.1 Participating domestic industry, Rimstock is the only domestic producer and constitutes the participating UK industry.

196. Rimstock only produce one-piece forged ARW in the UK. The assessment in this section (G2), and determinations based on it, take into account distinctions between its forged ARW and other ARW, where possible.

197. Rimstock closed its one-piece cast ARW foundry during the IP in early 2020 which has impacted its economic performance. Therefore, each of the economic factors may have worsened relative to its submitted data, at least in part, as a result of this shift in production in addition to other factors such as dumped imports. We assess this as part of the non-attribution analysis in section G4.2.2 The closure of Rimstock's casting facilities.

198. Rimstock also import and sell one-piece cast ARW, from India and Italy although this does not represent a large proportion of its total sales.

199. Additionally, Rimstock were unable to provide data for the first year in the IP (2017/18) due to its acquisition by Safanad in that year, which means that for some factors we have only considered three out of the four years within the IP. We consider that the TRA nevertheless has adequate data to identify trends and make conclusions about each factor in relation to injury.

G2.1 Sales

Table 4: Rimstock domestic sales of ARW over the last three years – indexed to 2018/2019.

	2018/2019	2019/2020	2020/2021(POI)
Domestic sales by volume (pieces)	100	58	16
Domestic sales by value (£)	100	60	37
Domestic sales as % of total sales by value	74%	74%	59%

Source: Questionnaire responses submitted by interested parties to TRA.

200. Table 4 shows that in the POI, domestic sales account for 59% of total sales by value.

201. Over the last three years, both the volume and value of sales has decreased. Table 4 shows that the volume decreased to a greater extent than the value, 84% compared to 63% respectively. This is consistent with Rimstock turning from cast ARW to lower volume but higher value forged ARW and is reflected in the average sale price of units sold and in the decline in costs and increase in profits discussed in the next section (G2.2 Profits).

Table 5: Average price of ARW over the last three years (per piece) – indexed to 2018/2019.

	2018/2019	2019/2020	2020/2021(POI)
UK sales price for UK producer	100	103	234

Source: Questionnaire responses submitted by interested parties to TRA.

Table 6: Rimstock sales forecasts of forged ARW (2021 to 2025) – indexed to 2021.

	2021	2022	2023	2024	2025
Sales forecast volume (pieces)	100	107	176	274	333
Sales forecast value (£)	100	99	173	298	348

Source: Questionnaire responses submitted by interested parties to TRA.
Note: Rimstock did not provide a breakdown of sales forecasts between domestic and export sales. We have adjusted the figures by 59% as per Table 4, although this did not change the indices.

202. Based on current circumstances, Rimstock's sales forecasts predict an increase in sales. However, if the measure were to be varied or no longer applied, the accuracy of the forecasts may be impacted.

G2.2 Profits

Table 7: Profit/loss for the financial year as stated in Rimstock's financial statements (2017-2020)

	31/03/17	31/03/18	31/03/19	31/12/19	31/12/20
Profit/loss for the financial year (£'000)	431	20	(9,614)	(7,017)	(8,368)

Source: Rimstock's financial statements: 2017-2020.
Note: Rimstock changed its accounting period from 31/03 to 31/12 during 2019 so the previous financial statements are not directly comparable but help us to understand underlying trends.

Table 8: Rimstock EBITDA forecasts (2021 to 2025) – indexed to 2021.

	2021	2022	2023	2024	2025
EBITDA	100	58	155	365	444

Source: Questionnaire responses submitted by interested parties to TRA
Note: these indexed figures have been adjusted because the figure from 2021 is negative.

203. The evidence available regarding profits does not distinguish between products destined for domestic and export markets, and we do not have the means to take those differences into account. We therefore consider the evidence as a whole and note that (regardless of distinctions between market and product type) Rimstock are in a loss-making position, which suggests vulnerability.

204. Analysis of confidential information on profitability provided by Rimstock confirms that Rimstock is in a loss making position though now in an upward trend toward breakeven. This data includes profits made on the sale of its cast ARW, which were domestically produced up to early 2020 and imported thereafter.

205. Rimstock informed the TRA that "energy and raw material price inflation have driven up costs and reduced our ability to compete". It also stated that, if the measure were no longer applied, it "will face down pressure as a result", and that all margins "would be effectively wiped out and the business would probably be unsustainable". Furthermore, "manufacturing costs would not increase" but "selling prices would fall" which would further reduce profits, although it did not provide any supporting evidence.

206. Table 8 shows Rimstock's forecasted EBITDA between 2021 and 2025 which shows a return to profit in 2024. It informed the TRA that "this case assumes the rotary forge is operating at maximum capacity" and "should the business grow further, there is the option to buy in forged ARW blanks and a further forge could also be installed".

G2.3 Output

Table 9: UK production over the last three years (pieces) – indexed to 2018/2019.

	2018/2019	2019/2020	2020/2021(POI)
Total UK production volume (pieces)	100	48	11
Total UK production value (£)	100	60	37

Source: Questionnaire responses submitted by interested parties to TRA.
Note: Rimstock have not provided a breakdown of output between domestic and export sales. We have chosen to adjust figures for each year using 'domestic sales as % of total sales by value' as per Table 4.

207. We are unable to differentiate output between cast and forged ARW (except for during the POI as Rimstock closed its foundry in early 2020) or identify how much of this output is destined for domestic or export sales.

208. Output decreased over this three-year period as Rimstock closed its cast ARW production facility.

209. Based on the information provided to us, we have not been able to determine whether the output has decreased only because of this shift in production or if output of forged ARW has also reduced as a result of reduced sales.

G2.4 Market share

Table 10: UK ARW consumption over the last three years (£) – indexed to 2018/2019.

	2018/2019	2019/2020	2020/2021(POI)
UK market	100	82	84

Source: Questionnaire responses submitted by interested parties to TRA; HMRC overseas trade data, 2022.

Table 11: Market share over the last three years (% of UK market (£)) – indexed to 2018/2019.

	2018/2019	2019/2020	2020/2021 (POI)
UK sales of domestically produced ARW	100	73	39
Imports from EU countries	100	103	109
Imports from non-EU countries (excluding PRC)	100	97	87
Imports from the PRC	100	124	195
Total imports	100	101	102

Source: Questionnaire responses submitted by interested parties to TRA; HMRC overseas trade data, 2022.

210. We are unable to differentiate consumption between the various subcategories of ARW and therefore also the distribution of market share over the IP.

211. For the purpose of this assessment, given a lack of verifiable additional evidence or secondary information, Rimstock's data has been used as representative of UK domestic ARW production.

212. The market share of UK domestic production decreased by 61% over the IP whilst the market share of imports from the PRC increased by 95%.

213. The nature of the UK market's competition is that a small proportion of the UK market is supplied by UK industry and most of the market is supplied by foreign exporters.

214. Using vehicle production data from the SMMT, HMRC data on imports of ARW and Rimstock's verified sales data during the POI, we estimate UK industry market share to be less than 5% during the POI.

215. If Rimstock achieve its targets following its investment plan, UK production would still account for a relatively small market share.

G2.5 Productivity

Table 12: Rimstock productivity over the last three years – indexed to 2018/2019.

	2018/2019	2019/2020	2020/2021(POI)
Average output in volume per FTE employee (pieces)	100	52	36
Average output in value per FTE employee (£)	100	65	115

Source: Questionnaire responses submitted by interested parties to TRA.

216. The average output per employee is calculated by dividing the total output (by volume and value) by the number of employees.

217. Rimstock's shift from higher volume cast ARW to lower volume/higher value forged ARW, should result in decreased productivity by volume and increased productivity by value. This trend is likely to continue based on Rimstock's investment plans as explored in the next section (G2.6 Return on investments).

218. The decrease in productivity over the IP may be because of the longer production time involved in forging compared to casting or other factors such as reduced orders.

G2.6 Return on investments

Table 13: Rimstock investments over the last three years – indexed to 2018/2019.

	2018/2019	2019/2020	2020/2021(POI)
Total investments – whole company (£)	100	169	154
Total investments - in relation to like goods (£)	100	169	154

Source: Questionnaire responses submitted by interested parties to TRA.

Table 14: Rimstock return on investments over the last three years – indexed to 2018/2019.

	2018/2019	2019/2020	2020/2021(POI)
Return on investments ([profit/loss/investments]*100)	100	140	153

Source: Questionnaire responses submitted by interested parties to TRA.

219. Rimstock stated that “poor financial performance as a result of investing and development of the forging process lowered ROI and took the business into a loss making position” and that, if the measure were no longer applied, it “would scale back investment by 80%, this would reduce the business longevity and reduce labour growth plans”, although it did not provide any supporting evidence.

220. Rimstock’s initial capital investment strategy is focused on increasing productivity and its ability to take on high-value contracts.

221. The participating UK industry have therefore shown an increase in investments with improving (but still negative) return on investments. We are unable to confirm if these investments are only intended to focus on growth in the domestic market rather than its export market.

222. If the measure were no longer applied, Rimstock stated that it would scale back investments and look to start operating in mainland Europe, although it currently has no base there from which to operate and did not provide any supporting evidence that it would take this action.

G2.7 Utilisation of capacity

223. We do not have verifiable data of Rimstock’s capacity or utilisation over the whole IP, so we do not know if this has improved or worsened during this time period.

224. Rimstock’s verified total output by volume during the POI gives them a capacity utilisation of approximately 50%.

225. Rimstock have stated that it plans to increase its one-piece forged ARW production capacity significantly in coming years.

G2.8 Factors affecting domestic prices of the like goods

226. Prices of ARW can vary significantly due to being produced to different contract specifications. This accounts for the spike in Rimstock's forged ARW prices in December 2020, as confirmed during our verification visit.

G2.9 The magnitude of the margin of dumping

227. We did not receive a questionnaire response from any exporters from the PRC and therefore we cannot calculate a normal value or, subsequently, calculate dumping margins in the UK.

228. As discussed in section F7 Exports to third markets, anti-dumping measures are in place from other trade remedies authorities. India found a dumping margin from PRC exporters of between 10%-45%, and Argentina found a dumping margin from PRC exporters of 36.9%.

G2.10 Cash flow

229. Rimstock have not provided cash flow evidence to the TRA and therefore we have relied on publicly available information from its financial statements through Companies House.

230. Cash flow has been an issue for Rimstock, having received three cash injections from its immediate parent company (Rimstock Holdings Limited) over the POI and going through a major refinancing programme in the last year.

231. According to Rimstock's financial statements, cash in bank and in hand reduced 77% over the IP.

G2.11 Inventories

Table 15: Rimstock inventory over the last three years – indexed to 2018/2019.

	2018/2019	2019/2020	2020/2021(POI)
Stocks at year end, total volume (pieces)	100	54	8
Stocks at year end, total value (£)	100	59	14

Source: Questionnaire responses submitted by interested parties to TRA.

232. Large movements of stock came from the sale of its built-up inventories of cast ARW following the closure of its casting facility in early 2020.

G2.12 Employment

Table 16: Rimstock employment over the last three years – indexed to 2018/2019.

	2018/2019	2019/2020	2020/2021(POI)
Total number of employees (FTE)	100	92	40

Source: Questionnaire responses submitted by interested parties to TRA.

233. Rimstock's decrease in employment in the POI primarily results from closing its cast ARW foundry in early 2020. Based on Rimstock's investment programme, there may be further changes in employment figures.

234. Rimstock have referred to the unsustainability of a loss-making company and if the measure were no longer applied, an administration scenario is possible – directly threatening the jobs of approximately 100 employees.

G2.13 Wages

Table 17: Rimstock wages over the last three years – indexed to 2018/2019.

	2018/2019	2019/2020	2020/2021(POI)
Median wage for FTE (£)	100	64	127

Source: Questionnaire responses submitted by interested parties to TRA.

Table 18: UK inflation measured by the Bank of England over the last five years

	2017	2018	2019	2020	2021
What would £100 in 2017 cost in other years?	£100.00	£102.48	£104.31	£105.20	£107.92

Source: Bank of England Inflation calculator
Note: The calculator uses Consumer Price Index (CPI) inflation data from the Office for National Statistics from 1988 onward.

235. We expected an upward trend in average wages over the IP as Rimstock removed staff involved in the casting process, while adding higher paid staff to manage the Computer Numerical Control (CNC) machines used for machining forged ARW.

236. 2019/20 shows a distinct deviation from trend due to the Covid-19 pandemic during which a number of staff were put on furlough. Staff retained following the foundry closure and brought back to work after furlough show an increased median wage. This is expected to further increase as Rimstock's investment programme continues as fewer staff will be required but those retained will be in higher value jobs.

237. Wages and salaries have mostly kept up with inflation. The median wage for FTEs did not match inflation in 2019/2020 but these figures were abnormal due to Covid-19 furlough.

G2.14 Growth

238. The other injury factors considered in this assessment demonstrate a decline in Rimstock's performance over the IP.

239. Rimstock's turnover decreased during the IP, although if we use the forecasts it provided to us to understand the future direction of the business, we can see that the contracts secured (coming to fruition from 2022 to 2031) would indicate significant growth. This aligns with its plans to more than double its market share (see section G2.4 Market share).

240. Although it did not provide any supporting evidence Rimstock stated that if the measure no longer applied

- It "would reduce sales and therefore production and growth based on the lowering of the market price to an unsustainable level. Future growth plans to expand production and employment would also be cancelled";
- it "would scale back investment by 80%, this would reduce the business longevity and reduce labour growth plans"; and
- "[the] whole supply chain and its employees would be negatively impacted as manufacturing would reduce in the UK. Business viability would be questionable which puts at risk between 90-100 roles in the current time period, Rimstock volume is scheduled to grow by over 500% in the next four years and the associated job creation would also be lost. Our sourcing supports many small local businesses that are reliant on our scheduled and project based work, it is difficult to estimate the exact number of roles affected but it is likely to equal those affected in Rimstock, and again those businesses also won't benefit from our projected growth".

G2.15 The ability to raise capital or investments

241. Rimstock reported difficulty raising capital, though they subsequently secured funding after the IP.

242. We are unable to conclude on whether removal of the measure would undermine Rimstock's ability to acquire funding in the future, beyond the impact it may have on its business performance, which is covered elsewhere in this assessment.

G2.16 Conclusion on the current state of the participating UK industry

243. Even with the protection provided from the current measure in place, most of the factors the TRA have considered above have worsened over the IP.

244. Based on the factors considered, we have determined that the participating UK industry is in a vulnerable position.

G3 The current state of the non-participating UK industry

245. We have relied on the financial statements from each of the non-participating producers, available using Companies House. Each of these companies publish micro company accounts or total exemption full accounts which are not set out in a common format. We have therefore chosen the factor from each set of accounts which we think best represents the financial position of each company over the IP.

G3.1 360 Wheels

246. 360 Wheels produce one-piece forged ARW, employ approximately five people and stated that it has a turnover of approximately £2m.

Table 19: 360 Wheels' "Profit and loss account" as stated in its financial statements (2017-2021) – indexed to 31/12/17

	31/12/17	31/12/18	31/12/19	31/12/20	31/12/21
Profit and loss account (£)	100	110	133	148	159

Source: 360 Wheels' financial statements: 2017-2020.

G3.2 Tech-Del

247. Tech-Del are a lower volume producer of a bespoke, one-piece cast classic car ARW.

Table 20: Tech-Del's "Capital and reserves" as stated in its financial statements (2017-2021) – indexed to 31/03/17

	31/03/17	31/03/18	31/03/19	31/03/20	31/03/21
Capital and reserves (£)	100	116	133	150	174

Source: Tech-Del's financial statements: 2017-2020.

G3.3 Confidential producer of multi-piece wheels

248. This producer that made an anonymised submission to the public file, are a smaller producer of bespoke three-piece ARW with forged rims and barrels and either forged or cast centres, employing eleven staff.

249. This producer of multi-piece wheels made an anonymised submission to the public file stating that multi-piece wheels are a niche product that are not affected by imports.

Table 21: Confidential producer's "Retained earnings" as stated in its financial statements (2017-2021) – indexed to 30/11/17

	30/11/17	30/11/18	30/11/19	30/11/20	30/11/21
Index (31/12/17 = 100)	100	88	103	109	151

Source: Confidential Producer's' financial statements: 2017-2020.

G3.4 Conclusion on the current state of the non-participating UK industry

250. Overall, we have determined that the three other known producers of ARW have improved their financial performance over the IP. However, there is not enough evidence to conclude on whether the non-participating UK industry in a vulnerable position.

G4 Other causes of vulnerability

251. The TRA have considered factors other than ongoing imports that may be responsible for vulnerability of the UK industry because, if other factors can be seen to have a major impact, it is less likely that imports of ARW from the PRC would cause injury to the UK industry if the measure was removed. We have conducted this part of the analysis to ensure that any injury is not wrongly attributed to imports of ARW from the PRC.

252. We have identified the following additional factors that may be responsible for vulnerability of the whole UK industry: EU Exit, Covid-19, the current state of the UK economy, and a general drop in the production of vehicles.

253. We have identified the change in management and closure of its casting facilities as additional factors that may be responsible for injury to the participating UK industry (Rimstock).

254. This section (G4), and determinations based on it, consider distinctions between cast and forged ARW where possible.

G4.1 Factors related to the whole UK industry

G4.1.1 EU Exit

255. The UK left the European Union (EU) on 31 January 2020 but remained part of the EU Customs Union and the EU Single Market until 31 December 2020 (during the POI). The TRA published the Notice of Initiation on 07 October 2021.

256. Given the proximity of the initiation and EU Exit it is unlikely that any effects of the UK's withdrawal from the EU manifested within the IP.

Table 22: The % of total sales per geographic market as stated in Rimstock's financial statements (2017-2020)

	31/03/17	31/03/18	31/03/19	31/12/19	31/12/20
UK	72.9%	73.2%	75.0%	66.8%	80.7%
Rest of Europe	23.7%	19.6%	20.4%	30.4%	14.8%
Rest of World (RoW)	3.5%	7.2%	4.7%	2.8%	4.5%

Source: Rimstock's financial statements: 2017-2020.
Note 1: Rimstock changed its accounting period from 31/03 to 31/12 during 2019 so the previous financial statements are not directly comparable but help us to understand underlying trends.
Note 2: In its financial statements, Rimstock have not specified whether "Europe" accounts for either Europe as a continent or the EU Customs Union. We expect a close correlation, whichever definition was intended.

257. Rimstock have not made any statements referring to EU Exit. As seen in Table 22 between the financial years ending in 2019 and 2020, Rimstock increased its proportion of sales to the domestic market and reduced its proportion of sales to the rest of Europe.

G4.1.2 Covid-19

258. The Covid-19 pandemic disrupted global supply chains, in particular during 2020. As a result the price of shipping containers rose considerably impacting import costs. At the same time the domestic price of aluminium rose, impacting production costs.

259. Rimstock stated that Covid-19 worsened its financial performance. Rimstock had a turnover of £123 in April 2020 compared to a monthly average of approximately £610,000 in 2020. Rimstock stated to the TRA that "no extraordinary costs were incurred but legacy costs as a result of Covid were incurred and production levels were lower than normal due to reduced demand."

260. As stated in section G2.13 Wages, in 2019/20, Rimstock placed staff on furlough due to Covid-19 as a result of government restrictions.

261. As most economies have now opened back up since the pandemic first arrived, we do not expect COVID to be an ongoing cause of injury to the UK ARW industry.

G4.1.3 The current state of the UK economy

Table 23: UK GDP over the last five years – indexed to 2021.

	2017	2018	2019	2020	2021
UK GDP (£m)	100	102	103	94	101

Source: ONS (Gross Domestic Product).

262. The UK economy grew from 2017-2019. There was a decrease of 6% of nominal GDP in 2020 compared to 2017 with a slight recovery in 2021.

263. Rimstock have not stated anything explicit to the TRA about the UK economy – although it mentioned Covid-19 (as above) which in part is related to the UK's macroeconomic state.

G4.1.4 A general drop in the production of vehicles

Table 24: Number of cars produced in UK annually over the last five years

	2017	2018	2019	2020	2021
Yearly number of cars produced in UK	1,671,166	1,519,440	1,303,135	920,928	859,575
Index (2017 = 100)	100	91	78	55	51

Source: Statista.

264. Table 24 shows that the production of cars in the UK decreased by 49% in 2021 compared to 2017 which is greater than the decrease in UK consumption of ARW (15% from 2018/2019 to 2020/2021).

265. In Rimstock's questionnaire response in Section B2, Q2, it stated that "the market is driven by style as opposed to seasonality and the market size generally controlled by the OEM vehicle production volumes."

266. Overall, the reduction in the production of vehicles is likely to have influenced market consumption and therefore sales.

G4.1.5 RoW ARW imports to the UK

267. We were unable to determine whether in the POI, low priced imports from sources other than the PRC had any negative impact on the situation of the UK industry.

G4.2 Factors related to the participating UK industry

G4.2.1 A change in management

268. In early 2020, Rimstock experienced a change in management. The decisions made by the previous management could have contributed to its loss-making position and may have contributed to Rimstock closing its ARW casting facility. However, Rimstock's profitability has improved since the new management has been installed.

G4.2.2 The closure of Rimstock's casting facilities

269. In early 2020, Rimstock closed its cast ARW foundries and began to import one-piece cast ARW from countries other than the PRC, focusing its UK production on forged ARW. It stated that this was because "the price point for cast ARW within Europe had dropped to a level that was unsustainable unless utilising excess capacity over and above the breakeven point. Whilst difficult to prove that this was wholly due to the importation of Chinese ARW it no doubt contributed to the situation."

G4.3 Conclusion on other causes of vulnerability

270. The TRA determined that it is likely that these factors (notably Covid-19 and a general drop in the production of vehicles) may have contributed to the vulnerable state of the whole UK industry. This determination is relevant for both cast and forged ARW.

271. Regarding the participating UK industry, the TRA found that it is likely that closure of its casting facilities may have contributed to its vulnerable state.

272. Overall, although these other factors may have contributed to the vulnerable state of the UK industry, they are insufficient to have a major impact on the likelihood that injury would recur if the measures were removed.

G5 Undercutting of the UK industry

273. As a result of limitations in available information, this section (G5), and determinations based on it, apply to all ARW.

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

275. In the event of undercutting, the UK industry may be forced to reduce its prices to compete against the lower priced goods or risk losing market share (price depression). This may also prevent prices of like goods in the UK from rising to a level that the UK industry would otherwise achieve (price suppression).

276. As production data is measured in units and imports are measured in kg, we are unable to compare prices of imports of ARW with either domestically produced prices or imports from the rest of the world.

277. Overall, our assessment of the information available does not offer a clear indication of undercutting of the UK industry.

G6 Domestic and international market conditions

G6.1 PRC to UK export capacity and market attractiveness

Table 25: The PRC's increasing percentage of UK import volume shares.

	2017/2018	2018/2019	2019/2020	2020/2021(POI)
The PRC	6.1%	6.3%	7.7%	10.9%
Top five countries (excluding the PRC)	63.1%	64.5%	64.8%	65.0%
All others	30.8%	29.1%	27.6%	24.1%

Source: HMRC overseas trade data, 2022.

Table 26: The PRC's increasing percentage of UK import value shares.

	2017/2018	2018/2019	2019/2020	2020/2021(POI)
The PRC	3.4%	3.5%	4.3%	6.6%
Top five countries (excluding the PRC)	64.4%	67.9%	67.7%	64.1%
All others	32.2%	28.6%	28.0%	29.3%

Source: HMRC overseas trade data, 2022.

278. Tables 25 and 26 show that the share of imports from the PRC over the IP increased by both value and volume compared with all other imports.

279. In the expiry review by the EC, "the applicant has provided sufficient evidence that imports of the product under review from the country concerned to the Union have remained significant in absolute terms and in terms of market shares".

280. As discussed in sections F7 Exports to third markets and G2.9 The magnitude of the margin of dumping, India found that PRC exporters continued to dump ARW into India at a dumping margin between 10%-45% depending on the exporter. Argentina found that PRC exporters continued to dump ARW into Argentina at a dumping margin of 36.9%.

281. The lack of granularity in HMRC data results in the TRA being unable to directly compare PRC with RoW imports because we cannot determine whether the composition of exported goods within a given commodity code is consistent.

282. However, we can conclude that with the existing anti-dumping measure in place, PRC ARW imports have gained market share in the UK from both RoW competitors and domestic producers. Revocation of the measure would further strengthen the competitive position of PRC exporters, who could therefore be expected to increase the rate at which they are gaining share in a declining UK market.

G6.2 Interchangeability/competition between goods

283. We concluded that dumping of ARW originating in the PRC would be likely to recur should the measure be revoked. In this situation, it is likely that ARW from the PRC could be expected to secure market share from UK producers and this would apply to all types of ARW. However, whether or not a resulting injury to UK industry is likely may vary depending on whether those imports are of cast or forged ARW.

284. Two UK producers of ARW (360 Wheels and one remaining anonymous) made public submissions to the TRA that they are not injured by imports of cast ARW.

285. Rimstock claimed possible injury caused by competition from cheap imported cast ARW. It no longer produces one-piece cast ARW but imports them from countries other than the PRC and has not evidenced any intention of reinstating or investing in production of cast ARW. Rather, Rimstock imports its one-piece cast ARW from Italy and India. Rimstock only manufactures one-piece forged wheels and stated on the public file that the measure had successfully addressed the issue of dumped imports from the PRC.

286. As discussed in section D2.4 The relationship between types of ARW in the domestic ARW market, purchasing decisions to buy one-piece forged rather than cast ARW are likely to be made considering factors other than price – such as the additional durability, machinability, strength, and reduced weight of forged relative to cast ARW.

287. These factors lead us to consider it unlikely that buyers of forged ARW would change to cast ARW because of a reduction in the price of the latter caused by the revocation of the measure. So, we do not expect that an increase in volumes of cast ARW imported from the PRC and sold at low prices would give rise to injury to UK producers of forged ARW.

288. In section G3 The current state of the non-participating UK industry we identify three other known producers of ARW. They each produce different variations of cast and forged ARW in low volumes. There may be other unidentified UK operations. We have received no evidence from any of them that revocation of the measure would give rise to injury.

289. However, as stated in section E2.1 Competition in the market, we accepted there is direct competition between imported one-piece forged ARW and domestically produced one-piece forged ARW. We have determined that dumped imports of ARW from the PRC would be likely to recur if the measure were revoked. Lower-priced imports of forged ARW would be likely to take market share from UK producers, giving rise to injury.

290. We were unable to establish any likelihood of injury to the UK industry that may be caused by the dumping of any other type of ARW.

G7 Change to the MFN duty rate on ARW

291. On 19 May 2020 the UK Government announced the UK's new Most Favoured Nation (MFN) tariff regime, the UK Global Tariff (UKGT). The UKGT came into force on 1 January 2021 and replaced the EU Common External Tariff (CET) with some exceptions.

292. Changes to MFN duty rates relating to certain products subject to anti-dumping measures which the UK is transitioning will be deferred until after TRA has completed a transition review of those measures.

293. The UKGT rate applicable from 1 January 2021 to commodity codes 870870 10 15 and 870870 10 50 is 3% (this may change to 2% once the ARW anti-dumping transition review has been completed).

294. The UKGT rate applicable from 1 January 2021 to commodity codes 870870 50 15 and 870870 50 50 is 4.5% (this may change to 4% once the ARW anti-dumping transition review has been completed).

G8 Conclusions and findings – likelihood of injury assessment

295. As stated in section F12 Conclusion on likelihood of dumping assessment, we consider that, on the balance of probabilities, dumping of ARW from the PRC would recur if the anti-dumping measure were no longer applied. We have also determined that the participating UK industry, which manufactures one-piece forged ARW, is in a vulnerable position.

296. It is therefore likely that the UK industry would be injured by dumped imports of one-piece forged ARW from the PRC if the measure were removed.

297. However, we do not consider it likely that the UK industry would be injured by imports of any other subcategory of ARW from the PRC if the measure no longer applied to those goods.

SECTION H: Economic Interest Test

H1 Introduction

298. Taking into account the TRA preliminary determinations set out in SECTION G: Likelihood of Injury Assessment, the following EIT considers a measure varied to apply to one-piece forged ARW only.

299. Under Regulation 100A(2)(a) of the Regulations, where the TRA makes a recommendation to vary the application of an anti-dumping amount at the conclusion of a transition review, the TRA must be satisfied that the application of an anti-dumping amount meets the EIT.

300. The aim of the EIT is to determine whether the application of anti-dumping measures on the goods subject to review is in the economic interest of the UK. This test is presumed to be met unless we are satisfied that the application of the measures is not in the economic interest of the UK, pursuant to paragraph 25(3) of Schedule 4 to the Taxation (Cross-Border Trade) Act 2018 (the Act).

301. In accordance with paragraph 25(2) 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.

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

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

H2 Evidence base

303. As stated in C3.2 Information from participants in the review we originally received questionnaires responses from:

a. One domestic producer of ARW: Rimstock; and
b. One importer of ARW: M-Sport Wheels.

304. We then identified other affected businesses from HMRC trader search and the questionnaire responses from Rimstock and M-Sport Wheels and contacted 28 other companies for their input. When selecting businesses for further engagement, we chose those that appeared to be most heavily linked to forged ARW based on the available data. We received no further responses from this engagement. Furthermore, SECTION G: Likelihood of Injury Assessment found that there is not a likelihood of injury recurring if imports of cast ARW from the PRC were to be dumped in the UK market; therefore, the assessment here will focus on information and data provided by Rimstock, as the only participating domestic producer of forged ARW in the UK known to the TRA. As per its questionnaire, M-Sport Wheels are importers of only cast ARW and therefore its information is not used within the EIT.

305. We supplemented this evidence by conducting research using publicly available sources such as Companies House and ONS Labour Market Statistics.

H3 Injury

306. SECTION G: Likelihood of Injury Assessment sets out the injury likelihood assessment which concluded that injury to the UK forged ARW industry would be likely to recur; however, there is no indication that injury would be likely to recur to other UK ARW producers. This has led to the decision that the EIT will solely focus on one-piece forged ARW.

307. Our review of Rimstock's accounts indicate that the verified UK producer has experienced worsened turnover and profitability trends over the IP suggesting that it may be vulnerable to increased competition from lower priced imports.

308. The measure will likely prevent recurrence of injury to Rimstock.

H4 Economic significance of affected industries and consumers

309. We identified the following groups as potentially being affected by the proposed measure (Figure 1):

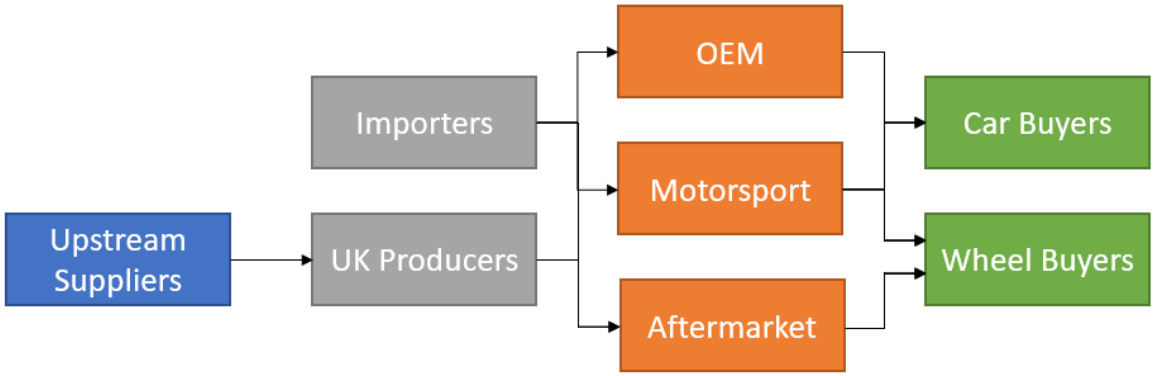
- **Upstream businesses**: These include suppliers of aluminium, energy and metal treatment that are inputs into the production of forged ARW.
- **UK producers** of forged ARW.
- **Importers** of forged ARW.
- **Downstream businesses**:

  i. **OEM's:** These are car manufacturers that purchase ARW for use on the cars they sell.
  ii. **AM companies:** These purchase ARW to sell to the public.

iii. **Motorsport companies:** These produce or supply parts and cars for use in motorsport applications, where ARW are a component.

- **Consumers:** Use ARW on their cars.

Figure 1: Supply chain for ARW



310. We note that there is overlap between these groups. For example, we are aware of downstream users of ARW who directly import, and Rimstock is also an importer. We attributed all known businesses to one of these groups based on their predominant activity, to avoid double counting.

311. We identified known businesses in each of these groups and, where it was not possible to fully investigate all known businesses in the timeframe of the review, considered a selection of them.

312. We collected accounts data for the injury period from Companies House for the selected businesses. Where possible, we calculated average annual employment, Gross Value Added (GVA), and Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA) from available accounts between 2017 and 2021.

313. We analysed each of the affected groups cited in turn.

H4.1 Upstream Businesses

314. The aluminium used in Rimstock's ARW is produced overseas so we did not analyse the significance of aluminium production. We therefore sampled 10 of Rimstock's remaining suppliers of other inputs. This was based on Rimstock's most significant purchases.

315. Using Rimstock's questionnaire response and accounts published on Companies House, we calculated that Rimstock's input costs are on average less than 1% of the sampled upstream companies' turnover. Therefore, we conclude that ARW production is not significant for the selected upstream businesses.

H4.2 UK Producer of ARW

316. The main UK producer of forged ARW, Rimstock, submitted a questionnaire response. We analysed the data from this response and financial accounts to assess the economic significance of forged ARW to this producer.

317. We calculated that Rimstock's average GVA was £3.5m per annum and it employed an average of 188 people over the IP. We also estimated that Rimstock's UK market share for all ARW was less than 5% in the POI, based on net value. Forged ARW accounted for 86% of Rimstock's domestic revenue during the POI. Evidence suggests that the forged ARW market is smaller than the cast ARW market, as forged ARW is commonly used in higher end cars, whereas cast ARW is used in most other cars. Therefore, Rimstock's market share for forged ARW market is likely to be higher than for the overall market and less than 10%.

318. There are negative economic and business trends present in the POI, such as a reduction to 100 employees and a significant reduction in its GVA. Rimstock stated that this is due to a new investment and production strategy, featuring significant investment into forged ARW production capacity and the closure of cast ARW production.

319. The remaining UK ARW producers are made up of small and medium sized businesses, for which full financial accounts were not available on Companies House. Therefore, we could not make a definitive conclusion of the economic impact of forged ARW to the remaining producers.

320. Nevertheless, we conclude that forged ARW are significant to Rimstock, the main UK producer, in agreement with Rimstock's evidence.

H4.3 Importers of ARW

321. One importer registered its interest in the case: M-Sport Wheels. However, since it solely imports cast ARW, it is not relevant for the EIT. We used the UK Trade Info database to identify further companies which imported goods from outside the EU. From this, we identified 199 businesses that imported goods defined under the relevant commodity codes for ARW in the POI.

322. We selected the five importers with the highest number of annual transactions during the POI. We estimated that ARW imports account for at most 50% of their turnover on average; this is likely an overestimate as many importers sell products that cannot be separated from ARW in the available data. Furthermore, we are unable to determine if the importers focus on cast or forged ARW, as the commodity codes are the same. Financial data indicates strong performance with an average GVA of £26.9m, and employment of 455 for all selected importers with available financial accounts across the IP. This may not be representative, as we did not extract data from Companies House for all importers, due to the large volume of small and medium sized businesses for which full financial accounts were not available.

323. Nevertheless, we have no evidence to suggest that the significance of forged ARW is different to cast ARW for importers, so we conclude that forged ARW are likely to be significant to them.

H4.4 Downstream Businesses

324. From Rimstock's questionnaire response, we are aware of 76 businesses that have purchased ARW from it. These businesses are split into three segments: (a) OEM, which uses ARW on cars that are manufactured in the UK; (b) after market (AM), which sells ARW directly to the public; and (c) motorsport, which produces motorsport cars or parts. For each segment in this section, we have not been able to estimate the split between cast and forged ARW within Rimstock's sales based on the information provided to us.

H4.5 OEM Companies

325. The OEM segment in the UK is substantial, with 921,000 units produced in 2020 albeit a 29.3% decline compared to the previous year. It accounted for the majority of Rimstock's forged domestic sales, at 96% of domestic revenue.

326. We analysed the top five business from the OEM segment based on the highest gross invoice value of forged ARW from Rimstock during the POI.

327. The selected OEM businesses employed 40,362 people on average per annum across the IP, and had a total average GVA of £3.39bn.

328. Purchases of forged ARW from Rimstock averaged 0.02% of the sampled OEM's turnover, with the most significant purchases from Rimstock for an individual OEM being an estimated 2.46% of its turnover.

329. Though ARW are in general necessary for the completion of a whole vehicle, we conclude that forged ARW from Rimstock form a small part of OEM expenditure and that Rimstock are not an important supplier to them.

H4.6 After market (AM)

330. The AM segment only accounts for under 2% of Rimstock's sales.

331. We analysed the top three businesses from the AM segment with the highest gross invoice value of ARW from Rimstock during the POI. It is worth noting that two of these businesses are small and medium enterprises (SMEs), for which full accounts are not published. This was an issue regardless of sample size. Furthermore, for this segment, it is unclear whether these businesses purchased cast or forged ARW.

332. The selected businesses employed 178 staff on average per year and had a total average GVA of £7.6m across the IP.

333. Their purchases of ARW accounted for 0.03% of the selected businesses' turnover during the IP. This is likely to be a significant underestimate due to the large number of SMEs within this segment which do not publish full accounts.

334. Nevertheless, there is no evidence to suggest that forged ARW are significant to this segment of downstream businesses.

H4.7 Motorsport

335. Rimstock also sells ARW to the motorsport segment, with this accounting for under 5% of Rimstock's sales. Furthermore, for this segment, it is unclear whether these businesses purchased cast or forged ARW.

336. We selected the three businesses from the motorsport segment with the highest gross invoice value of ARW from Rimstock during the POI.

337. The sampled businesses employed a total of 242 staff and had a total average GVA of £10m on average over the IP.

338. Their purchases of ARW from Rimstock accounted for 0.4% of the selected businesses' turnover during the IP. This may be an underestimate of the significance of ARW, as they likely purchase ARW from multiple sources, as OEM businesses do. Their total purchases of ARW as a percentage of turnover is therefore likely to be higher.

339. Nevertheless, there is no evidence to suggest that ARW are significant to motorsport businesses.

H4.8 Consumers

340. We received little evidence concerning the final consumers of ARW. The largest purchaser is OEM businesses, which sell them as part of a completed car. In this segment, using Rimstock's 2021 average UK sale price and the 2021 average UK car price, ARW are estimated to account for 3.5% of a car's price. However, Rimstock focuses on high-end forged ARW which are commonly used in higher end cars therefore the 3.5% figure is likely to be an overestimate for the cars that Rimstock's ARW are used on. This suggests that it is unlikely that changes to ARW prices would be passed on to consumers.

341. In the AM segment, ARW are sold directly to consumers. In this case, we do not have evidence on the extent to which price changes would be passed on to consumers. However, we determined that the burden is more likely to be passed on to consumers in the AM segment than in the OEM segment. This is because consumers would purchase ARW solely and not as a part of a car. Based on SMMT average car prices and Rimstock's average ARW sale price, we found that ARW presents a small component of the overall cost, with changes to the cost of ARW, presenting a likely insignificant change to the cost of a car.

H4.9 Summary table

342. Table 27 presents evidence on the economic significance of industries we identified in the supply chain for ARW. Where possible, we have focussed on forged ARW alone, though this has not always been feasible owing to data limitations. Based on the comparative metrics set out in the table, we believe that forged ARW are significant for Rimstock, importers and the AM segment, but not for upstream businesses, or the OEM and motorsport segments.

343. From the available evidence, importers and all downstream segments appear to employ significantly more people and have higher GVAs than Rimstock over the IP. These figures only include selected businesses but account for a considerable portion of the relevant activities to forged ARW production. However, the estimates are not directly comparable as many of the downstream businesses and importers' activities are broader than those directly linked to the forged ARW supply chain.

344. Furthermore, these segments have a significant portion of small businesses that do not publish full accounts, making financial comparisons difficult.

Table 27: Significance metrics for affected industries

	Upstream businesses	**UK producer**	**Importers**	**OEM**	**AM**	**Motorsport**
Total known businesses	394	More than 1	199	More than 16	36	25
Total selected	10	1	5	5	3	3
Number of Questionnaire Responses	0	1	1	0	0	0
Estimated significance of forged ARW to this group	**Not significant** (UK Producer costs vs upstream business turnover)	**Highly significant** (Only sells ARW)	**Significant** (Many importers appear to focus on ARW)	**Not Significant** (Small component of costs)	**Unlikely to be significant**	**Unlikely to be Significant**
Total employment of selected businesses	N/A	100	455	N/A	N/A	N/A
Total GVA of selected businesses	N/A	£3.5m	£26.9m	N/A	N/A	N/A
Total turnover of selected businesses	N/A	£13.2m	£153.7m	N/A	N/A	N/A
Average EBITDA margin for selected businesses	N/A	-30%	14%	N/A	N/A	N/A
Vulnerability to negative economic impacts	**Low-** Strong profitability trends and low ARW reliance	**High-** Poor profitability trends	**Low-**Strong profitability trends	**High-** Due to factors such as Covid-19, not ARW supply/price	**Low-** Strong Profitability Trends	**High-** Poor profitability trends, particularly in Covid-19

Sources: Questionnaire response and Companies House
Note: The significance of ARW to each of the groups was estimated using the available financial metrics. The significance metrics were derived by taking annual unweighted average of the annual financial data available for the selected businesses from 2017-2021. We estimated GVA by adding employment costs, depreciation, and amortisation to operating profits. We estimated EBITDA by dividing the sum of operating profit, depreciation and amortisation by turnover. The assessment of vulnerability to negative economic impacts was made by analysing published accounts from 2017-2021.

H5 Likely impact on affected UK industries and on consumers

H5.1 Likely impact on affected industries and consumers

345. In this section, we assess the overall impact that the proposed measure might have on the affected groups identified. We do this by estimating how prices and quantities of goods in the supply chain might change if (i) the measure was varied as proposed, or (ii) it was revoked. The likely impact of the measure is the difference between these two states. In the previous section, we concluded that forged ARW are not significant to upstream or downstream businesses, thus, these groups are not assessed here.

346. We have not been able to quantify these impacts because of the limited amount of data and quantifiable evidence available, but we have assessed the possible impacts as comprehensively as possible based on the evidence available to us.

H5.2 Impact on prices and quantities if the measure was varied as proposed

347. If the measure was varied for five years as proposed, imports of forged ARW from the PRC would continue to face an ad-valorem duty of 22.3%.

348. According to SMMT, car production fell by 29.3% in 2020, and in 2021 was still 25% below 2019 levels, linked to the Covid-19 pandemic, and global shifts in supply chains relevant to the automotive industry. This has reduced the demand for ARW from OEM businesses, which is the largest market for ARW, according to Rimstock.

349. There was no evidence to suggest that there could be issues with the supply of forged ARW if the measure is varied as proposed.

H5.3 Impact on prices and quantities if the measure was revoked

350. If the existing measure was revoked, imports of forged ARW from the PRC would likely become cheaper by up to 18.2%, which would be the price impact resulting from removal of the current ad-valorem duty of 22.3%.

351. Rimstock claims that this could affect its business plans of achieving profitability by 2023, as it could not match the prices of potentially cheaper imports from the PRC.

352. Rimstock stated that if the measure was revoked, it would need to focus on export sales. Rimstock highlighted that currently ARW exports are worth 41% of its revenue (of which 87% is forged ARW) and we believe that it could not make up for the loss of domestic sales through exports. However, since its exports are sizeable, this could cushion some negative impacts to its domestic sales.

353. Furthermore, Rimstock has an estimated UK market share of less than 5% by value of ARW, this indicates that Rimstock are unlikely to be a significant

supplier of ARW to the UK market, meaning there is no evidence to suggest that a revocation of the measure would affect the price and quantities of ARW in the UK. We do not have sufficient evidence to assess Rimstock's market share of the UK forged ARW market.

H5.4 Likely impact on affected industries and consumers

H5.4.1 UK Producer of ARW

354. Varying the measure as proposed is likely to aid Rimstock's ability to compete with potentially cheaper forged ARW imports from the PRC. Rimstock stated that the measure plays an important role in helping them achieve returns on its investment into forged ARW production.

355. If the measure was revoked and imports from the PRC increased, there could be a negative impact for Rimstock due to potentially reduced ability to compete in the tender process used by OEM businesses. This factor is dependent on whether price is the most important factor, with evidence provided by Rimstock highlighting that price is likely to be the most important factor.

356. Overall, we conclude through the evidence submitted, that the measure on forged ARW has expected positive impacts for Rimstock and for other forged ARW producers.

H5.4.2 UK Importers of ARW

357. If measure was varied as proposed, importers are unlikely to be impacted as we do not expect any change in current import trends.

358. We expect imports of forged ARW from the PRC to increase if the measure were revoked. This could have a positive impact on importers that currently import from the PRC, or who are able to start importing from the PRC and increase their sales by selling more competitively priced forged ARW.

359. Furthermore, due to the existing importers' market share of ARW, we expect that there would be no supply concerns for the downstream segments if Rimstock reduced production.

H5.4.3 UK Consumers

360. As already highlighted, forged ARW are insignificant to downstream businesses. There is no evidence to suggest that there will be any impacts on consumers in these segments.

361. If the measure was revoked, potentially lower prices in the AM segment could be passed on to consumers.

362. Finally, the producer stated that there are no differences in the technical nature or application between ARW produced in the UK and the PRC; therefore, we

do not expect a drop in quality for ARW consumers if PRC's market share increased.

H6 Likely impact on particular geographic areas or groups within the UK

363. This section explores how impacts of the proposed measure are likely to be geographically distributed and whether any particular groups might be disproportionally impacted.

H6.1 Likely impact on particular areas

364. Our geographical analysis considers the two parties for which the evidence suggests forged ARW is significant: Rimstock and importers. We assessed geographical significance in terms of employment at the level of Local Authority Districts (LADs).

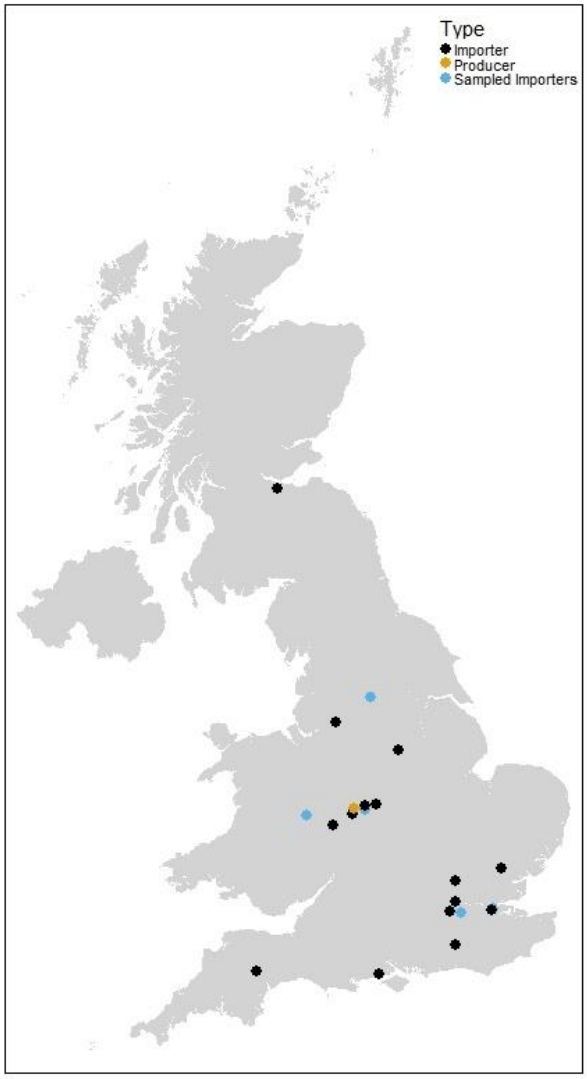
365. We used three sources of evidence to analyse employment:

    b. Questionnaire responses: these included data on total employment and employment attributable to forged ARW production;
    c. Companies House: this provides data on total business employment;
    d. ONS estimates of working age population by LAD.

366. Questionnaire responses were our preferred source because we verified the figures from them. For businesses that did not submit questionnaire responses, we information published by Companies House to determine employment. We have greater confidence in employment by site for Rimstock than for downstream businesses because they are primarily taken from its questionnaire responses.

H6.1.1 UK Producer of ARW

Figure 2: Map showing UK Producer and selected importer locations



Note: Contains National Statistics data © Crown copyright and database right 2021, and OS data © Crown copyright and database right 2021.

367. Figure 2 (yellow dot) contains the location of Rimstock, which is situated in the West Midlands.

368. We calculated the estimated employment by LAD as a percentage of the working age population in the district. We found that employment from Rimstock was an insignificant proportion of total LAD employment: the producer employs less than 0.1% of the total LAD working population.

H6.1.2 UK Importers of ARW

369. Figure 2 shows the six importers that were sampled for statistical purposes, and a further 14 randomly selected importers to highlight a sample of the distribution of AM downstream businesses in the UK. This is across the UK, with clusters in the major economic hubs, London and the West Midlands, around Birmingham.

370. We found that the employment attributable to UK importers was an insignificant proportion of total working population in their corresponding LADs. The largest proportion was in Shropshire, at 0.2% of the total LAD working population.

371. Overall, we conclude that neither revoking nor varying the measure is likely to have a significant impact on any particular geographic area.

H6.2 Likely impact on particular groups

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

373. No party provided any evidence of potential impacts on particular groups, across workers or consumers. We do not consider that varying the measure, as proposed, would lead to impacts on particular groups.

H7 Likely consequences for the competitive environment and the structure of UK markets for these goods

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

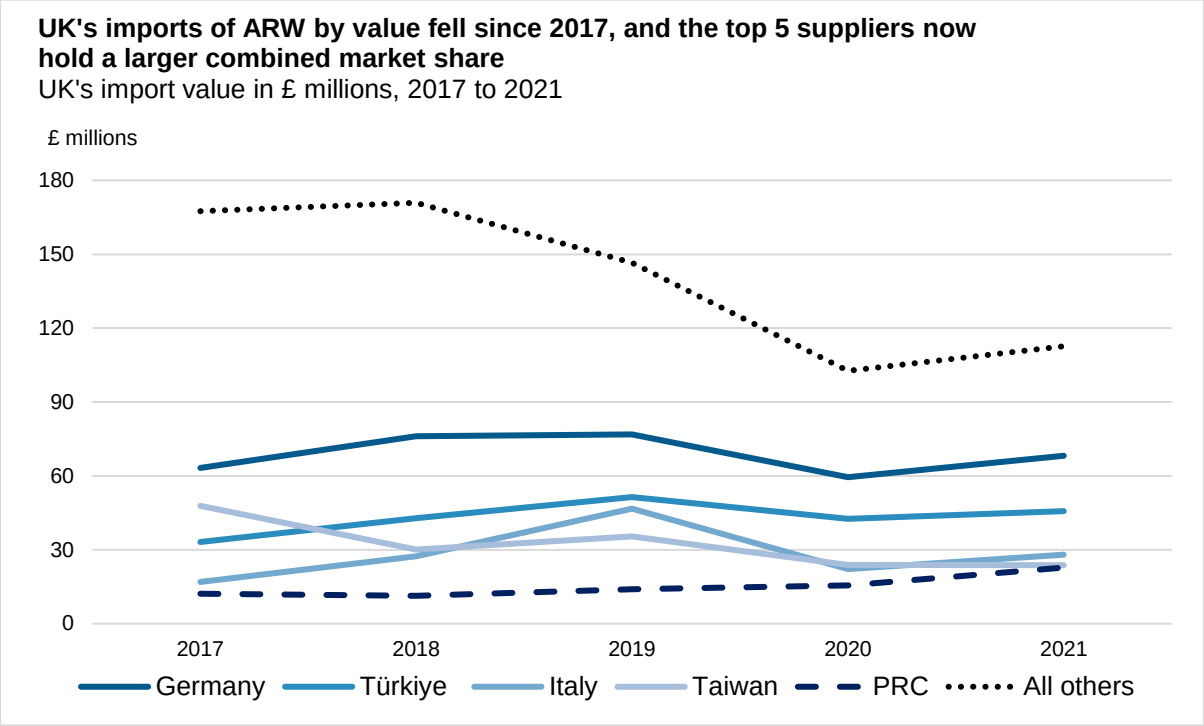
- the impact on the number or range of suppliers;
- the impact on the ability of suppliers to compete;
- the impact on the incentives to compete vigorously; and
- the impact on the choices and information available to consumers.

H7.1 The impact on the number and range of suppliers

375. As noted above, Rimstock, the only known volume producer of forged ARW in the UK, with a total ARW UK market share of less than 5%.

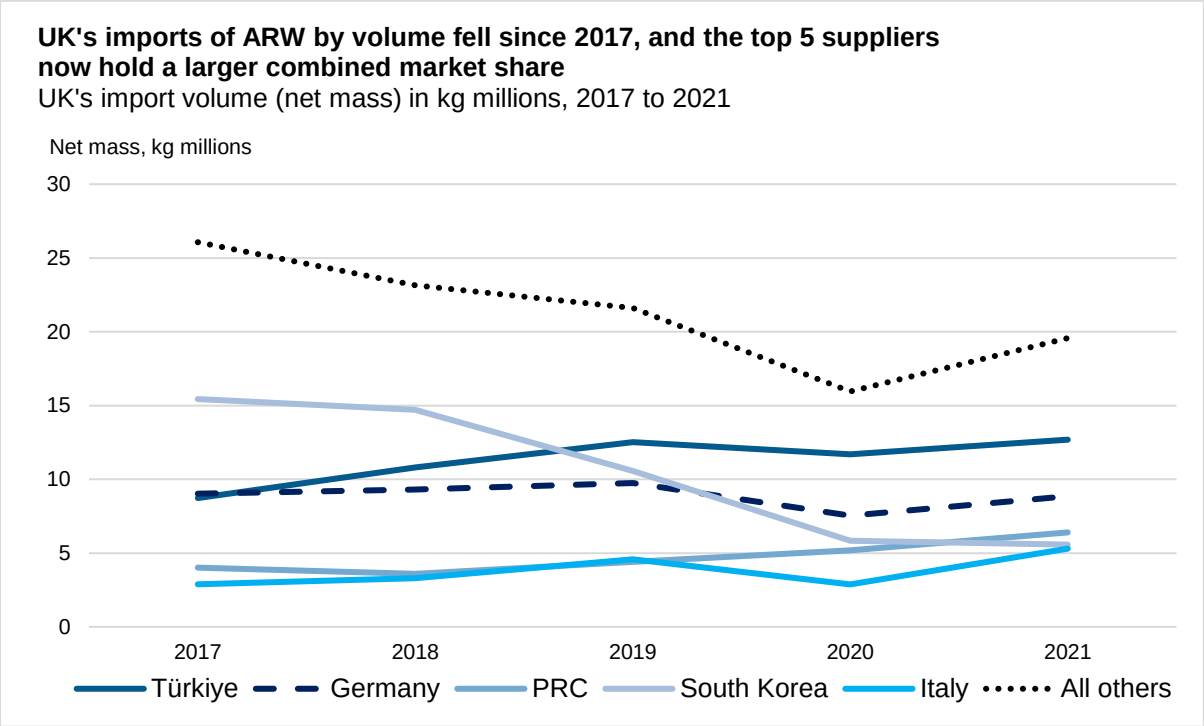
376. If the measure was revoked, Rimstock's market share will largely remain unaffected because the UK market is mostly made up of imports from Germany, Republic of Türkiye, Italy and Taiwan (Graph 4a below). Over the course of the IP, the PRC's share of UK imports increased from 4% in 2017 to 8% in 2021, but even at 8%, it remains far below Germany's 23% and Türkiye's 15%. However, a revocation of the measure could make it easier for PRC exporters to sell to the UK and thus, it could increase the number and range of suppliers in the market.

Graph 4a: The UK's top five suppliers of ARW by import value, 2017 to 2021



Note: In 2017, the top 5 countries accounted for 51% of all UK imports by value, and this increased to 63% in 2021.
Source: UK Trade Info, accessed on 26 July 2022.

Graph 4b: The UK's top five suppliers of ARW by import volume, 2017 to 2021



Note: In 2017, the top 5 countries accounted for 57% of all UK imports by volume, and this increased to 62% in 2021.
Source: UK Trade Info, accessed on 26 July 2022.

377. Graphs 4a and 4b highlight ARW import trends from 2017. Since 2019, five countries accounted for over 60% of the UK's ARW imports, and 10 countries accounted for over 85% of total imports of ARW in the UK. Whilst there was a degree of volatility in the composition of the top five and individual country market shares, none of these countries accounted for less than 3% of ARW imports. This indicates that there are alternative suppliers to the market from several countries.

H7.2 The impact on the ability of suppliers to compete

378. If the measure was revoked, suppliers from the PRC would be better able to compete in the UK market. Considering the relative price of ARW imports from the PRC, this will likely drive out some current suppliers (domestic and foreign) due to price competition.

379. There is no evidence to suggest that varying the measure as proposed would impact the ability of suppliers to compete.

H7.3 The impact on the incentives to compete vigorously

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

H7.4 The impact on the choices and information available to consumers

381. As noted above, ARW are generally supplied to motor vehicle manufactures to be incorporated within vehicle purchases. Some ARW are sold direct to consumers looking for AM or motorsport parts.

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

H8 Such other matters as the TRA considers relevant

383. 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.

384. We found no evidence of any other relevant factors for this investigation.

H8.1 Forms of Measure

385. The current measure is an ad-valorem tariff of 22.3% covering all products imported under the commodity codes set out in SECTION D: The Goods originating in the PRC. The injury likelihood assessment concluded it is likely

that UK producers would be injured by the dumping of one-piece forged ARW. Therefore, all other forms of ARW are out of scope of the measure.

386. In the EIT we consider whether any changes to the length, coverage or amount of duty of the measure, would minimise the negative impacts of the measure on some parties while retaining the overall benefits.

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

H9 Conclusion on Economic Interest Test

388. In accordance with paragraph 25 of Schedule 4 to the Act, we considered whether the application of a remedy would be in the economic interest of the UK. Pursuant to paragraph 25(3) of Schedule 4 to the Act, the EIT is presumed to be met unless we are satisfied that the application of the remedy is not in the economic interest of the UK.

389. Following the likelihood assessments, in sections F and G, we have considered whether maintaining the existing measure would be in the economic interest of the UK.

390. The section discussing the likelihood of injury from PRC ARW imports (G) concluded that injury was likely to recur from forged ARW imports but unlikely to recur from cast ARW imports. This led to the reduction of scope to only focus on forged ARW in the EIT.

391. Economic significance of affected industries and consumers: we found that there are two groups which are significantly linked to ARW, UK producers and importers of ARW. The importer segment appears to be the most economically significant, followed by the single UK producer registered to the case. This UK producer appears to be the most vulnerable to negative economic impacts. Forged ARW are not a significant product in terms of value for the downstream segments.

392. Likely impact on affected industries and consumers: we found that the impacts of maintaining the measure are minimal and expect the continuation of the current trends. The removal of the measure would likely benefit importers; however, we expect a larger negative impact for Rimstock and other unknown UK producers of forged ARW.

393. Likely impact on particular geographic areas, or particular groups in the UK: we found no evidence of significant impacts.

394. Assessment of the likely consequences for the competitive environment: we found there are numerous suppliers from multiple countries, with indications that the removal of the measure would increase PRC ability to participate in the UK market.

395. We have identified the following key positive impacts of maintaining the measure:

- The UK producer has the potential to be more competitive in the future and start to see benefits as it experiences returns on its investments into forged ARW production.

396. The contrasting key negative impacts are:

- Importers and consumers may not be able to benefit from cheaper forged ARW from PRC.

397. We do not have evidence to suggest that the potential negative impacts outweigh the potential positive impacts. Therefore, having considered the evidence provided, we conclude that maintaining the measure on forged ARW is in the economic interest of the UK.

SECTION I: Findings and Intended Recommendation

I1 Preliminary determinations

398. The TRA has seen low levels of participation in this transition review and, accordingly, a limited verifiable evidence base.

399. An interested party has claimed ARW produced by casting are distinct products from ARW produced by forging and that cast ARW should be removed from the measure.

400. Evidence and information from secondary sources assessed by the TRA are generally consistent with the view that cast and forged ARW operate separately in the market.

401. Evidence of production of ARW by forging in the UK has been provided to the TRA. Evidence of production of ARW by casting in the UK has not been provided to the TRA, although there is information from secondary sources which indicates that the is domestic production of cast ARW.

402. During our review we also identified another sub-categorisation of ARW as ARW can be produced as one whole and complete item (a one-piece wheel) or made from an assembly of multiple pieces (a multi-piece wheel).

403. Neither cast one-piece nor cast or forged multi-piece ARW, appear to directly compete with the one-piece forged ARW produced in the UK.

404. Domestic producers of cast ARW have not participated in the case and information from secondary sources does not indicate they are likely to be injured by dumping of cast ARW from the PRC.

405. Domestic producers of multi-piece ARW have stated on the public file that they are not being injured by ARW imports and information from secondary sources does not indicate they are likely to be injured by dumping of ARW from the PRC.

406. Considering these factors the TRA intend to determine that, on the balance of probabilities, and for the purposes of this trade remedies measure:

- One-piece ARW produced by casting, one-piece ARW produced by forging, and multipiece ARW (whether cast or forged), should be considered as distinct sub-types of ARW;
- It is likely that dumping of ARW from the PRC would recur if the anti-dumping duty were no longer applied;
- It is likely that injury to the UK industry would recur from imports of one-piece forged ARW from the PRC, if the anti-dumping duty were no longer applied;
- It is likely that injury to the UK industry would not recur from importation of other ARW from the PRC, if the anti-dumping duty were no longer applied.

- The application of the anti-dumping duty to one-piece forged ARW originating in the PRC, meets the EIT.

407. We therefore intend to recommend that the anti-dumping measure continue to be applied for one-piece forged ARW and be no longer applied for all other ARW and goods imported under commodity codes.

I2 Intended Final Recommendation

408. Our recommendation is to vary the application of the anti-dumping amount under regulation 100A of the Regulations in relation to one-piece wheels, produced by forging, whether finished or unfinished, whether or not with their accessories and whether or not fitted with tyres, and revoke the application of the anti-dumping amount in relation to wheels of aluminium, whether or not with their accessories and whether or not fitted with tyres; parts and accessories of wheels, of aluminium, under regulation 100B of the Regulations. The anti-dumping amount in relation to wheels of aluminium, whether or not with their accessories and whether or not fitted with tyres; parts and accessories of wheels, of aluminium, will be revoked from 26 January 2021 in accordance with regulations 100B(2), 94(1)(b)(ii) and 97C(1)(a) and (2) of the Regulations.

409. As it has not been possible to recalculate the anti-dumping amount, we recommend maintaining the anti-dumping amount in relation to one-piece aluminium road wheels, produced by forging, whether finished or unfinished, whether or not with their accessories and whether or not fitted with tyres, under regulation 100A(4)(b) of the Regulations for a period ending on 25 January 2026.

410. The application of the measure will be varied under regulation 100A of the Regulations in relation to ARW and parts and accessories thereof, which fall under the following UK commodity codes:

- 8708 70 10 15
- 8708 70 10 50
- 8708 70 50 15
- 8708 70 50 50

411. The description of goods falling under the above commodity codes to which the measure will be maintained, are; one-piece aluminium road wheels, produced by forging, whether finished or unfinished, whether or not with their accessories and whether or not fitted with tyres.

412. The description of goods falling under the above commodity codes, to which the measure will be revoked, are; all other goods imported under the commodity codes.

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

Country	Company	Anti-dumping duty rate (%)
The People's Republic of China	All other companies	22.3

Annex 2: EU anti-dumping duties imposed by Commission Implementing Regulation (EU) No 964/2010

Company	Anti-dumping duty rate (%)
All other companies	22.3

Annex 3: EU anti-dumping duties imposed by Commission Implementing Regulation (EU) 2017/109

Company	Anti-dumping duty rate (%)
All other companies	22.3

Annex 4: Interested parties and contributors

Party type	Name (abbreviation)	Submission(s)
UK Producer	Rimstock Limited (Rimstock)	Pre-sampling Questionnaire Questionnaire
PRC Exporter	Zhejiang Autom Aluminum Wheel Co., Ltd. (Zhejiang Autom)	Pre-sampling Questionnaire
Importer	M-Sport Wheels Limited (M-Sport Wheels)	Pre-sampling Questionnaire Questionnaire
Foreign Government	The Government of the People's Republic of China (The Government of the PRC)	Pre-sampling Questionnaire
Trade Body	China Chamber of Commerce for Import and Export of Machinery and Electronic Products (CCCME)	Pre-sampling Questionnaire
Contributor	Dymag Group Limited (Dymag Limited)	Pre-sampling Questionnaire
Contributor	360 Wheels Limited (360 Wheels)	Submission
Contributor	A confidential producer	Submission